

**MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI**

HELD ON THE TWELFTH DAY OF OCTOBER 2021

On the twelfth day of October 2021 the Board of Municipal Utilities met in Regular Session at 4:00 P.M. in the board room. The following members of the body were present:

Messrs: Jon Gilmore, Tim Merideth, Steven Burch, Brian Menz

Absent:

Also Present: Mike Marshall, Department of Economic Development; James McMillen, Chief of Police; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Lora Foust, Ron Friday, and Erin Miller of the Utility Staff

There being a quorum present, the following business was transacted:

Action on Agenda

A motion was made by Brian Menz to accept the agenda as presented. The motion was seconded by Tim Merideth and a roll call vote was held, all yes. The agenda was approved.

Action on Monthly Agenda Items

The Chairman asked for a motion to approve the minutes of the Regular Meeting of September 14th, 2021. A motion was made by Tim Merideth and seconded by Brian Menz. A roll call vote was held, all yes. The minutes were approved as presented.

Financial

Marcia Witt, Finance Manager, presented the August 2021 financial reports.

The Electric Retail department had net income of \$848,828 for the month. Revenues were higher than the same month last year due to a rate increase, but kwh sales were down 5.1%.

The Electric Wholesale department had a net loss of \$264,918 for the month. Revenues were higher than the prior year due to increased contract and spot sales. Maintenance expenses

included repairs to valves, tube leaks, air compressor, and the dozer as well as a condenser cleaning. There were also expenses for various environmental testing.

The Water Department had net income of \$96,523. Revenues were higher than the same month last year due to a rate increase. Usage was very similar to last year's.

The Sewer Department had net income of \$147,220. Revenues were higher than the same month last year due to a rate increase, but gallons billed decreased 3.2%. Miscellaneous income included excessive BOD charges to a customer. Expenses for the month included engineering fees for the local limits study. The sewer lagoon had net income of \$17,145.

A motion to approve the report was made by Brian Menz and was seconded by Tim Merideth. A roll call vote was held, all yes. The report of the Financial Department was approved.

Retail Operations

Jeff Winders, Operations Manager, presented the retail operations report. During the month of September, line crews were working on underground primary service for the new subdivision on Illinois Avenue. The substation supervisor has been working with the engineering consultants on route planning and preparation for the 69kV sub-transmission extension to the new South Industrial Park and grading plans for the new substation. A new transformer will be installed at Northeast substation in early November.

The WTP #4 project and the wells are progressing as planned. The water and sewer distribution crews have replaced several fire hydrants and performed quarterly sewer maintenance.

A motion was made by Brian Menz to approve the Retail Operations Report. The motion was seconded by Tim Merideth and a roll call vote was held, all yes. The Retail Operations report was approved.

Sikeston Power Station

Mark McGill, Plant Manager, presented the report from the Sikeston Power Station for August 2021. McGill reported that there was one outage in August to repair a small heater leak. Net capacity factor was 94%.

As of October 7th, there were 111,000 ton of coal on the stockpile, or 34 days of supply. McGill reported that the unit is running very well. MATS mercury LEE testing was almost complete, and staff was preparing for scheduled mill outages.

EPA plans to begin processing CCR extension requests by mid-November. Staff has received EPA's comments on MDNR's proposed Regional Haze Rule State Implementation Plan. There will be more discussions before this plan is finalized.

A motion was made by Brian Menz to approve the SPS Report. The motion was seconded by Tim Merideth and a roll call vote was held, all yes. The SPS report was approved.

Wastewater Rate Review

Rick Landers, General Manager, presented Wastewater financial projection scenarios provided by Utility Financial Solutions. Based on prior conversations with the Board and staff, UFS prepared projections showing a need for rate increases for five consecutive years. City Council approved three of these increases with the last taking effect in January 2021. Staff revised engineering cost estimates and asked UFS to update the rate study projections. The four possible scenarios include headworks project completion in 2023 and varying dates of completion of the wastewater treatment plant. Landers requested the Board's consideration of the rate increases necessary to build the WWTP headworks.

After some discussion, a motion was made by Brian Menz to raise sewer rates 12% per year for the next three years, pending City Council approval. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

Black and Veatch Five Year Report

Mr. Landers presented the Five-Year Electric System Study prepared by Black and Veatch. The Bond Ordinance requires that this report is made every five years by a consulting engineer on the Management, Operation, and Maintenance of the Electric System. A copy of the report was provided to members of the Board.

Bottom Ash Conversion Bid Recommendation

Mr. McGill presented a bid recommendation prepared by Burns and McDonnell recommending awarding the Bottom Ash Conversion project to B&W. Two bids were submitted with similar proposals and similar cost considerations. Evaluation of the proposals revealed additional work would be required to accommodate UCC's proposal, which shifted the difference into B&W's favor.

A motion was made by Brian Menz to award the project to B&W. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

General Manager's Report

Landers reported that staff is ready to take the North 61 electric rate rider to City Council. He provided an update on the progress of Project America and Project Armor. He reported that Refresco is still working on their wastewater sampler and compliance issues. Staff is working on an agreement for fiber use with GoSEMO. The annexation of the Water Treatment Plant #4 property into the City of Sikeston has been approved by MoDOT and is currently being reviewed by the Planning and Zoning Commission. The spot prices averaged \$38.66 for the month of September and \$34.85 year to date.

A motion was made by Tim Merideth to approve the General Manager's report. The motion was seconded by Steve Burch and a roll call vote was held, all yes.

Adjournment

Brian Menz moved to adjourn to Executive Session. The motion was seconded by Tim Merideth and a roll call vote was held, all yes. The Chairman declared the regular session adjourned.



Secretary