

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

HELD ON THE NINTH DAY OF NOVEMBER 2021

On the ninth day of November 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, Steven Burch, Brian Menz

Absent: Tim Merideth

Also Present: Brian Self, City Council Liaison; Jonathon Douglass, City Manager; Greg Turnbow, Mayor; James McMillen, Chief of Police; Jay Lancaster, Public Works Director; Dustin Care, Parks and Recreation Director; Joe Blanton, Legal Counsel; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Lora Foust, Ron Priday, Erin Miller, and Tre Holley 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 Steven Burch 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 October 12th, 2021. A motion was made by Steven Burch 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 September 2021 financial reports.

The Electric Retail department had net income of \$852,685 for the month. Revenues were higher than the same month last year due to a rate increase and increased kwh sales. Expenses included software license fees.

The Electric Wholesale department had net income of \$156,121 for the month. Revenues were higher than the prior year due to increased contract and spot sales. Coal costs increased per the contract and fuel surcharges were higher in the current year. Other expenses included planning studies, environmental compliance, and software license fees.

The Water Department had a net loss of \$144,074. Revenues were higher than the same month last year due to a rate increase and higher usage. Interest on the COP financing was expensed this month.

The Sewer Department had net income of \$20,734. Revenues were higher than the same month last year due to a rate increase and an increase in gallons billed. Expenses included motor repairs and software license fees.

A motion to approve the report was made by Brian Menz and was seconded by Steven Burch. 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 October, line crews were working on underground primary service for the new subdivision on Illinois Avenue and responded to storm damage. 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 was installed at Northeast substation. Substation crews have also been training on the new Scada system.

Max water usage for October was 5.033 MGD. Continued high usage may affect the water department's ability to flush hydrants this year. Water and sewer distribution personnel have been working on taps for a new subdivision, leaks, and normal maintenance.

The WTP #4 project and the wells are progressing but slightly delayed due to material delivery delays. The plant is now expected to be in operation in mid to late March. One of the well locations did not reach the Wilcox aquifer, so the planned spare well will be used for production instead.

A motion was made by Steven Burch to approve the Retail Operations Report. The motion was seconded by Brian Menz 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 September 2021. McGill reported that there were no outages or derates during the month and the net capacity factor was 100%.

As of November 4th, there were 116,000 tons of coal on the stockpile, or 35 days of supply. McGill reported that the unit is running very well. Pulverizer and mill inspections were completed safely and successfully.

The equipment procurement leg of the bottom ash conversion project was awarded to B&W. This project is estimated to be completed in the Spring of 2023.

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

Splash Pad Discussion

Jay Lancaster and Dustin Care presented information to the Board about a planned splash pad at Lincoln Park. This will be a low volume splash pad. Rick Landers commented that the existing water and sewer infrastructure to the park will support the splash pad, which will reduce the BMU's efforts to support the construction.

After some discussion, a motion was made by Steven Burch for the BMU to support the Lincoln Park splash pad project. The motion was seconded by Brian Menz and a roll call vote was held, all yes.

Boring Machine Electronics Bids

Mr. Winders presented bids for a replacement electronics package for the Ditch Witch boring machine and requested approval to award the bid to Vermeer, who was the lowest bidder at \$19,000.

A motion was made by Steven Burch to award the bid to Vermeer, and the motion was seconded by Brian Menz. A roll call vote was held, all yes.

Backhoe Bids

Mr. Winders presented bids for a new backhoe and pavement breaker and requested approval to purchase a Case 580SN from Luby for \$114,889. Staff is applying for a state safety grant to reimburse part of the cost.

A motion was made by Brian Menz to award the bid to Luby. The motion was seconded by Steven Burch and a roll call vote was held, all yes.

Sewer Rate Proposal

Mr. Landers presented information on the Utility's sewer rates and the increases necessary to cover infrastructure improvements including a new headworks for the wastewater treatment plant. Landers reviewed a presentation to be presented to City Council, which included information on the importance of installing a new headworks as well as the results of a rate study prepared by Utility Financial Solutions. The Board agreed that staff should gather additional information from Waters Engineering and begin educating the City Council and the public about these issues prior to requesting the rate increases next year.

NISC Contract Documents

In the September BMU Board meeting, the Board awarded the billing and financial software bid to NISC and approved Staff to pursue a contract with NISC. Staff presented the NISC contract and Scope of Work and requested approval to execute the documents.

A motion was made by Brian Menz to approve the contract. The motion was seconded by Steven Burch and a roll call vote was held, all yes.

SWPA License Agreement

Mr. Landers requested approval to execute a license agreement with SWPA. This is a standard license agreement that ensures BMU has authority to enter the SWPA substation to operate and maintain equipment.

A motion was made by Steven Burch to approve the agreement. The motion was seconded by Brian Menz and a roll call vote was held, all yes.

General Manager's Report

Mr. Landers reported that the MEUC Board will meet in early December and they intend to approve a purchase power contract extension with BMU. The BMU Board will be asked to approve this amendment in its December meeting as well.

Landers also reported that Staff is close to executing agreements for Project America.

Staff is working with a customer who brought complaints to City Council about their electric usage. In order to address the customer's metering concerns, a new meter base has been installed. Staff will continue to monitor the usage and work with the customer.

Unilever accepted a grant to help with wastewater upgrades. These upgrades are estimated to be complete in 2023 and will increase Unilever's wastewater discharge limits.

Staff is working on an updated contract and fee structure for GoSEMO's use of BMU fiber.

The North 61 electric rate rider will be taken to City Council for approval after the public

service commission approves the service change.

The annexation of the Water Treatment Plant #4 property into the City of Sikeston has been approved by both City Council and MoDOT.

Spot prices averaged \$46.54 for the month of October and \$37.39 year to date.

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

Adjournment

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


Secretary