

MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE EIGHTH DAY OF MARCH 2022

On the eighth day of March 2022 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

Absent: Brian Menz

Also Present: Brian Self, City Council Liaison; Jonathon Douglass, City Manager; Greg Turnbow, Mayor; James McMillen, Chief of Police; John Chittenden, Waters Engineering; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Lora Foust, Ron Priday, Erin Miller, Tre Holley, and Greg Miller of the Utility Staff; and two members of the public

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

Action on Agenda

Rick Landers, General Manager, requested a revision to the agenda to move agenda item #6 to #3. A motion was made by Tim Merideth to accept the agenda as revised. The motion was seconded by Steven Burch and a roll call vote was held, all yes. The revised agenda was approved.

Sewer Presentation

Landers presented an overview of the BMU Wastewater system, including current condition of the South Treatment Plant, compliance concerns, and needs. He shared the findings of a system study performed by Waters Engineering which included several maintenance, upgrade, and replacement recommendations. Landers reported that the BMU has begun talking with the Missouri DNR about potential grant funding. He then presented a rate study performed by UFS to determine what the consumer wastewater rates would need to be to cover the recommended improvements, with or without grant funding. The presentation is intended to be used for messaging prior to the upcoming rate increase requests, and Staff requested the Board's comments on the presentation to help prepare for discussions with the City Council and the public.

Action on Monthly Agenda Items

A motion was made by Steven to approve the minutes of the Regular Meeting on February 8th, the minutes of the Special Meeting on February 14th, and the minutes of the NERC meeting on February 10th. The motion was seconded by Tim Merideth. A roll call vote was held, all yes. The minutes were approved as presented.

Financial

Marcia Witt, Finance Manager, presented the January 2022 financial reports.

The Electric Retail department had net income of \$441,760 for the month. Revenues were down due to 12% lower energy sales than the prior year. Expenses for the month included truck rental and repairs and annual software licensing.

The Electric Wholesale system had a net loss of \$19,715 in January. Revenues were higher than the prior year due to increased contract and spot sales. Coal costs increased with higher generation as well as an increase in transportation costs. Other expenses included boiler repairs and road improvements.

The Water Department had net income of \$2,356. Revenues were lower than the prior year as usage decreased by 4.2%.

The Sewer Department had net income of \$102,191. Revenues were lower than the prior year as usage decreased by 6.4%. Miscellaneous income was higher this year due to BOD surcharges.

The Sewer Lagoon had net income of \$3,208 in January.

A motion to approve the report was made by Tim Merideth 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 February, line crews worked on installing power for Alan Wire's and Unilever's expansion and set a transformer for the new Subway and the new Lee Hunter school. The February 24th ice storm caused an outage affecting over 800 customers that lasted about 2.5 hours. The 69kV reconductor project is out for bid.

Maximum daily water usage for February was 4.397 MGD. Water Treatment Plant #4 is progressing but experiencing supply chain issues, delaying the expected completion date to August.

The water and sewer distribution department has inserted two water valves, performed sewer bacteria maintenance, and hydrant flow testing along with routing maintenance and

repairs.

A motion was made by Steven Burch 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 January 2022. There were two derates and two forced outages during the month, and net capacity factor was 96%.

As of March 1st there were 142,000 tons of coal on the stockpile, or 43 days of supply. In February, a few outages and derates were caused by steam control valve problems, wet coal followed by cold temperatures, and a heater tube leak. The unit is currently running well. Staff is waiting on the next round of CCR extension request determinations. The bottom ash conversion project continues to move forward. Planning continues for the upcoming outage and 2023 budgets are being reviewed.

A motion was made by Steven Burch 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.

Sewer Main Maintenance

Mr. Winders presented a proposal to clean sand from a sewer trunkline on Ingram Road. When the contractor, Visu-Sewer, attempted to repair the manhole at Ingram and Helen they discovered that the 24" trunk line is approximately half full of sand. BMU has not been able to see in these pipes recently due to high flows but have suspected that sand was obstructing the flow. Staff requested bids for the cleanout work and Visu-Sewer submitted the lowest bid, and since they are also the contractor performing the manhole repair Staff recommends awarding the bid to Visu-Sewer. This cleanout is needed to maintain the integrity of the system and allow the manhole work to be completed.

After review, a motion was made by Steven Burch to award the bid to Visu-Sewer. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

Fiber Project

In preparation for upcoming infrastructure projects and the existing fiber maintenance, staff solicited bids for construction and upgrades on part of the BMU fiber system, including a new 144 count fiber to connect the BMU Office to the South Industrial Park Substation and Water Treatment Plant #4. In the future, this line will continue to create a loop and connect to the existing BMU fiber network. Staff received three bids but one was disqualified due to insufficient information. Integrity Communications submitted the lowest bid and Staff requested approval to award the bid to Integrity.

A motion was made by Steven Burch to award the bid to Integrity Communications, and the motion was seconded by Tim Merideth. A roll call vote was held, all yes.

Regional Haze Consent Agreement

Mr. McGill presented a consent agreement between Sikeston BMU and the Missouri Department of Natural Resources which secures Sikeston's binding commitment to continue using low-sulfur western sub-bituminous coal as its fuel source and to continue using the installed Low-NOx Burner and Over-Fire Air systems to reduce those specific pollutants known to contribute to visibility impairment. The plan was developed in conjunction with the Missouri DNR but requires final approval by the EPA.

The agreement was evaluated by both Staff and RMB Consulting and both concluded that the agreement was a favorable 4-factor analysis for Sikeston. Mr. McGill requested the Board's approval to enter into the proposed Consent Agreement.

A motion was made by Tim Merideth to approve the Consent Agreement and was seconded by Steven Burch. A roll call vote was held, all yes,

General Manager's Report

Mr. Landers updated the Board on several ongoing projects. The BMU is up to date on its part of the I-57 overpass, outer road, and Carlisle projects. The annexed Ameren customers have been moved over to BMU service and Staff will take the rate rider to City Council soon. Staff met with the City about potential electric vehicle charging station locations and will continue to pursue this.

Spot prices averaged \$41.86 for the month of February and \$38.38 year to date.

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

Adjournment

A motion to adjourn to Executive Session was made by Tim Merideth and seconded by Steven Burch. A roll call vote was held, all yes. The Chairman declared the Regular Session of the meeting adjourned.


Secretary