

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

HELD ON THE TWELFTH DAY OF APRIL 2022

On the twelfth day of April 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, Brian Menz

Absent:

Also Present: Joe Blanton, BMU Legal Counsel; Brian Self, City Council Liaison; Jonathon Douglass, City Manager; James McMillen, Chief of Police; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Mark McGill, Lora Foust, Ron Priday, 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 Steven Burch and a roll call vote was held, all yes. The agenda was approved.

Action on Monthly Agenda Items

A motion was made by Steven Burch to approve the minutes of the Regular Meeting on March 8th, the minutes of the Special Meeting on April 1st, and the minutes of the NERC meeting on March 11th. 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 February 2022 financial reports.

The Electric Retail department had net income of \$1,035,964 for the month. Revenues were up due to 2% higher energy sales than the prior year. Expenses for the month included a loss on disposal of assets and special tree trimming projects.

The Electric Wholesale system had a net loss of \$125,651 in February. Revenues were lower this year due to decreased revenue per Mwh for spot sales compared to the extreme weather event last year. Expenses for the month included dozer repairs, ovation controls annual service agreement and coal belt repairs.

The Water Department had net income of \$27,338. Revenues include a rate increase but were offset with 0.6% lower usage in the current year. No extraordinary expenses were recorded during the month.

The Sewer Department had net income of \$81,179. Revenues were higher than the prior year as usage increased by 3.8%. Production costs include equipment repairs. Miscellaneous income includes excessive BOD surcharges.

The Sewer Lagoon had net income of \$21,078 in February.

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 March line crews worked on installing a new line for Unilever's expansion and streetlights in new subdivisions. A storm on March 30th caused some minor outages.

Maximum daily water usage for March was 5.037 MGD. Water Treatment Plant #4 is progressing but experiencing supply chain issues, delaying the expected completion date to August 2022.

The water and sewer distribution department has replaced a fire hydrant and performed sewer bacteria maintenance and hydrant flow testing.

Landers and Winders discussed the 69kv line relocation including a plan change due to a property owner refusing to grant an easement.

A motion was made by Tim Merideth 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 Sikeston Power Station report for February 2022. There were four related derates due to coal plugging and one outage to repair a Heater #6 during the month, and net capacity factor was 87%.

As of April 7th there were 115,000 tons of coal on the stockpile, or 35 days of supply. The spring outage began on March 31st and is scheduled through May 6th and is progressing smoothly

and on schedule. The critical path projects are NDE testing and tube repairs in the bottom ash area.

The EPA disapproved 23 submitted state implementation plans to address the revised ozone standard and proposed their own federal implementation plan to address it. BMU Staff is working on a public comment to address this but will likely have to implement measures to meet NOx emission reduction requirements.

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

Pretreatment Program Enforcement

Winders presented information on an industrial customer which has been generating high strength wastewater, creating extreme problems for the south wastewater treatment plant. Staff has been doing sample testing, working with the customer, and consulting with legal counsel regarding this issue and will keep the Board informed on developments.

WWTP Update

Winders presented information on the current state of the south wastewater treatment plant as well as the repairs and replacements needed to get the plant operating back to capacity.

South Substation Control House Bid

Winders presented a bid tabulation for construction of the control house for the South Industrial Park substation. Fisher Arnold, the consulting engineer, is still working to clarify points within the qualifying bid. Winders requested the Board's approval to allow Staff to act upon FA's recommendation once it is available.

A motion was made by Tim Merideth to approve Staff's request. The motion was seconded by Steven Burch. All roll call vote was held, all yes.

Power Plant Budget

Witt presented the proposed Sikeston Power Station budget for the fiscal year ending May 31, 2023. The budgeted revenues are based on net generation of 1,600,000 mWh with an average spot price of \$26.50. Certain expenses are based on Staff and Management's estimates while other expenses are budgeted at a 3% increase from the prior year.

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

Reserve Policy

Witt presented a proposed Cash Reserve Policy for the Electric Department. She described the methodology used to calculate the minimum cash reserve needed and noted that the minimum reserve will be evaluated annually in conjunction with the year-end financial reports and updated if there are any material changes in risk exposure. Witt asked the Board to review the draft policy and comment before the next Board meeting when it will be presented for final approval.

Property Sale

Landers presented a draft contract for (1) the sale of a 50 foot strip of land adjoining the Alan Wire property and (2) a utility easement on the property being sold. After Board approval, the contract will be forwarded to the City Council for their approval.

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

Approve Comstock Documents

Landers presented for the Board's approval a Joint Ownership Agreement, Option to Purchase Agreement, and Purchase Agreement for the Comstock Substation project. After the Board approves them, these documents will be forwarded to the City Council for their approval.

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


General Manager's Report

Mr. Landers updated the Board on several ongoing projects. Landers is looking into options for a Balancing Authority and plans to give an update in May. Staff is also working on converting to the NISC iVue software for billing, financial, and work management processes.

Spot prices averaged \$35.11 for the month of March and \$38.03 year to date.

Adjournment

A motion to adjourn was made by Brian Menz and seconded by Tim Merideth. A roll call vote was held, all yes. The Chairman declared the meeting adjourned.


Secretary