

**MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE TENTH DAY OF MAY 2022**

On the tenth day of May 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: Tim Merideth and Steven Burch
Brian Menz via telephone

Absent: Jon Gilmore

Also Present: Joe Blanton, BMU Legal Counsel; Brian Self, City Council Liaison; Greg Turnbow, Mayor; 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 April 12th, the minutes of the Special Workshop on April 29th, and the minutes of the April NERC meeting. The motion was 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 March 2022 financial reports.

The Electric Retail department had net income of \$390,532 for the month. Revenues were down due to 2.2% lower energy sales than the prior year. Expenses for the month included annual software maintenance, software conversion costs, and special tree trimming projects.

The Electric Wholesale system had a net loss of \$683,640 in February. Revenues were higher this year due to increased spot sales prices. Coal transportation costs have increased. Other expenses for the month included outage costs for high energy piping, precipitator work, generator testing, and coal yard equipment repairs.

The Water Department had a net loss of \$13,945. Revenues include a rate increase but were offset with 9.1% lower usage in the current year. Expenses included chat, annual software maintenance, and lab supplies.

The Sewer Department had net income of \$81,179. Revenues were lower as a result of a 12% decrease in usage. Production costs included UV lighting parts, and miscellaneous income included excessive BOD surcharges. The Sewer Lagoon had net income of \$30,788 in March.

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 April line crews worked on installing a new line for Unilever's expansion and repairing storm damage.

Maximum daily water usage for April was 4.276 MGD. Water Treatment Plant #4 is progressing. The doors and windows have been installed and the building is secure. BMU Staff met with Refresco and a plan is in place to handle their BOD and pH issues. In April, the water and sewer distribution department installed a new valve and flush hydrant as well as new services for new subdivisions.

On the afternoon of May 3rd BMU began receiving reports from customers of rusty-colored water. Staff discovered a hole in the potassium permanganate pump at Water Treatment Plant #3, causing the plant to not receive the potassium permanganate that is needed to remove iron and manganese from the water. Iron and manganese are naturally occurring minerals in our well water and are not harmful to humans but they do cause a dark color and different taste. The issue was corrected and customers were instructed to flush their lines by running cold water through an outside faucet or tub faucet.

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 Sikeston Power Station report for March 2022. There were four derates and one outage, and net capacity factor was 86%. The spring outage began on March 31st and the unit was brought back online May 4th. Startup went very well given the scope of work completed.

As of May 10th there were 142,000 tons of coal on the stockpile, or 43 days of supply. Burlington Northern is experiencing staffing shortages which will prevent them from being able to operate BMU's second train set for the next several months. BMU has a coal conservation plan in place to get through this.

Staff is reviewing options and preparing comments to address the EPA's proposed federal implementation plan for the National Ambient Air Quality Standard ozone.

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.

Retail Electric Cash Reserve Policy

Witt presented a proposed Cash Reserve Policy for the Electric Department, which was provided to the Board in April for review.

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

Annual Audit Engagement Letter

Witt presented the 2022 audit engagement letter for the Board's approval. A motion was made by Brian Menz to approve engagement letter and the motion was seconded by Steven Burch. A roll call vote was held, all yes.

North Wastewater Treatment Plant Bank Accounts

Witt presented documents for opening two new bank accounts for the North Wastewater Treatment Plant. When the new financial software is implemented, a separate division will be created for reporting the financial results of the North WWTP. Staff requested the Board's approval to open these two accounts and name Jonathan Gilmore and Rick Landers as authorized signers on both accounts.

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

Update on Condition of the WWTP

Winders provided an update on the Wastewater Treatment Plant. A rental blower was installed, one of BMU's pumps has been rebuilt, and progress is being made on getting the plant operating sufficiently. Waters Engineering is working on plans for the next phases of needed improvements. Refresco plans to install a temporary pH treatment system and is looking at options for the BOD issue.

Bid Presentation for WWTP Air Piping

Winders presented bids for repairing air lines in the Wastewater Treatment Plant.

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

Outer Road Infrastructure Bids

Winders presented bids for construction of the water and sewer infrastructure needed in conjunction with the I-57 outer road that will be constructed by the City.

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

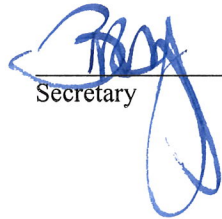
General Manager's Report

Mr. Landers updated the Board on several ongoing projects. He noted that Staff has contacted local banks to request rate quotes for investment funds and is looking into grants for the needed Wastewater Treatment Plant improvements. He also noted that the Comstock substation construction will begin in August. Landers is reviewing SPP and AECI as potential balancing authority providers.

There were no spot sales for the month of April because the plant was offline. The average spot price year to date is \$38.03.

Adjournment

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


Secretary