

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

On the eleventh day of October 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, and Brian Menz

**Absent:**

**Also Present:** Joe Blanton, BMU Legal Counsel; Brian Self, City Council Liaison; 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; Meri Sandlin, Western Fuels; Kristen Bright (virtually), Forvis

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

**Action on Agenda**

Mr. Landers requested to remove Agenda Item #5 regarding the Burlington Northern contract, as the final contract was not received in time for discussion. A motion was made by Tim Merideth to accept the agenda as amended. The motion was seconded by Brian Menz and a roll call vote was held, all yes.

**Brushy Creek Presentation**

Mr. Landers introduced Meri Sandlin, CEO of Western Fuels Association, and gave the Board some background information on Western Fuels Illinois. Mr. Landers and Mrs. Sandlin showed the Board pictures of the former Brushy Creek Mine property and discussed both completed and ongoing land remediation efforts. The Board was updated on bonding status and the requirements needed for release of the remaining bonds, as well as remaining reclamation cost estimates. Additional discussion items included mineral rights, subsidence liability, post-retirement health obligations, and near-term action items for a potential future land sale.

**BKD Audit Presentation**

Kristen Bright of Forvis, LLP (formerly BKD), reviewed the Fiscal Year 2022 combined utility financial statement audit. She informed the Board that the audit went very well, was completed timely and as designed, and that Forvis issued an Unmodified opinion. She reviewed several financial statement items and disclosures with the Board.

Brian Menz made a motion to accept the FY 2022 audit. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

## **Action on Monthly Agenda Items**

A motion was made by Brian Menz to approve the minutes of the Regular Meeting on September 13<sup>th</sup> and the NERC minutes. The motion was seconded by Tim Merideth. A roll call vote was held, all yes.

## **Financial Reports**

Marcia Witt, Finance Manager, presented the Electric Retail division minimum cash reserve calculation for fiscal year 2022. The minimum reserve will be evaluated and presented annually in conjunction with the annual audit. Mrs. Witt then presented the August 2022 financial reports.

The Electric Retail division had net income of \$1,410,638. Revenues increased over the prior year as a result of increased kwh usage. The Retail division also purchased more energy from the Sikeston Power Station than in the prior year resulting in higher purchased power costs.

The Electric Wholesale division had net income of \$2,077,398. Revenues were lower this year due to decreased sales to the contract cities. Expenses for this month included coal handling equipment repairs. The original plant assets were fully depreciated in May 2022 resulting in less depreciation expense in the current year, and the bonds were paid off in June 2022 resulting in lower interest expense.

The Water division had net income of \$165,749. Revenues were higher due to a rate increase although gallons used were down.

The Sewer division had net income of \$763,255. Revenues were higher due to a rate increase although gallons treated were down. Net income was affected by an adjustment to previously billed sewer surcharges. The Sewer NWWTP division had net income of \$19,610.

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.

## **Retail Operations**

Jeff Winders, Operations Manager, presented the retail operations report. During the month of September line crews performed system maintenance and replaced weak poles. Substation crews also worked on maintenance and monitored the construction of the South Substation.

Maximum daily water usage for the month of August was 5.559 MGD and average usage was 4.415 MGD. The South wastewater treatment plant is still in critical condition but is starting to come back. The North wastewater treatment plant project is ahead of schedule and the subcontractor is expected to begin sludge removal in two weeks. The water and sewer distribution crews have had 18 manholes relined and are working on valve insertions. All of BMU's manholes that were evaluated as poor or very poor have now been repaired.

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.

### **Sikeston Power Station**

Mark McGill, Plant Manager, presented the Sikeston Power Station report for August 2022. There was one unplanned derate and the net capacity factor was 82%.

As of October 6<sup>th</sup> there were 127,000 tons of coal on the stockpile, or 38 days of supply. BMU will be restricted to one train in operation until further notice by BNSF and is still operating in coal conservation mode. Annual MATS testing has been completed and Staff is waiting on the results. The unit is running well.

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.

### **Good Neighbor SIP for 2015 Ozone Standard Consent Agreement**

Mark McGill presented the 2015 Ozone Transport Supplement Consent Agreement and requested the Board's approval for the Plant Manager to enter and implement the Consent Agreement. The limit required by the agreement is at a level that Staff believes the Plant will have no problem meeting.

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

### **General Manager's Report**


Landers updated the Board on several ongoing items. Staff has no indication that the rail labor issues will be resolved soon and will continue conserving coal until further notice. All replacement water AMI nodes have been received and are being installed by the contractor engaged by Eaton. Management had a preliminary meeting with the Bargaining Unit last week and will meet with them again this week to begin the process of renewing the Bargaining Unit contract which expires on 12/31/22. BMU Staff attended the September 28<sup>th</sup> City Council retreat and presented some updates on the BMU.

The average spot sales price for September was \$69.62 per mWh and the YTD average price is \$77.22. The price was budgeted at \$28.00 for the fiscal year.

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

  
Secretary