

**MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE NINTH DAY OF JULY 2024**

On the ninth day of July 2024 the Board of Municipal Utilities met in Regular Session at 4:00 P.M. in the boardroom. The following members of the body were present:

Board Members Present: Jon Gilmore, Tim Merideth, Diedre Peters, and Cal Crader

Board Members Absent:

Also Present: Joe Blanton, Legal Counsel; Greg Turnbow, Mayor; Tom Robison, City Council Liaison; Rick Landers, Utility General Manager; Marcia Witt, Jeff Winders, Mark McGill, Laura Ramsey, and Erin Miller of the Utility Staff

There being a quorum present, Chairman Gilmore called the meeting to order and the following business was transacted:

Action on Agenda

A motion was made by Diedre Peters to accept the agenda as presented. 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 Tim Merideth to approve the minutes of the Regular Meeting on June 11th, the Special Meeting on June 6th, the Special Meeting on June 14th, and the NERC Meeting on June 13th. The motion was seconded by Cal Crader. A roll call vote was held, all yes.

Financial Reports

Marcia Witt, Finance Manager, presented the May 2024 preliminary Financial Reports. The annual audit was in progress.

For Fiscal Year 2024, the Electric Retail division had a net income of \$5,153,788. Revenues decreased from the prior year due to lower usage by residential and commercial customers and customer rate reclassifications. Overall usage was up 1.3% and was 1.9% over budget. Purchased power was lower than in the prior year due to a reduction in SWPA charges and credits from the SPP market. Net year-end adjustments did not affect cash but increased net income by \$444,000. Depreciation increased this year due to the completion of the South Industrial Park Substation.

The Electric Wholesale division had a net income of \$6,092,132 for the year. Total revenues increased from the prior year, with an increase in contract sales and a decrease in spot sales. The plant began participating in the SPP market August 1st, 2023. Coal costs increased due to higher prices and usage, and depreciation increased from the completion of the new bottom ash handling system. Net

year-end adjustments did not affect cash but increased net income by \$1,800,000.

The Water division had a net income of \$732,195 for the year. Usage was slightly higher than the prior year and revenues increased due to a rate increase. Net year-end adjustments did not affect cash but increased net income by \$299,000. Depreciation increased due to the completion of Water Treatment Plant #4.

The Sewer division had a net income of \$1,944,988 for the year. Revenues were higher than last year due to a rate increase and gallons treated increased slightly. Miscellaneous income included \$687,000 in surcharges. Net year-end adjustments did not affect cash but increased net income by \$111,000, and depreciation increased due to the I-57 sewer extension, equipment purchased and distribution system improvements.

The NWWTP division had a net loss of \$70,389 for the year. Revenues are based on recovery of costs from the prior year and expenses are based on actual current year expenses per contract. Depreciation and amortization expense increased due to the revaluation of leased assets.

A motion to approve the Financial Report was made by Tim Merideth and was seconded by Diedre Peters. A roll call vote was held, all yes.

Retail Operations

Jeff Winders, Operations Manager, presented the Retail Operations Report.

In June, BMU crews were cleaning up and finishing restoration after the May storm. The substation crews returned to working on the breaker replacement project. Equipment has been selected for the headworks project and Staff is waiting for DNR to approve the project. The North Wastewater Treatment Plant upgrade is substantially complete.

A motion was made by Cal Crader to approve the Retail Operations Report. The motion was seconded by Deidre Peters and a roll call vote was held, all yes.

Sikeston Power Station

Mark McGill, Power Plant Manager, presented the Sikeston Power Station Report. The net capacity factor was 16% for May with the planned maintenance outage and two forced outages that followed due to boiler tube leaks. The unit is currently running well. There were 219,000 tons of coal on the stockpile as of July 9th. Work should begin within the next month to trench and dewater the Fly Ash Impoundment to initiate closure. The EPA's Ozone Federal Implementation Plan has been stayed by the Supreme Court.

A motion was made by Tim Merideth to approve the Sikeston Power Station Report. The motion was seconded by Cal Crader and a roll call vote was held, all yes.

Semi-Annual Charge Offs

Laura Ramsey, Director of Human Resources, presented the proposed semi-annual charge offs to the Board. The total amount to be charged off was \$98,478.62. BMU attempts to collect on closed accounts for six months, then the accounts are sent to a collection agency who attempts to collect for six months before the bills are charged off.

After some discussion, a motion was made by Tim Merideth to approve the proposed charge offs. The motion was seconded by Deidre Peters and a roll call vote was held, all yes.

Headworks Equipment

Mr. Winders presented a recommendation to the Board for preselected equipment for the future headworks project. The selected equipment will be included in the project specifications when the project is bid. Staff and Engineering consultants recommended selecting a grit removal chamber from Hydro International and screens from Huber Technology. These recommendations were made based on a bid scoring system developed by Waters Engineering.

Diedre Peters made a motion to select the bids from Hydro International and Huber Technology. The motion was seconded by Cal Crader and a roll call vote was held, all yes.

Power Supply Study

Mr. Winders presented the 2024 update to the 2020 power supply study to the Board. Staff recommended continuing to follow the Revised Plan 4 for long range electric distribution system planning for the next five to ten years.

Cal Crader made a motion to approve Revised Plan 4. The motion was seconded by Tim Merideth and a roll call vote was held, all yes.

Truck 24 Bid

Mr. Winders presented a bid tabulation for the purchase of a replacement truck for the Water and Sewer Distribution department. He recommended awarding the bid to the lowest bidder, Martindale Chevrolet.

Tim Merideth made a motion to award the bid to Martindale Chevrolet, and Deidre Peters seconded the motion. A roll call vote was held, all yes.

Fly Ash Pond Dewatering Project

Mr. McGill presented a bid comparison for Fly Ash Impoundment Dewatering Trenches. The goal for this phase of the Fly Ash Impoundment Closure project is to excavate a trench within the impoundment to facilitate draining process water trapped in the CCR material. Additionally, perimeter trenches will be excavated to collect, treat, and remove the drained process water. Staff recommended awarding the project to Bloomsdale Excavating, the lowest cost bidder.

A motion was made by Tim Merideth to award the bid to Bloomsdale Excavating. The motion was seconded by Deidre Peters and a roll call vote was held, all yes.

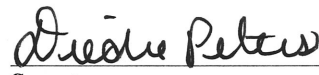
General Manager's Report

Mr. Landers provided updates on several ongoing projects. BMU will participate in SPP's annual TCR/ARR auction and will request a letter of credit from Montgomery Bank to facilitate BMU's participation. Leidos is updating the Integrated Resource Plan to include additional information on gas supply options and combined cycle plant options. Staff is working with Waters Engineering on a plan for adding new wells to Water Treatment Plant #3. Staff plans to have new wells in service late next year. Staff plans to have new wells in service late next year. The Department of Economic Development is working on a new business prospect and has asked BMU to assist them with their draft development agreement. Staff is working on more policy updates, and the revised General Policies are nearing completion. The Brushy Creek Coal Mine property bonds are expected to be released in approximately 60 days, which will allow the property to be listed for sale toward the end of this year.

Deidre Peters made a motion to approve the General Manager's report. The motion was seconded by Cal Crader and a roll call vote was held, all yes.

Adjournment

Tim Merideth made a motion to adjourn. The motion was seconded by Diedre Peters. A roll call vote was held, all yes. Chairman Gilmore declared the regular meeting adjourned.


Secretary