

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

On the eighth day of October 2024 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:

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

Board Members Absent:

Also Present: Joe Blanton, Legal Counsel; Tom Robison, City Council Liaison; Jonathan Douglass, City Manager; Rick Landers, Utility General Manager; Marcia Witt, Jeff Winders, Mark McGill, Laura Ramsey, and Erin Miller of the Utility Staff; Kristen Wannemacher Bright of Forvis Mazars

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 Tim Merideth to accept the agenda as presented. The motion was seconded by Cal Crader and a roll call vote was held, all yes.

Forvis Mazars Audit Presentation FYE 5/2024

Kristen Bright of Forvis Mazars presented the audit report for the fiscal year ended May 31, 2024, issuing an unqualified opinion on the financial statements. She noted that the audit went well and was completed as designed. She reviewed several financial statement items and disclosures with the Board, noting no significant deficiencies in BMU's internal controls.

Tim Merideth made a motion to accept the FYE 2024 audit report. The motion was seconded by Deidre Peters and a roll call vote was held, all yes.

Action on Monthly Agenda Items

A motion was made by Cal Crader to approve the minutes of the Special Meeting on September 17th and the NERC Meeting on September 17th. The motion was seconded by Diedre Peters. A roll call vote was held, all yes.

Financial Reports

Marcia Witt, Finance Manager, presented the August 2024 preliminary Financial Reports.

The Electric Retail division had a net income of \$1,027,107 for the month. Revenues were higher than the prior year as overall sales were up 7.9%. Purchased power decreased due to lower capacity costs from the plant and resettlements from SPP. General and Administrative costs were higher this year due to health insurance claims and property insurance premiums.

The Electric Wholesale division had a net income of \$306,176 for the month. Revenues were lower than the prior year due to lower budgeted capacity charges and lower energy sales. Coal costs were down with less coal usage caused by lower generation. Purchased power cost was higher due to the purchase of power on the market when the plant was offline. General and administrative costs were higher this year due to health insurance claims and property insurance premiums.

The Water division had a net income of \$61,539 for the month. Revenues were higher this month over last year with a 9.7% increase in gallons sold. General and administrative costs were higher this year due to health insurance claims and property insurance premiums.

The Sewer division had a net income of \$117,508 for the month. Revenues were higher this month over last year with a rate increase and higher gallons treated by 5.1%. Production expenses included equipment testing, additional labor, and repairs. General and administrative costs were higher this year due to health insurance claims and property insurance premiums.

The NWWTP division had a net income of \$20,400 for the month. Production costs were higher in the current year due to increased power usage since the plant was not at full capacity in the prior year while upgrades were in process.

A motion to approve the Financial Report was made by Cal Crader 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.

Brotcke Well & Pump began drilling test wells for the Water Treatment Plant #3 replacement wells. A portion of the 69kV Reconductor project was out for bid and the design was being finalized for the remaining portion. The South WWTP Headworks project went out for bid, and this project will take about 18 months once construction begins. The Lead and Copper Rule requires a list of potentially affected customers to be submitted by October 16th, and the Utility must contact these customers about the potential for lead in their services lines within 30 days. BMU is on track to meet these deadlines. A line crew was preparing to respond to a mutual aid request for Hurricane Milton.

A motion was made by Tim Merideth 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 72% for August with one derate to repair a Forced Draft Fan Servo which turned into a short outage due to market rules. The unit was running well and there were 190,000 tons of coal on the stockpile as of October 8th with both trains in service. LEE Hg testing (MATS) ended on October 3rd. The testing was completed successfully by Sikeston Power Station Lab personnel resulting in an estimated 30% reduction in mitigation injection rates. RATA testing was completed without issue in September. The Fly Ash Pond dewatering project began on August 5th. Excavation work was complete, and pumps were being connected.

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


General Manager's Report

Mr. Landers provided updates on several ongoing projects. Mr. Landers continues to work with consultants on securing a registered and approved Balancing Authority. This will likely require amendments to existing Power Sales Agreements to designate delivery points for each customer. Leidos is updating the Integrated Resource Plan to add new capacity reserve requirements. Staff and Consultants are planning an open house to share the latest study results. Staff has requested a voluntary Administrative Order of Consent from the Missouri Department of Natural Resources for Water Treatment Plant #2, which will set up a scope and timeline for necessary plant upgrades. Mr. Landers provided BMU's updated expenditure total for the I-57 overpass on Ingram and noted that the Missouri Department of Transportation has proposed a new plan for the overpass which would require moving BMU power lines again.

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

Adjournment

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


Secretary