

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

On the twelfth day of November 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, Diedre Peters, and Cal Crader

Board Members Absent: Tim Merideth

Also Present: Joe Blanton, Legal Counsel; Tom Robison, City Council Liaison; Jonathan Douglass, City Manager; Jim McMillan, Department of Public Safety Chief; Rick Landers, Utility General Manager; Marcia Witt, Jeff Winders, Mark McGill, Laura Ramsey, Tre Holley, 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 Cal Crader to accept the agenda as presented. 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 Regular Meeting on October 8th, the Special Meeting on October 17th, and the NERC Meeting on October 10th. The motion was seconded by Diedre Peters. A roll call vote was held, all yes.

Financial Reports

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

The Electric Retail division had a net income of \$657,706 for the month. Revenues were lower than the prior year as overall sales were down 3.9%. Expenses included conferences and consulting fees, and miscellaneous revenue consisted of SPP auction revenue.

The Electric Wholesale division had a net income of \$207,706 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. Maintenance costs included a tank cleaning and pulverizer rebuild.

The Water division had a net income of \$142,551 for the month. Revenues were higher this month over last year with a 5.6% increase in gallons sold. Production costs included purchase of

chemicals and safety equipment, and miscellaneous revenue consisted of invoices for new water services.

The Sewer division had a net income of \$123,324 for the month. Revenues were higher this month over last year with a rate increase offset by lower gallons treated by 3.1%. Production expenses included equipment maintenance and warranties.

The NWWTP division had a net income of \$15,096 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.

Line crews installed primary service for two new subdivisions. One line crew traveled to Orlando to help with Hurricane Milton recovery. BMU has requested a voluntary Administrative Order of Consent from the Department of Natural Resources for Water Treatment Plant #2. Mr. Winders also updated the Board on the progress of ongoing projects.

A motion was made by Deidre Peters to approve the Retail Operations Report. The motion was seconded by Cal Crader 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 84% for September with no outages or derates. The unit was running well and there were 230,000 tons of coal on the stockpile as of November 12th with both trains in service. Pulverizer inspections and a pulverizer overhaul were both completed successfully. The Fly Ash Pond dewatering project is ongoing and final cap and closure plans are in development with work to commence in early 2025. The EPA stayed the Good Neighbor Rule in response to the Supreme Court's ruling that the EPA did not adequately address comments related to the application of the rule.

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

WTP#2 and WTP#3 Upgrade/Plan Cost

Mr. Winders gave a presentation on the current condition of Water Treatment Plants #2 and #3 and listed the improvements needed at both plants. He recapped the 10-year plan that was adopted in 2018. Generally, the 2018 plan did not change except that costs have increased and the improvements for Water Treatment Plant #3 are needed sooner than planned due to DNR requirements and the current well relocation project.

Waters Engineering Recommendation on DRA Grant Funding

Mr. Winders discussed the recommendation from Waters Engineering regarding the DRA Grant for the South Wastewater Treatment Plant Headworks project. The Federal Build America, Buy America Act (BABAA) affecting materials along with the Davis-Bacon Act affecting wages will increase the construction price of the project greater than the amount of the grant. Waters recommended that the Board decline the grant and proceed with bidding and construction without the grant. However, Staff from BMU and Waters met with the Bootheel Regional Planning Commission who recommended that Staff request a waiver from DRA to waive the BABAA requirements. Staff will continue to investigate these options.

Water and Wastewater Rates Discussion

Ms. Witt presented a Utility Financial Solutions (UFS) Power Point document which showed estimated rate increases needed for the Water and Wastewater departments to fund projected capital improvements. Staff will continue working with UFS on these estimates and will present a recommendation to the Board at a future meeting.

Resolution 2024-04: Revised SPP Letter of Credit

The Board previously approved a resolution to enter into a Letter of Credit agreement with Montgomery Bank, which was required by the Southwest Power Pool (SPP) for BMU's participation in their Annual Revenue Rights auction. That Letter of Credit did not meet SPP's credit requirements. Therefore, Ms. Witt requested Board approval of a resolution to repeal Resolution 2024-03 and enter into a Letter of Credit agreement with the Federal Home Loan Bank.

Deidre Peters made a motion to approve Resolution 2024-04. Cal Crader seconded the motion and a roll call vote was held, all yes.

69kV Reconductor Bid Opening

Mr. Winders presented bids on the 69kV Reconductoring project. Fisher Arnold and Staff recommended awarding the bid to the low bidder, J.F. Electric.

A motion was made by Cal Crader to award the bid to J.F. Electric. The motion was seconded by Deidre Peters and a roll call vote was held, all yes.

ADA Policy

Laura Ramsey, Director of Human Resources, requested Board approval of a proposed BMU ADA Policy. BMU has been following the proposed ADA guidelines, however, did not have a written policy.

A motion was made by Deidre Peters to approve the ADA Policy. 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, with a December 8th deadline to send information to MISO. There is an open house scheduled for December 9th to present the findings of the Integrated Resource Plan to the public. Mr. Landers will also be meeting with current power contract customers on November 15th to discuss future generation options.

Cal Crader 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

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


Secretary