

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

On the seventeenth day of September 2024 the Board of Municipal Utilities met in Special 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, and Cal Crader (virtual)

Board Members Absent: Diedre Peters

Also Present: Joe Blanton, Legal Counsel; Greg Turnbow, Mayor; Jonathan Douglass, City Manager; Tom Robison, City Council; Rick Landers, Utility General Manager; Marcia Witt, Jeff Winders and Amanda Dennis of the Utility Staff. Also present was Brian Smith of the Sierra Club.

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.

Action on Monthly Agenda Items

A motion was made by Cal Crader to approve the minutes of the Regular Meeting on August 13th and the NERC Meeting on August 8th. The motion was seconded by Tim Merideth. A roll call vote was held, all yes.

Financial Reports

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

The Electric Retail division had a net income of \$685,907 for the month. Revenues were lower than kwh sales were down 1.7% from the prior year. Current year purchased power decreased with lower budgeted capacity and energy costs. Distribution costs had lower labor and benefit expenses compared to last year with the increased use of work orders that capitalized these costs along with the project. General and Administrative costs were higher due to a change in accounting for employee benefits year over year.

The Electric Wholesale division had a July net income of \$652,034. Revenues were lower with lower budgeted capacity and energy charges as compared to last year. The purchase power cost was lower due to the changes with SWPA that affected monthly charges. General and Administrative costs were higher due to a change in accounting for employee benefits year over year.

The Water division had a July net income of \$79,951. Revenues were lower this month over last year from a 11.7% decrease in gallons sold. Distribution costs had lower labor and benefit expenses compared to last year with the increased use of work orders to capitalize these costs along with the project. Customer Accounts and General and Administrative costs were affected by the change in accounting for employee benefits year over year.

The Sewer division had a July net income of \$80,111. Revenues were higher this month over last year with a rate increase but offset by lower gallons treated by 6.1%. Production expenses include a blower warranty for the SWWTP and repairs on the sludge hauler. General and Administrative costs were higher due to a change in accounting for employee benefits year over year.

The NWWTP division had a net income of \$6,107 in July. Production costs were higher in the current year due to increased power usage and equipment maintenance since the plant was not at full capacity in the prior year while upgrades were in process. Miscellaneous Revenue increased from the collection of the additional lease payment for the NWWTP upgrades.

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

Retail Operations

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

Line crews have been performing normal maintenance items. An older Unilever transformer was changed out after having some issues. Several street lighting requests have been reported lately therefore the staff is reviewing these requests to see if the lighting meets the Utility's minimum requirements. The DNR permit writer informed the staff that the peer review was complete, and the headworks construction permit was issued. Water and Sewer distribution crews have been performing normal activities and valve insertions.

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

Sikeston Power Station

Rick Landers, General Manager, presented the Sikeston Power Station Report. The unit has been running well. There was one derate for the month due to boiler safety testing. The plants' monthly net capacity factor was 84%. On September 3rd we had 183,000 tons of coal on stockpile, and we currently have one train in service. This will provide approximately 55 days of supply at a burn rate of 3,300 tons per day. The second set will begin running mid-September. The Fly Ash Pond Dewatering Project continues, to date Bloomsdale has completed approximately 60% of the planned excavation work.

Retirees Todd Pierce, Shift Supervisor and James Redcloud, Mechanical Maintenance Supervisor were recognized for their long-time employment at the power plant.

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.

Headworks Update

Rick Landers, General Manager, presented an update on the construction of the Headworks facility at the existing South Wastewater Treatment Plant (SWWTP). This Infrastructure improvement was part of a plan approved by Council in 2018 and 2021. The proposed increases were intended to fund Phases 1 and 4 of the improvements. A DRA Grant was awarded for the project. Missouri DNR has approved the Headworks Project and has issued a construction permit. In order to keep the grant funds, the project needs to continue to make progress and meet certain deadlines. Staff is concerned if the original rate increases will be adequate to fund the project. A rate increase may be necessary to ensure costs are covered. The rate study consultant is currently reviewing updated data. Staff requested the Board's approval to proceed with this project, as well as approval to seek rate increases if necessary.

A motion was made by Tim Merideth to proceed with this project. The motion was seconded by Cal Crader and a roll call vote was held, all yes.

Street Lighting Project-Clearview Estates

Jeff Winders presented information to the Board regarding the street lighting in the Clearview Estates subdivision. Upon staff review of the lighting in this area, it was found not to meet our current minimum standards for residential street lighting. Staff presented lighting models of the current lighting, and two corrective lighting options. Option One would add LED lights only where lights are missing at an estimated cost of \$66,855.67 and Option Two would add the missing lights and also upgrade the existing intersection lights to LED at an estimated cost of \$68,610.67. Staff recommends upgrading using Option Two to change the lighting to be within our minimum standards.

Tim Merideth made a motion to approve lighting option two. The motion was seconded by Cal Crader and a roll call vote was held, all yes.

Downtown Alley Rebuild Bids

Mr. Winders presented Bid Tabulations to rebuild the power lines in the alley between Front and Center streets. The existing structures have deteriorated and are unreliable. With fewer and more efficient buildings creating lower electric loads, staff proposes reducing this to one circuit and rebuilding the entire overhead line. Four bidders responded to the bid. Staff recommends the contract be awarded to Eminence Power Solutions for \$155,199.20.

Tim Merideth made a motion to award the bid to Eminence Power Solutions. 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 for Sikeston generation in the Comstock substation. This will require a contract with Ameren for certain services. The Utility is currently working on developing a Risk Management Policy for SPP. EPA audited the Water System and the results of this audit showed that the backwash water at Plant #2 needs to be addressed. Staff is

currently looking at options to comply. The costs of this regulatory compliance are currently unknown and are not included in current budgets. Leidos is updating the Integrated Resource Plan to include additional information on gas supply options as well as the effects of the EPA's Clean Air Rule and SPP's increased reserve margin requirements. Brotcke Well & Pump is scheduled to start on the new wells for WTP#3 the first week of October. Utility Financial Solutions is currently working on an Electric rate review to adjust the structure of certain large commercial and industrial rates to be based on usage.

Tim Merideth 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 to Executive Session. The motion was seconded by Cal Crader. A roll call vote was held, all yes. Chairman Gilmore declared the regular meeting adjourned.


Secretary