

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

On the twelfth day of March 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:

**Messrs:** Tim Merideth, Chad Crow, and Deidre Peters

**Absent:** Jon Gilmore

**Also Present:** Joe Blanton, BMU Legal Counsel; Tom Robison, City Council Liaison; James McMillen, Chief of Police; Rick Landers, Utility General Manager; Marcia Witt, Jeff Winders, Mark McGill, Laura Ramsey, Erin Miller, and Amanda Dennis of the Utility Staff; Brian Smith of the Sierra Club.

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

**Action on Agenda**

A motion was made by Chad Crow 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 Deidre Peters to approve the minutes of the Regular Meeting on February 13<sup>th</sup>, the NERC Meeting on February 15<sup>th</sup>, and the Special Meeting on March 6<sup>th</sup>. The motion was seconded by Chad Crow. A roll call vote was held, all yes.

**Financial Reports**

Marcia Witt, Finance Manager, presented the January 2024 Financial Reports.

The Electric Retail division had a net income of \$1,265,194 for the month. Revenues decreased from the prior year due to lower kwh sales. Purchased power costs were lower due to credit earned from SPP for sales of power in the market.

The Electric Wholesale division had a net income of \$62,432 for the month. Revenues were down with decreased sales and the revision of the contract capacity charge. Coal costs were higher due to increased transportation rates. G&A costs were higher due to reclassification of expenses. Depreciation expense increased due to the capitalization of the new bottom ash handling system.

The Water division had a net loss of \$86,072 for the month. Revenues were lower this month due to a decrease in gallons sold. G&A costs were higher due to reclassification of expenses. Depreciation increased due to the capitalization of Water Treatment Plant #4.

The Sewer division had a net income of \$27,319 for the month. Revenues were lower than last year due to a decrease in gallons billed. Production costs included pump and shaft repairs. Miscellaneous net income decreased due to lower surcharges billed.

The NWWTP division had a net income of \$35,376. Depreciation and Amortization increased with the implementation of GASB 87 to record amortization on leased assets. Miscellaneous Revenue increased from the collection of the additional lease payment for the plant upgrades.

A motion to approve the Financial Report was made by Deidre Peters and was seconded by Chad Crow. A roll call vote was held, all yes.

### **Retail Operations**

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

Winders reported that a study being performed on the site of a historical pollutant spill could result in a well field relocation for Water Treatment Plant #3. This would not be at BMU's cost. Mr. Winders and engineering consultants will attend a meeting later this month to learn more about this study.

The South Wastewater Treatment Plant piping upgrades are complete. Blower installation has been delayed as the electrical panels did not arrive on schedule. The new headworks design is complete and will be sent to the Missouri Department of Natural Resources this month for review.

The new aerators at the North Wastewater Treatment Plant are in service. The new blower is ready for startup. The next stage of this project will be blower ventilation and control work.

A motion was made by Chad Crow 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 93% and there were no outages or derates in February. As of March 12<sup>th</sup> there were 300,000 tons of coal on the stockpile, or 90 days of supply. The target coal stockpile is 45-60 days.

The unit is operating well and outage planning is ongoing. A new emergency diesel generator will be installed during the spring outage and a new diesel fire water pump will be installed after the outage.

Staff continue to evaluate the impact of the Mercury and Air Toxics Standards Risk and Technology Review which was proposed last year. The rule is now under OMB review and will likely be finalized soon, with an effective date in 2027. The new Particulate Matter limit will be Staff's main focus with this rule update.

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

### **Purchasing Policy**

Marcia Witt presented the revised BMU Purchasing Manual, which was last updated in 2015. Staff added some legal terms, updated several sections to agree with other BMU policies, and removed outdated language from the policy. The revised policy also names the Assistant to the General Manager as the BMU's Custodian of Records.

After discussion, Deidre Peters made a motion to approve the revised Purchasing Manual. The motion was seconded by Chad Crow and a roll call vote was held, all yes.

### **Wholesale Budget**

Marcia Witt presented the FYE 2025 Sikeston Power Station proposed budget. For the budget, revenues were based on net generation of 1,600,000 mWh and the spot sales average price was estimated at \$28.00 per mWh. Certain expenses were budgeted based on estimates made by plant staff, while all other operation and maintenance expenses were projected at a 1% increase and general and administrative expenses were projected at a 2% increase over the prior year. Labor was based on the bargaining unit contract. The average cost of coal was estimated at \$41.00 per ton including transportation and a train lease. Property insurance was budgeted at a 10% increase and health insurance costs were budgeted to remain flat. The budgeted all-in power cost was \$46.87 per mWh.

A motion was made by Chad Crow to approve the budget as proposed. The motion was seconded by Deidre Peters and a roll call vote was held, all yes.

### **Pole Changeout**

Jeff Winders presented a proposal from J.F. Electric for replacement of four pole structures that were either too large or too complicated for BMU crews to safely replace without disruption of services. The total proposed cost for all four structures was \$140,896. Mr. Winders requested Board authorization to contract with J.F. Electric for the replacements.

After viewing pictures and hearing background information on the structures to be replaced, Chad Crow made a motion to authorize the proposal by J.F. Electric. The motion was seconded by Deidre Peters and a roll call vote was held, all yes.

### **Well Closing**

Jeff Winders requested Board approval to apply for a grant from the Missouri Department of Natural Resources for closing Well 10. The well has not produced water for several years. Given its age, shallowness, and lack of production it was valved out of the water supply system and scheduled to be closed in the upcoming budget year. The proposed grant would offset the cost of closure.

A motion was made by Deidre Peters to authorize Staff to apply for the grant. Chad Crow seconded the motion and a roll call vote was held, all yes.

### **COVID Testing**

Jeff Winders requested Board authorization to continue BMU's participation in the State of Missouri's Sewershed Surveillance Project in which several Missouri communities test for Covid-19 viral load in wastewater. The State reimburses participants for the cost of testing.

Chad Crow made a motion to approve BMU's continued participation in the program. Deidre Peters seconded the motion and a roll call vote was held, all yes.


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

Mr. Landers reported that the Comstock substation was scheduled to be completed in mid-June and closing was scheduled for April 8<sup>th</sup>. Mr. Landers continues the effort to secure a Balancing Authority. The BMU was not granted an award from the USDA PACE program. Mr. Landers pointed out that the current BMU utility rates were based on the 2018 cost of service and the current cost of service needs to be reviewed in the near future.

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

### **Adjournment**

Chad Crow made a motion to adjourn. The motion was seconded by Deidre Peters. A roll call vote was held, all yes. Mr. Merideth declared the regular meeting adjourned.

  
Secretary