

**MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI
HELD ON THE NINETEENTH DAY OF AUGUST 2025**

On the nineteenth day of August 2025, the Board of Municipal Utilities met in a Special Session at 4:00 P.M. in the board room. The following members of the body were present:

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

Board Members Absent: Jon Gilmore

Also Present: Joe Blanton, Legal Counsel; Matt Drake, 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, Vice Chairman Merideth 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 Diedre 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 July 8th, the NERC meeting on July 24th, and the Special Meeting on August 15th. The motion was seconded by Diedre Peters. A roll call vote was held, all yes.

UFS Rate Discussion

BMU has been in discussions with various potential crypto mining customers for several years, who primarily look for special arrangements and low-cost power. Utility Financial Solutions presented information to the Board about the potential impact of these customers on the BMU electric system and how a special rate may be necessary to avoid negative effects on other customers. The Board agreed to pursue a draft rate proposal and discuss the matter again at a future meeting.

Financial Reports

Marcia Witt, Finance Manager, presented the June 2025 financial statements.

The Retail Division had a net income of \$27,412, with a 1.8% decrease in kWh sales. Purchased power costs increased due to the plant's annual maintenance outage.

The Wholesale Division had a net income of \$32,099. Revenues were lower due to the annual maintenance outage. The outage also caused a decrease in coal usage and other operational costs, while purchased power increased.

The Water Division had a net income of \$16,758. Revenues decreased with a 6.7% decrease in gallons sold compared to the previous year.

The Sewer Division had a net income of \$125,811. Revenues were higher with a rate increase despite a decrease of 2.8% in gallons treated. Monthly expenses included an employee retirement benefit payout.

The Sewer NWWTP Division had a net loss of \$42,811. Electric power usage increased as the plant was down for upgrades in the prior year. Labor costs increased with more operator oversight needed at the plant.

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.

Leaks have been identified in the main office building's roof, and two independent contractors have indicated that it may need replacement due to wear from foot traffic. Quotes for both repair and replacement were requested.

JF Electric is working on the 69kV line reconductoring. The failed PTs at Coleman substation were replaced and the remaining older PTs will be replaced during a suitable weather window.

Waters Engineering sent plans to rehabilitate WTP #2 to the Missouri DNR along with a construction permit application. Staff and Legal Counsel are preparing for the next steps to address well issues at WTP #4. While no response has been received on the NPDES permit application for the wastewater treatment plants, the Missouri DNR did accept BMU's response to Pretreatment Program compliance.

A contractor began sewer pipe lining the week of August 11th and the lining resulted in the collapse of a 10-foot section of sewer main on Crowe Street. The crews responded quickly and replaced the sewer line.

A motion was made by Cal Crader to approve the Retail Operations Report. The motion was seconded by Diedre 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 27% for June as the annual maintenance outage ended on June 20th. After bringing the unit online on June 20th, a tube leak caused a trip on the 21st. The unit returned to service on the 22nd. In July, the unit was taken offline to repair a reheat tube leak and troubleshoot a precipitator issue. Subsequently, the unit was running well but another tube leak was located. There were 215,000 tons of coal on the stockpile as of August 19th. RATA testing was successfully completed on July 31st.

Staff heard an update from Missouri DNR on the Regional Haze Rule and potential paths toward State Implementation Plan approval. MDNR was set to meet with the EPA to gauge their reception of the options discussed.

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

SPA License No. SWPA-SS1031-3-25-002

BMU recently signed new interconnection agreements with SPA for interconnections to SPA's Sikeston substation. Part of the interconnection agreements was a license agreement that is required to allow the Licensee to enter the substation to maintain equipment. Mr. Landers requested Board approval to execute the license agreement.

Cal Crader made a motion to approve the execution of the SPA License Agreement. Diedre Peters seconded the motion and a roll call vote was held, all yes.

Missouri Electric Commission Memorandum of Understanding

Mr. Landers presented a Memo of Understanding between the BMU and the Missouri Electric Commission (MEC), agreeing to engage an engineering firm to evaluate the viability of the development of a combined cycle gas turbine on land owned by Sikeston. The MOU was reviewed by legal counsel, and Mr. Landers requested Board approval to execute it.

Diedre Peters made a motion to approve execution of the Memorandum of Understanding. The motion was seconded by Cal Crader and a roll call vote was held, all yes.

Backhoe Bids

Mr. Winders presented a bid tabulation for the purchase of a new backhoe for the Water and Wastewater Distribution department. The requested backhoe will replace a 2004 model. The recommended bid was \$9,000 over budget and \$257 higher than the low bid; however Staff recommended purchasing a Case instead of a John Deere because the department already has attachments for a Case backhoe.

Cal Crader made a motion to purchase the Case 580SN backhoe from Luby Equipment. Diedre Peter seconded the motion and a roll call vote was held, all yes.

Sewer Study Proposals

The Water and Wastewater Distribution Department has been addressing unexpected backups in homes that started three years ago. To find the cause, Staff proposed a study of the sewer system to check for congestion, capacity issues, and overall efficiency. Proposals were requested from three engineering firms, only one of which responded, and responses were received from two other firms due to a public advertisement. Staff recommended engaging Burns & McDonnell, whose plan was estimated to cost around \$1,000,000 and include modeling, verification, and training to improve efficiency and future planning.

After some discussion, the Board would like to pursue working with Burns and McDonnell, but requested they divide the project into sections and provide cost estimates for each section. The Board asked that Staff bring this additional information to a future meeting.

MEC PPA Amendment

Mr. Landers presented an amendment to the purchase power agreement with the Missouri Electric Commission for Board approval. MEC was using SPP transmission to supply energy to customers in AECl, but the transmission became unavailable. SPP agreed to move the power to AECl using Sikeston transmission. Sikeston proposed a temporary solution (through May 31, 2026) to sell transmission to MEC that coincides with the current purchase power agreement.

Diedre Peters made a motion to approve the amendment. Cal Crader seconded the motion, and a roll call vote was held, all yes.

WFA Delegate Resolution No. 2025-03

Mr. Landers presented a resolution for Board approval naming himself as Delegate to the Western Fuels Association Annual Meeting and naming Erin Miller as Alternate Delegate.

Cal Crader made a motion to approve the amendment. Diedre Peters seconded the motion, and a roll call vote was held, all yes.

General Manager's Report

Mr. Landers provided an update on ongoing projects. He was working on new purchase power agreements for MEC through 2029. The 69kv Comstock Substation termination agreement should come to the Board for approval in September. The rail agreement with Burlington Northern expires 12/31/25 so a new contract will be drafted this fall.

People's Electric was approved by FERC as a regional transmission provider in the BMU's SPP zone and is seeking reimbursement from SPP participants for legal fees. Mr. Landers requested Board approval to hire Healy Law for representation along with several other affected cities, with BMU's share of the estimated \$10,000 cost being 9%. Cal Crader made a motion to engage Healy Law in the matter, and Diedre Peters seconded the motion. A roll call vote was held, all yes.

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

Adjournment

Diedre Peters made a motion to adjourn. The motion was seconded by Cal Crader. A roll call vote was held, all yes, and Vice Chairman Merideth declared the meeting adjourned.


Secretary