



For Immediate Release
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Sikeston City Council Considers Proposal for Utility Rate Increases Sikeston BMU Makes Recommendations

Sikeston, Mo., August 27, 2018 – During Monday’s meeting, Sikeston City Council members were presented with recommendations from the Sikeston Board of Municipal Utilities to consider a three-year cumulative rate increase for utilities provided by the BMU. This proposal was made to continue to provide low-cost utilities to all customers while supporting necessary infrastructure replacements and repairs.

The existing water production facilities range in age from 41 to 86 years old and are at max capacity now. The Department of Natural Resources has imposed additional mandatory discharge restrictions impacting our wastewater facilities. And the power infrastructure must be modernized to withstand growing electric service requirements.

The proposed three-year rate increase averages 8 percent per year for electric, or an estimated annual increase of \$10.37 on the average monthly bill; and 12 percent for both water and sewer, or an estimated annual increase in water fees of \$2.36 and sewer fees of \$1.88 for the average customer on monthly bills.

“Sikeston residents have experienced some of the lowest utility rates in the state for several years. That trend will continue, despite the proposed rate increases,” explains Rick Landers, General Manager for Sikeston BMU. “And the BMU Board and staff worked diligently outlining what upgrades are necessary while spreading out the impact to our customers over a three-year period versus all at once.”

The anticipated dates for the rate increase implementation are October of this year for electric and January 2019 for both water and sewer. At the end of the proposed three-year increase in 2021, Sikeston utility rates will be comparable to the majority of Missouri cities’ rates imposed on their customers in 2016.

“It is important the BMU gives residents time to prepare for the impact this will cause on household monthly budgeting,” explains Sikeston Mayor Steven Burch. “No one wants an increase in their utility rates, but these infrastructure improvements must not be postponed any longer.”

“Raising rates is never an easy decision and we are very sensitive to the impact a rate increase has on our citizens,” states Landers. “We want the public to know exactly why we must raise rates now.”

With water production plants nearing max capacity now, plans for the proposed increase include improvements to the current plants to support the water needs of our current population and anticipated growth; upgrades of existing wastewater treatment plant to comply with new regulations and discharge limits enforced by the Department of Natural

Resources; and upgrade aging distribution facilities and equipment to help alleviate any performance issues in support of effective power distribution. All of these plans are necessary to continue to maintain independent, sustainable utilities provided to all residents and businesses.

Sikeston BMU Board Chairman Brian Menz adds, “Based on the in-depth review, recommendations from counsel, and the utilization growth Sikeston has experienced, I think this is the best plan to keep rates low and service optimal.”

Pending City Council approval, the revenue generated will support the BMU’s efforts of implementing infrastructure repair and replacement alongside the cumulative rate increases to maintain the level of utility service Sikeston customers deserve, while providing for future sustainability.

For more information, visit our website at www.SikestonBMU.org or call 573-471-3328 during regular business hours (8 a.m. to 5 p.m., Monday through Friday.)

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This chart indicates the 2016 rates for Missouri cities, including Sikeston. The proposed three-year rate increase depicts the continued low-rate comparison of Sikeston’s 2021 rates to the majority of Missouri communities in 2016.

