

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

On the thirteenth day of November 2025, 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: Tim Merideth, Diedre Peters, and Cal Crader

Board Members Absent: Jon Gilmore

Also Present: Joe Blanton, BMU Legal Counsel; Matt Drake, City Council Liaison; JD Douglass, City Manager; Rick Landers, Utility General Manager; Marcia Witt; Jeff Winders; Mark McGill; Laura Ramsey; Erin Miller; Brian Smith of the Sierra Club; Jay Lancaster, City of Sikeston

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 October 14th, the NERC Meeting on October 16th, and the Special Meeting on October 17th. The motion was seconded by Diedre Peters and a roll call vote was held, all yes.

Financial Reports

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

The Retail Division had a net income of \$379,207. Total revenue was consistent with the prior year. Purchased power costs increased due to more energy purchased and an SWPA rate increase. The Wholesale Division had a net income of \$1,826,890. Contract sales increased due to increased generation. Purchased power was down due market resettlements. The Water Division had a net income of \$181,714. Revenues increased with increased usage as well as a rate increase. The Sewer Division had a net income of \$123,345. Revenues were higher this month due to a rate increase. The Sewer NWWTP Division had a net loss of \$12,006. Expenses included maintenance and repairs on blowers and filters.

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

Retail Operations - Engineering

Jeff Winders presented the Retail Operations Engineering Report. The Northeast Substation rebuild timing was adjusted and the City transformer was staged for Coleman. JF Electric was correcting material errors on the 69kV reconductor project. FEMA denied part of BMU's claim from the 2024 tornado, and Staff was working on an appeal. Water Plant No. 2 design has been delayed to January. Well relocation costs are under review. Staff received a Finding of Compliance report on the DNR water system audit. The SWWTP Headworks project was progressing on schedule.

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

Retail Operations

Rick Landers presented the Retail Operations Report. The 69kV reconductoring continued, and crews were performing pole replacements and removing abandoned lines. New service was being constructed for Yummy Buffet. The water tower painting was nearly complete. Sewer crews completed manhole lining and ongoing blower and rotor work.

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 89% for September with one derate to change a feeder belt. There were 272,000 tons of coal on the stockpile as of November 6th. Pulverizer inspections were completed in October with no significant findings. A boiler tube leak took the unit offline at the end of October, and it returned to service on November 1st after repairs and synchronization. Fly ash pond work was proceeding as planned, crews were installing turf and completing final grading in the south basin.

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

Coal Purchase for 2027-2028

Western Fuels solicited coal pricing on behalf of members for 2027–2028. Arch Coal and CONSOL Energy have merged to form Core Natural Resources. During the transition, Core indicated that BMU may extend its existing contract through this purchase, whereas future purchases will require a new contract. Mr. Landers presented historical coal supply pricing from 2020–2028, showing incremental increases. Staff recommended approving the purchase from Core Natural Resources at \$14.50/ton in 2027 and \$14.75/ton in 2028, with Western Fuels to execute Amendment No. 7 upon approval.

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

BNSF Contract Renewal

The current rail contract expires at the end of 2025. BNSF has shifted focus toward inflationary cost recovery, more precise monthly delivery projections, and corresponding labor alignment. BMU secured several concessions, including a reduced contract base rate, an extended deadline for annual tonnage submission, and lower annual tonnage requirements in later years with a contract term of 2026–2030. Mr. Landers requested approval to execute this contract.

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

Coleman Substation Rebuild

Mr. Landers requested the Board's approval to begin constructing the new Coleman Substation pending confirmation that it will require no rate action. Due to SPA's anticipated cost increases and end-of-life conditions identified in Coleman Substation transformers, engineering advisors recommend a consolidated rebuild of the Coleman Substation using the transformer currently located at SPA. The project would begin in December 2025 and was scheduled for completion in August 2027. It has been added to the Capital Improvement Plan. UFS was reviewing rate adequacy for this along with all other planned improvements.

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

HHS Services Engagement Letter

BMU has worked extensively with Heather Starnes of Healy Law Firm on SPP/SPA/NERC registrations and related agreements. Ms. Starnes will be leaving the firm to operate independently. Current projects can continue seamlessly under her new entity, HHS Services. Mr. Landers requested authorization to execute the engagement letter with HHS Services.

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

General Manager's Report

Mr. Landers provided an update on ongoing projects. For the MEC project, Kelsen Energy will perform a detailed interconnection review, which is critical for PPA marketing. Operating and financial models were progressing, and an Owner's Engineer selection process was underway. For the Brushy Creek Coal Mine, Western Fuels was reviewing property considerations. Updates will be provided at the next meeting. Staff was awaiting a response from Vestis regarding next steps for the well relocation bids. Negotiations on the Bargaining Unit Agreement were scheduled to begin November 14.

Diedre Peters 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

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

Diedre Peters
Secretary