

MINUTES OF THE PUBLIC UTILITY BOARD MEETING FEBRUARY 26, 2024

Date and time: 02/26/2024 01:00 pm

Present: John Bell, Jacque Cowherd, Richard Vaughn, Charles Williams, Council Liaison Lauren Nelson, Mayor Steve Myers, Director of Administration Courtney Doyle, Utilities Superintendent Darrell Dunlap, Chief Financial Officer Dustin Dougherty, and City Clerk Kathie Ratliff. Also, in attendance: Communications Coordinator Doris Stone and Deputy Clerk Marissa Peneston.

Absent:

Location: Fulton City Hall

DISCUSSION

1. CALL TO ORDER

The Public Utility Board was called to order at 1:00 p.m. with all members present. Quorum met.

2. ROLL CALL

All members present.

3. COMMENTS FROM VISITORS

There were no comments.

4. APPROVAL OF MINUTES

Decision Motion was made by Jacque Cowherd and Seconded by Charles Williams and to approve the November 27, 2023, minutes. Motion carried with all members voting in favor.

5. APPROVAL OF FINANCIAL REPORT

Decision Motion was made by Charles Williams and Seconded by Jacque Cowherd to accept the financial report for January 2024 as presented. Motion carried with all members voting in favor.

6. UNFINISHED BUSINESS

Sikeston:

Superintendent of Utilities Dunlap reported that Sikeston is currently stranded and is awaiting responses from SWPA and Southwest Power. If these responses confirm the expected rejections, the next step would most likely be legislative intervention. Despite our involvement in a life-of-plant output agreement with other cities, we lack the ability to terminate it at will.

In the worst-case scenario, Dunlap highlighted that the plant could cease operations, leading to potential legal issues. He anticipates action from one of the two agencies but doesn't expect intervention from MISO. The City of Sikeston owns the plant, and with the upcoming MISO auction, Dunlap doesn't expect movement before that time. He mentioned the possibility of purchasing capacity before the auction, as done in the previous year.

Bell stepped out at 1: 04 returned at 1:06

Rates and Reserves:

Superintendent of Utilities Dunlap outlined Sikeston's strategy in case of closure, with plans to purchase power elsewhere if necessary. He discussed January's electric purchases and said that weather unpredictability prompted a shift from relying on the five-year average. Despite selling gas at a loss in December, a special million-dollar gas purchase was made to ensure the city retained power during the major cold snap. Doyle affirmed that, despite the special purchase cost, the city remains within budget.

Dunlap stressed the need to prioritize the ability for fuel switching on the turbine before December 2024. The engine, which runs on diesel and natural gas, requires a rehab with an expected cost of at least \$30,000.

Doyle highlighted the collaborative effort of staff and residents in addressing challenges, with plans to inform the city council about the importance of maintaining reserves.

7. NEW BUSINESS

Power Purchase:

Superintendent Dunlap believed this topic was covered in the rates and reserves discussion.

Ballot Issue:

Continuation of the Capital Improvement Sales Tax, set to end in spring 2025, will be decided on April 2, 2024. Initially created for water and wastewater improvements, it has funded various projects like water tower rehabilitations, lift station upgrades and sewer plant enhancements. Acting as a substitute for capital improvement funds, its potential expiration could impact the budget, potentially leading to increased rates. Director of Administration Doyle emphasized this is a sales tax continuation at a rate of one-half percent (1/2 of 1%).

Other:

The project for the Natural Gas Line will be undertaken by Ted Christensen and his team, given their past success. Doyle appreciated Dunlap & MPUA's efforts in organizing an tour of the coal mine and power plant on the Prairie State Energy Campus, where the CEO's safety concerns and insights were acknowledged by Cowherd and Dunlap, who valued the CEO's engagement.

8. Adjourn

With no other business to come before the board, Motion was made by Charles Williams and Seconded by Jacque Cowherd to adjourn the meeting at 1:52 p.m. Motion carried with all members voting in favor.

/s/ Kathie Ratliff
City Clerk