

# Independence for All STRATEGIC PLAN 2022 - 2026



## Purpose Statement:

Our quality neighborhoods, 21st century jobs, growing economy, safe, family-friendly community, and cultural diversity makes Independence, Missouri a nationally recognized city with a unique history and sense of place.

## Our Mission:

Transforming our community through engagement, innovation, and sustainable services.

	Goals	Objectives
<b>CUSTOMER-FOCUSED</b>	Improve customer service and communication	<ul style="list-style-type: none"> <li>Improve customer experience and service</li> <li>Communicate more effectively internally and externally</li> </ul>
<b>FINANCIALLY SUSTAINABLE</b>	Ensure City finances are stable and sustainable	<ul style="list-style-type: none"> <li>Control long-term costs</li> <li>Increase efficient use of financial and human resources</li> <li>Improve long-range financial planning and decision-making</li> </ul>
<b>QUALITY</b>	Achieve livability, choice, access, health and safety through a quality built environment	<ul style="list-style-type: none"> <li>Reduce blight</li> <li>Improve visual appearance</li> <li>Improve public infrastructure and facilities</li> <li>Reduce crime and disorder</li> <li>Increase perception of safety</li> <li>Enhance public health</li> <li>Stabilize and revitalize neighborhoods</li> </ul>
<b>ECONOMY</b>	Increase economic prosperity of the community	<ul style="list-style-type: none"> <li>Attract and retain quality employers</li> <li>Grow business and industry</li> </ul>



# Independence for All STRATEGIC PLAN 2017-2021

## Values

### How we use resources:

**Responsible** – We practice fiscal responsibility. We carefully plan for and spend our resources in appropriate, cost-effective ways.

**Sustainable** – We manage our resources wisely, using only what we need to meet the current needs of our citizens while also keeping in mind the needs of future generations.

### Services are:

**Quality** – We provide safe, sustainable, and well-maintained public facilities and municipal services to residents and visitors.

**Reliable** – We protect public health and the environment by providing consistent, reliable, and efficient city services.

### Solutions are found through:

**Collaboration** – We get more work done when we work across departments and partner with the community.

**Open communication** – We are clear with our ideas and decisions. We aim to build respect and trust, resolve our differences, and create a positive environment.

### Our attitude is:

**Congenial** – We maintain a positive attitude and atmosphere because we treat everyone with respect and fairness.

**Empathetic** – We are able to step into someone else's shoes, listen, and understand another point of view.

**Engaging** – We actively engage our citizens to ensure that community concerns and aspirations are consistently understood and considered.

**Responsive** – We always respond to citizen concerns in a timely and efficient manner.

**Trustworthy** – Our promises instill trust in our actions and decisions.

### Decision making:

**Accountable** – We accept responsibility for our actions. Our decisions have a real impact on the community and we follow our words with actions.

**Credible** – We employ experienced and qualified staff. We use trusted sources and our decisions are based on balanced and objective information.

**Innovative** – We don't shy away from new ideas. We think of creative ways to work together. Our open thinking helps us accomplish our goals.

**Ethical** – We make equitable, fair and just decisions because that's the right thing to do.

**Transparent** – We are open and honest with our decisions and supporting data.

**Visionary** – We make smart, long-term decisions that consider future needs.

[indep.us/indep4all](http://indep.us/indep4all) #Indep4All



# INDEPENDENCE ★ MISSOURI ★

A GREAT AMERICAN STORY

## Public Utilities Advisory Board Executive Meeting Agenda

January 19, 2023

2:30 PM, Independence Utilities Center 17221 E. 23rd St. So.

---

### I. ROLL CALL

- A. Roll Call
  - 1. Minutes of 11-17-22
  - 2. Minutes of 12-15-22 (Amended)

### II. PRESENTATIONS

- A. New Generation Proposal

### III. DISCUSSION

- A. Discussion
  - 1. New Generation
  - 2. 6% Rate Reduction Reversal

### IV. REPORTS

- A. Finance & Administration
  - 1. Questions on Utility Financial Reports - November 2022
- B. Municipal Services
- C. Water
- D. IPL
- E. Deputy City Manager

### V. UPCOMING ITEMS

- A. IPL - Development of Future Generation - Ongoing Updates
- B. Finance & Administration - Go over Details of Financials

### VI. BOARD MEMBER COMMENTS

Board Member Comments

### VII. ADJOURNMENT

- A. Next Meeting Date February 16, 2023



# *City of Independence*

## AGENDA ITEM COVER SHEET

---

### **Agenda Title:**

Roll Call

1. Minutes of 11-17-22
2. Minutes of 12-15-22 (Amended)

**Department:**

**Contact Person:**

---

### **REVIEWERS:**

Power and Light Department

Approved

---

**Board Action:**

**Board Action:**

---

### **ATTACHMENTS:**

- ▣ Minutes of November 17, 2022
- ▣ Minutes of December 15, 2022
- ▣ Minutes of December 15, 2022 - Amended



**INDEPENDENCE**  
★ UTILITIES ★

**Municipal Services - Water - Power & Light**

**CITY OF INDEPENDENCE, MO**  
**PUBLIC UTILITY ADVISORY BOARD**

**Public Utilities Advisory Board Meeting Minutes**  
**November 17, 2022**

**PUAB MEMBERS PRESENT**

Anthony Giaramita, Chairperson  
David McDowell  
Sheri Tindle  
Les Boatright  
Michael Talcott, Vice-Chairperson

**PUAB MEMBERS ABSENT**

Bridget McCandless

**PRESENT FROM WATER**

Dan Montgomery, Director  
Matt McLaughlin, Deputy Director

**PRESENT FROM IPL**

Jim Nail, Director  
Joe Hegendeffler, Deputy Director  
Khristina Irvine, Fiscal Administrator

**PRESENT FROM MUN. SERV.**

Lisa Reynolds, Director

**OTHERS PRESENT**

Adam Norris, Deputy City Manager  
Stephanie Harris, Accounting Mgr. - F&A  
Natalia Fairchild, Treas./Debt Mgr. - F&A  
Steve Wagner, City 7

---

Chairperson, Anthony Giaramita called the meeting to order at 2:30 p.m.

**I. ROLL CALL**

**A. Roll Call and Approval of Minutes**

1. Roll Call - The board was able to establish a quorum. All members were present except Bridget McCandless. Chairperson Giaramita announced that Dr. McCandless has tendered her resignation for the board pending her new appointment to the City Council. He thanked her for her service on the board.
2. Approval of Minutes – Mr. Giaramita noted a change to the October 27<sup>th</sup> minutes, PUAB Members Present was duplicated and the second should say Absent. A motion was made by Ms. Tindle. Mr. Talcott 2<sup>nd</sup> the motion. All voted in favor to approve the minutes as amended. Motion passed.

**II. PRESENTATION**

- A. IPL H5 Combustion Turbine Repair** – Jim Nail made the presentation and discussed such topics as Request for Purchase Order, CT H5 Turbine Vibration, GE 5000 Series Generator Rotor, Combustion Turbine, Repair, Robust Workhorse, Wind Turbine Capacity, Renewable-Based Capacity, CT's Support the Grid, and a Summary.
- Mr. Boatright asked if we have any idea of a timeframe for the repairs. Jim answered we would like to have it back by summer but there are a lot of units in for repairs right now and they will not schedule our repairs until they have received a purchase order, so we are not sure of the timeframe.



# INDEPENDENCE

★ UTILITIES ★

Municipal Services - Water - Power & Light

## **CITY OF INDEPENDENCE, MO** **PUBLIC UTILITY ADVISORY BOARD**

Mr. Talcott asked if there is a 20-year life span for proper maintenance what is the ballpark cost wise for the maintenance. Jim answered depending on how much it operates and how many hours run, you can defer those based on some of your inspections and engineering estimates but our insurance underwriters get very nervous when you start delaying beyond too many years, the estimate we had two years ago was that over the next 10 years we should expect minimal cost but at the 10 to 20 year point we would expect to have some of these inspections and they are within the \$1.5M to \$2M range. Lots of work to take the turbine apart, shipping it to a GE facility and bringing it back, that's a huge part of that cost. Should be approximately every 5 years or so. Mr. Talcott asked where will the money come from for the repairs? Jim responded this was not a budgeted item and is an emergency repair. We will be asking council for a new appropriation from our reserved funds.

Mr. McDowell asked how long did this unit set to create the flat spot? Jim responded over a year. Mr. McDowell said there was no way to turn it over the year. Jim responded because of the generator fault we had to disconnect some of the electrical, so we didn't have the turning gear engaged. Mr. McDowell asked if we normally run units to prevent this? Jim responded yes; we normally do if we can engage the turning gear motor.

### **III. ACTION ITEMS**

- A. Requesting PUAB endorsement of IPL H5 Combustion Turbine Repair to move forward to City Council for approval. A motion was made by Mr. Boatright. Ms. Tindle 2<sup>nd</sup> the motion. Mr. Giaramita asked when the repairs were done last year didn't GE mention they could bring out a rental turbine on a truck to replace it temporarily while out for repairs. Jim Nail said yes, but you had to pay for the rental, and it was quite a bit. All voted in favor. Motion passed.

### **IV. REPORTS**

- A. Finance & Administration
  1. Questions on Utility Financial Reports – September 2022 – Stephanie Harris reported that all is in line as expected at this point in the year, nothing extremely high or low at this point. Investment income looks very good.
- B. Municipal Services – Lisa Reynolds said the Lime Stabilization project is now a reality and we should be able to invite you down soon to see it. It should be operational in January, and we are currently meeting with vendors to contract out the dispersal and removal of the solids from our facility.
- C. Water – Dan Montgomery discussed billing delinquency questions from Mr. McDowell.
  1. With inflation and the economic downturn can I find out how many of our customers are behind on their utility bills, I don't know what the city considers delinquent? The short answer is 2 days after their due date. If payment is not received a penalty charge of 5% will be added to the next bill.
  2. What is the amount of the average delinquency in 2022? The 30 days, you get 5%, to be shut off you have to be more than 60 days overdue. In October of 2022 we had 4,382 residential customers that were out for disconnect with the average outstanding balance of \$291.46, this



# INDEPENDENCE

★ UTILITIES ★

**Municipal Services - Water - Power & Light**

## **CITY OF INDEPENDENCE, MO PUBLIC UTILITY ADVISORY BOARD**

is approximately 8% of residential customers. This is a 44% decrease from October of 2021. In looking at our spreadsheet the total outstanding balance was \$1,000,463.00 which sounds like a lot of money, I went back and looked in April this amount was \$3.3M so we are half of what that number was, so on a positive note that number is down. Even though these numbers seem like a lot we normally collect all but one half of a percent overall.

3. Can we get the number of delinquencies for this year, 2021, 2020, 2019 and 2018 to see if there's a trend we need to be worried about. We couldn't really get good data for 2018 and I used our fiscal year end date of June for the comparison. For 2019 there was 7,126, 2020 was 7,192 and 2021 there was 7,011 and the good news is 2022 is down to 4,060. So, it is kind of difficult data to analyze because it is really affected by the weather as well.

Ms. Tindle asked about the aid that came through during the pandemic and where the relationship was to those numbers. Dan said I believe that is what reflected the big drop in numbers since we worked with the Community Service League and customers to get their bills paid and to help the community with those funds.

- D. IPL – Jim Nail said we received some questions about storm restoration and where we are with planning our mutual aid efforts and how we do system damage assessments. Every year as part of NERC requirements we work with SPP and do contingency analysis of a number of different scenarios and we produce our operating guides, these are available to our system operators, it basically says if this line goes out, go through steps A, B, C and D to restore power. If this substation goes out here's what you have to do to restore power. This contingency analysis is something we do on a regular basis and the operating guides as responses, those are updated as well and then made available to operators for reference. During storm season this can get a lot more complicated, the mutual aid system is alive and well we have both given and received mutual aid over the past year. Two fellow utilities came and helped with restoration during the spring tornadoes. We had a crew that went to Florida to help with restoration after hurricane came through. The Mutual Aid program is administered by the Missouri Public Utility Alliance, so our membership helps us get access to that mutual aid program. For our system damage assessments, when there is an emergency or outage our operators find out about it first, and we have a position that is on the clock 24/7, called the Troublemaker, they are experienced Lineman, the dispatcher will receive notification of outage, Troublemaker will be sent to the scene to assess damage, see how extensive the damage is, to see if it's something he can correct on the spot or does he need 1 crew, 2 crews, what type of equipment is needed, he funnels information back to our control room, duty superintendent is then fed that information and make the decision how many to call in, get the employees and the equipment on the scene as soon as we can, this is on a normal basis. During a major outage, we can call in additional Troublemaker, Superintendents are also equipped to help Troublemaker with the situation. We could have many out assessing and getting crew and equipment out quickly.

Mr. Boatright asked if IPL does any to identify critical infrastructure, like hospitals, etc.? Jim responded that our community is so diverse it makes it a little difficult but yes, in our circuit books, we have certain things identified, like this circuit has Centerpointe Hospital on it. Ours would typically be the hospitals, schools, fire stations, actual critical infrastructure that keeps our community going. There are a lot of dialysis clinics and when they are permitted, they are told





# INDEPENDENCE

★ UTILITIES ★

**Municipal Services - Water - Power & Light**

## **CITY OF INDEPENDENCE, MO PUBLIC UTILITY ADVISORY BOARD**

upfront they need to have backup power or contingency plan of where to send their clients in case of major outage. I will add one of the major things going on around the country is availability of supplies, transformers, poles and other things, part of the mutual aid program is that if someone has an emergency they can reach out to the rest of the group and ask if someone has these, and we would replace as soon as we can. There has been a number of times when we have helped out another utility with that. Mr. Boatright asked if we have well established contacts with vendors. Jim responded we have some well-established relationships; however, they are facing the same shortage of materials. Some quotes are now 2 or 3 years out on parts if they will even give us a delivery date. It's a real struggle. Our engineering and transmission groups are working together and trying to think outside the box, instead of a new transformer installation can we split the circuit, can we temporarily use a transformer of a different rating, etc.

Mr. Giaramita asked if we could discuss the cold weather rule since we are getting into that season? Jim responded if the temperature is going to be below 32 degrees within the next 24 hours, we won't disconnect your average delinquent. Commercial accounts are still subject to disconnects and if they are if the account has had a payment arrangement and broken the pay arrangement, they will also get a notice.

Mr. Giaramita said he got a text from someone that had gotten a phone call of disconnect, the message they got everything seemed correct, but it came from a Vietnam phone number. Adam Norris responded, we are familiar with this issue, we tested our system a few times, could not get the issue to replicate, even worked with a couple of different mobile carriers as well. We did ask the vendor if we could have it show coming from a local number a 325 number, but I don't think we know the answer to that yet. Jim responded the best advice we have for our customers if they get a call like that, don't panic, hang up and call our customer service department or look up your account online and check it out or come here and make the payment.

E. Deputy City Manager – Adam Norris said nothing at this time.

### **V. UPCOMING ITEMS-**

- A. IPL – Development of Future Generation – Ongoing Updates
- B. Finance & Administration – Go over Details of Financials
- C. IPL – 10 Year Financial Projects

### **VI. BOARD MEMBER COMMENTS**

A. Board Member Comments –

- 1. Ms. Tindle said I believe if you could get the problem fixed with the phone call with the carriers, I think that would instill confidence for residents. Also, anything we can do on the bill that could add clarity for delinquencies. I'm also going to contact our communications group about putting out more energy conservation for the winter on social media, this might help with delinquencies.

### **VII. ADJOURNMENT – Meeting adjourned at 3:13 p.m.**

- A. The next meeting will be December 15, 2022.



**INDEPENDENCE**  
★ UTILITIES ★

**Municipal Services - Water - Power & Light**

**CITY OF INDEPENDENCE, MO**  
**PUBLIC UTILITY ADVISORY BOARD**

**Public Utilities Advisory Board Meeting Minutes**  
**December 15, 2022**

**PUAB MEMBERS PRESENT**

Anthony Giaramita, Chairperson  
David McDowell  
Sheri Tindle  
Les Boatright  
Michael Talcott, Vice-Chairperson

**PRESENT FROM IPL**

Jim Nail, Director  
Joe Hegendeff, Deputy Director  
Khristina Irvine, Fiscal Administrator

**PRESENT FROM MUN. SERV.**

Lisa Reynolds, Director

**OTHERS PRESENT**

Adam Norris, Deputy City Manager  
Stephanie Harris, Accounting Mgr. - F&A  
Steve Wagner, City 7

**PRESENT FROM WATER**

Dan Montgomery, Director

---

Chairperson, Anthony Giaramita called the meeting to order at 2:30 p.m.

**I. ROLL CALL**

**A.** Roll Call - The board was able to establish a quorum. All members were present.

**II. PRESENTATION**

**A.** IPL Financial Model – Jim Nail made the presentation and discussed such topics as Current Picture, Unrestricted Cash Current Projection, Consistent Results, Planning for the Future, On the Horizon, Balance of Load and Resources, Unrestricted Cash (Remove 6% Discount; Remove 6% Discount & \$5 Customer Charge in 2025; Remove 6% Discount & \$5 Customer Charge in 2025 & 2027; Remove 6% Discount & \$5 Customer Charge in 2025 & 2027 & 4% in 3030) and Conclusions.

Mr. Giaramita asked if you remove the 6%, what would that be on an average bill? Jim answered it would be approximately \$6/\$100 on bill.

Ms. Tindle asked your last line incremental changes will provide needed funding, that includes the ability to go forward with new investment over time. What happens is you then make a new investment. Jim responded part of our plan is to have funds to continue paying our debt service, we wouldn't necessarily have funds to pay off some debt service but would continue paying incrementally. Somethings not in this presentation is analysis on new generation or new revenue streams simply because we don't know what those are going to be. Last year when we presented the new generation project our conservative estimate was that the new turbines would pay for the debt service. Another thing that is not included is if we got new generation or capacity contracts, we didn't delete those 6 combustion turbines right away, as long as those are serviceable and operational if we have extra energy, we can offer that into the market for another possible revenue stream. As we move forward and some of those things work



**INDEPENDENCE**  
★ UTILITIES ★

**Municipal Services - Water - Power & Light**

***CITY OF INDEPENDENCE, MO***  
***PUBLIC UTILITY ADVISORY BOARD***

themselves out, we might not need the customer charge or one of the four percent, but we need time to have that develop.

Mr. Boatright asked if IPL participates in any kind of studies, surveys across the industry for like size. Jim responded, yes, MPUA has done some surveys in the past, we've had members that have done some benchmarking surveys that we've participated in. APPA does nationwide surveys of municipal utilities. There are surveys for salaries and benefits, you can see how you fall within those. There are cost of service surveys that are done, there's a number of different surveys that APPA every year or two and we participate in those. Mr. Boatright said I know when you hear we are the highest cost, that might be a way to repudiate that by pulling some of that out, it may be interesting to see some of that in the future with like size utilities and see how we compare. What is our current breakdown of customers, commercial, industrial, and residential. Jim responded we have about 59,000 customer accounts all together, over 90% comes from residential, another 7 to 8% that is business commercial and then a couple percent that is our industrial. Mr. Boatright stated, we are also talking about raising the cost of the customer charge, what efficiencies is IPL looking at or have they done to kind of offset some of these costs. Jim responded there have been a number of things, one of the things in our proposals is more efficient generation so that what fuel we do purchase generates more power so it's more efficient and the cost per incremental energy is less. In 2015 we had about 245 employees and we now have about 175. A lot of that was from shutting down the power plant but we've continued every year whenever there's a vacancy, we always look at is that vacancy critical, do we need to fill it, can we shift those duties to other places so we can evaluate every position prior to refilling it to make sure we are at the right number for the staff that we have. Mr. Boatright said some of that information might be good in the presentation where you are talking about the new generation with one thing to do positions just to kind of say, we are not just asking, asking, asking here's another thing that we are trying to do. Jim added another thing that is not just IPL but Citywide is looking at how we can get some synergy between department and to maximize resources that way and to minimize costs to do things more efficiently. Mr. Boatright made one more comment, you said equipment and material costs are increasing but the delays in getting some of that equipment too have got to impact costs down the road as well. We heard from Water about the delays and getting hydrants and things and to me that's got to drive your costs up too. Jim added we've even been in positions to where vendors won't even give you a firm quote because two years out, they don't know what the cost is going to be, so yes, that does have an impact.

Mr. Talcott asked if we are going to get rid of the 6%, what would a 2%, 4% to a 6% would do, like a gradual drop in that and the 2<sup>nd</sup> question, if we take that away, doesn't the city get a discount on their municipal rate, like a cheaper rate than businesses do? Jim responded when the rates were proposed in 2019-2020 the direction, we were given was all rates, 6% discount across the board, everybody get it, so that was reflected on how those rates were set.

Ultimately, it's up to the council but the easiest thing from a programming standpoint for us would be to just take the 6% discount off of the billing calculation for everybody. Adam wanted to clarify that the city has a municipal rate that's approved in the rate structure. Mr. Talcott asked with all of our contracts getting ready to go away, how does that look if we are



# INDEPENDENCE

★ UTILITIES ★

**Municipal Services - Water - Power & Light**

## ***CITY OF INDEPENDENCE, MO PUBLIC UTILITY ADVISORY BOARD***

looking at doing more of our own generation? I know that kind of figures into what we have already talked about but what does that give us as far as the ability to look really seriously at that and I came on kind of after all that was kind of discussed but what would it take for us to get really serious about beginning to work toward more of our own generation so we are not so dependent on others? Jim responded, it depends on what technology we would use, how big would we go, our estimate for the 90MW that we proposed earlier this year was that we would not have to increase staff to do that, maybe one or two if the operating schedule got much busier than it already is, it might take a couple of extra operators to get through all the expected operating periods but in general maintenance, operations, engineering, warehousing, we didn't project any impact on staffing, so that 90 would give us some additional revenue, minimal increase in costs other than obviously the debt service to pay for building it in the first place. Any bigger, then you might start looking at additional personnel costs in order to staff it and maintain it, fuel costs depending on what type of fuel used, there is a lot of variables that would go into that. We think and in consulting with our peers at MPUA, having a diverse portfolio is probably one of the best hedges that you have against unforeseen problems in one sector or another, not relying on any one particular resource or type of fuel so we would continue to look at multiple resources like that in order to balance it out as best we can. Mr. Talcott asked with our contracts expiring what do we need to be doing right now? Jim responded that one of the things we are already doing is our energy marketing partners Tenaska is watching the market for us to look at what opportunities are out there, is there someone out there that's offering capacity at a cheap rate right now, right now that's no, but we continue to look for those opportunities to see if it would make sense to get some of that obligation covered by a contract, like the Oneta contract. Certainly, as we come toward the end of those contracts, we'll reach out to those companies to see if there is any appetite to extending them. We are already their customer; we have a good record of paying would they be interested in extending an offer to carry that out further. We will have to do some request for information to see what types of programs are out there and what is the market looking like for whether that purchase power agreements or contracts with the wind farms or the capacity contracts like we have with Oneta. It would be a year-by-year research to see what's available and what makes sense for us. Joe Hegendeffeffer added, Mr. Talcott on the phasing out of the 6%, we would reach our reserves sooner than this graph because the 6% raises it out, so if you extended it and did two, two and two or two and four it just means that in this graph we reach our minimum reserve target of 25 just after 2028, not sure exactly where it would fall but possibly 2027 and doesn't give us the breathing room that the 6% would give us. Mr. Talcott said I'm talking about generation, to actually do something within IPL that we can start physically generation more of our power. Jim responded, certainly, and one of the things we did preparing the recommendation last year was in 2021 we had a consultant working with us on what we called our siting study and the purpose was to look at all types of resources, what was possible here in Independence, how many acres does it take to generate the solar capacity that we would need, how many acres does it take to do wind, do we even have the wind patterns with Independence that would make sense for that? Their analysis was done, and we had numbers for all the different millions of dollars per megawatt for all these different resources. The best answer at the time the study was done



# INDEPENDENCE

★ UTILITIES ★

**Municipal Services - Water - Power & Light**

## ***CITY OF INDEPENDENCE, MO PUBLIC UTILITY ADVISORY BOARD***

was to go with something like a reciprocating engine or a combustion turbine. Mr. Talcott asked if we could look at that and revisit. Jim responded certainly, we presented it to the PUAB, and we can certainly get you a copy and we will certainly be coming to you with a proposal for additional resources. It was important for us to get to the financial piece first to show that we do have a plan to carry us forward and with that behind us then we can start talking about what else we can do to further maintain the IPL system. Mr. Talcott asked if we take the 6% reduction away, has everything else been looked at and I'm asking because we found that apparently we were losing \$100,000 a year on meter cans, we are paying \$7500 a year for advertising at the Mavericks, have we looked to make sure we aren't missing anything somewhere that either we aren't catching or missing, not on purpose or anything like that, maybe something we are not collecting maybe something that maybe fund wise that we are missing? Jim responded, we are looking at a number of things, a team is looking at the schedule of fees for the different services that we provide and making sure those are appropriate. To put it in perspective, our revenue is \$130M a year, \$7500 for cans or whatever, those are incremental costs that are not going to drive the equation. When we talked last year about new generation and how we would pay for the debt services, we looked as a ballpark figure five dollars per account that would raise approximately \$3.5 - \$3.7M so \$7500 or even \$100,000 divided out amongst all of our accounts doesn't amount to much. We will continue to look at all the various sources of revenue that we've got and make sure that those are appropriate, but this is the driver. Mr. Talcott asked, on the 6% was there a timeframe on that? Jim responded no. Adam Norris added that anytime we look at a new service or look at services differently we look for efficiencies, we look for cost savings, particularly through the budget process, our office and our department directors know they are challenged to look at how we provide services to our customers and to make sure we are doing it in the most efficient way possible. Each budget year we tighten that up, we make improvements, we exercise and implement cost saving measures so whether it \$10,000 or \$50,000, those are all important savings that improve our operations and reduce our costs and we look at that every year and we don't take that lightly, we look at that all the time.

Mr. McDowell asked your wanting to go back to 2012, is that right? Jim responded yes; we would like to go back to the rates that were established in 2012. Mr. McDowell said everything costs a heck of a lot more now than it did in 2012 and you are only asking to go back to 2012? You all have done a fantastic job, you are running out city very well, I don't know how you all do it. We need to take care of the reserve; we need to make sure that we're doing more generation in our own town and quit pinching pennies to death. As far as I'm concerned, the dormant accounts that we have at some point they are going to want to flip that switch and have power and they are going to be angry if they don't so they should have to pay a basic service charge, whatever that basic service charge is, we can implement over a 5-year period. No one should be upset with rolling the rates back to 2012, you've done a great job. I think it was foolish for us to reduce the rates when we know we have to have this money to create more electricity. You can't create more electricity when your hands are tied and no money in the bank to buy it. Jim responded I can tell you why we are having this discussion, it's because this



# INDEPENDENCE

★ UTILITIES ★

**Municipal Services - Water - Power & Light**

## **CITY OF INDEPENDENCE, MO PUBLIC UTILITY ADVISORY BOARD**

team is the place that discussion starts and having your support going to the council is the next step. Ms. Tindle agreed with what Mr. McDowell said.

Mr. Giaramita said the customer charge would be \$5 a month for 2 years, correct? The current rates that will go into effect in 2023 has a \$10 charge, what we are suggesting is in 2025 to increase that by \$5 and then in 2027 increase it again. Now again these are just projections, all we are asking for right now is return us to 2012 rates and that would give us more time to evaluate this, look at the how the reserves respond, look at how revenues impacted and then we can continue this discussion to make incremental changes in the future.

Mr. McDowell said I know you would like to have more time to study this, but I think they are needing a recommendation from us to take to council in January.

Mr. Boatright made a motion that we rescind that 6% rate increase and go back to the 2012 rate structure. Mr. McDowell seconded the motion.

Mr. Giaramita said so we are looking at raising the average bill \$84 a year, does that sound about right to you? Jim responded yes, that is approximately correct.

Chairperson call for the voter, the vote was unanimous, 4-1, motion passed.

Mr. Giaramita said my biggest worry is that there are ratepayers in this town that \$84/year is a lot of money to them, and I hate to hamstring somebody like that.

Mr. McDowell added that Social Security just got an 8% raise for one year, we are asking out utility to not even get an increase, they are providing us the best electricity around and it works, when we have an outage, we aren't waiting days, they are right on top of it and I'm proud of you.

### **III. REPORTS**

#### **A. Finance & Administration**

1. Questions on Utility Financial Reports – October 2022 – Stephanie Harris reported that all is in line as expected at this point in the year, nothing extremely high or low at this point, everything looks good.

**B. Municipal Services** – Lisa Reynolds said we don't have anything extra to report this month but happy to take any questions. Mr. Giaramita asked how the lime stabilization project is going. Lisa reported the project is tracking with the anticipated completion date. Mr. Talcott said he saw the City Council meeting and the presentation on trash, how will this work with billing. Lisa responded they would just be a billing mechanism, we are not going to become a trash service, just collecting billings. Mr. Talcott asked if that would be brought to PUAB for approval. Adam Norris answered no it would not, it would only be a contract and administered as any other contract in the city.

**C. Water** – Dan Montgomery said the Gudgell Avenue water main replacement is now completed and online this past week. Barring the weather hopefully they can get all the residents connected in the next month or so. Same company will be doing the Salisbury Road project. The Truman Road project should be finished soon, old line been many, many breaks so will be nice to get that finished. Northern and Ralston project is ready to go but we can't get pipe for that project, may received in 3<sup>rd</sup> quarter of 2023. Good news is we have made a lot of progress recently.



# INDEPENDENCE

★ UTILITIES ★

**Municipal Services - Water - Power & Light**

## ***CITY OF INDEPENDENCE, MO PUBLIC UTILITY ADVISORY BOARD***

- D.** IPL – Jim Nail let everyone know that a citizen called into the Mayor’s office that they had a salesman come to their door stating they were with IPL and it was regarding solar on houses, as far as we know the company is a legitimate company but the salesman was claiming to be associated with IPL, said he had a contract with IPL, office space here at the IUC, and so on. That is not the case. I would encourage any residents, do your homework, contact the city and we will walk you through what you can expect with solar but be aware we do not have a contract with any solar companies.
- E.** Deputy City Manager – Adam Norris said he didn’t have anything to report.

### **IV. UPCOMING ITEMS-**

- A.** IPL – Development of Future Generation – Ongoing Updates
- B.** Finance & Administration – Go over Details of Financials
- C.** IPL – 10 Year Financial Projects

### **V. BOARD MEMBER COMMENTS**

- A.** Board Member Comments – None.

### **VI. ADJOURNMENT** – Meeting adjourned at 3:43 p.m.

- A.** The next meeting will be January 19, 2023.



**INDEPENDENCE**  
★ UTILITIES ★

**Municipal Services - Water - Power & Light**

**CITY OF INDEPENDENCE, MO**  
**PUBLIC UTILITY ADVISORY BOARD**

**Public Utilities Advisory Board Meeting Minutes**  
**December 15, 2022**

**PUAB MEMBERS PRESENT**

Anthony Giaramita, Chairperson  
David McDowell  
Sheri Tindle  
Les Boatright  
Michael Talcott, Vice-Chairperson

**PRESENT FROM IPL**

Jim Nail, Director  
Joe Hegendeff, Deputy Director  
Khristina Irvine, Fiscal Administrator

**PRESENT FROM MUN. SERV.**

Lisa Reynolds, Director

**OTHERS PRESENT**

Adam Norris, Deputy City Manager  
Stephanie Harris, Accounting Mgr. - F&A  
Steve Wagner, City 7

**PRESENT FROM WATER**

Dan Montgomery, Director

---

Chairperson, Anthony Giaramita called the meeting to order at 2:30 p.m.

**I. ROLL CALL**

**A.** Roll Call - The board was able to establish a quorum. All members were present.

**II. PRESENTATION**

**A.** IPL Financial Model – Jim Nail made the presentation and discussed such topics as Current Picture, Unrestricted Cash Current Projection, Consistent Results, Planning for the Future, On the Horizon, Balance of Load and Resources, Unrestricted Cash (Remove 6% Discount; Remove 6% Discount & \$5 Customer Charge in 2025; Remove 6% Discount & \$5 Customer Charge in 2025 & 2027; Remove 6% Discount & \$5 Customer Charge in 2025 & 2027 & 4% in 3030) and Conclusions.

Mr. Giaramita asked if you remove the 6%, what would that be on an average bill? Jim answered it would be approximately \$6/\$100 on bill.

Ms. Tindle asked your last line incremental changes will provide needed funding, that includes the ability to go forward with new investment over time. What happens is you then make a new investment. Jim responded part of our plan is to have funds to continue paying our debt service, we wouldn't necessarily have funds to pay off some debt service but would continue paying incrementally. Somethings not in this presentation is analysis on new generation or new revenue streams simply because we don't know what those are going to be. Last year when we presented the new generation project our conservative estimate was that the new turbines would pay for the debt service. Another thing that is not included is if we got new generation or capacity contracts, we didn't delete those 6 combustion turbines right away, as long as those are serviceable and operational if we have extra energy, we can offer that into the market for another possible revenue stream. As we move forward and some of those things work





**INDEPENDENCE**  
★ UTILITIES ★

**Municipal Services - Water - Power & Light**

***CITY OF INDEPENDENCE, MO***  
***PUBLIC UTILITY ADVISORY BOARD***

themselves out, we might not need the customer charge or one of the four percent, but we need time to have that develop.

Mr. Boatright asked if IPL participates in any kind of studies, surveys across the industry for like size. Jim responded, yes, MPUA has done some surveys in the past, we've had members that have done some benchmarking surveys that we've participated in. APPA does nationwide surveys of municipal utilities. There are surveys for salaries and benefits, you can see how you fall within those. There are cost of service surveys that are done, there's a number of different surveys that APPA every year or two and we participate in those. Mr. Boatright said I know when you hear we are the highest cost, that might be a way to repudiate that by pulling some of that out, it may be interesting to see some of that in the future with like size utilities and see how we compare. What is our current breakdown of customers, commercial, industrial, and residential. Jim responded we have about 59,000 customer accounts all together, over 90% comes from residential, another 7 to 8% that is business commercial and then a couple percent that is our industrial. Mr. Boatright stated, we are also talking about raising the cost of the customer charge, what efficiencies is IPL looking at or have they done to kind of offset some of these costs. Jim responded there have been a number of things, one of the things in our proposals is more efficient generation so that what fuel we do purchase generates more power so it's more efficient and the cost per incremental energy is less. In 2015 we had about 245 employees and we now have about 175. A lot of that was from shutting down the power plant but we've continued every year whenever there's a vacancy, we always look at is that vacancy critical, do we need to fill it, can we shift those duties to other places so we can evaluate every position prior to refilling it to make sure we are at the right number for the staff that we have. Mr. Boatright said some of that information might be good in the presentation where you are talking about the new generation with one thing to do positions just to kind of say, we are not just asking, asking, asking here's another thing that we are trying to do. Jim added another thing that is not just IPL but Citywide is looking at how we can get some synergy between department and to maximize resources that way and to minimize costs to do things more efficiently. Mr. Boatright made one more comment, you said equipment and material costs are increasing but the delays in getting some of that equipment too have got to impact costs down the road as well. We heard from Water about the delays and getting hydrants and things and to me that's got to drive your costs up too. Jim added we've even been in positions to where vendors won't even give you a firm quote because two years out, they don't know what the cost is going to be, so yes, that does have an impact.

Mr. Talcott asked if we are going to get rid of the 6%, what would a 2%, 4% to a 6% would do, like a gradual drop in that and the 2<sup>nd</sup> question, if we take that away, doesn't the city get a discount on their municipal rate, like a cheaper rate than businesses do? Jim responded when the rates were proposed in 2019-2020 the direction, we were given was all rates, 6% discount across the board, everybody get it, so that was reflected on how those rates were set.

Ultimately, it's up to the council but the easiest thing from a programming standpoint for us would be to just take the 6% discount off of the billing calculation for everybody. Adam wanted to clarify that the city has a municipal rate that's approved in the rate structure. Mr. Talcott asked with all of our contracts getting ready to go away, how does that look if we are



**INDEPENDENCE**  
★ UTILITIES ★

**Municipal Services - Water - Power & Light**

***CITY OF INDEPENDENCE, MO***  
***PUBLIC UTILITY ADVISORY BOARD***

looking at doing more of our own generation? I know that kind of figures into what we have already talked about but what does that give us as far as the ability to look really seriously at that and I came on kind of after all that was kind of discussed but what would it take for us to get really serious about beginning to work toward more of our own generation so we are not so dependent on others? Jim responded, it depends on what technology we would use, how big would we go, our estimate for the 90MW that we proposed earlier this year was that we would not have to increase staff to do that, maybe one or two if the operating schedule got much busier than it already is, it might take a couple of extra operators to get through all the expected operating periods but in general maintenance, operations, engineering, warehousing, we didn't project any impact on staffing, so that 90 would give us some additional revenue, minimal increase in costs other than obviously the debt service to pay for building it in the first place. Any bigger, then you might start looking at additional personnel costs in order to staff it and maintain it, fuel costs depending on what type of fuel used, there is a lot of variables that would go into that. We think and in consulting with our peers at MPUA, having a diverse portfolio is probably one of the best hedges that you have against unforeseen problems in one sector or another, not relying on any one particular resource or type of fuel so we would continue to look at multiple resources like that in order to balance it out as best we can. Mr. Talcott asked with our contracts expiring what do we need to be doing right now? Jim responded that one of the things we are already doing is our energy marketing partners Tenaska is watching the market for us to look at what opportunities are out there, is there someone out there that's offering capacity at a cheap rate right now, right now that's no, but we continue to look for those opportunities to see if it would make sense to get some of that obligation covered by a contract, like the Oneta contract. Certainly, as we come toward the end of those contracts, we'll reach out to those companies to see if there is any appetite to extending them. We are already their customer; we have a good record of paying would they be interested in extending an offer to carry that out further. We will have to do some request for information to see what types of programs are out there and what is the market looking like for whether that purchase power agreements or contracts with the wind farms or the capacity contracts like we have with Oneta. It would be a year-by-year research to see what's available and what makes sense for us. Joe Hegendeffeffer added, Mr. Talcott on the phasing out of the 6%, we would reach our reserves sooner than this graph because the 6% raises it out, so if you extended it and did two, two and two or two and four it just means that in this graph we reach our minimum reserve target of 25 just after 2028, not sure exactly where it would fall but possibly 2027 and doesn't give us the breathing room that the 6% would give us. Mr. Talcott said I'm talking about generation, to actually do something within IPL that we can start physically generation more of our power. Jim responded, certainly, and one of the things we did preparing the recommendation last year was in 2021 we had a consultant working with us on what we called our siting study and the purpose was to look at all types of resources, what was possible here in Independence, how many acres does it take to generate the solar capacity that we would need, how many acres does it take to do wind, do we even have the wind patterns with Independence that would make sense for that? Their analysis was done, and we had numbers for all the different millions of dollars per megawatt for all these different resources. The best answer at the time the study was done



**INDEPENDENCE**  
★ UTILITIES ★

**Municipal Services - Water - Power & Light**

***CITY OF INDEPENDENCE, MO***  
***PUBLIC UTILITY ADVISORY BOARD***

was to go with something like a reciprocating engine or a combustion turbine. Mr. Talcott asked if we could look at that and revisit. Jim responded certainly, we presented it to the PUAB, and we can certainly get you a copy and we will certainly be coming to you with a proposal for additional resources. It was important for us to get to the financial piece first to show that we do have a plan to carry us forward and with that behind us then we can start talking about what else we can do to further maintain the IPL system. Mr. Talcott asked if we take the 6% reduction away, has everything else been looked at and I'm asking because we found that apparently we were loosing \$100,000 a year on meter cans, we are paying \$7500 a year for advertising at the Mavericks, have we looked to make sure we aren't missing anything somewhere that either we aren't catching or missing, not on purpose or anything like that, maybe something we are not collecting maybe something that maybe fund wise that we are missing? Jim responded, we are looking at a number of things, a team is looking at the schedule of fees for the different services that we provide and making sure those are appropriate. To put it in perspective, our revenue is \$130M a year, \$7500 for cans or whatever, those are incremental costs that are not going to drive the equation. When we talked last year about new generation and how we would pay for the debt services, we looked as a ballpark figure five dollars per account that would raise approximately \$3.5 - \$3.7M so \$7500 or even \$100,000 divided out amongst all of our accounts doesn't amount to much. We will continue to look at all the various sources of revenue that we've got and make sure that those are appropriate, but this is the driver. Mr. Talcott asked, on the 6% was there a timeframe on that? Jim responded no. Adam Norris added that anytime we look at a new service or look at services differently we look for efficiencies, we look for cost savings, particularly through the budget process, our office and our department directors know they are challenged to look at how we provide services to our customers and to make sure we are doing it in the most efficient way possible. Each budget year we tighten that up, we make improvements, we exercise and implement cost saving measures so whether it \$10,000 or \$50,000, those are all important savings that improve our operations and reduce our costs and we look at that every year and we don't take that lightly, we look at that all the time.

Mr. McDowell asked your wanting to go back to 2012, is that right? Jim responded yes; we would like to go back to the rates that were established in 2012. Mr. McDowell said everything costs a heck of a lot more now than it did in 2012 and you are only asking to go back to 2012? You all have done a fantastic job, you are running out city very well, I don't know how you all do it. We need to take care of the reserve; we need to make sure that we're doing more generation in our own town and quit pinching pennies to death. As far as I'm concerned, the dormant accounts that we have at some point they are going to want to flip that switch and have power and they are going to be angry if they don't so they should have to pay a basic service charge, whatever that basic service charge is, we can implement over a 5-year period. No one should be upset with rolling the rates back to 2012, you've done a great job. I think it was foolish for us to reduce the rates when we know we have to have this money to create more electricity. You can't create more electricity when your hands are tied and no money in the bank to buy it. Jim responded I can tell you why we are having this discussion, it's because this



**INDEPENDENCE**  
★ UTILITIES ★

**Municipal Services - Water - Power & Light**

**CITY OF INDEPENDENCE, MO**  
**PUBLIC UTILITY ADVISORY BOARD**

team is the place that discussion starts and having your support going to the council is the next step. Ms. Tindle agreed with what Mr. McDowell said.

Mr. Giaramita said the customer charge would be \$5 a month for 2 years, correct? The current rates that will go into effect in 2023 has a \$10 charge, what we are suggesting is in 2025 to increase that by \$5 and then in 2027 increase it again. Now again these are just projections, all we are asking for right now is return us to 2012 rates and that would give us more time to evaluate this, look at the how the reserves respond, look at how revenues impacted and then we can continue this discussion to make incremental changes in the future.

Mr. McDowell said I know you would like to have more time to study this, but I think they are needing a recommendation from us to take to council in January.

Mr. Boatright made a motion that we rescind that 6% rate increase and go back to the 2012 rate structure. Mr. McDowell seconded the motion.

Mr. Giaramita said so we are looking at raising the average bill \$84 a year, does that sound about right to you? Jim responded yes, that is approximately correct.

Chairperson call for the voter, the vote was 4-1, motion passed.

Mr. Giaramita said my biggest worry is that there are ratepayers in this town that \$84/year is a lot of money to them, and I hate to hamstring somebody like that.

Mr. McDowell added that Social Security just got an 8% raise for one year, we are asking out utility to not even get an increase, they are providing us the best electricity around and it works, when we have an outage, we aren't waiting days, they are right on top of it and I'm proud of you.

### **III. REPORTS**

#### **A. Finance & Administration**

1. Questions on Utility Financial Reports – October 2022 – Stephanie Harris reported that all is in line as expected at this point in the year, nothing extremely high or low at this point, everything looks good.

**B. Municipal Services** – Lisa Reynolds said we don't have anything extra to report this month but happy to take any questions. Mr. Giaramita asked how the lime stabilization project is going. Lisa reported the project is tracking with the anticipated completion date. Mr. Talcott said he saw the City Council meeting and the presentation on trash, how will this work with billing. Lisa responded they would just be a billing mechanism, we are not going to become a trash service, just collecting billings. Mr. Talcott asked if that would be brought to PUAB for approval. Adam Norris answered no it would not, it would only be a contract and administered as any other contract in the city.

**C. Water** – Dan Montgomery said the Gudgell Avenue water main replacement is now completed and online this past week. Barring the weather hopefully they can get all the residents connected in the next month or so. Same company will be doing the Salisbury Road project. The Truman Road project should be finished soon, old line been many, many breaks so will be nice to get that finished. Northern and Ralston project is ready to go but we can't get pipe for that project, may received in 3<sup>rd</sup> quarter of 2023. Good news is we have made a lot of progress recently.



# INDEPENDENCE

★ UTILITIES ★

**Municipal Services - Water - Power & Light**

## ***CITY OF INDEPENDENCE, MO PUBLIC UTILITY ADVISORY BOARD***

- D.** IPL – Jim Nail let everyone know that a citizen called into the Mayor’s office that they had a salesman come to their door stating they were with IPL and it was regarding solar on houses, as far as we know the company is a legitimate company but the salesman was claiming to be associated with IPL, said he had a contract with IPL, office space here at the IUC, and so on. That is not the case. I would encourage any residents, do your homework, contact the city and we will walk you through what you can expect with solar but be aware we do not have a contract with any solar companies.
- E.** Deputy City Manager – Adam Norris said he didn’t have anything to report.

### **IV. UPCOMING ITEMS-**

- A.** IPL – Development of Future Generation – Ongoing Updates
- B.** Finance & Administration – Go over Details of Financials
- C.** IPL – 10 Year Financial Projects

### **V. BOARD MEMBER COMMENTS**

- A.** Board Member Comments – None.

### **VI. ADJOURNMENT** – Meeting adjourned at 3:43 p.m.

- A.** The next meeting will be January 19, 2023.

# *City of Independence*

## AGENDA ITEM COVER SHEET

---

**Agenda Title:**

New Generation Proposal

**Department:** IPL

**Contact Person:** Jim Nail

---

**REVIEWERS:**

Power and Light Department

Approved

---

**Board Action:**

**Board Action:**

---

**ATTACHMENTS:**

- IPL New Generation Proposal - Jan 2023 PUAB

# IPL New Generation

January 19, 2023



**INDEPENDENCE**  
★ POWER & LIGHT ★

# Current Picture

- Retired IPL steam units in 2016 and 2020
- Remaining CTs serviceable but inefficient and aging
- Contracts ending with Wind and Capacity
- Life-of-Plant contracts with large Coal units
- Ownership stake in Dogwood Combined Cycle Plant
- Capacity obligation with SPP set to increase
- SPP capacity credit for our units subject to penalties



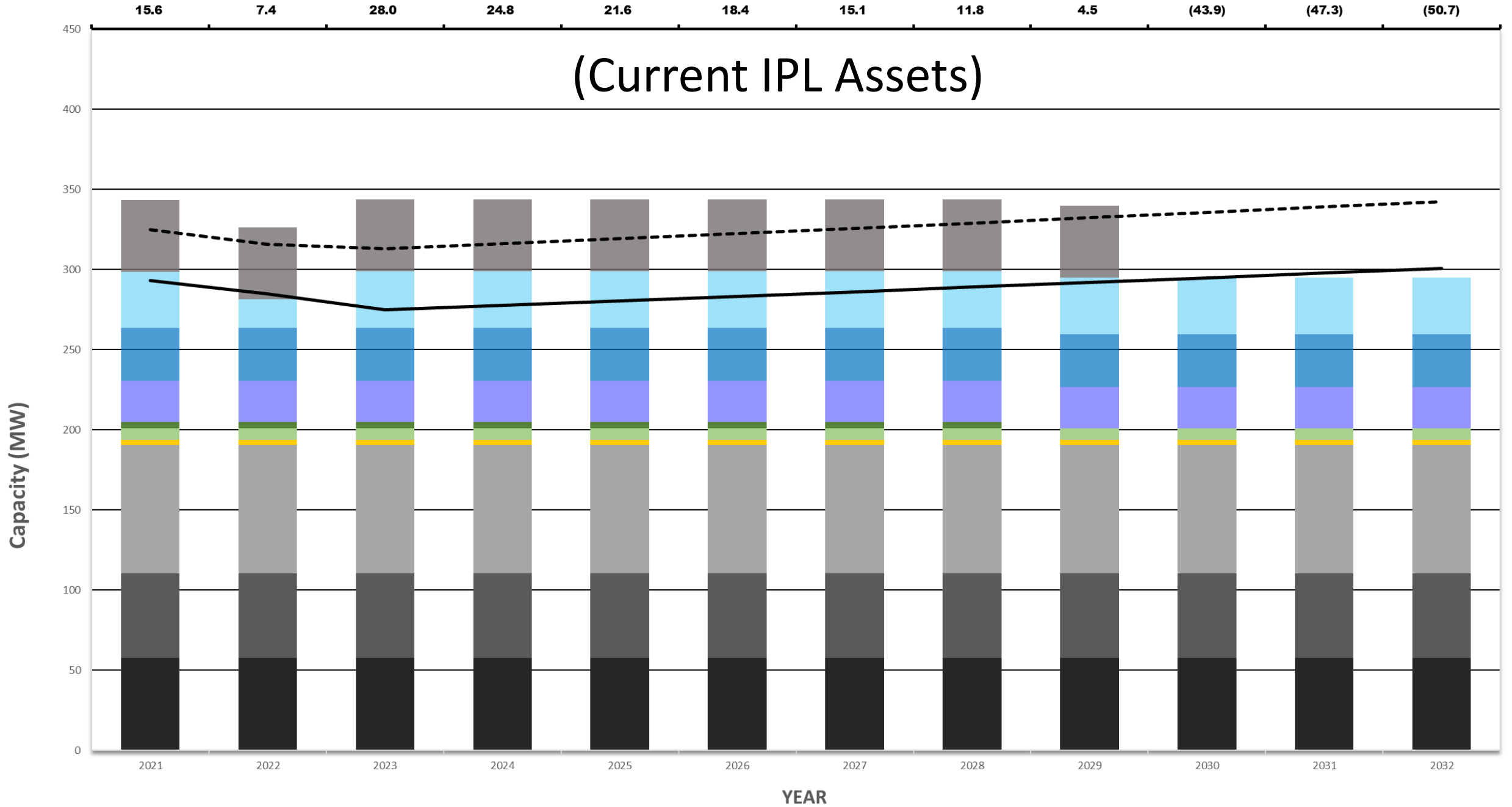


# IPL Capacity Assets

- IPL owned Combustion Turbines
- IPL share of Dogwood Combined Cycle Plant
- Smoky Hills Wind PPA – expires 2029
- Oneta Capacity contract – expires 2030
- Marshall Wind PPA – expires 2036
- Iatan II and NC2 PPA – “life of plant” approx. 2050 or longer
- IPL Solar Farms – (not credited by SPP) est. 2047



# Balance of Load and Resources (MW)



# Project Goals

- Maintain award winning System Reliability
- Maintain Capacity obligation with SPP
- Adopt Environmentally Responsible Technology
- Retire IPL Combustion Turbines
- Support growth of Independence customer load
- Diverse Portfolio for maximum Resilience
- Control our future through strategic replacement/retirement



# Project Constraints

- Pressures on Reserve Fund Balance
- SPP approval process – currently 4-5 years
- Design/Procure/Construct timelines
- Future technology improvements
- Potential environmental impacts



# Development Process

- Energy Master Plan 2019 – broad scope of options
- IPL Siting Study 2021 – what is possible within Independence
- Request for Proposals – 2021
- Presentations to PUAB and Council at each step to educate and inform
- Public presentation and Q&A session supported by industry experts



# All Options on the Table

Technology / Option	Purchase Requirements	30Yr Cost	Annual Cost	Annual Market Opportunity	Annual Net Cost	Annual \$/MW
Wind	300MW would give 90MW Capacity	\$1,250M	\$41.7M	\$20.6M	\$21.1M	\$234K
	Even with a 30% reduction of pricing	\$828M	\$27.6M	\$20.6M	\$7.0M	\$78K
Solar	620MW would give 90MW Capacity	\$1,333M	\$44.4M	\$18M	\$26.4M	\$294K
	At current market rates of \$30/MWh	\$834M	\$27.8M	\$18M	\$9.8M	\$109K
Battery	Tech not ready yet, could get 5-10MW					
Dogwood	Ownership at current pricing (interest only payments)	\$288M	\$9.6M	\$7.2M	\$2.4M	\$27K
Capacity	Current rate like Oneta	\$75M	\$2.5M	\$0M	\$2.5M	\$28K
Coal PPA	Like Iatan or NC2 at current agreements	\$630M	\$21M	\$6.4M	\$14.6M	\$162K
No replacement of generation locally	Transmission Projects for grid reliability in addition to any option above (2018 pricing)	\$36M				
Alternate Aero	1 X FT4000 (57MW)	\$97M	\$6.1M	\$1.9M	\$4.2M	\$74K
RICE	5 X 18MW	\$116M	\$6.7M	\$1.4M	\$5.3M	\$59K
New LM6000	2 X 45MW New Aero	\$116M	\$6.7M	\$2.8M	\$3.9M	\$43K
ProEnergy Bid	2 X 45MW Aero dispatchable resource	\$70M	\$4.3M	\$2.5M	\$1.8M	\$20K

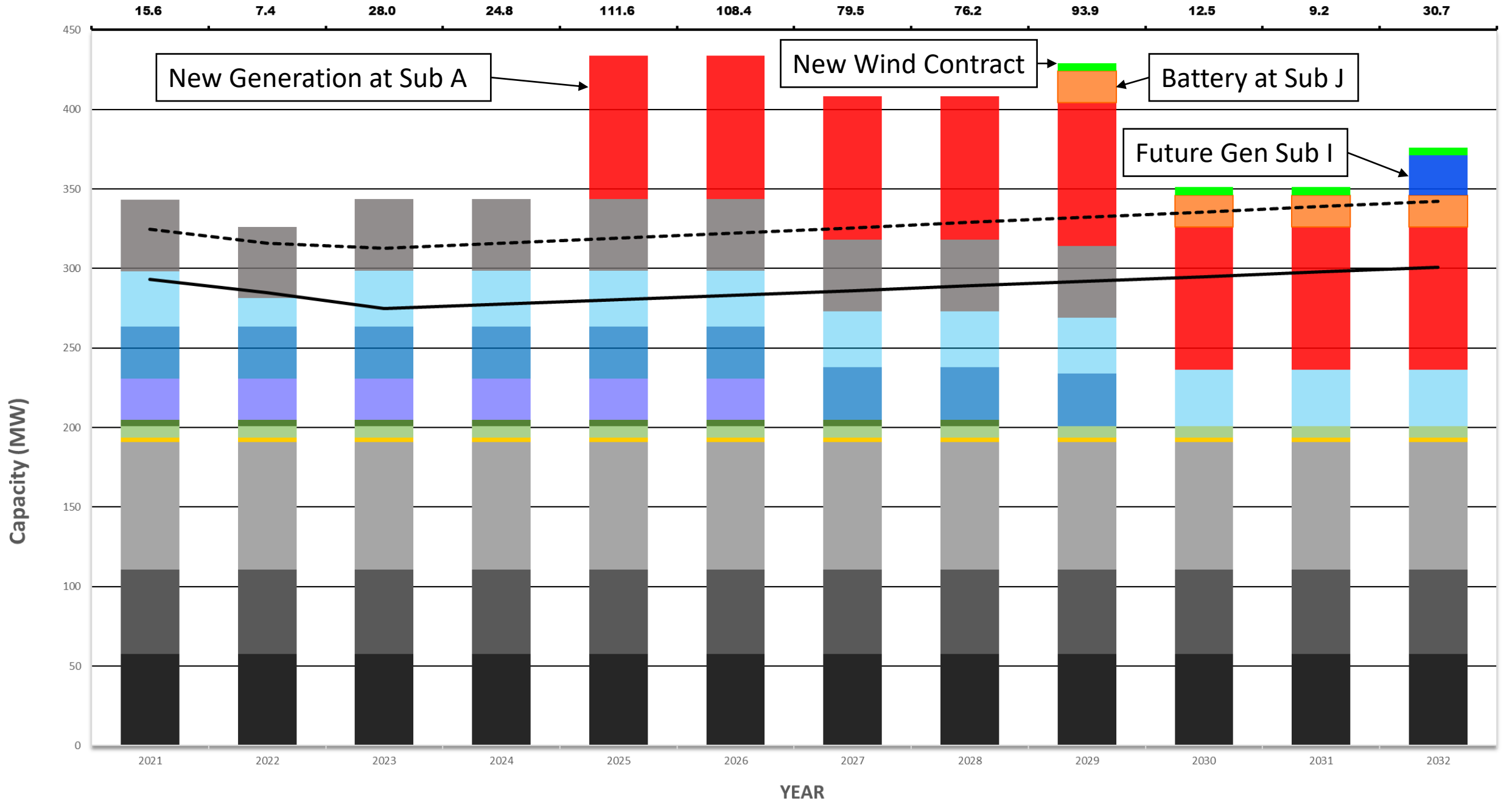


# Strategic Plan to meet Capacity Need

- Replace Capacity at Blue Valley Plant with new generation (shorter path to SPP approval)
- Pursue new opportunities for Wind/Solar
- Battery Storage at Sub J
- Market Excess Capacity until units are retired
- Continue to evaluate developing technologies to support retirement of aging assets



# Balance of Load and Resources (MW)





# RFP Evaluation

Proposal	Manu	Technology	Summer Cap (MW)	Min	Net Heat Rate BTU/KW-hr	Pricing	Price	\$/kW
Company A - Option 5	MAN	18v51/60DF (5X18)	89.7	4.5	7501	IP	\$165,135,042	\$1,841
Company A - Option 3	GE	3xLM2500Xpress	88.6	14.8	9235	IP	\$153,416,937	\$1,732
Company A - Option 4	Mitsubishi	3 X FT8	81	13.5	9816	IP	\$152,072,061	\$1,877
Company D - Option 1	GE	3xLM2500Xpress	90.7	14	9020	IP	\$147,302,512	\$1,624
Company A - Option 1	GE	2xLM6000PF	83.7	18.2	8861	IP	\$145,702,533	\$1,741
Company B - Option 8	Mitsubishi (Refirb)	3xFT8 MOBILEPAC	80	13	10040	IP	\$142,400,000	\$1,780
Company D - Option 2	GE	2xLM6000PF	88.2	19.5	8415	IP	\$138,492,061	\$1,570
Company A - Option 2	GE (Refirb)	2xLM6000PC	75.6	18.9	8715	IP	\$129,305,195	\$1,710
Company B - Option 5	Wartsilla	RECIP (5X18)	83	2	7935	IP	\$128,000,000	\$1,542
Company B - Option 6	Mitsubishi	3xFT8 MOBILEPAC	80	13	10040	IP	\$126,700,000	\$1,584
Company B - Option 3	GE	LM2500Xpress (3X33)	87	17	9403	IP	\$126,500,000	\$1,454
Company D - Option 3	Siemens	2xSGT-800	89.7	22.4		IP	\$126,323,041	\$1,408
Company B - Option 4	GE	2xLM6000PF	84	24	8800	IP	\$125,800,000	\$1,498
Company D - Option 4	GE	2xLM6000PC	86.5	10.7	8879	IP	\$116,301,702	\$1,345
Company C	Wartsilla	RECIP (5X18)	90	2	Not Provided	IP	\$115,836,000	\$1,287
Company B - Option 1	Siemens	2xSGT-800	85	25	9542	IP	\$115,300,000	\$1,356
Company B - Option 2	GE (Refirb)	2xLM6000PC	82	24	9448	IP	\$106,800,000	\$1,302
Company B - Option 7	Mitsubishi	1 X FT4000	57	29	9156	IP	\$96,600,000	\$1,695
<b>ProEnergy Services LLC</b>	<b>GE (Refirb)</b>	<b>2xLM6000 (42.1)</b>	<b>84.2</b>	<b>10.1</b>	<b>9233</b>	<b>FP</b>	<b>\$69,350,000</b>	<b>\$824</b>
Company F	GE (Refirb)	GE 7EA CTG	71.2	45.4	11727	IP	\$63,050,430	\$886



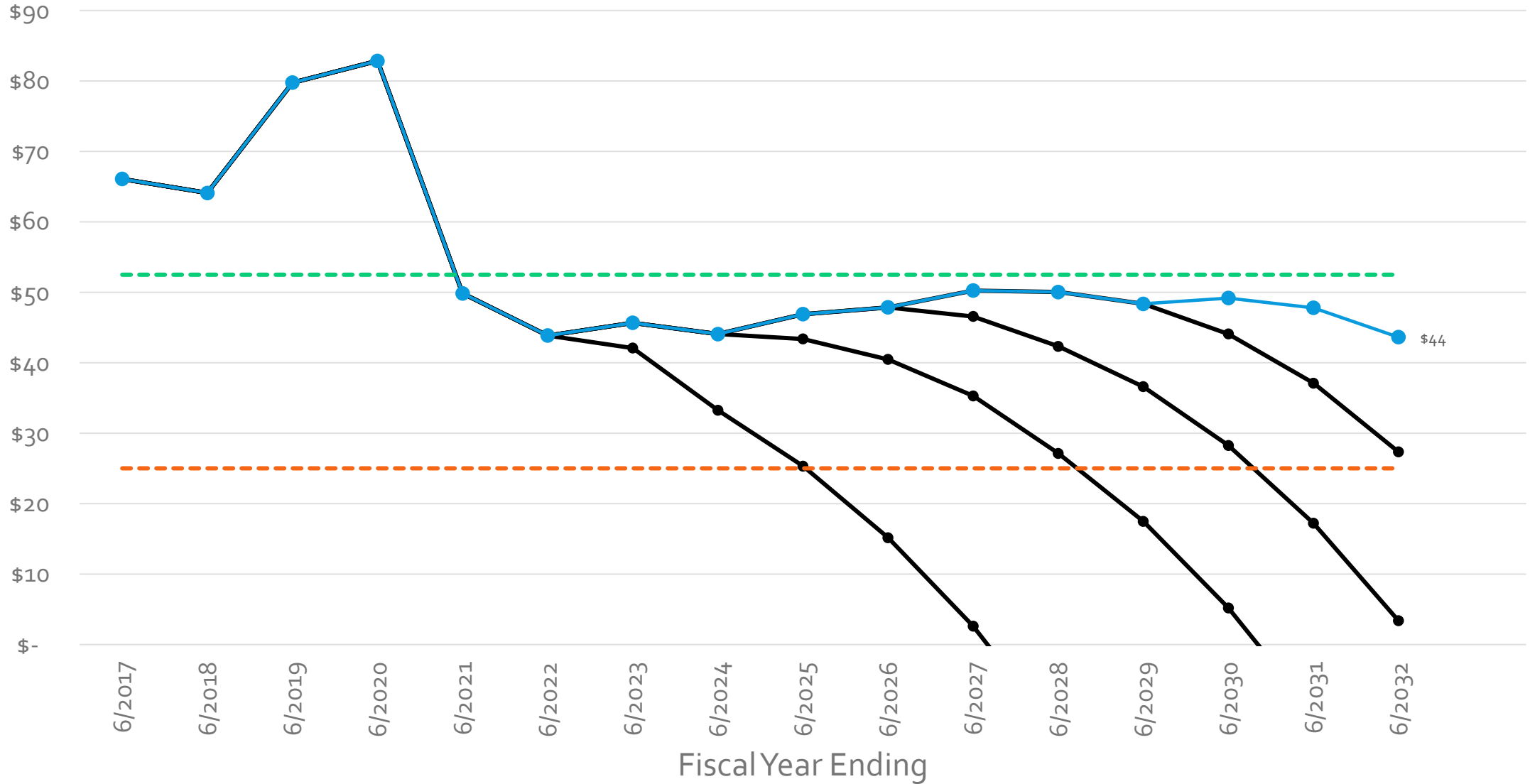
# New Generation Proposal

- Two Aeroderivative Combustion Turbines, 90 MW total, significant increase in utilization (30% capacity factor)
- Reduces carbon footprint
- Budgetary estimate \$81.4 million
- FERC waiver expires in December 2024. Proposal estimates completion in 22 months.
- SPP Generation Connection approval – expected in January/Feb. 30 days to confirm project or cancel.



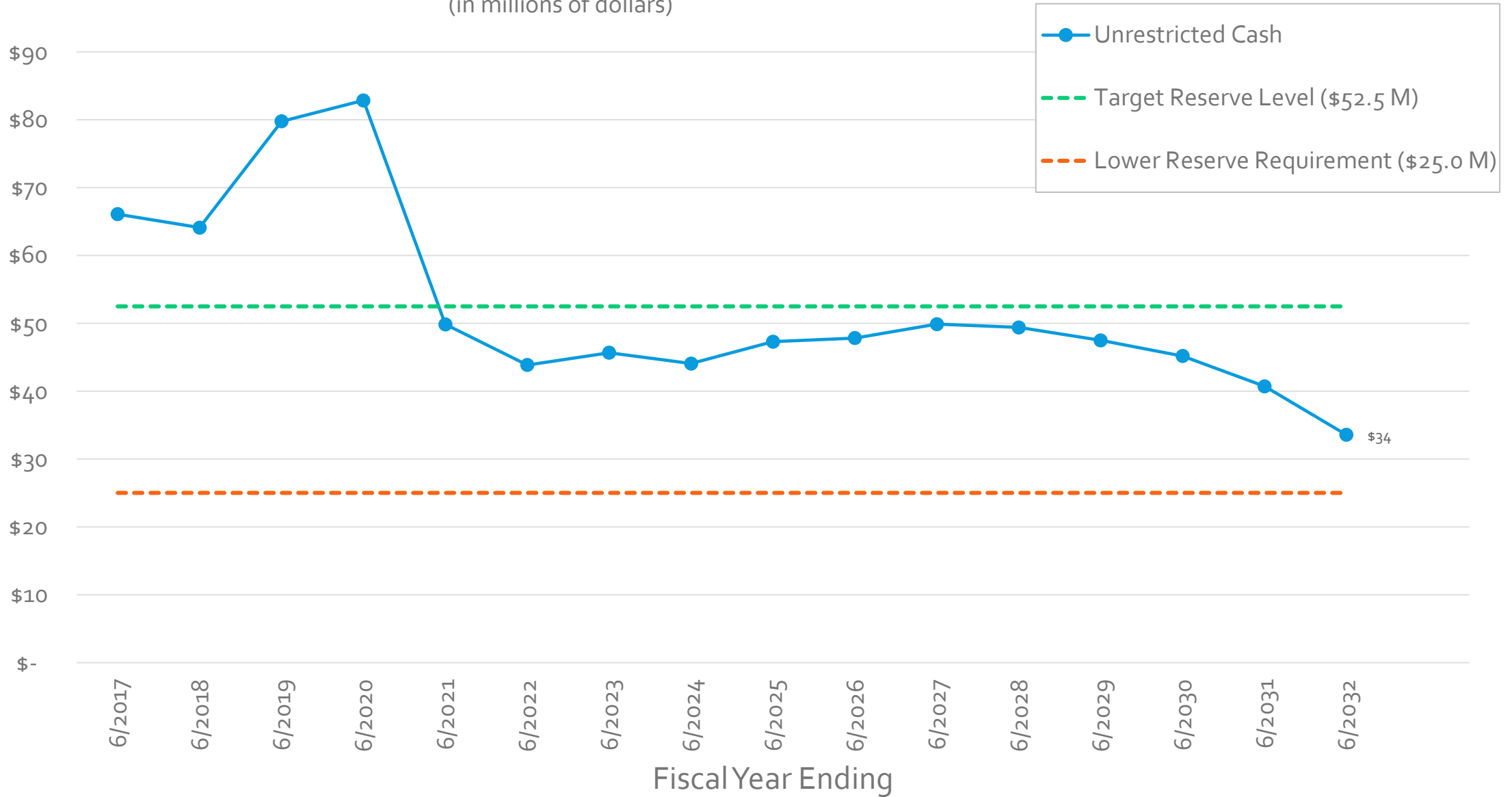
# Unrestricted Cash (Remove 6% Discount, \$5 CC 25 & 27, 4% 30)

(in millions of dollars)



# Unrestricted Cash (New Generation Proposal)

(in millions of dollars)



# Conclusions

- A Reliable and Resilient electric system is important to our residents and helps attract business
- Maintaining generation inside Independence enhances Reliability, provides a hedge against outside events, and saves the cost of transmission system upgrades.
- Participation in the SPP Integrated Market provides Independence low-cost energy and mitigates risk
- Add Generation Capacity to maintain SPP obligation and facilitate future strategic moves



# Staff Recommendation

- Approve ProEnergy Proposal for 90MW of generation at the Blue Valley location
- Work with Finance Department and Utility Financial Advisor to develop and implement funding plan.



Questions ?



**INDEPENDENCE**  
★ POWER & LIGHT ★

# *City of Independence*

## AGENDA ITEM COVER SHEET

---

### **Agenda Title:**

Finance & Administration

1. Questions on Utility Financial Reports - November 2022

**Department:** Finance &  
Administration

**Contact Person:** Cindy Gray

---

### **REVIEWERS:**

Power and Light Department

Approved

---

**Board Action:**

**Board Action:**

---

### **ATTACHMENTS:**

- PUAB Utility Financials with CIP - November 2022



**CITY OF INDEPENDENCE, MISSOURI**  
 Budgetary Comparison Schedule  
 Power and Light  
 For the period ended November 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>	<u>Percent</u>	<u>Percent</u>
	<u>Original</u>	<u>Amended</u>	<u>Amounts</u> <u>(Budget Basis)</u>	<u>with Amended</u> <u>Budget</u>	<u>Actual</u> <u>41.67% of Year</u>	<u>From</u> <u>Budget</u>
<b>Operating Revenues:</b>						
Charges for Services	\$ 131,606,000	131,606,000	65,307,744	(66,298,256)	49.62%	7.95%
Penalties	1,000,000	1,000,000	739,507	(260,493)	73.95%	32.28%
Connection Charges	33,000	33,000	2,790	(30,210)	8.45%	-33.22%
Miscellaneous	—	—	24,818	24,818	0.00%	-41.67%
Temporary Service	1,000	1,000	450	(550)	45.00%	3.33%
Rental Income	276,000	276,000	18,439	(257,561)	6.68%	-34.99%
Transmission Wheeling	7,000,000	7,000,000	2,075,674	(4,924,326)	29.65%	-12.02%
<b>Total Operating Revenues</b>	<u>139,916,000</u>	<u>139,916,000</u>	<u>68,169,422</u>	<u>(71,746,578)</u>	<u>48.72%</u>	<u>7.05%</u>
<b>Operating Expenses:</b>						
Personnel Services	30,189,037	30,189,037	11,742,723	18,446,314	38.90%	-2.77%
Other Services	26,956,585	26,956,585	17,513,304	9,443,281	64.97%	23.30%
Supplies	55,603,355	55,603,355	27,701,698	27,901,657	49.82%	8.15%
Capital Projects	5,305,000	12,168,601	1,456,071	10,712,530	11.97%	-29.70%
Capital Operating	1,400,225	1,400,225	436,484	963,741	31.17%	-10.50%
Debt Service	7,896,466	7,896,466	2,361,968	5,534,498	29.91%	-11.76%
Other Expenses	100,000	100,000	—	100,000	0.00%	-41.67%
<b>Total Operating Expenses</b>	<u>127,450,668</u>	<u>134,314,269</u>	<u>61,212,248</u>	<u>73,102,021</u>	<u>45.57%</u>	<u>3.90%</u>
<b>Nonoperating Revenues (Expenses):</b>						
Investment Income	118,000	118,000	480,723	362,723	407.39%	365.72%
Interfund Charges for Support Services	2,011,000	2,011,000	873,921	(1,137,079)	43.46%	1.79%
Miscellaneous Revenue (Expense)	15,700	15,700	226,313	210,613	1441.48%	1399.81%
<b>Total Nonoperating Revenue (Expenses)</b>	<u>2,144,700</u>	<u>2,144,700</u>	<u>1,580,957</u>	<u>(563,743)</u>	<u>73.71%</u>	<u>32.04%</u>
<b>Income (Loss) Before Transfers</b>	<u>14,610,032</u>	<u>7,746,431</u>	<u>8,538,131</u>	<u>791,700</u>	<u>110.22%</u>	<u>68.55%</u>
Capital Contributions	—	—	—	—	0.00%	-41.67%
Transfers Out – Utility Payments In Lieu of Taxes	(13,000,000)	(13,000,000)	(6,762,849)	(6,237,151)	52.02%	10.35%
Transfers In	—	—	—	—	0.00%	-41.67%
Transfers Out	—	—	—	—	0.00%	-41.67%
<b>Total Transfers</b>	<u>(13,000,000)</u>	<u>(13,000,000)</u>	<u>(6,762,849)</u>	<u>(6,237,151)</u>	<u>52.02%</u>	<u>10.35%</u>
<b>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis</b>	<u>\$ 1,610,032</u>	<u>(5,253,569)</u>	<u>1,775,282</u>	<u>7,028,851</u>		
Beginning Available Resources			49,405,589			
Prior Period Adjustment			—			
Year-End Investment Market Value Adjustment			—			
Ending Available Resources			<u>51,180,871</u>			
Revenue Risk			5,300,000			
Capital Reserve			3,000,000			
Expense Risk			18,700,000			
Working Capital			25,500,000			
Targeted Reserve Level			<u>52,500,000</u>			
<b>Total Non-Restricted Resources Available</b>			<u>\$ (1,319,129)</u>			

**Power and Light - Open Capital Projects**  
As of November 30, 2022

PROJECT	PROJECT TITLE	ORIGINAL BUDGET	NET BUDGET AMENDMENTS	REVISED BUDGET	ENCUMBRANCES	ACTUALS	AVAILABLE BUDGET
200815	T&D Sys IMPROVEMENTS	\$ -	833,939.48	833,939.48	921.36	-	833,018.12
200824	Prod Pit MISC PROJECTS	-	68,257.76	68,257.76	-	-	68,257.76
200828	FIBER OPTIC PROGRAM	-	198,999.72	198,999.72	44,483.75	98,950.76	55,565.21
201106	69 KV SUBSTATION FACILITIES	-	321,078.50	321,078.50	26,893.81	56,592.75	237,591.94
201405	SUBSTATION SECURITY PROJECT	-	235,149.64	235,149.64	30,534.00	-	204,615.64
201509	NEW BILLING Sys	-	22,047.36	22,047.36	-	-	22,047.36
201510	Sys OpS / DISPATCH	-	44,634.77	44,634.77	35,030.50	-	9,604.27
201603	69 KV Trans LINE REBUIL	-	1,356,365.47	1,356,365.47	659,291.75	7,757.00	689,316.72
201604	Sys OpS / UPS UPGRAD	-	45,493.59	45,493.59	-	-	45,493.59
201605	Sys OpS WORK AREA	-	619,842.18	619,842.18	-	-	619,842.18
201606	NEW FINANCIAL MANAGEMENT SYS	-	200,000.00	200,000.00	-	-	200,000.00
201702	Prod FACILITIES IMPROVE	-	475,477.00	475,477.00	19,279.00	152,368.00	303,830.00
201703	BV GROUND WATER	-	369,648.98	369,648.98	43,920.69	38,143.27	287,585.02
201706	SUBSTATION K SWITCHGEAR &	-	963,211.67	963,211.67	205,962.46	750,333.75	6,915.46
201707	MASTER PLAN-FUTURE GENERATIO	-	32,500.00	32,500.00	-	-	32,500.00
201710	Mo CITY DIVESTITURE	-	450,681.26	450,681.26	392,329.67	58,351.09	0.50
201804	SUBSTATION E SWITCHGEAR REPLACEMENT	-	5,237,618.51	5,237,618.51	3,076,902.77	51,778.60	2,108,937.14
202004	Above Ground Fuel Storage Tanks	-	41,800.00	41,800.00	-	-	41,800.00
202101	Substation Fiber Optic Network	-	913,263.62	913,263.62	17,925.00	75,078.73	820,259.89
202102	Traffic Controller Upgrades	-	66,000.00	66,000.00	9,658.00	-	56,342.00
202103	Traffic Camera System Upgrades	-	51,837.00	51,837.00	-	-	51,837.00
202107	Motorola APX Radio Purchase Phase 2	-	67,716.89	67,716.89	-	-	67,716.89
202108	Operations APC UPS Battery Replace	-	110,000.00	110,000.00	-	10,300.00	99,700.00
202110	20MVAR Capacitor Bank Sub A	-	520,726.57	520,726.57	163,065.05	203,460.73	154,200.79
202111	Transmission Pole Replacement Prog	-	888,487.14	888,487.14	321,858.64	-	566,628.50
202201	Substation A Transformer T-9 Mtce	-	180,000.00	180,000.00	-	-	180,000.00
202204	Relay Test Set	-	80,103.50	80,103.50	-	80,103.50	-
202205	Desert Storm Switchgear Cabinets	-	500,000.00	500,000.00	-	-	500,000.00
202206	T & D Road Improvement Projects	500,000.00	-	500,000.00	-	-	500,000.00
202208	Traffic Signal Detection Systems	-	26,235.00	26,235.00	-	-	26,235.00
202210	IPL Service Center PBX Upgrade to I	-	85,000.00	85,000.00	-	-	85,000.00
202211	H-5 Hot Gas Path Inspection	-	1,170,634.91	1,170,634.91	327,461.00	917,017.91	(73,844.00)
202304	Controls Software Upgrade	-	500,000.00	500,000.00	451,694.00	-	48,306.00
202305	PLSC Operations Area HVAC Upgrade	-	100,000.00	100,000.00	-	-	100,000.00
202306	Substation A Blockhouse Roof Repl	75,000.00	-	75,000.00	49,978.00	-	25,022.00
202307	Emergent Maintenance Production	500,000.00	-	500,000.00	-	-	500,000.00
202308	Substn & Trans Upgrade &Replacement	400,000.00	-	400,000.00	4,603.29	-	395,396.71
202316	Construct 6 New Dist Feeders Sub S	450,000.00	-	450,000.00	120,101.00	-	329,899.00
9669	SERVICE CTR FACILITY IMPROVE.	-	520,084.17	520,084.17	7,174.50	-	512,909.67
		\$ 1,925,000.00	17,296,834.69	19,221,834.69	6,009,068.24	2,500,236.09	10,712,530.36

	Current Year		Prior Year
	Budget	Budget (Enc Roll)	Total
Budget	\$ 12,168,601.36	7,053,233.33	19,221,834.69
Less Expenditures	148,148.63	2,352,087.46	2,500,236.09
Less Encumbrances	1,307,922.37	4,701,145.87	6,009,068.24
Total Available	\$ 10,712,530.36	-	10,712,530.36

**CITY OF INDEPENDENCE, MISSOURI**  
 Budgetary Comparison Schedule  
 Water  
 For the period ended November 30, 2022

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Amended Budget	Percent Actual 41.67% of Year	Percent From Budget
	Original	Amended				
<b>Operating Revenues:</b>						
Charges for Services	\$ 32,165,000	32,165,000	15,386,711	(16,778,289)	47.84%	6.17%
Penalties	100,000	100,000	134,822	34,822	134.82%	93.15%
Connection/Disconnection Charges	12,000	12,000	9,937	(2,063)	82.81%	41.14%
Miscellaneous	10,000	10,000	9,882	(118)	98.82%	57.15%
Returned Check Charges	23,000	23,000	12,465	(10,535)	54.20%	12.53%
Rental Income	85,000	85,000	77,870	(7,130)	91.61%	49.94%
Meter Repairs	—	—	—	—	0.00%	-41.67%
Merchandising Jobbing	—	—	4,098	4,098	0.00%	-41.67%
<b>Total Operating Revenues</b>	<b>32,395,000</b>	<b>32,395,000</b>	<b>15,635,785</b>	<b>(16,759,215)</b>	<b>48.27%</b>	<b>6.60%</b>
<b>Operating expenses:</b>						
Personnel Services	10,010,673	10,010,673	3,585,274	6,425,399	35.81%	-5.86%
Other Services	13,703,182	13,703,182	4,611,317	9,091,865	33.65%	-8.02%
Supplies	2,840,700	2,840,700	2,090,520	750,180	73.59%	31.92%
Capital Projects	7,800,000	22,584,919	4,896,986	17,687,933	21.68%	-19.99%
Capital Operating	1,134,500	1,134,500	340,816	793,684	30.04%	-11.63%
Debt Service	2,526,400	2,526,400	2,109,161	417,239	83.48%	41.81%
Other Expenses	50,000	50,000	—	50,000	0.00%	-41.67%
<b>Total Operating Expenses</b>	<b>38,065,455</b>	<b>52,850,374</b>	<b>17,634,074</b>	<b>35,216,300</b>	<b>33.37%</b>	<b>-8.30%</b>
<b>Nonoperating Revenues (Expenses):</b>						
Investment Income	657,138	657,138	440,130	(217,008)	66.98%	25.31%
Interfund Charges for Support Services	3,300,500	3,300,500	1,399,674	(1,900,826)	42.41%	0.74%
Miscellaneous Revenue (Expense)	16,700	16,700	28,509	11,809	170.71%	129.04%
<b>Total Nonoperating Revenue (Expenses)</b>	<b>3,974,338</b>	<b>3,974,338</b>	<b>1,868,313</b>	<b>(2,106,025)</b>	<b>47.01%</b>	<b>5.34%</b>
<b>Income (Loss) Before Transfers</b>	<b>(1,696,117)</b>	<b>(16,481,036)</b>	<b>(129,976)</b>	<b>16,351,060</b>	<b>0.79%</b>	<b>-40.88%</b>
Transfers Out – Utility Payments In Lieu of Taxes	(2,941,000)	(2,941,000)	(1,495,251)	(1,445,749)	50.84%	9.17%
Transfers In	—	—	—	—	0.00%	-41.67%
Transfers Out	—	—	—	—	0.00%	-41.67%
<b>Total Transfers</b>	<b>(2,941,000)</b>	<b>(2,941,000)</b>	<b>(1,495,251)</b>	<b>(1,445,749)</b>	<b>50.84%</b>	<b>9.17%</b>
<b>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis</b>						
	\$ <u>(4,637,117)</u>	<u>(19,422,036)</u>	<u>(1,625,227)</u>	<u>17,796,809</u>		
Beginning Available Resources			48,655,139			
Year-End Investment Market Value Adjustment			—			
Ending Available Resources			<u>47,029,912</u>			
Revenue Risk			2,000,000			
Capital Reserve			6,100,000			
Expense Risk			700,000			
Working Capital			5,600,000			
Targeted Reserve Level			<u>14,400,000</u>			
Total Non-Restricted Resources Available			\$ <u>32,629,912</u>			

**Water - Open Capital Projects  
As of November 30, 2022**

PROJECT	PROJECT TITLE	ORIGINAL BUDGET	NET BUDGET AMENDMENTS	REVISED BUDGET	ENCUMBRANCES	ACTUALS	AVAILABLE BUDGET
400708	TREATMENT PIT DISCHARGE	\$ -	300,000.00	300,000.00	86,656.89	11,343.11	202,000.00
400904	EAST INDEPENDENCE INDUST PARK	-	674,000.00	674,000.00	-	-	674,000.00
401003	FUTURE Prod WELLS	500,000.00	962,596.00	1,462,596.00	25.00	245.00	1,462,326.00
401301	23RD ST MAIN REPLACEMENT	-	311,672.57	311,672.57	2,811.00	-	308,861.57
401402	LAGOON CLEANOUT	-	24,559.00	24,559.00	15,000.00	34,059.00	(24,500.00)
401505	Dist Sys IMPROVE	-	244,781.00	244,781.00	-	-	244,781.00
401506	TRUMAN ROAD BOOSTER STATION	-	106,569.52	106,569.52	-	-	106,569.52
401601	FILTER BACKWASH OUTFALL	-	190,325.00	190,325.00	-	-	190,325.00
401602	Pit DISCHARGE OUTFALL	-	459,824.48	459,824.48	-	-	459,824.48
401605	COURTNEY BEND BASIN CATWALK	-	10,020.00	10,020.00	-	-	10,020.00
401608	LIME SILO	-	4,249,256.24	4,249,256.24	3,854,756.84	15,977.00	378,522.40
401703	Maint BUILDING AT CBP	-	200,000.00	200,000.00	-	-	200,000.00
401704	VAN HORN RESERVOIR IMPROVE	-	(49,699.58)	(49,699.58)	-	-	(49,699.58)
401802	6" Main Replacement James Downey Rd	-	250,087.60	250,087.60	-	-	250,087.60
401804	Filter Valve House Roof Improvement	-	97,292.00	97,292.00	-	-	97,292.00
401808	VFD Drive Replacements HSP 2 & 4	-	230,967.00	230,967.00	-	-	230,967.00
401818	30" Steel Transmission Main Assess	-	156,300.00	156,300.00	-	-	156,300.00
401821	Main Replacement-32nd/Hunter/Bird	-	91,000.00	91,000.00	-	-	91,000.00
401822	Main Replacement-24Hwy/Northern/RR	-	240,166.00	240,166.00	-	-	240,166.00
402002	39th Street Reservoir	-	2,170,212.30	2,170,212.30	1,098,004.30	1,100.90	1,071,107.10
402004	Main Replace Walnut/Leslie/LeesSumm	-	81,218.73	81,218.73	-	-	81,218.73
402007	Courtney Bend Emergency Generator	-	1,150,000.00	1,150,000.00	-	-	1,150,000.00
402008	Wellfield Overhead Electrical Imp	-	1,000,000.00	1,000,000.00	-	-	1,000,000.00
402009	Main Replace Sheley/Claremont/Norw	-	188,790.00	188,790.00	-	-	188,790.00
402010	Main Replace Gudgell/Dodgion/KingsH	-	697,170.77	697,170.77	131,233.27	454,927.50	111,010.00
402011	Main Replace Salisbury/Peck/Geospac	-	1,179,100.00	1,179,100.00	1,050,000.00	-	129,100.00
402012	College Avenue Improvements	-	250,000.00	250,000.00	-	-	250,000.00
402101	Main Replacement Ralston 31st/29th	-	364,255.00	364,255.00	329,948.30	2,398.20	31,908.50
402102	Main Replacement 3rd St & Jennings	-	440,798.00	440,798.00	2,392.50	2,392.50	436,013.00
402103	Main Replacement Truman Road	-	540,502.00	540,502.00	492,008.00	6,332.00	42,162.00
402104	Lime Slaker No 5	-	350,000.00	350,000.00	-	-	350,000.00
402105	Main Replacement Sheley	-	98,565.00	98,565.00	2,334.68	7,000.82	89,229.50
402106	Main Replacement Sheley & Northern	-	1,017,766.50	1,017,766.50	533,171.72	25,456.28	459,138.50
402107	Facility Improvements/Const/Maint	1,500,000.00	250,000.00	1,750,000.00	100,000.00	-	1,650,000.00
402108	Basin Drive Improvements	-	340,523.00	340,523.00	-	-	340,523.00
402201	Roof Improvements	-	250,000.00	250,000.00	32,260.00	237,240.00	(19,500.00)
402203	Lime Slaker No 1	-	350,000.00	350,000.00	-	-	350,000.00
402207	CB Electrical Switchgear Improvemen	-	200,000.00	200,000.00	-	-	200,000.00
402301	IT Infrastructure Upgrade	150,000.00	-	150,000.00	121,431.75	-	28,568.25
402302	HSPS HVAC Improvements	250,000.00	-	250,000.00	-	-	250,000.00
402303	Lime Silo Recoating	400,000.00	-	400,000.00	-	-	400,000.00
9749	MAIN REPLACEMENT PROGRAM	-	3,794,153.67	3,794,153.67	170,210.70	220,425.70	3,403,517.27
9952	SECURITY UPGRADES	-	517,590.82	517,590.82	14,953.82	36,332.64	466,304.36
		\$ 2,800,000.00	23,980,362.62	26,780,362.62	8,037,198.77	1,055,230.65	17,687,933.20

	Current Year	Prior Year	Total
	Budget	Budget (Enc Roll)	
Budget	\$ 22,584,918.85	4,195,443.77	26,780,362.62
Less Expenditures	15,121.51	1,040,109.14	1,055,230.65
Less Encumbrances	4,881,864.14	3,155,334.63	8,037,198.77
Total Available	\$ 17,687,933.20	-	17,687,933.20

**CITY OF INDEPENDENCE, MISSOURI**  
 Budgetary Comparison Schedule  
 Sanitary Sewer  
 For the period ended November 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budget Basis)</u>	<u>Variance with Amended Budget</u>	<u>Percent Actual 41.67% of Year</u>	<u>Percent From Budget</u>
	<u>Original</u>	<u>Amended</u>				
<b>Operating revenues:</b>						
Charges for Services	\$ 35,821,585	35,821,585	15,129,652	(20,691,933)	42.24%	0.57%
Penalties	200,000	200,000	133,172	(66,828)	66.59%	24.92%
<b>Total operating revenues</b>	<u>36,021,585</u>	<u>36,021,585</u>	<u>15,262,824</u>	<u>(20,758,761)</u>	<u>42.37%</u>	<u>0.70%</u>
<b>Operating expenses:</b>						
Personnel Services	7,144,986	7,144,986	2,573,202	4,571,784	36.01%	-5.66%
Other Services	15,594,591	15,594,591	4,784,895	10,809,696	30.68%	-10.99%
Supplies	1,285,100	1,285,100	390,946	894,154	30.42%	-11.25%
Capital Projects	1,750,000	14,137,113	359,423	13,777,690	2.54%	-39.13%
Capital Operating	593,000	593,000	222,158	370,842	37.46%	-4.21%
Debt Service	6,239,100	6,239,100	4,671,201	1,567,899	74.87%	33.20%
Other Expenses	—	—	—	—	0.00%	-41.67%
<b>Total Operating Expenses</b>	<u>32,606,777</u>	<u>44,993,890</u>	<u>13,001,825</u>	<u>31,992,065</u>	<u>28.90%</u>	<u>-12.77%</u>
<b>Nonoperating Revenues (Expenses):</b>						
Investment Income	326,000	326,000	287,193	(38,807)	88.10%	46.43%
Miscellaneous Revenue (Expense)	7,900	7,900	40,645	32,745	514.49%	472.82%
<b>Total Nonoperating Revenue (Expenses)</b>	<u>333,900</u>	<u>333,900</u>	<u>327,838</u>	<u>(6,062)</u>	<u>98.18%</u>	<u>56.51%</u>
<b>Income (Loss) Before Transfers</b>	<u>3,748,708</u>	<u>(8,638,405)</u>	<u>2,588,837</u>	<u>11,227,242</u>	<u>-29.97%</u>	<u>-71.64%</u>
Transfers Out – Utility Payments In Lieu of Taxes	(3,596,612)	(3,596,612)	(1,514,264)	(2,082,348)	42.10%	0.43%
Transfers In	10,000	10,000	10,000	—	100.00%	58.33%
Transfers Out	—	—	—	—	0.00%	-41.67%
<b>Total Transfers</b>	<u>(3,586,612)</u>	<u>(3,586,612)</u>	<u>(1,504,264)</u>	<u>(2,082,348)</u>	<u>41.94%</u>	<u>0.27%</u>
<b>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis</b>	<u>\$ 162,096</u>	<u>(12,225,017)</u>	<u>1,084,573</u>	<u>13,309,590</u>		
			Beginning Available Resources	31,326,433		
			Year-End Investment Market Value Adjustment	—		
			Ending Available Resources	<u>32,411,006</u>		
			Revenue Risk	1,200,000		
			Capital Reserve	4,000,000		
			Expense Risk	700,000		
			Working Capital	6,800,000		
			Targeted Reserve Level	<u>12,700,000</u>		
			Total Non-Restricted Resources Available	<u>\$ 19,711,006</u>		

**Sanitary Sewer - Open Capital Projects**  
As of November 30, 2022

PROJECT	PROJECT TITLE	ORIGINAL BUDGET	NET BUDGET AMENDMENTS	REVISED BUDGET	ENCUMBRANCES	ACTUALS	AVAILABLE BUDGET
300801	NEIGHBORHOOD PROJECTS	\$ -	476,466.48	476,466.48	-	-	476,466.48
301201	BURR OAK EAST	-	1,035,327.15	1,035,327.15	-	-	1,035,327.15
301202	CRACKERNECK-VAN HOOK SEWER	-	529,163.59	529,163.59	-	-	529,163.59
301603	RCTP FACILITIES ROOF, CEILING	-	170,925.00	170,925.00	-	-	170,925.00
301701	SCADA UPGRADE	-	139,743.08	139,743.08	60,549.33	-	79,193.75
301703	ARROWHEAD CENTER	-	169,828.06	169,828.06	-	-	169,828.06
301705	16TH/SCOTT	-	357,362.29	357,362.29	5,390.10	-	351,972.19
301706	TREATMENT FACILITY IMPROVEMENT	-	369,539.84	369,539.84	4,682.20	60,171.64	304,686.00
301804	ROCK CREEK EFFLUENT STRUCTURE	-	332,776.94	332,776.94	2,447.87	8,734.73	321,594.34
301806	Neighborhood Improvements 2018-19	-	513,781.95	513,781.95	-	-	513,781.95
302001	Fairmount Highlands	-	170,000.00	170,000.00	-	-	170,000.00
302002	Arlington Improvements	-	100,000.00	100,000.00	-	-	100,000.00
302003	Bison Park	-	107,079.84	107,079.84	39,091.14	32,423.47	35,565.23
302004	Neighborhood Projects 2019-20	-	580,000.00	580,000.00	12,135.00	-	567,865.00
302005	Biosolids Handling	-	2,397,533.81	2,397,533.81	737,193.57	582,327.46	1,078,012.78
302006	Raw Pumps & Screening	-	900,000.00	900,000.00	15,723.30	304,997.29	579,279.41
302007	Electrical Substation Rehab	-	158,690.00	158,690.00	29,351.00	-	129,339.00
302008	RCTP Fence	-	33,950.24	33,950.24	-	-	33,950.24
302009	Truman & Harris	-	50,000.00	50,000.00	-	-	50,000.00
302101	Sanitation Sewer Evaluation Survey	-	106,982.83	106,982.83	21,301.63	-	85,681.20
302102	Raymond Harkless Mills San Imp	-	200,000.00	200,000.00	-	-	200,000.00
302103	Pump Station Imp & Maintenance	-	568,240.98	568,240.98	-	-	568,240.98
302104	Polymer System Relocation	-	100,000.00	100,000.00	-	-	100,000.00
302105	Piping Rehabilitation	-	585,933.69	585,933.69	14,332.50	-	571,601.19
302201	Upper Adair Interceptor	-	800,000.00	800,000.00	-	-	800,000.00
302202	Crackerneck Creek Slope Rehab	-	1,877,276.90	1,877,276.90	63,108.07	14,837.59	1,799,331.24
302203	Sanitary Sewer Main Reloc from Stre	-	400,000.00	400,000.00	-	-	400,000.00
302204	RCTP - Septic Pumper	-	300,000.00	300,000.00	-	-	300,000.00
302205	Clarifier Rehabilitation	-	1,405,823.97	1,405,823.97	112,282.21	120,483.70	1,173,058.06
302206	Railing Safety RCPS & SCPS	-	325,000.00	325,000.00	191,950.00	-	133,050.00
302301	Sludge Thickening Process Improve	400,000.00	-	400,000.00	-	-	400,000.00
9757	TRENCHLESS TECHNOLOGY	100,000.00	995,405.40	1,095,405.40	381,570.90	15,143.01	698,691.49
		\$ 500,000.00	16,256,832.04	16,756,832.04	1,691,108.82	1,139,118.89	13,926,604.33

	Current Year	Prior Year	Total
	Budget	Budget (Enc Roll)	
Budget	\$ 14,137,112.86	2,619,719.18	16,756,832.04
Less Expenditures	67,390.67	1,071,728.22	1,139,118.89
Less Encumbrances	292,032.00	1,399,076.82	1,691,108.82
Total Available	\$ 13,777,690.19	148,914.14	13,926,604.33