



# 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.

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# INDEPENDENCE ★ MISSOURI ★

A GREAT AMERICAN STORY

## Public Utilities Advisory Board Executive Meeting Agenda

May 18, 2023

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

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### I. ROLL CALL

- A. Roll Call
  - 1. Minutes of 4-20-23

### II. DISCUSSION

- A. Discussion
  - 1. Lucy Young requests to speak to the PUAB regarding the 4/25/23 Council Agenda, Non-Ordinance Item #3, Council action is requested to direct and authorize the City Manager to initiate a process to evaluate all options relative to the future ownership model of Independence Power & Light.
  - 2. Continue discussion on Council's Non-Ordinance Action Item Number 3 from 4/25/23 Council Agenda - Requested by Mr. Talcott.
  - 3. Discussion about inviting representative from APPA to come speak to PUAB - Requested by Mr. Talcott.
  - 4. PUAB Questions to Jeremy Cover, City Counselor - Requested by Mr. Talcott.

### III. REPORTS

- A. Finance & Administration
  - 1. Questions on Utility Financial Reports - March 2023
- B. Municipal Services
  - 1. Questions on Sewage Sludge to Farmers and PFAS - Requested by Mr. McLuckie
- C. Water
- D. IPL
- E. Deputy City Manager

### IV. UPCOMING ITEMS

- A. Finance & Administration - Go over Details of Financials

### V. BOARD MEMBER COMMENTS

Board Member Comments

### VI. ADJOURNMENT

A. Next Meeting Date June 15, 2023

# *City of Independence*

## AGENDA ITEM COVER SHEET

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### **Agenda Title:**

Roll Call

1. Minutes of 4-20-23

**Department:** City Manager's Office **Contact Person:** Adam Norris

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### **REVIEWERS:**

Power and Light Department

Approved

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**Board Action:**

**Board Action:**

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### **ATTACHMENTS:**

- ▣ Minutes of April 20, 2023
- ▣ Minutes of April 20, 2023 - Amended



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## CITY OF INDEPENDENCE, MO PUBLIC UTILITY ADVISORY BOARD

### Public Utilities Advisory Board Meeting Minutes April 20, 2023

#### **PUAB MEMBERS PRESENT**

Anthony Giaramita, Chairperson

David McDowell

Sheri Tindle

Les Boatright

Michael Talcott, Vice-Chairperson

#### **PUAB MEMBERS ABSENT**

Steve McLuckie

#### **PRESENT FROM IPL**

Jim Nail, Director

Joe Hegendeffe, Deputy Director

Khristina Irvine, Fiscal Administrator

#### **OTHERS PRESENT**

Stephanie Harris, Accounting Mgr. - F&A

Riley Newton, Asst. Comm. Mgr.

Steve Wagner, City 7

#### **PRESENT FROM WATER**

Dan Montgomery, Director

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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.

1. Approval of Minutes 3/16/23 – A motion was made by Ms. Tindle. Mr. Talcott seconded the motion. All voted in favor, motion passed.

Mr. Talcott wanted to thank all our IPL Lineman in appreciation of Lineman Day, April 18<sup>th</sup>.

#### **II. DISCUSSION**

A. Discussion

1. Discussion on Non-Ordinance Action Item Number 1 for the Aeroderivative Combustion Turbines that were voted down by City Council.

Mr. Talcott said our combustion turbines has officially been voted down. I wanted to know where to we go from here and how this will affect our utility, explain how this affects us.

Jim Nail responded the short answer is it won't affect us immediately, we still have a capacity reserve, staff will continue to monitor those as those expire and how to maintain our capacity.

Mr. Talcott said since those were our best option, and doesn't our first contract expire in 2024? Jim responded our capacity contract with Onetta expires in 2030, our wind contract with Smoky Hills expires in 2028, so we will be looking ahead at '28 and '30 and how to replace that capacity.

Mr. Talcott said I was referring to the certificate extension. Jim responded the FERC waiver was to have something in place by the end of 2024 but that's over.

Mr. Talcott said and if we ever decide to do something like that again, we will be getting in line and starting all over again, correct? Jim said yes, we have to do a request for new



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information through SPP. Currently that process is approximately four years. Joe Hegendeffler added, just to be clear the FERC waiver granted us SPP approval to enter their short-term replacement generation process. That ended April 9<sup>th</sup> and with Council's recommendation of not moving forward with that we told SPP no, so the FERC waiver is done as of today. There is no more FERC waiver.

Mr. Talcott said this means we would have to get in line all over again from the beginning. Joe responded yes, that is true.

Ms. Tindle asked if we were to buy into another utilities build, like a wind farm out in Kansas, can we buy a couple of rows of wind turbines for the next 30 years or so, are those type of approvals from SPP faster because they are already approved projects? Jim responded, it depends, if already approved then yes, but like our contract with Onetta we had to get the transmission study by SPP, they do that twice a year, so you have to get in the window of the deadlines to hit the next study. So existing project could be a little faster timeframe.

2. Discussion on Non-Ordinance Action Item Number 3 for the future ownership model of IPL that was approved by City Council.
  - Mr. Talcott said this is a violation of the Charter and I am going to read section 3.18 of the Charter. Can someone explain to me why this wouldn't be a violation of the Charter? Adam Norris responded if you are asking about a Charter violation, we would have to bring in our City Counselor for an opinion on that. Mr. Talcott said then I guess we would have to bring in the City Counselor to see if there is any recourse on that? Adam responded, I would suggest if you had any question for the City Counselor you submit a memo outlining your questions and we will submit to them for review.

Mr. Talcott said Mr. Chair I would like to propose, since there will be other questions I will bring up that they may need to address as well, I would like to make a motion to call a special meeting and fairly soon before they get too much into finding their pros and cons from the study group, I would like to make a motion to call a special meeting and to invite the City Counselor to answer questions for us. Mr. McDowell seconded the motion.

Mr. Giaramita asked do we know who will be performing the study? Jim responded no, there will have to be an RFQ put together to put out and solicit for bids. Mr. Talcott responded I'm not looking at who will be doing the study but getting this done before they start the conversation since I'm coming from the Charter violation standpoint.

Mr. McDowell said he is with Mr. Talcott, this is a Charter violation, for them to start this process without going through the proper process is a Charter violation. We are going to have to have a special meeting to expedite this to the Council.

Mr. Talcott asked if we need to make this motion more specific, like make the meeting within two weeks or something like that? Mr. Giaramita said I think we probably need to nail down a date. Ms. Tindle mentioned we have a standing special meeting on the first Thursday of the month. Mr. Talcott said that would be the 4<sup>th</sup> of May. Adam Norris added before we schedule any meetings for someone that's not here, we probably need an opportunity to coordinate with that person. You would also need to pose your questions and



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submit those to me after the meeting so that person would be prepared to answer those questions. We can't schedule a meeting for someone who's not here. If the intent here is to expedite the questions due to Council actions that might occur before the next PUAB meeting, I don't anticipate that being an issue, it's going to take at least four to six weeks before we go through our full process and have something before the City Council. I would think having this discussion at the next scheduled regular PUAB meeting would be fine. Mr. Boatright said I think before we schedule a meeting we need to get the questions in writing and give them to Mr. Norris to give to the City Counselor and have them look at it and render an opinion on it and then schedule a special meeting or just review at the next regular meeting and hopefully have that person here to discuss. We don't know what their schedule is like, I know due to some other committees I'm on, they are really getting piled up with work and I hate to say you have to have this done in two weeks and they are four weeks out. Mr. Talcott said that would be fine but my only hesitation is that this gets delayed and we don't have a face to face with the Counselor, I would like a face to face with him and be able to have a discussion and he's been there for many other meetings, I feel more comfortable in having a face to face discussion. I'm ok with sending question ahead of time but thinking if we wait until the PUAB meeting and something else has already transpired. Adam responded that are very few things in the city that can't be undone. Mr. Talcott responded; I appreciate that but when someone really wants something done it can be made to happen quick. Adam responded but keep in mind, anything on the Council agenda has to be approved at a minimum of two weeks prior to getting on the agenda. We still have to draft the RFQ's, those need to be posted for a period of time, then selections need to be made for those, it's a rigorous process before it even gets on the agenda. Mr. Talcott said so at a minimum we have six weeks until a Council vote. Adam responded, that would be at a minimum just to get on Council agenda, but we have to go through the process, make a selection, negotiate a contract. Mr. Talcott said he is comfortable with turning in the questions, get a response in two or three weeks by e-mail and then have discussion at the next PUAB meeting, does that sound reasonable? Adam responded I think we first need to establish a timeline of when the PUAB will submit the questions to me. Is 10 day or next Friday enough time? Mr. Giaramita said would next Thursday be enough time for everyone to submit to Khristina? Ms. Tindle asked if we could get a reading of the action item in questions before we continue. Mr. Talcott read the agenda title and said the rest was quite lengthy. Mr. McDowell said there is a motion on the floor, I think we need to call that roll and vote it down and then move forward. Mr. Giaramita asked to call the roll. All voted against the motion, motion failed.

Mr. Talcott made a motion that we turn in questions to Khristina by the 27<sup>th</sup> to compile and send to Adam to submit to the City Counselor. Mr. McDowell seconded the motion. All voted in favor, motion passed.

- Mr. Talcott read section 3.12 of the Charter. In my first or second meeting I was told that even talking about selling the utility was a violation of the Charter. With the Council passing an ordinance which includes a timeframe for the public vote to sell IPL or not but as early as November 2023 or no later than November 2025, the Council has again gone



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against the language of the Charter. Mr. McDowell added this is a good question for the City Counselor and we could spend a whole day on this one.

- Mr. Talcott asked by passing this item hasn't the Council just placed a big for sale sign in front of IPL, at a minimum coming soon. How many companies expressed interest before the vote and after the vote. I don't know if Jim or Adam can speak to any of that, but I think I remember hearing someone say that there have been at least one that had talked about it and wondered if others had expressed interest in IPL? Jim said he hasn't gotten any contacts. Mr. Talcott said I've been hearing rumors and the only reason I say rumors is because way back when we talked about rumors of selling IPL and people said no, we're not selling it and then here we are. I'm wondering if voters turned this down, does this put us at a higher risk for a hostile takeover and I know that may sound a little off or weird but even American Public Power Association (APPA) talks about that with city municipalities defending against private companies, for those watching that the APPA. Adam Norris said the only thing I would say is I would caution this board and our employees and anyone else to be very weary of any rumors. If you have questions you can come to us during these meetings or separately in advance and we will be happy to address them. Rumors are awful dangerous especially when we are considering something very serious moving forward. I'd caution you all about giving those much credence without talking to staff who should be in the know on these things. Mr. Talcott responded and that's why I'm presenting this to the board back when I first started and now, people talking about IPL looking to sell. Again, like I said that's why we are here now.
- Mr. Talcott said so now this is in the staff's hands to complete this as early as November 2023 and no later than November 2025. Is the city saying they can have consultants hired, pros and cons studies completed, education of voters through forums, town hall, Q&A sessions, and have a ballot as early as November 2023 which is six months from now? My big concern is why did they even put it as early as November 2023? Because we have so many things in the fire or in the works now, this concerns me. The Charter is the Charter, we are dealing with the Charter now, not some Charter in the future. I'm also concerned the Council is trying to ram this through, you can't have a sale without a Charter change.
- Mr. Talcott said once the studies are done are they going to have the PUAB review them first because they have been cutting us out of the process. I don't know if that is a question for Jim or Adam. Since they have gone away from us on this one will they bring that to us to review? Adam asked, who's they? Mr. Talcott responded, the City Council. The way I understand this, we look through things and make a recommendation to the Council and they decide whether or not they will take the recommendation but we generally are supposed to see things first that they are going to be considering, so that's why I am asking, if once the studies are done will those be presented to us for our prevue to send our recommendation on to Council? Adam responded if they are the City Council, I can't speak for the City Council. What I think I am hearing you say is that during this process the board would like to be a part of the process. Mr. Talcott said this is what I am asking of the City Manager's office, are they going to go ahead and include us in the process once those are





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done. Adam said I'm not trying to be obtrusive here but once what is done. Mr. Talcott responded, I'm talking about when the pros and cons and study is done to keep it or to sell it are the results of those two studies going to be able to come through us to review before they go to the City Council? Because that's the process that I'm understanding from the current Charter. Adam responded the way I understood the discussion at the City Council meeting when this was deliberated and in reading the agenda item there would be robust community conversations as part of all of this, so that includes a lot of different stakeholders including this board and other groups associated with the city. Mr. Talcott said, I still feel it should come through the PUAB before it goes on in the process, we should have at least the ability to review, if we don't agree and it gets pushed out, our feeling might be the public isn't getting exactly what they need, either pro or con. I want to make sure there are objective eyes on the process before you send out to those that have even less knowledge than some of us. That's my concern.

- Mr. Talcott said so now we are asking the voters to take on the task of sitting in a town hall for an hour to get enough information to make a very important decision that will affect us for generations to come. If the Council who may have had meeting with staff, sat on boards and maybe even sat on the PUAB board don't have enough information to make hard decisions yet we are expecting voters to make decisions who have even less information than that. Isn't the Council in a sense making the voters the scapegoat because from here on in it will be, well the voters made the decision. This is Independence's greatest asset that apparently, we are willing to let go by way of voters that have less information than the Council. Independence has had the utility for 122 years, actually came to Independence in 1887 and official in 1901 and we've made it through the Spanish flu, World War I, the Great Depression, World War II, made it through recession and downturns and now we've made it through this horrendous pandemic. Over that 122 years we have built four power plants, small to large. My kids' great grandfather was a Lineman, he came to Independence to work as a Lineman after World War II, he had been a Lineman in the military, and he retired back in early 80's. We have to put this in perspective and may be for the Counselor, there has been no problem in the past to put \$10M into tearing down Missouri City when it didn't need to be and paying twice as much for solar farmland. These are big concerns. This is a very valuable asset and for us to even consider giving this away, you've got other municipalities in California trying to purchase their portions from PG&E. You not only have people that have sold their utilities, mostly water, but now they are regretting and trying to get that back. Once things are sold, it's gone.
- Mr. Talcott asked if anyone here really thinks selling IPL is a good thing. This will take control away from the city and ratepayers and places it in the control of a for profit entity. I emphasis for profit, people throw around the term privatization and I get that however, that's a soft term for profit. If anyone actually thinks they won't pass on in acquisition costs, upgrades, cost of generation, slapping smart meters on every home, we are fooling ourselves. Ms. Tindle commented she does appreciate this conversation, just taking it in, know a lot of others feel the same way and would express the same things. The one positive is we have had a struggle maintaining employee relationships within the city. Benefits have



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changes, retirement plans have changed, city employee retiree's benefits have changed. The one positive with handing many of those over to another entity is the employment portion would no longer be on our citizens, this has been a struggle as times have changed. Some were employed for 40 years and now have been retirees for a decade or two and this has become a struggle for the city, that's the one main positive that popped into my mind. But I do see both sides, I see some of those things you are talking about as well, so I'm trying to keep an open mind about it. When I joined this board almost two years ago, I saw more of the positives of moving generation to someone else's responsibility but then over time I have seen where maintaining control of our choices is kind of a big deal. So, I have an ear in both directions and interested to see where the studies turn out, however, that is more money gone and PUAB should get to take a look at those before it goes public. Mr. Talcott added, I would like everyone to look at Evergy's page and look at the disenchantment and the unhappiness, the fact that they have more service out, percentage wise, than IPL. There will not be lower rates and I want everyone to think about Spire's two increases that they just got in one year. So, if you think rates are too high now, you will no longer have a say. When you call in about service or your bill you won't be calling the city, you will be calling a big conglomerate and they answer to their stakeholders and not the citizens. They are there to make a profit. I feel for the City Manager having to balance a budget as there will no longer be transfer funds from IPL, no more municipal rates, no more borrowing money for projects, and will have to budget for streetlights.

- Mr. Talcott asked what happens to funds after IPL is sold and debt services and obligations are paid, does the money go back to the ratepayers? My understanding from the Charter is the any profit is supposed to be given back to the ratepayers. Also, what happens to the millions in reserves? I understand if you can't answer that question and it should go to the City Counselor. Adam responded that I think a lot of these answers would unfold as that would be part of what we ask the professionals to weigh in on. Mr. Talcott added, a suggestion I might make is to have someone from APPA to come in and speak to us to educate us as a board and also beneficial to the ratepayers and those voting on this. They try to make everyone aware of the benefits and importance of keeping a utility in our city and in our hands and keeping control. Mr. McDowell added, I do not know APPA, but I would like to listen to them and maybe they can do a zoom call. Also, our downtime is the best ever, we never have downtime. IPL – two thumbs up. I would hate to lose control of our power and light and turn it over to someone that might take two or three days to get my lights back on. Ms. Tindle commented that a utility can sell generation and keep the transmission. Mr. McDowell added we are actually doing that right now with purchasing power contracts correct? Jim Nail responded, correct.

### **III. REPORTS**

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

1. Questions on Utility Financial Reports – February 2023 – Stephanie Harris reported that all is in line as expected at this point in the year, nothing extremely high or low at this point. Pretty much the same as last month. Positive on penalties and charges, services we



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contracted for, and we are reflecting as outstanding due to contracts and purchase orders, showing higher but will even out throughout the year. Everyone is looking good.

Mr. McDowell asked if our delinquencies over the last 90 days are trending up, down or staying stable? Stephanie Harris responded that I'm not sure, I would have to go in and look at the details. I look at all utilities as a whole, let me get back to you. Mr. McDowell said that's fine, we just keep hearing about a recession coming and wondering how our folks are doing.

**B. Municipal Services –** No staff was available from Municipal Services.

**C. Water –** Dan Montgomery said I can add to what Stephanie said, we would normally shut off citizen accounts, but people generally get caught up and we only write off less than 1% so collect over 99% of charges. At the last meeting Matt McLaughlin mentioned we had entered into the Berkely Springs Water competition. There was a press release sent out so hopefully most of you have seen that. We came in fourth place within United States cities. I believe we were seventh in the world. Also named best water in the state of Missouri by the American Water Works Association. We will send a water sample to Toronto in June for the best of the best contest. Also, a press release went out for a new Piece of Mind program for customers who are elderly, have a disability, long term illness or mobility issues, they can put someone else on their account and if there are issues, we can talk to that person instead. Our main emphasis right now is getting water main replacement projects done, several in final steps. Some pipe is on backorder for other projects. A few other projects should be finished this summer. Mr. McDowell asked when the water tank project on 39th street would be finished. Dan responded it should be finished in two weeks.

**D. IPL –** Jim Nail said we have lots of projects under way. On the line on the west side, replacing poles and conductors, going well. Also, on the east side of town the new substation for Northpoint development is underway. Some good news in the last month, IPL has won three awards from APPA. We received a safety award and as far as we know this is the first time IPL has ever been recognized for its safety excellence. For the second award they take your liability statistics, and they have a certificate they award for being in the top 25 percentile in the entire country, we were recently notified of that. The third and biggest award is the Reliable Public Power Provider, the RP3 award. The results are out, and we have been awarded the Diamond level, which is the top level. Only 1% of utilities get this award and this is the third straight diamond level we have won. We will be making a presentation for that plaque at a future Council meeting.

Ms. Tindle asked how the supply chain for transformers is coming along. Jim responded it's still bad, lots of delays but our warehouse staff has been working overtime to make all the calls, pull out all the stops they can, and we've recently established a relationship with Arkansas Electric. We've established a purchase order with them so every month they receive equipment we are near the front of the list to receive those. We've been able to find some meters, some of the pole mount transformers, so our warehouse group is doing an amazing job. But it is still a



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challenge. Joe Hegendeffe added that a while back there was some confusion when installing solar and we didn't have the correct meters, we gave meters that were running forward and backwards so they were getting credit for that but all of those meters have now been replaced because we finally received an order of those in, so now they will see on their bill the credit that they get for solar and their use charge.

- E. Deputy City Manager –Adam Norris said Dan mentioned being a finalist in the water tasting contest, Mr. McDowell mentioned how good our reliability is from a power perspective, we don't have any outstanding violations with the state or the federal government with the treatment of our sewer, all of these things don't happen by accident. They happen because of the great folks we have out in the field doing work every day. They are committed to making the city better and doing their job well. Shout out to our staff, they are doing a great job. We often take these services for granted until they don't work, so we are very grateful that they do work most all the time and we are doing exceptional.

### **IV. UPCOMING ITEMS**

- A. Finance & Administration – Go over Details of Financials

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

- A. Board Member Comments –

1. Mr. Boatright said he has some concerns about how our recommendations on the combustion turbines were handled by the City Council and now they want to do a study. We already have a study that was updated in 2022, I believe, that they must not have looked at or didn't like so now we are going to do another study. They ignored the PUAB recommendation, in fact no discussion in the meeting. We have hired highly qualified people, but their decision making isn't followed through on. Someone at a higher level thinks they know more about it, so they ignore the impact, didn't ask for any feedback or explanation, just voted down. They say the handling of IPL, when they make a decision, it has to go to Council for a vote due to the amount of money, well are they going to do the same thing with the new police station? A \$9M police station is that going to go before the voters for a decision and get approval? We've missed some of these windows with FERC and SPP that we've already talked about so now we are delaying any type of generation by at least 3 – 5 years. We all know what's going to happen to costs. If someone steps in and buys the utility, you are going to see a rate increase and 30% is not out of the question based on trends across the industry. You can say that's speculation and that's not going to happen, but those buyers are going to want to recover their costs. We don't have a lot of commercial or industrial customers coming in so individual households will be left to pay that increase. It's not all doom and gloom, don't know which way this is going to go, but lots to think about. I was very upset when I saw that Council meeting and it was just like there has already been a decision made and we aren't going to discuss the other options, we are just going to vote them down and move on. That really bothers me, we are here for a reason, to make recommendations to the Council, and we saw what our recommendation came to, was



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nothing. The staff recommendation was handled the same way. There are better ways to handle it than the way it was handled. I don't know where we go from here. It will be very interesting to see how this whole process plays out, how much involvement the PUAB has in that, any discussion or decision making we can get involved with. It will be very interesting to see how this all plays out. I want to commend everyone from IPL for the reliability and safety awards and all the work that you do. I'm sorry we couldn't support you better in getting the future generation needs of the city taken care of. This is not a short-term thing; these decisions are very expensive, and it takes a while to get them. If you think supply chain is bad to get some pipe in, try buying something a lot larger than that. It's just not going to happen that quick and now we are going to be back in the FERC and SPP treadmills of 3 – 5 years or whenever they can get to it. Hopefully, that timeframe will be reduced but there is no reason or justification to think it's going to change. I'm very disheartened by how the whole thing was handled. We've hired experts and it seems their opinions don't matter.

2. Mr. McDowell said he totally agreed with Mr. Boatright. I've served on multiple committees and boards for over 20 years. Every recommendation was approved and the one's that weren't we were given explanations why. I shook my head at this City Council. I come up for renewal for this board at the end of June and I don't think I'm going to come back for the simple fact, I'm very disheartened the way their actions are. I just don't get it either.
3. Mr. Talcott said I'm in total agreement with Les also. It goes along with what I said, they will recover their costs if it's sold. I want to commend all the people here in the room for all the work that's done and all the work that the employees do to keep the lights on, water running and toilets flushing. Stephanie reminded me of one thing I didn't say, it's very important too, one thing a municipal utility can do is they tend to be more flexible with understanding and working with the people. You get a for profit in here and your bill isn't paid within 30 days within the next day or two your lights are off, your waters off, etc. It will be sorry, speak to the hand. There will be no leeway. You don't pay, you don't get.
4. Ms. Tindle wanted to complement all the utilities, just for the simple fact that the financials are predictable. I appreciate the day to day reliable and consistent quality services. Still want my six percent back.
5. Mr. Giaramita said he agreed with Mr. Boatright and was very disheartened by this whole process as well.

**VI. ADJOURNMENT** – Meeting adjourned at 3:44 p.m.

A. The next meeting will be May 18, 2023.



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

**Public Utilities Advisory Board Meeting Minutes**  
**April 20, 2023**

**PUAB MEMBERS PRESENT**

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

**OTHERS PRESENT**

Stephanie Harris, Accounting Mgr. - F&A  
Riley Newton, Asst. Comm. Mgr.  
Steve Wagner, City 7

**PUAB MEMBERS ABSENT**

Steve McLuckie

**PRESENT FROM IPL**

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

**PRESENT FROM WATER**

Dan Montgomery, Director

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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 except Mr. McLuckie.

**1.** Approval of Minutes 3/16/23 – A motion was made by Ms. Tindle. Mr. Talcott seconded the motion. All voted in favor, motion passed.

Mr. Talcott wanted to thank all our IPL Lineman in appreciation of Lineman Day, April 18<sup>th</sup>.

**II. DISCUSSION**

**A.** Discussion

**1.** Discussion on Non-Ordinance Action Item Number 1 for the Aeroderivative Combustion Turbines that were voted down by City Council.

Mr. Talcott said our combustion turbines has officially been voted down. I wanted to know where to we go from here and how this will affect our utility, explain how this affects us. Jim Nail responded the short answer is it won't affect us immediately, we still have a capacity reserve, staff will continue to monitor those as those expire and how to maintain our capacity.

Mr. Talcott said since those were our best option, and doesn't our first contract expire in 2024? Jim responded our capacity contract with Onetta expires in 2030, our wind contract with Smoky Hills expires in 2028, so we will be looking ahead at '28 and '30 and how to replace that capacity.

Mr. Talcott said I was referring to the certificate extension. Jim responded the FERC waiver was to have something in place by the end of 2024 but that's over.



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Mr. Talcott said and if we ever decide to do something like that again, we will be getting in line and starting all over again, correct? Jim said yes, we have to do a request for new information through SPP. Currently that process is approximately four years. Joe Hegendeffer added, just to be clear the FERC waiver granted us SPP approval to enter their short-term replacement generation process. That ended April 9<sup>th</sup> and with Council's recommendation of not moving forward with that we told SPP no, so the FERC waiver is done as of today. There is no more FERC waiver.

Mr. Talcott said this means we would have to get in line all over again from the beginning. Joe responded yes, that is true.

Ms. Tindle asked if we were to buy into another utilities build, like a wind farm out in Kansas, can we buy a couple of rows of wind turbines for the next 30 years or so, are those type of approvals from SPP faster because they are already approved projects? Jim responded, it depends, if already approved then yes, but like our contract with Onetta we had to get the transmission study by SPP, they do that twice a year, so you have to get in the window of the deadlines to hit the next study. So existing project could be a little faster timeframe.

2. Discussion on Non-Ordinance Action Item Number 3 for the future ownership model of IPL that was approved by City Council.
- Mr. Talcott said this is a violation of the Charter and I am going to read section 3.18 of the Charter. Can someone explain to me why this wouldn't be a violation of the Charter? Adam Norris responded if you are asking about a Charter violation, we would have to bring in our City Counselor for an opinion on that.

Mr. Talcott said then I guess we would have to bring in the City Counselor to see if there is any recourse on that? Adam responded, I would suggest if you had any question for the City Counselor you submit a memo outlining your questions and we will submit to them for review.

Mr. Talcott said Mr. Chair I would like to propose, since there will be other questions I will bring up that they may need to address as well, I would like to make a motion to call a special meeting and fairly soon before they get to much into finding their pros and cons from the study group, I would like to make a motion to call a special meeting and to invite the City Counselor to answer questions for us. Mr. McDowell seconded the motion.

Mr. Giaramita asked do we know who will be performing the study? Jim responded no, there will have to be an RFQ put together to put out and solicit for bids. Mr. Talcott responded I'm not looking at who will be doing the study but getting this done before they start the conversation since I'm coming from the Charter violation standpoint.

Mr. McDowell said he is with Mr. Talcott, this is a Charter violation, for them to start this process without going through the proper process is a Charter violation. We are going to have to have a special meeting to expedite this to the Council.

Mr. Talcott asked if we need to make this motion more specific, like make the meeting within two weeks or something like that? Mr. Giaramita said I think we probably need to nail down a date. Ms. Tindle mentioned we have a standing special meeting on the first Thursday of the month. Mr. Talcott said that would be the 4<sup>th</sup> of May. Adam Norris added



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before we schedule any meetings for someone that's not here, we probably need an opportunity to coordinate with that person. You would also need to pose your questions and submit those to me after the meeting so that person would be prepared to answer those questions. We can't schedule a meeting for someone who's not here. If the intent here is to expedite the questions due to Council actions that might occur before the next PUAB meeting, I don't anticipate that being an issue, it's going to take at least four to six weeks before we go through our full process and have something before the City Council. I would think having this discussion at the next scheduled regular PUAB meeting would be fine. Mr. Boatright said I think before we schedule a meeting we need to get the questions in writing and give them to Mr. Norris to give to the City Counselor and have them look at it and render an opinion on it and then schedule a special meeting or just review at the next regular meeting and hopefully have that person here to discuss. We don't know what their schedule is like, I know due to some other committees I'm on, they are really getting piled up with work and I hate to say you have to have this done in two weeks and they are four weeks out. Mr. Talcott said that would be fine but my only hesitation is that this gets delayed and we don't have a face to face with the Counselor, I would like a face to face with him and be able to have a discussion and he's been there for many other meetings, I feel more comfortable in having a face to face discussion. I'm ok with sending question ahead of time but thinking if we wait until the PUAB meeting and something else has already transpired. Adam responded that are very few things in the city that can't be undone. Mr. Talcott responded; I appreciate that but when someone really wants something done it can be made to happen quick. Adam responded but keep in mind, anything on the Council agenda has to be approved at a minimum of two weeks prior to getting on the agenda. We still have to draft the RFQ's, those need to be posted for a period of time, then selections need to be made for those, it's a rigorous process before it even gets on the agenda. Mr. Talcott said so at a minimum we have six weeks until a Council vote. Adam responded, that would be at a minimum just to get on Council agenda, but we have to go through the process, make a selection, negotiate a contract. Mr. Talcott said he is comfortable with turning in the questions, get a response in two or three weeks by e-mail and then have discussion at the next PUAB meeting, does that sound reasonable? Adam responded I think we first need to establish a timeline of when the PUAB will submit the questions to me. Is 10 day or next Friday enough time? Mr. Giaramita said would next Thursday be enough time for everyone to submit to Khristina? Ms. Tindle asked if we could get a reading of the action item in questions before we continue. Mr. Talcott read the agenda title and said the rest was quite lengthy. Mr. McDowell said there is a motion on the floor, I think we need to call that roll and vote it down and then move forward. Mr. Giaramita asked to call the roll. All voted against the motion, motion failed.

Mr. Talcott made a motion that we turn in questions to Khristina by the 27<sup>th</sup> to compile and send to Adam to submit to the City Counselor. Mr. McDowell seconded the motion. All voted in favor, motion passed.

- Mr. Talcott read section 3.12 of the Charter. In my first or second meeting I was told that even talking about selling the utility was a violation of the Charter. With the Council





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passing an ordinance which includes a timeframe for the public vote to sell IPL or not but as early as November 2023 or no later than November 2025, the Council has again gone against the language of the Charter. Mr. McDowell added this is a good question for the City Counselor and we could spend a whole day on this one.

- Mr. Talcott asked by passing this item hasn't the Council just placed a big for sale sign in front of IPL, at a minimum coming soon. How many companies expressed interest before the vote and after the vote. I don't know if Jim or Adam can speak to any of that, but I think I remember hearing someone say that there have been at least one that had talked about it and wondered if others had expressed interest in IPL? Jim said he hasn't gotten any contacts. Mr. Talcott said I've been hearing rumors and the only reason I say rumors is because way back when we talked about rumors of selling IPL and people said no, we're not selling it and then here we are. I'm wondering if voters turned this down, does this put us at a higher risk for a hostile takeover and I know that may sound a little off or weird but even American Public Power Association (APPA) talks about that with city municipalities defending against private companies, for those watching that the APPA. Adam Norris said the only thing I would say is I would caution this board and our employees and anyone else to be very weary of any rumors. If you have questions you can come to us during these meetings or separately in advance and we will be happy to address them. Rumors are awful dangerous especially when we are considering something very serious moving forward. I'd caution you all about giving those much credence without talking to staff who should be in the know on these things. Mr. Talcott responded and that's why I'm presenting this to the board back when I first started and now, people talking about IPL looking to sell. Again, like I said that's why we are here now.
- Mr. Talcott said so now this is in the staff's hands to complete this as early as November 2023 and no later than November 2025. Is the city saying they can have consultants hired, pros and cons studies completed, education of voters through forums, town hall, Q&A sessions, and have a ballot as early as November 2023 which is six months from now? My big concern is why did they even put it as early as November 2023? Because we have so many things in the fire or in the works now, this concerns me. The Charter is the Charter, we are dealing with the Charter now, not some Charter in the future. I'm also concerned the Council is trying to ram this through, you can't have a sale without a Charter change.
- Mr. Talcott said once the studies are done are they going to have the PUAB review them first because they have been cutting us out of the process. I don't know if that is a question for Jim or Adam. Since they have gone away from us on this one will they bring that to us to review? Adam asked, who's they? Mr. Talcott responded, the City Council. The way I understand this, we look through things and make a recommendation to the Council and they decide whether or not they will take the recommendation but we generally are supposed to see things first that they are going to be considering, so that's why I am asking, if once the studies are done will those be presented to us for our prevue to send our recommendation on to Council? Adam responded if they are the City Council, I can't speak for the City Council. What I think I am hearing you say is that during this process the board



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would like to be a part of the process. Mr. Talcott said this is what I am asking of the City Manager's office, are they going to go ahead and include us in the process once those are done. Adam said I'm not trying to be obtrusive here but once what is done. Mr. Talcott responded, I'm talking about when the pros and cons and study is done to keep it or to sell it are the results of those two studies going to be able to come through us to review before they go to the City Council? Because that's the process that I'm understanding from the current Charter. Adam responded the way I understood the discussion at the City Council meeting when this was deliberated and in reading the agenda item there would be robust community conversations as part of all of this, so that includes a lot of different stakeholders including this board and other groups associated with the city. Mr. Talcott said, I still feel it should come through the PUAB before it goes on in the process, we should have at least the ability to review, if we don't agree and it gets pushed out, our feeling might be the public isn't getting exactly what they need, either pro or con. I want to make sure there are objective eyes on the process before you send out to those that have even less knowledge than some of us. That's my concern.

- Mr. Talcott said so now we are asking the voters to take on the task of sitting in a town hall for an hour to get enough information to make a very important decision that will affect us for generations to come. If the Council who may have had meeting with staff, sat on boards and maybe even sat on the PUAB board don't have enough information to make hard decisions yet we are expecting voters to make decisions who have even less information than that. Isn't the Council in a sense making the voters the scapegoat because from here on in it will be, well the voters made the decision. This is Independence's greatest asset that apparently, we are willing to let go by way of voters that have less information than the Council. Independence has had the utility for 122 years, actually came to Independence in 1887 and official in 1901 and we've made it through the Spanish flu, World War I, the Great Depression, World War II, made it through recession and downturns and now we've made it through this horrendous pandemic. Over that 122 years we have built four power plants, small to large. My kids' great grandfather was a Lineman, he came to Independence to work as a Lineman after World War II, he had been a Lineman in the military, and he retired back in early 80's. We have to put this in perspective and may be for the Counselor, there has been no problem in the past to put \$10M into tearing down Missouri City when it didn't need to be and paying twice as much for solar farmland. These are big concerns. This is a very valuable asset and for us to even consider giving this away, you've got other municipalities in California trying to purchase their portions from PG&E. You not only have people that have sold their utilities, mostly water, but now they are regretting and trying to get that back. Once things are sold, it's gone.
- Mr. Talcott asked if anyone here really thinks selling IPL is a good thing. This will take control away from the city and ratepayers and places it in the control of a for profit entity. I emphasis for profit, people throw around the term privatization and I get that however, that's a soft term for profit. If anyone actually thinks they won't pass on in acquisition costs, upgrades, cost of generation, slapping smart meters on every home, we are fooling ourselves. Ms. Tindle commented she does appreciate this conversation, just taking it in,



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know a lot of others feel the same way and would express the same things. The one positive is we have had a struggle maintaining employee relationships within the city. Benefits have changes, retirement plans have changed, city employee retiree's benefits have changed. The one positive with handing many of those over to another entity is the employment portion would no longer be on our citizens, this has been a struggle as times have changed. Some were employed for 40 years and now have been retirees for a decade or two and this has become a struggle for the city, that's the one main positive that popped into my mind. But I do see both sides, I see some of those things you are talking about as well, so I'm trying to keep an open mind about it. When I joined this board almost two years ago, I saw more of the positives of moving generation to someone else's responsibility but then over time I have seen where maintaining control of our choices is kind of a big deal. So, I have an ear in both directions and interested to see where the studies turn out, however, that is more money gone and PUAB should get to take a look at those before it goes public. Mr. Talcott added, I would like everyone to look at Evergy's page and look at the disenchantment and the unhappiness, the fact that they have more service out, percentage wise, than IPL. There will not be lower rates and I want everyone to think about Spire's two increases that they just got in one year. So, if you think rates are too high now, you will no longer have a say. When you call in about service or your bill you won't be calling the city, you will be calling a big conglomerate and they answer to their stakeholders and not the citizens. They are there to make a profit. I feel for the City Manager having to balance a budget as there will no longer be transfer funds from IPL, no more municipal rates, no more borrowing money for projects, and will have to budget for streetlights.

- Mr. Talcott asked what happens to funds after IPL is sold and debt services and obligations are paid, does the money go back to the ratepayers? My understanding from the Charter is the any profit is supposed to be given back to the ratepayers. Also, what happens to the millions in reserves? I understand if you can't answer that question and it should go to the City Counselor. Adam responded that I think a lot of these answers would unfold as that would be part of what we ask the professionals to weigh in on. Mr. Talcott added, a suggestion I might make is to have someone from APPA to come in and speak to us to educate us as a board and also beneficial to the ratepayers and those voting on this. They try to make everyone aware of the benefits and importance of keeping a utility in our city and in our hands and keeping control. Mr. McDowell added, I do not know APPA, but I would like to listen to them and maybe they can do a zoom call. Also, our downtime is the best ever, we never have downtime. IPL – two thumbs up. I would hate to lose control of our power and light and turn it over to someone that might take two or three days to get my lights back on. Ms. Tindle commented that a utility can sell generation and keep the transmission. Mr. McDowell added we are actually doing that right now with purchasing power contracts correct? Jim Nail responded, correct.

### **III. REPORTS**

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



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1. Questions on Utility Financial Reports – February 2023 – Stephanie Harris reported that all is in line as expected at this point in the year, nothing extremely high or low at this point. Pretty much the same as last month. Positive on penalties and charges, services we contracted for, and we are reflecting as outstanding due to contracts and purchase orders, showing higher but will even out throughout the year. Everyone is looking good. Mr. McDowell asked if our delinquencies over the last 90 days are trending up, down or staying stable? Stephanie Harris responded that I'm not sure, I would have to go in and look at the details. I look at all utilities as a whole, let me get back to you. Mr. McDowell said that's fine, we just keep hearing about a recession coming and wondering how our folks are doing.
- B. Municipal Services – No staff was available from Municipal Services.
- C. Water – Dan Montgomery said I can add to what Stephanie said, we would normally shut off citizen accounts, but people generally get caught up and we only write off less than 1% so collect over 99% of charges. At the last meeting Matt McLaughlin mentioned we had entered into the Berkely Springs Water competition. There was a press release sent out so hopefully most of you have seen that. We came in fourth place within United States cities. I believe we were seventh in the world. Also named best water in the state of Missouri by the American Water Works Association. We will send a water sample to Toronto in June for the best of the best contest. Also, a press release went out for a new Piece of Mind program for customers who are elderly, have a disability, long term illness or mobility issues, they can put someone else on their account and if there are issues, we can talk to that person instead. Our main emphasis right now is getting water main replacement projects done, several in final steps. Some pipe is on backorder for other projects. A few other projects should be finished this summer. Mr. McDowell asked when the water tank project on 39th street would be finished. Dan responded it should be finished in two weeks.
- D. IPL – Jim Nail said we have lots of projects under way. On the line on the west side, replacing poles and conductors, going well. Also, on the east side of town the new substation for Northpoint development is underway. Some good news in the last month, IPL has won three awards from APPA. We received a safety award and as far as we know this is the first time IPL has ever been recognized for its safety excellence. For the second award they take your liability statistics, and they have a certificate they award for being in the top 25 percentile in the entire country, we were recently notified of that. The third and biggest award is the Reliable Public Power Provider, the RP3 award. The results are out, and we have been awarded the Diamond level, which is the top level. Only 1% of utilities get this award and this is the third straight diamond level we have won. We will be making a presentation for that plaque at a future Council meeting. Ms. Tindle asked how the supply chain for transformers is coming along. Jim responded it's still bad, lots of delays but our warehouse staff has been working overtime to make all the calls, pull out all the stops they can, and we've recently established a relationship with Arkansas



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Electric. We've established a purchase order with them so every month they receive equipment we are near the front of the list to receive those. We've been able to find some meters, some of the pole mount transformers, so our warehouse group is doing an amazing job. But it is still a challenge. Joe Hegendeffler added that a while back there was some confusion when installing solar and we didn't have the correct meters, we gave meters that were running forward and backwards so they were getting credit for that but all of those meters have now been replaced because we finally received an order of those in, so now they will see on their bill the credit that they get for solar and their use charge.

- E. Deputy City Manager –Adam Norris said Dan mentioned being a finalist in the water tasting contest, Mr. McDowell mentioned how good our reliability is from a power perspective, we don't have any outstanding violations with the state or the federal government with the treatment of our sewer, all of these things don't happen by accident. They happen because of the great folks we have out in the field doing work every day. They are committed to making the city better and doing their job well. Shout out to our staff, they are doing a great job. We often take these services for granted until they don't work, so we are very grateful that they do work most all the time and we are doing exceptional.

**IV. UPCOMING ITEMS**

- A. Finance & Administration – Go over Details of Financials

**V. BOARD MEMBER COMMENTS**

- A. Board Member Comments –

1. Mr. Boatright said he has some concerns about how our recommendations on the combustion turbines were handled by the City Council and now they want to do a study. We already have a study that was updated in 2022, I believe, that they must not have looked at or didn't like so now we are going to do another study. They ignored the PUAB recommendation, in fact no discussion in the meeting. We have hired highly qualified people, but their decision making isn't followed through on. Someone at a higher level thinks they know more about it, so they ignore the impact, didn't ask for any feedback or explanation, just voted down. They say the handling of IPL, when they make a decision, it has to go to Council for a vote due to the amount of money, well are they going to do the same thing with the new police station? A \$9M police station is that going to go before the voters for a decision and get approval? We've missed some of these windows with FERC and SPP that we've already talked about so now we are delaying any type of generation by at least 3 – 5 years. We all know what's going to happen to costs. If someone steps in and buys the utility, you are going to see a rate increase and 30% is not out of the question based on trends across the industry. You can say that's speculation and that's not going to happen, but those buyers are going to want to recover their costs. We don't have a lot of commercial or industrial customers coming in so individual households will be left to pay that increase. It's not all doom and gloom, don't know which way this is going to go, but lots to think about. I was very upset when I saw that Council meeting and it was just like there has



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already been a decision made and we aren't going to discuss the other options, we are just going to vote them down and move on. That really bothers me, we are here for a reason, to make recommendations to the Council, and we saw what our recommendation came to, was nothing. The staff recommendation was handled the same way. There are better ways to handle it than the way it was handled. I don't know where we go from here. It will be very interesting to see how this whole process plays out, how much involvement the PUAB has in that, any discussion or decision making we can get involved with. It will be very interesting to see how this all plays out. I want to commend everyone from IPL for the reliability and safety awards and all the work that you do. I'm sorry we couldn't support you better in getting the future generation needs of the city taken care of. This is not a short-term thing; these decisions are very expensive, and it takes a while to get them. If you think supply chain is bad to get some pipe in, try buying something a lot larger than that. It's just not going to happen that quick and now we are going to be back in the FERC and SPP treadmills of 3 – 5 years or whenever they can get to it. Hopefully, that timeframe will be reduced but there is no reason or justification to think it's going to change. I'm very disheartened by how the whole thing was handled. We've hired experts and it seems their opinions don't matter.

2. Mr. McDowell said he totally agreed with Mr. Boatright. I've served on multiple committees and boards for over 20 years. Every recommendation was approved and the one's that weren't we were given explanations why. I shook my head at this City Council. I come up for renewal for this board at the end of June and I don't think I'm going to come back for the simple fact, I'm very disheartened the way their actions are. I just don't get it either.
3. Mr. Talcott said I'm in total agreement with Les also. It goes along with what I said, they will recover their costs if it's sold. I want to commend all the people here in the room for all the work that's done and all the work that the employees do to keep the lights on, water running and toilets flushing. Stephanie reminded me of one thing I didn't say, it's very important too, one thing a municipal utility can do is they tend to be more flexible with understanding and working with the people. You get a for profit in here and your bill isn't paid within 30 days within the next day or two your lights are off, your waters off, etc. It will be sorry, speak to the hand. There will be no leeway. You don't pay, you don't get.
4. Ms. Tindle wanted to complement all the utilities, just for the simple fact that the financials are predictable. I appreciate the day to day reliable and consistent quality services. Still want my six percent back.
5. Mr. Giaramita said he agreed with Mr. Boatright and was very disheartened by this whole process as well.

**VI. ADJOURNMENT** – Meeting adjourned at 3:44 p.m.

A. The next meeting will be May 18, 2023.

# *City of Independence*

## AGENDA ITEM COVER SHEET

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### **Agenda Title:**

Discussion

1. Lucy Young requests to speak to the PUAB regarding the 4/25/23 Council Agenda, Non-Ordinance Item #3, Council action is requested to direct and authorize the City Manager to initiate a process to evaluate all options relative to the future ownership model of Independence Power & Light.
2. Continue discussion on Council's Non-Ordinance Action Item Number 3 from 4/25/23 Council Agenda - Requested by Mr. Talcott.
3. Discussion about inviting representative from APPA to come speak to PUAB - Requested by Mr. Talcott.
4. PUAB Questions to Jeremy Cover, City Counselor - Requested by Mr. Talcott.

**Department:**

**Contact Person:**

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### **REVIEWERS:**

Power and Light Department

Approved

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**Board Action:**

**Board Action:**

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### **ATTACHMENTS:**

- PUAB Questions for City Counselor 4-28-23

## Khristina Irvine

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**From:** Khristina Irvine  
**Sent:** Friday, April 28, 2023 11:43 AM  
**To:** Adam Norris  
**Cc:** James Nail; Joseph Hegendeffer  
**Subject:** PUAB - Questions for City Counselor

Good morning, Adam! Below are the questions gathered from the board to send to the City Counselor. Mr. Talcott sent all questions but #1b, that question was added by Mr. Giaramita.

Mr. Talcott also said he would request and appreciate a response to the list of questions by Friday, May 5, so the responses can be discussed at the May PUAB meeting.

### Questions from PUAB to the City Counselor:

1. By the city council passing the Non-Ordinance Action Item #3 on April 5, 2023, wasn't a charter violation for Section 3.18 committed?
  - a. If yes, what is the PUAB's recourse?
  - b. If yes, what consequences or punishments arise from passing such an ordinance, and who is considered responsible and subject to punishment or censure?
  - c. If no, please provide a detailed explanation why this is not a charter violation.
2. The city council's Non-Ordinance Action Item #3 outlined the process stating it "would conclude with a citywide vote to be held no earlier than November 2023 and no later than November 2025." Since the City Charter Section 3.12 states, "There shall be an electric utility department..." isn't this a charter violation? How can the council vote to place the sale of IPL on the ballot when the city charter explicitly states we shall have an electric utility department?
  - a. If yes, what recourse does the PUAB have?
  - b. If no, please provide a detailed explanation why this is not a charter violation.
3. In the event of a future sale of IPL, what would happen to the profits of such sale, as well as the money in reserves, after debt services and obligations are paid? My understanding from the City Charter Section 3.17, is that profits are to be returned to the rate payers and shall not be used directly or indirectly as a general revenue producing agency for the city.
  - a. If the profits would not be returned to the rate payers, please provide a detailed explanation as to why.

Thank you



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## Khristina Irvine

Fiscal Administrator

O – 816-325-7434

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17221 E. 23<sup>rd</sup> St. S.  
Independence, MO 64057



# *City of Independence*

## AGENDA ITEM COVER SHEET

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### **Agenda Title:**

Finance & Administration

1. Questions on Utility Financial Reports - March 2023

**Department:** Finance &  
Administration

**Contact Person:** Cindy Gray

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### **REVIEWERS:**

Power and Light Department

Approved

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**Board Action:**

**Board Action:**

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### **ATTACHMENTS:**

- PUAB Utility Financials with CIP - March 2023

**CITY OF INDEPENDENCE, MISSOURI**  
 Budgetary Comparison Schedule  
 Power and Light  
 For the period ended March 31, 2023

	<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>75.00% of Year</u>	<u>From</u> <u>Budget</u>
<b>Operating Revenues:</b>						
Charges for Services	\$ 131,606,000	131,606,000	109,927,561	(21,678,439)	83.53%	8.53%
Penalties	1,000,000	1,000,000	1,165,731	165,731	116.57%	41.57%
Connection Charges	33,000	33,000	5,023	(27,977)	15.22%	-59.78%
Miscellaneous	—	—	43,979	43,979	0.00%	-75.00%
Temporary Service	1,000	1,000	800	(200)	80.00%	5.00%
Rental Income	276,000	276,000	292,358	16,358	105.93%	30.93%
Transmission Wheeling	7,000,000	7,000,000	4,383,236	(2,616,764)	62.62%	-12.38%
<b>Total Operating Revenues</b>	<u>139,916,000</u>	<u>139,916,000</u>	<u>115,818,688</u>	<u>(24,097,312)</u>	<u>82.78%</u>	<u>7.78%</u>
<b>Operating Expenses:</b>						
Personnel Services	28,729,037	28,729,037	20,489,829	8,239,208	71.32%	-3.68%
Retiree Benefits	1,460,000	1,460,000	1,054,016	405,984	72.19%	-2.81%
Other Services	26,956,585	26,911,285	25,855,139	1,056,146	96.08%	21.08%
Supplies	55,603,355	55,603,905	48,417,937	7,185,968	87.08%	12.08%
Capital Projects	5,305,000	14,289,794	5,032,998	9,256,796	35.22%	-39.78%
Capital Operating	1,400,225	1,444,975	538,520	906,455	37.27%	-37.73%
Debt Service	7,896,466	7,896,466	2,842,339	5,054,127	36.00%	-39.00%
Other Expenses	100,000	100,000	—	100,000	0.00%	-75.00%
<b>Total Operating Expenses</b>	<u>127,450,668</u>	<u>136,435,462</u>	<u>104,230,778</u>	<u>32,204,684</u>	<u>76.40%</u>	<u>1.40%</u>
<b>Nonoperating Revenues (Expenses):</b>						
Investment Income	118,000	118,000	1,124,164	1,006,164	952.68%	877.68%
Interfund Charges for Support Services	2,011,000	2,011,000	1,540,879	(470,121)	76.62%	1.62%
Miscellaneous Revenue (Expense)	15,700	15,700	490,697	474,997	3125.46%	3050.46%
<b>Total Nonoperating Revenue (Expenses)</b>	<u>2,144,700</u>	<u>2,144,700</u>	<u>3,155,740</u>	<u>1,011,040</u>	<u>147.14%</u>	<u>72.14%</u>
<b>Income (Loss) Before Transfers</b>	14,610,032	5,625,238	14,743,650	9,118,412	262.10%	187.10%
Capital Contributions	—	—	—	—	0.00%	-75.00%
Transfers Out – Utility Payments In Lieu of Taxes	(13,000,000)	(13,000,000)	(11,509,182)	(1,490,818)	88.53%	13.53%
Transfers In	—	—	—	—	0.00%	-75.00%
Transfers Out	—	—	—	—	0.00%	-75.00%
<b>Total Transfers</b>	<u>(13,000,000)</u>	<u>(13,000,000)</u>	<u>(11,509,182)</u>	<u>(1,490,818)</u>	<u>88.53%</u>	<u>13.53%</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>(7,374,762)</u>	3,234,468	<u>10,609,230</u>		
Beginning Available Resources			49,405,589			
Prior Period Adjustment			—			
Year-End Investment Market Value Adjustment			—			
Ending Available Resources			<u>52,640,057</u>			
Revenue Risk			5,300,000			
Capital Reserve			3,000,000			
Expense Risk			18,700,000			
Working Capital			<u>25,500,000</u>			
Targeted Reserve Level			<u>52,500,000</u>			
<b>Total Non-Restricted Resources Available</b>			\$ <u>140,057</u>			

**Power and Light - Open Capital Projects**  
As of March 31, 2023

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	530,802.36	63,315.00	239,822.12
200824	Prod Pit MISC PROJECTS	-	68,257.76	68,257.76	-	-	68,257.76
200828	FIBER OPTIC PROGRAM	-	198,999.72	198,999.72	44,546.73	104,510.76	49,942.23
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	33,430.50	1,600.00	9,604.27
201603	69 KV Trans LINE REBUIL	-	1,356,365.47	1,356,365.47	522,951.24	147,914.19	685,500.04
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	132,176.00	171,416.00	171,885.00
201703	BV GROUND WATER	-	369,648.98	369,648.98	22,523.78	59,540.18	287,585.02
201706	SUBSTATION K SWITCHGEAR &	-	963,211.67	963,211.67	202,802.46	760,218.75	190.46
201707	MASTER PLAN-FUTURE GENERATIO	-	32,500.00	32,500.00	-	-	32,500.00
201710	Mo CITY DIVESTITURE	-	450,681.26	450,681.26	364,306.11	86,374.65	0.50
201804	SUBSTATION E SWITCHGEAR REPLACEMENT	-	5,159,198.91	5,159,198.91	1,982,829.40	1,201,295.39	1,975,074.12
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	80,344.39	814,994.23
202102	Traffic Controller Upgrades	-	66,000.00	66,000.00	19,686.00	9,658.00	36,656.00
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	99,297.97	267,227.81	154,200.79
202111	Transmission Pole Replacement Prog	-	888,487.14	888,487.14	63,908.62	321,858.64	502,719.88
202201	Substation A Transformer T-9 Mtce	-	180,000.00	180,000.00	70,425.00	-	109,575.00
202204	Relay Test Set	-	80,103.50	80,103.50	-	80,103.50	-
202205	Desert Storm Switchgear Cabinets	-	500,000.00	500,000.00	249,977.25	-	250,022.75
202206	T & D Road Improvement Projects	500,000.00	-	500,000.00	159,745.00	-	340,255.00
202208	Traffic Signal Detection Systems	-	26,235.00	26,235.00	4,600.00	-	21,635.00
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	-	931,237.66	239,397.25
202304	Controls Software Upgrade	-	500,000.00	500,000.00	316,185.80	135,508.20	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	1,402.58	10,158.29	388,439.13
202316	Construct 6 New Dist Feeders Sub S	450,000.00	-	450,000.00	114,227.79	5,873.21	329,899.00
202317	H5 Combustion Turbine Repair	-	2,199,611.97	2,199,611.97	1,795,534.99	404,077.15	(0.17)
9669	SERVICE CTR FACILITY IMPROVE.	-	520,084.17	520,084.17	7,174.50	-	512,909.67
		\$ 1,925,000.00	19,418,027.06	21,343,027.06	6,863,864.89	4,909,124.52	9,570,037.65

	Current Year	Prior Year	
	Budget	Budget (Enc Roll)	Total
Budget	\$ 14,289,793.73	7,053,233.33	21,343,027.06
Less Expenditures	999,123.71	3,910,000.81	4,909,124.52
Less Encumbrances	4,033,873.62	2,829,991.27	6,863,864.89
Total Available	\$ 9,256,796.40	313,241.25	9,570,037.65

**CITY OF INDEPENDENCE, MISSOURI**  
 Budgetary Comparison Schedule  
 Water  
 For the period ended March 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budget Basis)</u>	<u>Variance with Amended Budget</u>	<u>Percent Actual 75.00% of Year</u>	<u>Percent From Budget</u>
	<u>Original</u>	<u>Amended</u>				
<b>Operating Revenues:</b>						
Charges for Services	\$ 32,165,000	32,165,000	25,507,966	(6,657,034)	79.30%	4.30%
Penalties	100,000	100,000	343,298	243,298	343.30%	268.30%
Connection/Disconnection Charges	12,000	12,000	15,999	3,999	133.33%	58.33%
Miscellaneous	10,000	10,000	16,061	6,061	160.61%	85.61%
Returned Check Charges	23,000	23,000	22,500	(500)	97.83%	22.83%
Rental Income	85,000	85,000	105,636	20,636	124.28%	49.28%
Meter Repairs	—	—	—	—	0.00%	-75.00%
Merchandising Jobbing	—	—	6,582	6,582	0.00%	-75.00%
<b>Total Operating Revenues</b>	<b>32,395,000</b>	<b>32,395,000</b>	<b>26,018,042</b>	<b>(6,376,958)</b>	<b>80.31%</b>	<b>5.31%</b>
<b>Operating expenses:</b>						
Personnel Services	9,646,673	9,646,673	6,302,831	3,343,842	65.34%	-9.66%
Retiree Benefits	364,000	364,000	249,891	114,109	68.65%	-6.35%
Other Services	13,703,182	13,703,182	7,913,492	5,789,690	57.75%	-17.25%
Supplies	2,840,700	2,840,700	2,936,011	(95,311)	103.36%	28.36%
Capital Projects	7,800,000	22,584,919	7,136,945	15,447,974	31.60%	-43.40%
Capital Operating	1,134,500	1,134,500	498,713	635,787	43.96%	-31.04%
Debt Service	2,526,400	2,526,400	2,240,826	285,574	88.70%	13.70%
Other Expenses	50,000	50,000	—	50,000	0.00%	-75.00%
<b>Total Operating Expenses</b>	<b>38,065,455</b>	<b>52,850,374</b>	<b>27,278,709</b>	<b>25,571,665</b>	<b>51.61%</b>	<b>-23.39%</b>
<b>Nonoperating Revenues (Expenses):</b>						
Investment Income	657,138	657,138	998,026	340,888	151.87%	76.87%
Interfund Charges for Support Services	3,300,500	3,300,500	2,519,414	(781,086)	76.33%	1.33%
Miscellaneous Revenue (Expense)	16,700	16,700	33,373	16,673	199.84%	124.84%
<b>Total Nonoperating Revenue (Expenses)</b>	<b>3,974,338</b>	<b>3,974,338</b>	<b>3,550,813</b>	<b>(423,525)</b>	<b>89.34%</b>	<b>14.34%</b>
<b>Income (Loss) Before Transfers</b>	<b>(1,696,117)</b>	<b>(16,481,036)</b>	<b>2,290,146</b>	<b>18,771,182</b>	<b>-13.90%</b>	<b>-88.90%</b>
Transfers Out – Utility Payments In Lieu of Taxes	(2,941,000)	(2,941,000)	(2,517,180)	(423,820)	85.59%	10.59%
Transfers In	—	—	—	—	0.00%	-75.00%
Transfers Out	—	—	—	—	0.00%	-75.00%
<b>Total Transfers</b>	<b>(2,941,000)</b>	<b>(2,941,000)</b>	<b>(2,517,180)</b>	<b>(423,820)</b>	<b>85.59%</b>	<b>10.59%</b>
<b>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis</b>	<b>\$ (4,637,117)</b>	<b>(19,422,036)</b>	<b>(227,034)</b>	<b>19,195,002</b>		
Beginning Available Resources			48,655,139			
Year-End Investment Market Value Adjustment			—			
Ending Available Resources			<u>48,428,105</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>			
<b>Total Non-Restricted Resources Available</b>			<b>\$ 34,028,105</b>			

**Water - Open Capital Projects  
As of March 31, 2023**

PROJECT	PROJECT TITLE	ORIGINAL BUDGET	NET BUDGET AMENDMENTS	REVISED BUDGET	ENCUMBRANCES	ACTUALS	AVAILABLE BUDGET
400708	TREATMENT PIT DISCHARGE	\$ -	300,000.00	300,000.00	82,458.39	15,541.61	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	-	270.00	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	3,550,349.72	320,384.12	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	1,523,732.30	669,534.90	(23,054.90)
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	58,945.88	535,092.39	103,132.50
402011	Main Replace Salisbury/Peck/Geospac	-	1,179,100.00	1,179,100.00	216,825.00	833,175.00	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	1,196.25	3,588.75	436,013.00
402103	Main Replacement Truman Road	-	540,502.00	540,502.00	112,497.65	385,842.35	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	-	9,335.50	89,229.50
402106	Main Replacement Sheley & Northern	-	1,017,766.50	1,017,766.50	526,167.70	32,460.30	459,138.50
402107	Facility Improvements/Const/Maint	1,500,000.00	250,000.00	1,750,000.00	88,725.00	11,275.00	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	-	269,500.00	(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	-	135,927.70	14,072.30
402302	HSPS HVAC Improvements	250,000.00	-	250,000.00	106,520.00	-	143,480.00
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	1,132,412.20	275,128.20	2,386,613.27
9952	SECURITY UPGRADES	-	517,590.82	517,590.82	6,202.03	45,084.43	466,304.36
		\$ 2,800,000.00	23,980,362.62	26,780,362.62	7,753,791.42	3,578,597.45	15,447,973.75

	Current Year Budget	Prior Year Budget (Enc Roll)	Total
Budget	\$ 22,584,918.85	4,195,443.77	26,780,362.62
Less Expenditures	472,868.08	3,105,729.37	3,578,597.45
Less Encumbrances	6,664,077.02	1,089,714.40	7,753,791.42
Total Available	\$ 15,447,973.75	-	15,447,973.75

**CITY OF INDEPENDENCE, MISSOURI**  
 Budgetary Comparison Schedule  
 Sanitary Sewer  
 For the period ended March 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budget Basis)</u>	<u>Variance with Amended Budget</u>	<u>Percent Actual 75.00% 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	26,743,759	(9,077,826)	74.66%	-0.34%
Penalties	200,000	200,000	133,172	(66,828)	66.59%	-8.41%
<b>Total operating revenues</b>	<u>36,021,585</u>	<u>36,021,585</u>	<u>26,876,931</u>	<u>(9,144,654)</u>	<u>74.61%</u>	<u>-0.39%</u>
<b>Operating expenses:</b>						
Personnel Services	6,796,986	6,796,986	4,276,197	2,520,789	62.91%	-12.09%
Retiree Benefits	348,000	348,000	252,781	95,219	72.64%	-2.36%
Other Services	15,594,591	15,594,591	10,767,521	4,827,070	69.05%	-5.95%
Supplies	1,285,100	1,279,600	720,269	559,331	56.29%	-18.71%
Capital Projects	1,750,000	14,137,113	745,517	13,391,596	5.27%	-69.73%
Capital Operating	593,000	598,500	489,755	108,745	81.83%	6.83%
Debt Service	6,239,100	6,239,100	5,128,432	1,110,668	82.20%	7.20%
Other Expenses	—	—	—	—	0.00%	-75.00%
<b>Total Operating Expenses</b>	<u>32,606,777</u>	<u>44,993,890</u>	<u>22,380,472</u>	<u>22,613,418</u>	<u>49.74%</u>	<u>-25.26%</u>
<b>Nonoperating Revenues (Expenses):</b>						
Investment Income	326,000	326,000	634,899	308,899	194.75%	119.75%
Miscellaneous Revenue (Expense)	7,900	7,900	114,132	106,232	1444.71%	1369.71%
<b>Total Nonoperating Revenue (Expenses)</b>	<u>333,900</u>	<u>333,900</u>	<u>749,031</u>	<u>415,131</u>	<u>224.33%</u>	<u>149.33%</u>
<b>Income (Loss) Before Transfers</b>	<u>3,748,708</u>	<u>(8,638,405)</u>	<u>5,245,490</u>	<u>13,883,895</u>	<u>-60.72%</u>	<u>-135.72%</u>
Transfers Out – Utility Payments In Lieu of Taxes	(3,596,612)	(3,596,612)	(2,703,402)	(893,210)	75.17%	0.17%
Transfers In	10,000	10,000	10,000	—	100.00%	25.00%
Transfers Out	—	—	(1,000)	1,000	0.00%	-75.00%
<b>Total Transfers</b>	<u>(3,586,612)</u>	<u>(3,586,612)</u>	<u>(2,694,402)</u>	<u>(892,210)</u>	<u>75.12%</u>	<u>0.12%</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>2,551,088</u>	<u>14,776,105</u>		
Beginning Available Resources			31,326,433			
Year-End Investment Market Value Adjustment			—			
Ending Available Resources			<u>33,877,521</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>\$ 21,177,521</u>			

**Sanitary Sewer - Open Capital Projects**  
As of March 31, 2023

PROJECT	PROJECT TITLE	ORIGINAL BUDGET	NET BUDGET AMENDMENTS	REVISED BUDGET	ENCUMBRANCES	ACTUALS	AVAILABLE BUDGET
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	7,330.16	54,856.46	77,556.46
301703	ARROWHEAD CENTER	-	-	-	-	-	-
301705	16TH/SCOTT	-	357,362.29	357,362.29	-	-	357,362.29
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
302002	Arlington Improvements	-	100,000.00	100,000.00	-	-	100,000.00
302003	Bison Park	-	107,079.84	107,079.84	37,201.34	34,400.41	35,478.09
302004	Neighborhood Projects 2019-20	-	1,910,076.49	1,910,076.49	30,392.50	6,372.26	1,873,311.73
302005	Biosolids Handling	-	2,397,533.81	2,397,533.81	57,828.98	1,338,884.24	1,000,820.59
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	-	143,950.24	143,950.24	101,922.00	-	42,028.24
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	62,087.99	172,680.78	1,171,055.20
302206	Railing Safety RCPS & SCPS	-	215,000.00	215,000.00	191,950.00	-	23,050.00
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	226,058.47	349,278.56	520,068.37
		\$ 500,000.00	16,256,832.04	16,756,832.04	865,718.01	2,345,213.96	13,545,900.07

	Current Year	Prior Year	Total
	Budget	Budget (Enc Roll)	
Budget	\$ 14,137,112.86	2,619,719.18	16,756,832.04
Less Expenditures	170,624.89	2,174,589.07	2,345,213.96
Less Encumbrances	574,892.14	290,825.87	865,718.01
Total Available	\$ 13,391,595.83	154,304.24	13,545,900.07