Public Utility Advisory Board

January 16, 2025 2:30 PM,

Independence Utilities Center - 17221 E.23rd St. So.

ROLL CALL

APPROVAL OF MEETING MINUTES

1. Minutes for November 21, 2024 Meeting
2. Minutes for December 19, 2024 Meeting

DISCUSSION

1. Updating Rules of Procedures and City Charter

REPORTS

1. Finance & Administration

    a. Questions on Utility Financial Reports - November 2024

    b. Update on Current Capital Improvement Projects (CIP)

2. Municipal Services - None
3. IPL

    a. Update on AMI

    b. IPL Strategic Plan Implementation Presentation Questions

4. Assistant City Manager - None

BOARD MEMBER COMMENTS

ADJOURNMENT

NEXT MEETING DATE FEBRUARY 20, 2025

INDEPENDENCE
★ UTILITIES ★

Municipal Services - Water - Power & Light

CITY OF INDEPENDENCE, MO
PUBLIC UTILITY ADVISORY BOARD

Public Utilities Advisory Board Meeting Minutes
November 21, 2024

PUAB MEMBERS PRESENT
Les Boatright, Chairperson
Michael Talcott, Vice Chairperson
Steve McLuckie

PRESENT FROM IPL
Joe Hegendeffer, Director
Ricky de Aragon, Interim Deputy Director
Jennifer Sawyer, Division Admin. Spec.

PUAB MEMBERS ABSENT
Anthony Giaramita
Brad Chance
Greg McGhee

PRESENT FROM MUN. SERV.
Rich Kemple, Deputy Director

OTHERS PRESENT
Jared Fears, Councilmember
Steve Wagner, City 7

Chairperson, Les Boatright called the meeting to order at 2:30 p.m.

ROLL CALL - The board was unable to establish a quorum. Only three members were present. Mr. Giaramita, Mr. Chance and Mr. McGhee were not present. Mr. Boatright announced that there was not a quorum, and the board could not vote in the meeting. He also announced the board would be going to the GEHA building for a tour after the meeting.

REPORTS

1. Finance & Administration – Questions on Utility Financial Reports – September 2024 –
Joe mentioned that revenues we start of the year with pretty hot months and then we'll dip down, so we start off really strong and then it gets pretty flat. Also, capital projects also tend to hit a little later in the year. We are right where we want to be which is in the positive. For the last 23-24 fiscal year they should have the final audited version of the financials in mid-December. Mr. Boatright said he would like to go over that at the next meeting.

2. Municipal Services – Mr. Talcott said he received a letter in the mail from the city regarding lead in the water pipes. I thought it was a scam at first but realized it wasn't. Lots of people are upset about this mailing. Rich Kemple said, a few years ago there was an issue with Flint Michigan and lead in the water. Based on that the EPA made changes that have now come down to the states. It is a requirement for all water systems in Missouri, from Missouri DNR, to send out letters to their customers regarding the lead service lines. We aren't aware of ever having lead in our systems, we have galvanized pipes. There have been lead joint mains, but they are no longer in service. The rules have been changed and we basically have to go out and verify all the unknown service lines and do a re-verification, just to make sure we don't have lead. That letter has verbiage that came from Missouri DNR. This is to keep us in compliance, no lead on the city

side, few thousand unknown lines on the customer side and we must verify. We are sampling the way we are supposed to and never have any lead detected. Mr. Talcott asked if every homeowner got these or only a certain section of the city? Rich responded; I believe they went out to everyone. Mr. Talcott said we just literally had our lines replaced and city came out and had to inspect, is that not reported at that time or is there a database. Rich responded if you give me the address, I can double check and make sure it's updated. We do have to verify all lines and then we must re-verify as well. No exceptions.

3. IPL –Joe Hegendeffer talked about lots of storms with strong winds. Some have had outages; it was a pretty dry summer, and trees are cracking and falling on power lines. We try to get service on as quickly as we can and route the tree crews. We have received some calls; the mayor's office has received some call with some complaints from neighborhoods that have probably been hit more than they have in the past year's dues to windstorms this yet. I don't want anyone to think we band-aid or do temporary fixes. We have a pretty robust system, and we do a pretty good job. Any future undergrounding that we want to do is a substantial cost, and we try to weigh that and try to keep people's rates at a reasonable level. I just want everyone to keep in mind that our lineman are very responsive. We are lucky to have them right here in town and be cognizant that it's been an unusually windy year, and we have had a lot of trees go down. Also, the decision has been made that customer service, starting January 1st will be report underneath IPL directly. I would say a good portion of the city calls the bill the IPL bill anyway. The majority of the phone calls that come in at customer service is related to their electric service. Now that we have the sale of IPL and all that behind us, we're moving forward with the strategic alignment, and it makes sense to go ahead and put customer service up under IPL. We will have customer service on January 1st so IPL can be an active part of the budgeting for that department.
Mr. Boatright asked about an AMI update. Joe responded he met with the other 2 utility departments, and they will be developing an actual project team and doing a kickoff to again revamp that RFP. Our RFP will probably hit the streets in the December/January timeframe. Mr. Boatright mentioned that he has met with Mr. Talcott, and they have talked a lot about the opt out clause. Joe responded to me those decisions are down the road. The RFP is what kind of system do we want and when you get into the specifics of the opt out, we will discuss what the program will look like, are we going to do targeted neighborhoods first, etc. All of that really comes after the RFP and then you do an RFQ to actually continue down that path. Mr. Boatright said he just wanted to make sure that went out or was something in the forefront of everyone's thinking. Mr. Talcott said we wanted to make sure and asking now because when you send your RFP's out, we need to make sure the companies will do the analog opt out. Last time the company they picked didn't have the analog opt out. We just want to make sure it's included in the searches for companies that will accommodate.
Mr. Boatright asked about the IPL governance issue. Joe responded, we've gotten pretty swallowed up with lots of other initiatives right now, to be honest. It's very much active and on the radar. But don't know that's at the top of the list. I thought we would probably wait until after the beginning of the new year to try and get with Zach. Mr. Boatright said we would like to be able to be able to give him our input and feedback.

Mr. Talcott asked if there was any movement in a financial analyst for IPL yet? Joe responded the Finance Manager position is moving its way for approvals up the chain right now and hopefully we will fill that soon. That person would then get a finance analyst, and I would let them be a part of building their own organization. Mr. Talcott asked if that's going to be dedicated to IPL. Joe responded yes; the Finance Manager will report to me.

4. Assistant City Manager – None

BOARD MEMBER COMMENTS

1. Mr. Boatright said Mr. McLuckie will be out of town for the next meeting but could call in on Teams. I thought about moving the meeting but hate to move from our normal schedule.

2. Councilmember Fears said things are moving along relative to the governance of IPL, that's in Zach's court at the direction of City Council, but don't expect to see anything until after the first of the year.

NEXT MEETING DATE – December 19, 2024

ADJOURNMENT – Meeting ended at 2:50 p.m.

INDEPENDENCE
UTILITIES

Municipal Services - Water - Power & Light

CITY OF INDEPENDENCE, MO
PUBLIC UTILITY ADVISORY BOARD

Public Utilities Advisory Board Meeting Minutes
December 19, 2024

PUAB MEMBERS PRESENT
Les Boatright, Chairperson
Michael Talcott, Vice Chairperson
Anthony Giaramita
Brad Chance
Greg McGhee

PUAB MEMBERS ABSENT
Steve McLuckie

PRESENT FROM IPL
Joe Hegendeffer, Director
Khristina Irvine, Asst. to the Director

PRESENT FROM MUN. SERV.
Lisa Reynolds, Director & ACM
Rich Kemple, Deputy Director

OTHERS PRESENT
Jared Fears, Councilmember
Steve Wagner, City 7

Chairperson, Les Boatright called the meeting to order at 2:30 p.m.

ROLL CALL - The board was able to establish a quorum. All board members were present except Mr. McLuckie.

APPROVAL OF MEETING MINUTES

1. Minutes for November 21, 2024, Meeting – Mr. Giaramita made a motion to approve the minutes of the November 21, 2024, meeting. Greg McGhee seconded the motion. Vote was three yes – Mr. Chance, Mr. Talcott and Mr. Boatright. Two members abstained from the vote – Mr. Giaramita and Mr. McGhee. A quorum was not obtained, this approval of minutes will be moved to the next meeting for another vote.

REPORTS

1. Finance & Administration – Questions on Utility Financial Reports – October 2024 – Lisa Reynolds mentioned that other boards are getting an update on current capital projects in January and for the new upcoming fiscal year capital projects in February, would this board like the same? Mr. Boatright said yes that would be great. He also asked if a true up for the previous FY financials had been done yet. Lisa responded they have but we are currently shuffling Finance staff. We had an interim director; she was just recently announced as the new Finance Director for the City of Merriam. We are working on a solution for that but wanted to let you know things may be trickling a little behind for these things. Melissa Cabrera who has been serving as our budget manager a past several years has just been named the new Finance Director as of yesterday. You should start seeing her at these meetings soon.

2. Municipal Services – Lisa wanted to let the board know that they are in the midst of a cost-of-service study on the sanitary side, so that's something you'll be seeing the results of in the next few months.

3. IPL –

a. Update on GEHA Building Move – Joe said this is really a Municipal Services project. Lisa said they have a construction manager on board, McCownGordon Construction. The construction portion drops for bid on January 6th, guaranteed maximum prices due in February and we would start construction as soon as possible. The preliminary first phase of move-ins for the building would be roughly April and completed by August. Roof replacement is nearly completed, generators on order, and the fiber install is underway. Mr. Boatright asked how much staff do you anticipate being left at city hall? Lisa responded it will just be the city council, and they are investigating options for them to remain on the square. That's their desire. Ultimately everyone would vacate that facility, and that parcel would be turned over for Redevelopment as part of the downtown Redevelopment master plan. The court will eventually be coming to this facility in the new justice center.

b. Update on AMI – Joe said right now we have just identified the project team that's going to look at the RFP that was issued last time. We are trying to refresh that, looking at a January timeframe to get that out. Once we decide on that collectively as a city, we could go out for an RFQ and start talking about pricing, timeframe, and all those things down the line. Mr. Boatright mentioned as this progresses, I'd like to leave this item on the agenda every month for an update. Mr. Talcott asked when you put together the team to work on AMI, when do they start talking about where the money is going to come from? Is that part of this group? Joe responded not this group will be more on the technology side and the solution side. There are several technologies available today, how the AMI system collects data and even the meters themselves. So, this is more on the technology side of what things do we need to do on our side, like how is the network architecture going to be setup, how is the software going to interface with our customer service billing, etc. The financial portion will be a big part of the discussion with our new Finance Manager. Then it will be a cooperative with the Water department and we'll talk as a city as a whole and how do we want to approach the cost, how much of the project do we want to bond, can reserves help cover costs, etc. Lisa added that in the original project there were percentages assigned to each of the 3 utilities to pay for that project. Of course, those will probably be revisited and updated but obviously we would use those as a starting point and revise and revisit as necessary to make sure they're still reflective of fair shares of the project. The water meter portion was significant, the sewer side was the least impacted from a cost perspective, obviously not the heavy infrastructure, so less money. Mr. Talcott asked when they get the team together and start looking at the vendors. Can we kind of keep in mind an analog opt-out, I would like to keep that as a continuing discussion.

c. Update on Blue Valley Stack Removal – Joe said it went to council, and they approved the hiring of an EPC contractor for deconstruction of the stack. We've hired Burns and

McDonald to help us through that process. So, this is for the engineering portion of the project, they've done over 70 stack removals much like the size of ours. Their professionalism and background are going to be very well fit for this capital project. This has been on the capital project list for several years with a low priority but the longer we push it down the road the more expensive it going to become and we know that facility is not going to operate again, especially on coal, so it's time to take it down. When the engineering portion is done, we will put together a bid package and go out for contractors to actually perform the work.

4. Assistant City Manager – None

BOARD MEMBER COMMENTS

1. Mr. Boatright mentioned starting a new calendar year soon. He said Joe mentioned taking a strategic plan to the City Council for the January study session. We would like to talk about putting together a strategic plan for the PUAB in the February meeting. He also said he would like the board to looking at the Charter and updating the PUAB by-laws as well as talking about putting together an annual report for City Council in the January meeting. So, as we move along, we have kind of a road map and know what we are working towards.

NEXT MEETING DATE – January 16, 2025

ADJOURNMENT – Meeting ended at 2:48 p.m.

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Power and Light
For the period ended November 30, 2024

	Budgeted Amounts Original	Budgeted Amounts Amended	Actual Amounts (Budget Basis)	Variance with Amended Budget	Percent Actual 41.67% of Year	Percent From Budget
Operating Revenues:						
Charges for Services	$ 146,277,500	146,277,500	71,194,695	(75,082,805)	48.67%	7.00%
Penalties	1,000,000	1,000,000	794,501	(205,499)	79.45%	37.78%
Connection Charges	13,000	13,000	3,016	(9,984)	23.20%	-18.47%
Miscellaneous	—	—	26,320	26,320	0.00%	-41.67%
Temporary Service	1,000	1,000	450	(550)	45.00%	3.33%
Rental Income	294,500	294,500	20,590	(273,910)	6.99%	-34.68%
Transmission Wheeling	6,500,000	6,500,000	2,728,140	(3,771,860)	41.97%	0.30%
Total Operating Revenues	154,086,000	154,086,000	74,767,712	(79,318,288)	48.52%	6.85%
Operating Expenses:						
Personnel Services	31,053,346	31,053,346	11,776,228	19,277,118	37.92%	-3.75%
Retiree Benefits	1,600,000	1,600,000	617,026	982,974	38.56%	-3.11%
Other Services	28,755,414	28,757,023	15,209,174	13,547,849	52.89%	11.22%
Supplies	66,944,300	68,391,010	29,942,214	38,448,796	43.78%	2.11%
Capital Projects	—	—	—	—	0.00%	-41.67%
Capital Operating	410,300	410,300	30,542	379,758	7.44%	-34.23%
Debt Service	8,635,400	8,635,400	2,041,905	6,593,495	23.65%	-18.02%
Other Expenses	100,000	100,000	—	100,000	0.00%	-41.67%
Total Operating Expenses	137,498,760	138,947,079	59,617,089	79,329,990	42.91%	1.24%
Nonoperating Revenues (Expenses):						
Investment Income	500,000	500,000	1,329,033	829,033	265.81%	224.14%
Interfund Charges for Support Services	4,170,500	4,170,500	920,880	(3,249,620)	22.08%	-19.59%
Miscellaneous Revenue (Expense)	350,000	350,000	107,398	(242,602)	30.69%	-10.98%
Total Nonoperating Revenue (Expenses)	5,020,500	5,020,500	2,357,311	(2,663,189)	46.95%	5.28%
Income (Loss) Before Transfers	21,607,740	20,159,421	17,507,934	(2,651,487)	86.85%	45.18%
Capital Contributions	—	—	—	—	0.00%	-41.67%
Transfers Out – Utility Payments In Lieu of Taxes	(14,601,000)	(14,601,000)	(7,134,920)	(7,466,080)	48.87%	7.20%
Transfers In	—	—	—	—	0.00%	-41.67%
Transfers Out	(17,774,000)	(17,774,000)	(845,795)	(16,928,205)	4.76%	-36.91%
Total Transfers	(32,375,000)	(32,375,000)	(7,980,715)	(24,394,285)	24.65%	-17.02%
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis	$ (10,767,260)	(12,215,579)	9,527,219	21,742,798		

Beginning Available Resources	67,942,410
Prior Period Adjustment	—
Year-End Investment Market Value Adjustment	—
Ending Available Resources	77,469,629
Revenue Risk	5,300,000
Capital Reserve	3,000,000
Expense Risk	18,700,000
Working Capital	25,500,000
Targeted Reserve Level	52,500,000
Total Non-Restricted Resources Available	$ 24,969,629

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Power and Light Capital Projects Fund
For the period ended November 30, 2024

	Budgeted Amounts		Actual	Variance	Percent	Percent
	Original	Amended	Amounts (Budget Basis)	with Amended Budget	Actual 41.67% of Year	From Budget
Operating Revenues:						
Charges for Services	$ —	—	—	—	0.00%	-41.67%
Penalties	—	—	—	—	0.00%	-41.67%
Connection Charges	—	—	—	—	0.00%	-41.67%
Miscellaneous	—	—	—	—	0.00%	-41.67%
Temporary Service	—	—	—	—	0.00%	-41.67%
Rental Income	—	—	—	—	0.00%	-41.67%
Transmission Wheeling	—	—	—	—	0.00%	-41.67%
Total Operating Revenues	—	—	—	—	0.00%	-41.67%
Operating Expenses:						
Personnel Services	—	—	—	—	0.00%	-41.67%
Retiree Benefits	—	—	—	—	0.00%	-41.67%
Other Services	—	—	—	—	0.00%	-41.67%
Supplies	—	—	—	—	0.00%	-41.67%
Capital Projects	17,774,000	30,564,606	608,793	29,955,813	1.99%	-39.68%
Capital Operating	—	—	—	—	0.00%	-41.67%
Debt Service	—	—	—	—	0.00%	-41.67%
Other Expenses	—	—	—	—	0.00%	-41.67%
Total Operating Expenses	17,774,000	30,564,606	608,793	29,955,813	1.99%	-39.68%
Nonoperating Revenues (Expenses):						
Investment Income	—	—	—	—	0.00%	-41.67%
Interfund Charges for Support Services	—	—	—	—	0.00%	-41.67%
Miscellaneous Revenue (Expense)	—	—	—	—	0.00%	-41.67%
Total Nonoperating Revenue (Expenses)	—	—	—	—	0.00%	-41.67%
Income (Loss) Before Transfers	(17,774,000)	(30,564,606)	(608,793)	29,955,813	1.99%	-39.68%
Capital Contributions	—	—	—	—	0.00%	-41.67%
Transfers Out – Utility Payments In Lieu of Taxes	—	—	—	—	0.00%	-41.67%
Transfers In	16,924,000	16,924,000	845,795	16,078,205	5.00%	-36.67%
Transfers Out	—	—	—	—	0.00%	-41.67%
Total Transfers	16,924,000	16,924,000	845,795	16,078,205	5.00%	-36.67%
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis	$ (850,000)	(13,640,606)	237,002	13,877,608		

Beginning Unassigned Fund Balance	—
Prior Period Encumbrances	(7,883,010)
Cancellation of Prior Year Encumbrances	50,953
Year-End Investment Market Value Adjustment	—
Ending Unassigned Fund Balance	(7,595,055)
Current Year Encumbrances	512,763
Prior Year Encumbrances	7,082,292
Total Fund Balance	$ —

Power and Light - Open Capital Projects
As of November 30, 2024

PROJECT	PROJECT TITLE	ORIGINAL BUDGET	NET BUDGET AMENDMENTS	REVISED BUDGET	ENCUMBRANCES	ACTUALS	AVAILABLE BUDGET
200815	T&D Sys IMPROVEMENTS	$ -	410,276.19	410,276.19	921.36	80,921.00	328,433.83
200828	FIBER OPTIC PROGRAM	250,000.00	128,026.90	378,026.90	130,833.99	3,000.00	244,192.91
201106	69 KV SUBSTATION FACILITIES	-	109,994.57	109,994.57	33,508.25	-	76,486.32
201405	SUBSTATION SECURITY PROJECT	-	145,422.09	145,422.09	115,228.30	-	30,193.79
201510	Sys OpS / DISPATCH	-	43,034.77	43,034.77	31,830.50	-	11,204.27
201603	69 KV Trans LINE REBUIL	-	750,678.08	750,678.08	-	-	750,678.08
201605	Sys OpS WORK AREA	-	1,319,842.18	1,319,842.18	-	-	1,319,842.18
201703	BV GROUND WATER	-	233,677.52	233,677.52	58,193.01	13,699.49	161,785.02
201706	SUBSTATION K SWITCHGEAR &	-	146,637.27	146,637.27	146,316.11	-	321.16
201710	Mo CITY DIVESTITURE	-	266,224.15	266,224.15	224,188.31	42,035.34	0.50
201804	SUBSTATION E SWITCHGEAR REPLACEMENT	-	2,042,147.43	2,042,147.43	116,905.56	-	1,925,241.87
202101	Substation Fiber Optic Network	335,000.00	990,798.23	1,325,798.23	689,153.70	167,881.24	468,763.29
202102	Traffic Controller Upgrades	-	36,656.00	36,656.00	27,715.00	-	8,941.00
202103	Traffic Camera System Upgrades	-	6,837.00	6,837.00	-	-	6,837.00
202107	Motorola APX Radio Purchase Phase 2	-	67,716.89	67,716.89	428.58	25,813.66	41,474.65
202108	Operations APC UPS Battery Replace	145,000.00	174,700.00	319,700.00	-	-	319,700.00
202109	Substation Modeling	150,000.00	150,000.00	300,000.00	-	-	300,000.00
202111	Transmission Pole Replacement Prog	100,000.00	494,006.36	594,006.36	261,836.87	17,750.00	314,419.49
202201	Substation A Transformer T-9 Mtce	-	106,745.00	106,745.00	-	-	106,745.00
202202	Substation N Transformer T-1 Maint	-	180,000.00	180,000.00	-	-	180,000.00
202205	Desert Storm Switchgear Cabinets	250,000.00	500,022.75	750,022.75	114,642.87	181,456.71	453,923.17
202206	T & D Road Improvement Projects	-	1,001,380.44	1,001,380.44	878,738.58	24,905.00	97,736.86
202208	Traffic Signal Detection Systems	60,000.00	78,774.27	138,774.27	2,140.00	50,976.12	85,658.15
202210	IPL Service Center PBX Upgrade to I	15,000.00	100,000.00	115,000.00	-	-	115,000.00
202308	Substn & Trans Upgrade &Replacement	-	388,400.13	388,400.13	-	-	388,400.13
202314	Construction of New Substation S	3,500,000.00	6,000,000.00	9,500,000.00	4,064,187.00	-	5,435,813.00
202315	Construct New Trans System Sub S	2,500,000.00	1,350,000.00	3,850,000.00	-	-	3,850,000.00
202316	Construct 6 New Dist Feeders Sub S	1,250,000.00	892,273.00	2,142,273.00	35,752.00	-	2,106,521.00
202401	Purchase Evergy 69kV Line	2,500,000.00	1,187,776.40	3,687,776.40	7,776.40	-	3,680,000.00
202405	Emergency Replacement Trans Poles	-	250,000.00	250,000.00	7,251.66	35,500.00	207,248.34
202406	Service Center Upgrades	500,000.00	419,926.30	919,926.30	35,590.95	199,921.69	684,413.66
202410	T & D System Improvements	-	500,000.00	500,000.00	93,856.59	-	406,143.41
202411	SCADA/EMS Software/Hardware Upgrade	-	301,642.19	301,642.19	187,440.00	1,034.65	113,167.54
202503	T & D Truck Shed	1,850,000.00	(850,000.00)	1,000,000.00	-	-	1,000,000.00
202504	Blue Valley Chimney Demolition	1,500,000.00	-	1,500,000.00	-	-	1,500,000.00
202505	Emergency Replacement Trans Poles	250,000.00	-	250,000.00	-	-	250,000.00
202507	Emergent Maintenance Production	440,000.00	-	440,000.00	288,192.00	-	151,808.00
202508	Substation/Trans Upgrade & Replace	424,000.00	-	424,000.00	-	-	424,000.00
202509	T & D Road Improvement Projects	500,000.00	-	500,000.00	-	900.00	499,100.00
202510	T & D System Improvements	500,000.00	-	500,000.00	-	-	500,000.00
202511	Substation Battery Charger	50,000.00	-	50,000.00	-	-	50,000.00
202512	Service Center Exterior Upgrades	105,000.00	-	105,000.00	-	-	105,000.00
202513	Substation H Switchgear Upgrades	500,000.00	-	500,000.00	-	-	500,000.00
202514	Fleet & Equip-10 Year Replacements	850,000.00	-	850,000.00	-	-	850,000.00
		$ 18,524,000.00	19,923,616.11	38,447,616.11	7,552,627.59	845,794.90	30,049,193.62

	Current Year Budget	Prior Year Budget (Enc Roll)	Total
Budget	$ 30,564,606.00	7,883,010.11	38,447,616.11
Less Expenditures	96,030.42	749,764.48	845,794.90
Less Encumbrances	512,763.27	7,039,864.32	7,552,627.59
Total Available	$ 29,955,812.31	93,381.31	30,049,193.62

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Water
For the period ended November 30, 2024

	Budgeted Amounts Original	Budgeted Amounts Amended	Actual Amounts (Budget Basis)	Variance with Amended Budget	Percent Actual 41.67% of Year	Percent From Budget
Operating Revenues:						
Charges for Services	$ 32,297,000	32,297,000	14,911,327	(17,385,673)	46.17%	4.50%
Penalties	200,000	200,000	247,079	47,079	123.54%	81.87%
Connection/Disconnection Charges	17,000	17,000	15,795	(1,205)	92.91%	51.24%
Miscellaneous	15,000	15,000	11,127	(3,873)	74.18%	32.51%
Returned Check Charges	26,000	26,000	13,845	(12,155)	53.25%	11.58%
Rental Income	85,000	85,000	97,896	12,896	115.17%	73.50%
Meter Repairs	—	—	—	—	0.00%	-41.67%
Merchandising Jobbing	—	—	1,260	1,260	0.00%	-41.67%
Total Operating Revenues	32,640,000	32,640,000	15,298,329	(17,341,671)	46.87%	5.20%
Operating expenses:						
Personnel Services	10,285,240	10,285,240	3,804,613	6,480,627	36.99%	-4.68%
Retiree Benefits	360,000	360,000	152,586	207,414	42.39%	0.71%
Other Services	17,392,582	17,392,582	6,781,677	10,610,905	38.99%	-2.68%
Supplies	4,932,500	4,932,500	2,988,352	1,944,148	60.58%	18.91%
Capital Projects	—	—	—	—	0.00%	-41.67%
Capital Operating	581,500	581,500	234,686	346,814	40.36%	-1.31%
Debt Service	2,536,138	2,536,138	2,200,641	335,497	86.77%	45.10%
Other Expenses	50,000	50,000	—	50,000	0.00%	-41.67%
Total Operating Expenses	36,137,960	36,137,960	16,162,555	19,975,405	44.72%	3.05%
Nonoperating Revenues (Expenses):						
Investment Income	659,000	659,000	863,910	204,910	131.09%	89.42%
Interfund Charges for Support Services	3,626,100	3,626,100	1,510,875	(2,115,225)	41.67%	0.00%
Miscellaneous Revenue (Expense)	15,700	15,700	9,057	(6,643)	57.69%	16.02%
Total Nonoperating Revenue (Expenses)	4,300,800	4,300,800	2,383,842	(1,916,958)	55.43%	13.76%
Income (Loss) Before Transfers	802,840	802,840	1,519,616	716,776	189.28%	147.61%
Transfers Out – Utility Payments In Lieu of Taxes	(3,025,000)	(3,025,000)	(1,478,844)	(1,546,156)	48.89%	7.22%
Transfers In	—	—	—	—	0.00%	-41.67%
Transfers Out	(9,380,000)	(9,380,000)	(1,661,881)	(7,718,119)	17.72%	-23.95%
Total Transfers	(12,405,000)	(12,405,000)	(3,140,725)	(9,264,275)	25.32%	-16.35%
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis	$ (11,602,160)	(11,602,160)	(1,621,109)	9,981,051		

Beginning Available Resources	53,660,048
Year-End Investment Market Value Adjustment	—
Ending Available Resources	52,038,939
Revenue Risk	2,000,000
Capital Reserve	6,100,000
Expense Risk	700,000
Working Capital	5,600,000
Targeted Reserve Level	14,400,000
Total Non-Restricted Resources Available	$ 37,638,939

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Water Capital Projects Fund
For the period ended November 30, 2024

	Budgeted Amounts Original	Budgeted Amounts Amended	Actual Amounts (Budget Basis)	Variance with Amended Budget	Percent Actual 41.67% of Year	Percent From Budget
Operating Revenues:						
Charges for Services	$ —	—	—	—	0.00%	-41.67%
Penalties	—	—	—	—	0.00%	-41.67%
Connection/Disconnection Charges	—	—	—	—	0.00%	-41.67%
Miscellaneous	—	—	—	—	0.00%	-41.67%
Returned Check Charges	—	—	—	—	0.00%	-41.67%
Rental Income	—	—	—	—	0.00%	-41.67%
Meter Repairs	—	—	—	—	0.00%	-41.67%
Merchandising Jobbing	—	—	—	—	0.00%	-41.67%
Total Operating Revenues	—	—	—	—	0.00%	-41.67%
Operating expenses:						
Personnel Services	—	—	—	—	0.00%	-41.67%
Retiree Benefits	—	—	—	—	0.00%	-41.67%
Other Services	—	—	—	—	0.00%	-41.67%
Supplies	—	—	—	—	0.00%	-41.67%
Capital Projects	9,380,000	27,113,556	1,066,099	26,047,457	3.93%	-37.74%
Capital Operating	—	—	—	—	0.00%	-41.67%
Debt Service	—	—	—	—	0.00%	-41.67%
Other Expenses	—	—	—	—	0.00%	-41.67%
Total Operating Expenses	9,380,000	27,113,556	1,066,099	26,047,457	3.93%	-37.74%
Nonoperating Revenues (Expenses):						
Investment Income	—	—	—	—	0.00%	-41.67%
Interfund Charges for Support Services	—	—	—	—	0.00%	-41.67%
Miscellaneous Revenue (Expense)	—	—	—	—	0.00%	-41.67%
Total Nonoperating Revenue (Expenses)	—	—	—	—	0.00%	-41.67%
Income (Loss) Before Transfers	(9,380,000)	(27,113,556)	(1,066,099)	26,047,457	3.93%	-37.74%
Transfers Out – Utility Payments In Lieu of Taxes	—	—	—	—	0.00%	-41.67%
Transfers In	9,380,000	9,380,000	1,661,881	7,718,119	17.72%	-23.95%
Transfers Out	—	—	—	—	0.00%	-41.67%
Total Transfers	9,380,000	9,380,000	1,661,881	7,718,119	17.72%	-23.95%
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis	$ —	(17,733,556)	595,782	18,329,338		

Beginning Unassigned Fund Balance	—
Prior Period Encumbrances	(2,476,389)
Cancellation of Prior Year Encumbrances	6,104
Year-End Investment Market Value Adjustment	—
Ending Unassigned Fund Balance	(1,874,503)
Current Year Encumbrances	955,016
Prior Year Encumbrances	1,419,116
Total Fund Balance	$ 499,629

Water - Open Capital Projects
As of November 30, 2024

PROJECT	PROJECT TITLE	ORIGINAL BUDGET	NET BUDGET AMENDMENTS	REVISED BUDGET	ENCUMBRANCES	ACTUALS	AVAILABLE BUDGET
400708	TREATMENT Plt DISCHARGE	$ -	1,220,457.63	1,220,457.63	46,271.38	1,601.25	1,172,585.00
401003	FUTURE Prod WELLS	500,000.00	885,263.52	1,385,263.52	9,130.31	163,701.21	1,212,432.00
401301	23RD ST MAIN REPLACEMENT	-	311,672.57	311,672.57	561,000.00	143.30	(249,470.73)
401402	LAGOON CLEANOUT	-	311,100.00	311,100.00	-	30,000.00	281,100.00
401505	Dist Sys IMPROVE	-	244,781.00	244,781.00	30,825.88	-	213,955.12
401601	FILTER BACKWASH OUTFALL	-	190,325.00	190,325.00	-	-	190,325.00
401602	Plt DISCHARGE OUTFALL	-	459,824.48	459,824.48	-	-	459,824.48
401608	LIME SILO	-	1,756,438.67	1,756,438.67	167,048.75	1,291,385.31	298,004.61
401703	Maint BUILDING AT CBP	-	200,000.00	200,000.00	-	-	200,000.00
401804	Filter Valve House Roof Improvement	-	97,292.00	97,292.00	-	-	97,292.00
401818	30" Steel Transmission Main Assess	-	156,300.00	156,300.00	-	-	156,300.00
401822	Main Replacement-24Hwy/Northern/RR	-	240,166.00	240,166.00	-	-	240,166.00
402002	39th Street Reservoir	-	13,455.30	13,455.30	13,455.30	-	-
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
402101	Main Replacement Ralston 31st/29th	-	39,017.00	39,017.00	132.00	-	38,885.00
402102	Main Replacement 3rd St & Jennings	-	436,013.00	436,013.00	-	-	436,013.00
402103	Main Replacement Truman Road	-	86,890.00	86,890.00	-	-	86,890.00
402105	Main Replacement Sheley	-	89,229.50	89,229.50	-	-	89,229.50
402106	Main Replacement Sheley & Northern	-	451,631.16	451,631.16	-	-	451,631.16
402107	Facility Improvements/Const/Maint	-	1,695,662.97	1,695,662.97	45,662.97	-	1,650,000.00
402108	Basin Drive Improvements	250,000.00	32,348.00	282,348.00	22,130.76	95,301.00	164,916.24
402207	CB Electrical Switchgear Improvemen	-	200,000.00	200,000.00	-	-	200,000.00
402301	IT Infrastructure Upgrade	-	9,034.80	9,034.80	-	-	9,034.80
402302	HSPS HVAC Improvements	-	143,480.00	143,480.00	-	-	143,480.00
402303	Lime Silo Recoating	-	400,000.00	400,000.00	-	-	400,000.00
402401	Fiber Optic Upgrades	-	500,000.00	500,000.00	496,780.00	-	3,220.00
402402	Lime Slaker No. 6	-	16,692.00	16,692.00	-	-	16,692.00
402403	Sludge House Piping Improvements	100,000.00	200,000.00	300,000.00	-	-	300,000.00
402410	Springbranch Garage Complex	2,130,000.00	-	2,130,000.00	-	-	2,130,000.00
402501	Horizontal Collector Wheel Rehab	750,000.00	-	750,000.00	-	-	750,000.00
402502	Chlorinator Improvements	100,000.00	-	100,000.00	72,185.00	-	27,815.00
402503	Evaporator Improvements	100,000.00	-	100,000.00	109,071.00	-	(9,071.00)
402504	M-291 Wellfield Header	300,000.00	-	300,000.00	-	-	300,000.00
402506	Vehicle Replacement	150,000.00	-	150,000.00	-	79,749.00	70,251.00
9749	MAIN REPLACEMENT PROGRAM	5,000,000.00	7,094,471.13	12,094,471.13	206,918.58	-	11,887,552.55
9952	SECURITY UPGRADES	-	389,610.00	389,610.00	99,996.02	-	289,613.98
		$ 9,380,000.00	20,209,945.73	29,589,945.73	1,880,607.95	1,661,881.07	26,047,456.71

	Budget	Budget (Enc Roll)	Total
Budget	$ 27,113,556.37	2,476,389.36	29,589,945.73
Less Expenditures	111,083.36	1,550,797.71	1,661,881.07
Less Encumbrances	955,016.30	925,591.65	1,880,607.95
Total Available	$ 26,047,456.71	-	26,047,456.71

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Sanitary Sewer
For the period ended November 30, 2024

	Budgeted Amounts		Actual	Variance	Percent	Percent
	Original	Amended	Amounts (Budget Basis)	with Amended Budget	Actual 41.67% of Year	From Budget
Operating revenues:						
Charges for Services	$ 35,765,212	35,765,212	15,138,066	(20,627,146)	42.33%	0.66%
Penalties	200,000	200,000	—	(200,000)	0.00%	-41.67%
Total operating revenues	35,965,212	35,965,212	15,138,066	(20,827,146)	42.09%	0.42%
Operating expenses:						
Personnel Services	6,894,894	6,894,894	2,513,874	4,381,020	36.46%	-5.21%
Retiree Benefits	460,000	460,000	166,668	293,332	36.23%	-5.44%
Other Services	16,825,513	16,825,513	5,353,064	11,472,449	31.82%	-9.85%
Supplies	1,375,900	1,375,900	835,150	540,750	60.70%	19.03%
Capital Projects	—	—	—	—	0.00%	-41.67%
Capital Operating	296,300	296,300	169,920	126,380	57.35%	15.68%
Debt Service	6,240,079	6,240,079	4,762,945	1,477,134	76.33%	34.66%
Other Expenses	—	—	—	—	0.00%	-41.67%
Total Operating Expenses	32,092,686	32,092,686	13,801,621	18,291,065	43.01%	1.34%
Nonoperating Revenues (Expenses):						
Investment Income	326,000	326,000	615,544	289,544	188.82%	147.15%
Miscellaneous Revenue (Expense)	7,900	7,900	4,213	(3,687)	53.33%	11.66%
Total Nonoperating Revenue (Expenses)	333,900	333,900	619,757	285,857	185.61%	143.94%
Income (Loss) Before Transfers	4,206,426	4,206,426	1,956,202	(2,250,224)	46.51%	4.84%
Transfers Out – Utility Payments In Lieu of Taxes	(3,296,612)	(3,296,612)	(1,543,475)	(1,753,137)	46.82%	5.15%
Transfers In	10,000	10,000	10,000	—	100.00%	58.33%
Transfers Out	(5,505,000)	(5,505,000)	(1,164,860)	(4,340,140)	21.16%	-20.51%
Total Transfers	(8,791,612)	(8,791,612)	(2,698,335)	(6,093,277)	30.69%	-10.98%
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis	$ (4,585,186)	(4,585,186)	(742,133)	3,843,053		

Beginning Available Resources	37,459,064
Year-End Investment Market Value Adjustment	—
Ending Available Resources	36,716,931
Revenue Risk	1,200,000
Capital Reserve	4,000,000
Expense Risk	700,000
Working Capital	6,800,000
Targeted Reserve Level	12,700,000
Total Non-Restricted Resources Available	$ 24,016,931

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Sanitary Sewer Capital Projects Fund
For the period ended November 30, 2024

	Budgeted Amounts Original	Budgeted Amounts Amended	Actual Amounts (Budget Basis)	Variance with Amended Budget	Percent Actual 41.67% of Year	Percent From Budget
Operating revenues:						
Charges for Services	$ —	—	—	—	0.00%	-41.67%
Penalties	—	—	—	—	0.00%	-41.67%
Total operating revenues	—	—	—	—	0.00%	-41.67%
Operating expenses:						
Personnel Services	—	—	—	—	0.00%	-41.67%
Retiree Benefits	—	—	—	—	0.00%	-41.67%
Other Services	—	—	—	—	0.00%	-41.67%
Supplies	—	—	—	—	0.00%	-41.67%
Capital Projects	5,505,000	19,597,819	4,900,216	14,697,603	25.00%	-16.67%
Capital Operating	—	—	—	—	0.00%	-41.67%
Debt Service	—	—	—	—	0.00%	-41.67%
Other Expenses	—	—	—	—	0.00%	-41.67%
Total Operating Expenses	5,505,000	19,597,819	4,900,216	14,697,603	25.00%	-16.67%
Nonoperating Revenues (Expenses):						
Investment Income	—	—	—	—	0.00%	-41.67%
Miscellaneous Revenue (Expense)	—	—	—	—	0.00%	-41.67%
Total Nonoperating Revenue (Expenses)	—	—	—	—	0.00%	-41.67%
Income (Loss) Before Transfers	(5,505,000)	(19,597,819)	(4,900,216)	14,697,603	25.00%	-16.67%
Transfers Out – Utility Payments In Lieu of Taxes	—	—	—	—	0.00%	-41.67%
Transfers In	5,505,000	5,505,000	1,164,777	4,340,223	21.16%	-20.51%
Transfers Out	—	—	—	—	0.00%	-41.67%
Total Transfers	5,505,000	5,505,000	1,164,777	4,340,223	21.16%	-20.51%
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses, Budget Basis	$ —	(14,092,819)	(3,735,439)	10,357,380		

Beginning Unassigned Fund Balance	—
Prior Period Encumbrances	(2,317,525)
Cancellation of Prior Year Encumbrances	11,725
Year-End Investment Market Value Adjustment	—
Ending Unassigned Fund Balance	(6,041,239)
Current Year Encumbrances	4,896,155
Prior Year Encumbrances	1,333,855
Total Fund Balance	$ 188,771

Sanitary Sewer - Open Capital Projects
As of November 30, 2024

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
301701	SCADA UPGRADE		-	77,507.78	77,507.78	-	-	77,507.78
301706	TREATMENT FACILITY IMPROVEMENT		-	226,533.13	226,533.13	-	-	226,533.13
302002	Arlington Improvements		-	100,000.00	100,000.00	-	-	100,000.00
302004	Neighborhood Projects 2019-20		150,000.00	1,640,872.12	1,790,872.12	331,037.83	180,008.54	1,279,825.75
302005	Biosolids Handling		-	991,019.78	991,019.78	-	-	991,019.78
302006	Raw Pumps & Screening		-	579,279.41	579,279.41	-	-	579,279.41
302007	Electrical Substation Rehab		-	158,690.00	158,690.00	8,628.00	20,723.00	129,339.00
302008	RCTP Fence		-	36,015.56	36,015.56	-	-	36,015.56
302101	Sanitation Sewer Evaluation Survey		100,000.00	106,982.83	206,982.83	-	-	206,982.83
302102	Raymond Harkless Mills San Imp		150,000.00	50,000.00	200,000.00	182,579.26	118,132.86	(100,712.12)
302103	Pump Station Imp & Maintenance		-	868,240.98	868,240.98	-	-	868,240.98
302105	Piping Rehabilitation		-	14,332.50	14,332.50	14,332.50	-	-
302201	Upper Adair Interceptor		1,000,000.00	400,475.14	1,400,475.14	29,701.26	21,699.00	1,349,074.88
302202	Crackerneck Creek Slope Rehab		-	2,114,316.04	2,114,316.04	116,355.85	25,645.00	1,972,315.19
302203	Sanitary Sewer Main Reloc from Stre		300,000.00	700,000.00	1,000,000.00	-	-	1,000,000.00
302204	RCTP - Septic Pumper		-	300,000.00	300,000.00	-	-	300,000.00
302205	Clarifier Rehabilitation		-	4,001,366.44	4,001,366.44	4,961,447.85	16,353.85	(976,435.26)
302206	Railing Safety RCPS & SCPS		-	14,083.09	14,083.09	-	-	14,083.09
302301	Sludge Thickening Process Improve		800,000.00	600,000.00	1,400,000.00	-	-	1,400,000.00
302401	Cost of Service Study		-	100,000.00	100,000.00	-	-	100,000.00
302402	Grit Removal Improvements-RCPS		-	750,000.00	750,000.00	-	-	750,000.00
302403	Pressure Cleaning Truck		-	250,000.00	250,000.00	-	188,770.75	61,229.25
302410	Springbranch Garage Complex		2,130,000.00	-	2,130,000.00	-	-	2,130,000.00
302501	Camera Truck		375,000.00	-	375,000.00	375,000.00	-	-
9757	TRENCHLESS TECHNOLOGY		500,000.00	766,138.73	1,266,138.73	17,474.10	593,443.60	655,221.03
		$	5,505,000.00	16,410,344.27	21,915,344.27	6,036,556.65	1,164,776.60	14,714,011.02

		Current Year Budget	Prior Year Budget (Enc Roll)	Total
Budget	$	19,597,819.10	2,317,525.17	21,915,344.27
Less Expenditures		4,060.63	1,160,715.97	1,164,776.60
Less Encumbrances		4,896,154.65	1,140,402.00	6,036,556.65
Total Available	$	14,697,603.82	16,407.20	14,714,011.02

IPL STRATEGIC PLAN UPDATE

Presented January 13th 2025

Agenda

- Vision
- Strategies
  - Financial Strategy
  - Customer Strategy
  - Power Supply Strategic Scenarios
  - Operations Strategy
- Governance Recommendations

VISION

Vision of an Ideal State for IPL

- IPL is operated in a business-like manner for the benefit of the community.
- A well-informed public that understands and supports the decisions made by the utility.
- A governing body of well-educated professionals who are responsive to the needs of the utility.

Vision of an Ideal State for IPL

- Business decisions are based both on quality data and qualitative experience.
- Continue to have best reliability in their class of utilities.
- A plan for rates to be competitive with neighboring utilities
- Economic Development Programs that support commercial and industrial growth.

Vision of an Ideal State for IPL

- Employees that want to work for IPL and have the skillsets that support strategic priorities, which includes succession planning.
- Modern technology to support communication, increase efficiency, and expand customer-enabling services to manage electricity usage.
- The ability to add or replace resources in a cost-effective way.

Strategic Plan Priority Areas

- *Financial Strategy*
- *Customer Strategy*
- *Power Supply Strategic Scenarios*
- *Operation Strategy*

FINANCIAL STRATEGY

Resource Requirements

- Staffing Resources
  - Finance Manager
    - Currently posted and will be conducting interviews early 2025
  - Financial Analyst
    - Will target CY 2025 and allow new Finance Manager to fill
  - Utility Data Scientist
    - Will repost and fill when appropriate, need technology solutions first to provide sufficient data to organize for forward data drive solutions. Would align with the future AMI project implementation

Foundational Strategies

- Update IPL cost of service studies and financial model annually
  - Will work with new Finance Manager and contractor to update and maintain our financial model annually to track and update on an annual basis. One of the first objectives of the new Finance Manager

Foundational Strategies

- Provide customers with rate choices based on how and when they use electricity, to facilitate management of their usage and bills.
  - Will update rate model and customer interface through the implementation of our AMI project, scheduled to start 2025. Currently working to update RFP for submissions.

Foundational Strategies

- Leverage the value of Public Power for Economic Development
  - Currently engaged with the Independence Chamber of Commerce, the Economic Development Board, and City Leadership on future strategic initiatives and how to best utilize IPL to foster commercial and industrial development within our community.

Foundational Strategies

- Debt fund capital plan to ease financial burden and allocate long term investment costs appropriately to future customers using those assets
  - Have already contacted the City's financial advisor and bond council to discuss re-financing of current bonds and future bonding opportunities. Will bring to city leadership opportunities to lower our costs and finance future projects

Foundational Strategies

- Pursue outside funding sources, DOE and IRA grant and loan programs to offset investments in innovation
  - Will be a highlighted level of importance for our current CIP project stack and any future initiatives.

CUSTOMER STRATEGY

Resource Requirements

- Staffing Resources
  - Key Account Representative – will put in 2025/26 budget and discuss proper placement within organization
  - Professional Marketing and outreach personnel dedicated to IPL – currently working with PR firm and PIO to accomplish
  - IPL based HR professional to develop cultural alignment program – discussing with HR organization for alignment of this initiative
  - Staff or consultant to evaluate, develop or modify customer programs – will work over the next 12 months to evaluate programs and make recommendations
  - Technology support for AMI, OMS, Website, Mobile Apps and help desk – will work with COI IT dept and internal resources for IPL to support new tech initiatives

Foundational Strategies

- Technology Enabling Customer Service Tools
  - Outage Management Systems integrated with existing tools – have already reached out to several industry professionals on options
  - Billing system enhancements (consolidate bills, historic usage and bill comparison, graphic options) – this will be an initiative coupled with the implementation of AMI
  - Website and Mobile App Customer tools – this will be enhanced with AMI
  - AMI – Project Team identified and will execute RFP Qtr 1 of 2025

POWER SUPPLY STRATEGIC SCENARIOS

Foundational Strategies

- Integrated Resource Plan (IRP) – will submit RFP process early 2025 to find right fit of resources to assist with development of a robust and malleable IRP.
- IPL to commit to revisiting and updating IRP every 3 years.

Foundational Strategies

- Coal Contracts – refinanced a portion of Iatan II bonds thru MPUA/MEC in 2023 saving us appx $3MM over next 10 yrs, currently looking to refinance another portion in 2025 to save even more.
- Dogwood – in early stages of exploring the possibility of expanding that project to gain capacity/energy for all participants.
- Oneta – targeting increased capacity in 2025 from 45MW to 70MW under current contract. Additionally in discussions on pricing to extend our current capacity contract another 10 years.
- Community Solar – evaluating if and when a contract buy-out would make sense for IPL.

OPERATIONS STRATEGY

Foundational Strategies

- Excellent Reliability – continuing to invest in infrastructure and undergrounding
- Outage reporting and management tools updating – working with a couple of vendors on options that will be brought to council mid-2025
- Implement AMI to bring IPLs data capture and response up to modern day standards – in progress

IPL GOVERNANCE MODEL RECOMMENDATIONS

REPLACEMENT OF THE PUBLIC UTILITIES ADVISORY BOARD (PUAB) WITH A PUBLIC UTILITIES BOARD (PUB)

Utility Board Member Composition

- 5 Board Members Total
  - 1 member seat would be an ex-officio member with voting privileges and would be a current member of the City Council.
  - 3 member seats shall be residents of Independence who have had business or professional experience and who shall have resided in the City at least two years immediately prior to their appointment.
  - 1 member seat may live outside the City of Independence; shall have had business or professional experience; and shall have been Commercial or Industrial rate payers to IPL for least two years prior to their appointments which subscription shall be maintained during their terms in office.

Utility Board Member Selection

- Ex-officio Appointment shall be by a majority vote of the current sitting City Council.
- Selection of remaining board members would be by submitting resumes and qualifications to a selection committee of 2 City Council Members, City Manager, Assistant City Manager, and IPL Director. Recommendations of the selection committee would be submitted to City Council for approval by vote.

Utility Board Member Terms

- With the exception of the ex officio City Council member, all board seats will be assignments of 4 years in length and will be alternating 2 member assignments and will fall between all city elections.
  - For example:
    - Mayor and 2 at-large Council Member elections: 2022, 2026, 2030, 2034
    - 4 District Council Member elections: 2020, 2024, 2028, 2032
    - First 2 IPL Utility Board assignments: 2025, 2029, 2033
    - Second 2 IPL Utility Board assignments: 2027, 2031, 2035
- All Utility Board members shall serve until their successors are appointed and qualified; however, no person shall be appointed for more than two consecutive four-year terms.

Utility Board Powers

- The new Utility Board would have full powers of approvals for all Independence Utilities concerning items like:
  - Yearly Budget Approval
  - Rate Adjustments
  - Debt Issuance
  - Procurement Approvals above $500,000
  - Strategic Initiatives

Utility Board Meeting Frequency

- The new Utility Board would meet at least once per month, with the option to add a second monthly meeting if there are items that need to be covered sooner, or agenda gets too full.

Public Engagement

- All meetings will be open to the public and recorded, just like any other formal city meeting.
- Public engagement would remain in upmost importance and opportunity to provide input, and feedback will remain a priority for this new board.

Staff Recommendation

- Direction for drafting recommended City Charter changes to be put to a public vote in August 2025 for implementation

Questions ?