



# FY 2024

## OPERATING BUDGET

APPROVED



July 27, 2023

Memo To: Chair and Members of the Board of Public Utilities

We are pleased to present City Utilities' 2024 Operating Budget for your consideration and approval. The budget for the fiscal year beginning October 1, 2023, requires approval by the Board of Public Utilities and by City Council. The proposed budget outlines project expenditures necessary to responsibly serve our customers, and it establishes the approval of the budget and disbursement authority as required by the City Charter.

This budget is presented by functional category, with all capital, fuel, and non-capital expenditures displayed for fiscal years 2022, 2023, and 2024, respectively. Financial Statements are included in the budget document, specifically, a projected Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position for the Utility, and Statements of Operations for the individual business units.

A special Board meeting has been scheduled for Tuesday, August 8, 2023, at 3:00 p.m. for presentation of this budget.

A public hearing for the 2024 Operating Budget followed by a joint Board/City Council study session has been scheduled for Thursday, August 10, 2023, at 5:30 p.m.

On behalf of our management team and all the employees of City Utilities responsible for producing the 2024 Operating Budget, we would like to thank you for your support of this final part of our annual planning effort. The input you provide during the year, and especially during the budget process, is invaluable. We would be pleased to answer any questions you may have or provide any additional information you would find useful. Please call Amy Derdall or me for clarification or comment while considering this budget.

Respectfully,

Gary Gibson  
President - CEO

c: Mayor and Members of the City Council  
CU Citizens' Advisory Council  
CU Executive Leadership Team  
City Manager  
City Clerk

**OPERATING BUDGET**

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## **BOARD OF PUBLIC UTILITIES**

Nancy Williams, Chair  
Kristin Carter, Vice Chair  
Louise Knauer, Secretary  
Donald Woody, Assistant Secretary

Scott Bratcher	Heather Ramsey
Steve Dooley	Clif Smart
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## **CITY UTILITIES CITIZENS' ADVISORY COUNCIL**

As of 6/30/2023

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Matt Morris, Vice Chair

Roy Bright	Joe Reynolds
Irwin Cohen	Crystal Reynolds Roberts
Gordon Elliott	Michele Rutayuga
Mark Gambon	Jeff Shore
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## **CITY COUNCIL**

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Monica Horton	Zone 1
Abe McGull	Zone 2
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Matthew Simpson	Zone 4
Heather Hardinger	General A
Craig Hosmer	General B
Callie Carroll	General C
Derek Lee	General D

## Budget Format

Pursuant to the Springfield City Charter, City Utilities is required to prepare an Operating Budget each year for consideration by the Board of Public Utilities and the City Council of Springfield, MO. Approval of the Operating Budget establishes the total amount of expenditures for that year. This amount is referred to as disbursement authority and represents the total amount of spending appropriated for the year for all purposes including the cost of fuels, labor, and all other goods and services for capital and non-capital spending.

To ensure expenditures in any year do not exceed total disbursement authority, City Utilities budgets all expenditures within eighteen functional categories, which are groups of projects. These projects may be capital related such as the construction of a water

storage tank or may be related to the operations and maintenance of the Utility. Included in the 2024 Operating Budget are projects related to the purchase of fuels for natural gas, electric generation, and purchased power as well as projects related to the maintenance of water mains, natural gas mains, electric poles, and tree trimming. Each project includes all associated costs such as labor, contract services, and purchased items. Each project is classified as capital, non-capital, or fuels and is assigned to one functional category in the Operating Budget document.

Because labor expenditures are assigned to the specific projects for actual and projected expenditures for the Operating Budget, there is no single project or line item included for labor.

## Planning Approach

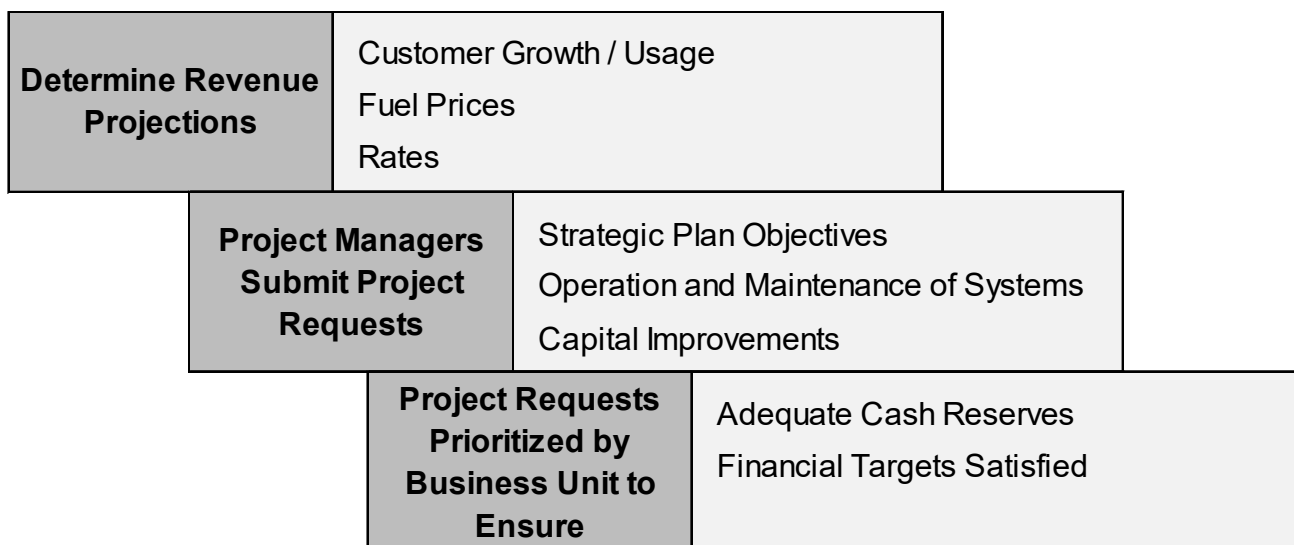
City Utilities' planning process is deliberate with a focus on enabling sustainable financial strength while safely providing reliable services for our customers. The process is dynamic and incorporates the impact of changing variables such as customer demands, fuel prices, governmental regulatory changes, and the economic climate.

The annual planning process begins by evaluating and projecting economic assumptions and customer usage expectations. It progresses to the identification of the operating and maintenance needs of the utility systems, ensuring consistent, safe service for our customers.

Consideration of any replacement or renewal of the equipment producing and delivering these services is then assessed. Regulatory and safety concerns are inherent throughout the process.

Ensuring quality and reliable services to meet the future needs of City Utilities' customers at competitive rates is ultimately the purpose of planning. The 2024-2028 Operating Plan provides prudent guidance for City Utilities.

## Planning Process



**Budget Review Schedule**

<b>July 28, 2023</b>	Distribution of the preliminary 2024-2028 Operating Plan
<b>August 8, 2023 (3:00 - 5:00 PM)</b>	Presentation of the preliminary 2024-2028 Operating Plan at a special-called Board Meeting
<b>August 10, 2023 (5:30 PM)</b>	Public Hearing and Board/City Council Joint Study Session on the preliminary 2024 Operating Budget
<b>August 11, 2023 August 16, 2023</b>	Review comments, questions and/or study session with Board and City Council, as needed
<b>August 17, 2023 (3:00 PM)</b>	Board Approval of the 2024-2028 Operating Plan
<b>August 18, 2023</b>	Board-Approved 2024 Operating Budget filed with City Clerk
<b>September 5, 2023 (6:30 PM)</b>	First Reading and Public Hearing of Board-Approved 2024 Operating Budget by City Council
<b>September 18, 2023 (6:30 PM)</b>	Second Reading and Adoption of 2024 Operating Budget by City Council



## Glossary

Appropriation	An authorization granted by a governing body to make expenditures and incur obligations for specific purposes. An appropriation is limited in amount and time when it may be expended.
Bond Funds	Funds required to be set aside out of revenues to protect bondholders and City Utilities in the event of fund shortfalls. Funds for Bonded Indebtedness are required for Debt Service Reserves and Sinking Funds.
British Thermal Unit (BTU)	The amount of heat energy needed to raise the temperature of one pound of water by one degree. This is the standard measurement used to state the amount of energy contained within a fuel.
BUILD Grant	In 2019, the City of Springfield was awarded a \$21 million grant through the Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary grant program by the Federal Department of Transportation. The city will use the funds to create an off-street pedestrian and bicycle pathway along Grant Avenue between Sunshine and College Streets.
Capital Expenditure	Expenditure on a long-term business asset, a fixed asset.
Carry-Ins	A funding process which allows for time-line movements from a previous fiscal year to the current year.
Community Services	A summary of the monetary value that City Utilities provides to the City of Springfield and the customers of City Utilities for a given time period. This value includes the payment in lieu of taxes, right of way fees, utility relocations, free utility services provided to the City, and subsidization of the Transit System.
Construction Funds	These funds represent bond or financing proceeds held for construction of major capital projects. In addition to the initial bond proceeds deposited in this fund, yet-to-be consumed funds are invested, and earnings on these investments are added to help fund the overall cost of the project. Expenditures are reimbursed monthly to the Operating Fund.
Contingency Item	Potential project not included in the funding solution and which may or may not be required (e.g., dependent on other actions).
Days Cash	Number of days of cash on hand (working capital) available to meet daily Utility operations. Excludes restricted funds. (1 Day of Cash = Annual Operating Expense divided by 365 days).
Debt Service	The organization's obligation to pay the principal and interest of all debt instruments according to a pre-determined payment schedule.
Debt Service Coverage	Sum of Operating Income, excluding depreciation and amortization, and including other income divided by Total Annual Debt Service. Measures how many times Utility's annual income will cover annual debt payments.
Degree Days	The difference between the daily temperature mean and 65°F. These are Heating Degree Days (HDD) if the mean temperature is below 65°F and Cooling Degree Days (CDD) if the mean temperature is above 65°F.
Dekatherm (Dth)	Unit of energy to measure natural gas. Equivalent to one million BTUs and the energy contained in about one thousand cubic feet of natural gas.
Designated Improvement Account (DIA)	Funds in the DIA may be used for the maintenance and repair, construction, acquisitions, extensions, and improvements to a system. DIA includes the board approved contingency, pollution, and disaster funds.
Disbursement Authority	Amount of funds approved to be disbursed in a given year. Approved by City Council per the City Charter.
Expenditure	The actual outflow of funds paid for assets, labor, goods, materials, or services. Expenditures are the accounting entry where disbursements or accruals are recognized.

## Glossary

Expense	Expenses represent the total cost of operations during a period regardless of the timing of the disbursement.
Fiscal Year	City Utilities' Fiscal Year is October 1 to September 30.
Fund Balance	The amount of money in a cash account at a specific point in time.
Integrated Marketplace (IM)	In March 2014, SPP launched the IM including a consolidated balancing authority, a day-ahead energy market, a real-time energy market, an operating reserve market, and a market for Transmission Congestion Rights.
Integrated Transmission Planning (ITP)	Iterative three-year SPP process including 20-year, 10-year, and near-term assessments of the energy transmission in SPP.
Kilowatt Hour (kWh)	Equivalent to 1,000 watts used over one hour.
Megawatt Hour (MWh)	Equivalent to 1 million watts used over one hour.
Miller Park	Miller Park is a 20-acre park located next to the Fellows Lake Marina. The park offers pavilions, a playground, a boat ramp, a small convenience store and rental of canoes, kayaks, and motorized boats. Miller Park is part of the Fellows Lake Recreational Area that has over 30 miles of Dirt 66 soft surface trails for hiking and mountain biking.
Non-Utility Receipts / Disbursements	Collections by City Utilities for the benefit of another entity. These collections or receipts, such as sales tax and sewer billings, create a non-utility disbursement when paid to the benefitting agency.
Off-System (Electric) Sales	Wholesale of electric power to an entity other than a City Utilities residential, commercial or industrial customer.
Operating Earnings	Operating Income excluding depreciation expense. This metric ensures that each business unit is generating enough cash flow to fund its capital improvements, common capital improvements, transit support, and debt payments.
Operating Fund	The general fund for the Utility. All receipts and disbursements, except for some specific financings and direct interest earnings, flow through the Operating Fund.
Operating Income	The amount of profit realized from a business's operations after subtracting operating expenses and depreciation. Operating expenses are costs which are incurred from operating activities and exclude income and expenses such as interest, gain or loss on investments, extraordinary items and miscellaneous items not directly related to business operations.
PHMSA Grant	In 2023, City Utilities was awarded a \$10 million grant from the Pipeline and Hazardous Materials Safety Administration (PHMSA) through the Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) grant program. City Utilities will use the funds to replace aging infrastructure.
Receipt	Funds the organization receives as income or capital contributions and are either designated or undesignated.
Reprojected Budget	The current year's budget updated for actual results through a portion of the year and new revenues and fuels projections for the remainder of the fiscal year.
Reserve	An account used to set aside a portion of a fund balance as segregated for a specific future use.
Southwest Power Pool (SPP)	The Southwest Power Pool, based in Little Rock, AR, oversees the bulk electric grid and wholesale power market in the central United States on behalf of a diverse group of electric utilities and transmission companies.
Statement of Net Position (Balance Sheet)	A financial statement presenting the assets, liabilities, reserves and balances of specific funds as of a specific date.
Statement of Revenues, Expenses and Changes in Net Position (Income Statement)	A financial statement displaying the revenues less expenses of the organization for a given period of time, usually a month or year.



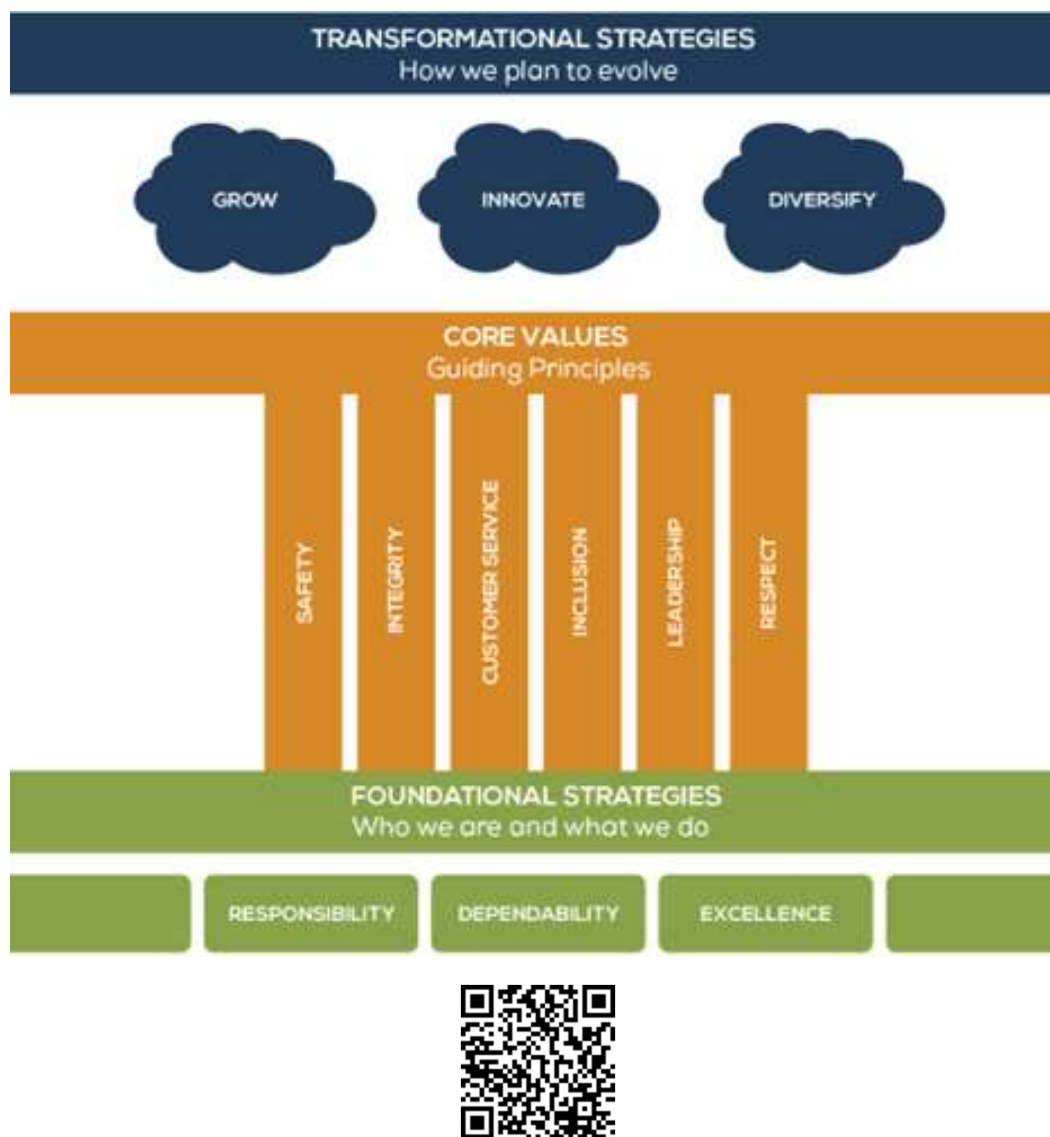
## Glossary

The Energy Authority (TEA)	In 2000, City Utilities became an equity member of The Energy Authority (TEA). TEA provides public power utilities with access to advanced resources and technology systems so they can respond competitively in the changing energy markets. Through partnership with TEA, utilities benefit from an experienced organization that is singularly focused on deriving the maximum value of their assets from the market. City Utilities also receives resource management services from TEA.
Working Capital	The funds required to cover operation and maintenance expenses, purchase fuels and materials, fund capital investments, and debt service payments.

## Strategic Plan

**Vision:** Deliver world-class services and exceptional value to our customers.

**Mission:** Advance the quality of life in our community through innovation, engagement, and stewardship.



The Board of Public Utilities approved a new Strategic Plan on May 27, 2021. This includes new mission and vision statements, foundational strategies, transformational strategies, and core values. For more information follow the QR code above.

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2024  
OPERATING BUDGET

EXECUTIVE SUMMARY

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City Utilities' 2024 Operating Budget is the culmination of a planning process to meet customer needs while prudently managing resources. Decisions are aligned with the goals, strategies, and objectives of the Utility's Strategic Plan.

City Utilities continues to focus on providing value to customers. The trend over the last several years of moderately low customer growth eroded by declining customer usage for electric, natural gas, and water is forecasted to continue over the next five years for normal weather conditions. Many of the factors influencing last year's Operating Plan are still relevant today. Significant inflation and energy price volatility remain potentially impactful to the results of operations. Changes in any number of geopolitical or market factors could impact fuel prices over the planning horizon. The key to our success going forward is to continue to find ways to be more efficient in our processes and proactively find ways to mitigate customer bill impacts due to market price volatility while meeting our customers' needs for safe and reliable electric, natural gas, water, transportation, and broadband services while focusing on promoting community economic development.

These factors played a key role in the development of the 2024 Operating Budget and will continue to drive City Utilities' planning process in the future.

This section provides an overview of the 2024 Operating Budget. Included is an overview of our financial targets, a summary of the major capital expenditures, projections for customer growth and usage, and the revenue forecast for each business unit. The disbursement authority calculation based on the expenditures in this budget is also included at the end of the summary.

The accompanying sections of the Operating Budget include further detail of the revenue assumptions, planned capital improvements, and expenditures associated with the daily operation and maintenance of the Utility.

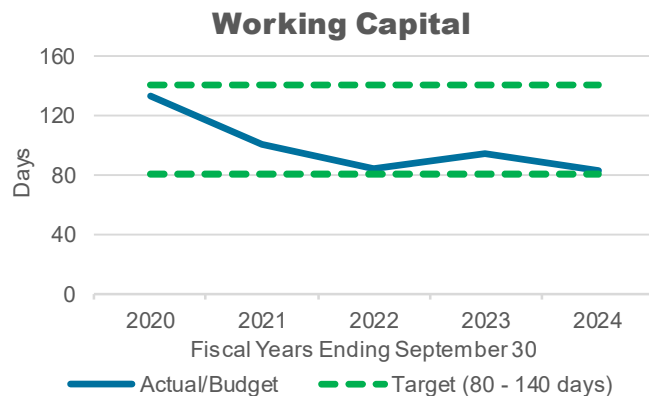
The Operating Budget is presented to the Board of Public Utilities for consideration and approval. Following approval by the Board of Public Utilities, the Operating Budget is presented to City Council for consideration and approval.

## Financial Targets

### Working Capital

Working capital is the cash used to meet the budgeted and operational needs of the Utility throughout the year. These are the funds required to purchase fuels and materials, to fund capital investments, to cover operation and maintenance expenses, and debt service payments. For fiscal 2024, the average daily cash requirement is projected to be \$1,181,000. City Utilities' working capital target range is reviewed periodically and is based on three factors: Operational Cash Flow Model, Debt Service Adjustment, and Financial Stability. The target level is a range of 80 to 140 days of cash on hand, which aligns City Utilities' working capital target with other "AA" rated public utilities. The working capital balance is reflected on the summary of fund balances as cash, short-term investments, and working capital. Cash designated for future capital projects, contingencies, board designated reserves, or reserves required by bond ordinances is not included in working capital.

For the 2024 Operating Budget, City Utilities is projected to end the fiscal year with 83 days of working capital. Projections for the five-year Operating Plan show working capital will remain within the target range, ending 2028 at 114 days, pending rate increase approvals.



### Operating Earnings

Operating Earnings less Operating Requirements is a calculation management uses to ensure each business unit is generating sufficient cash flow to cover the business unit's capital improvements, common capital improvements, transit support, and debt service payments. Operating Earnings, or cash flow from operations, is calculated as Operating Income excluding depreciation expense. The Operating Requirement for Electric, Natural Gas, Water, and SpringNet® includes capital expenditures and debt service. The Operating Requirement for Electric, Natural Gas, and Water also includes support of the Transit System.

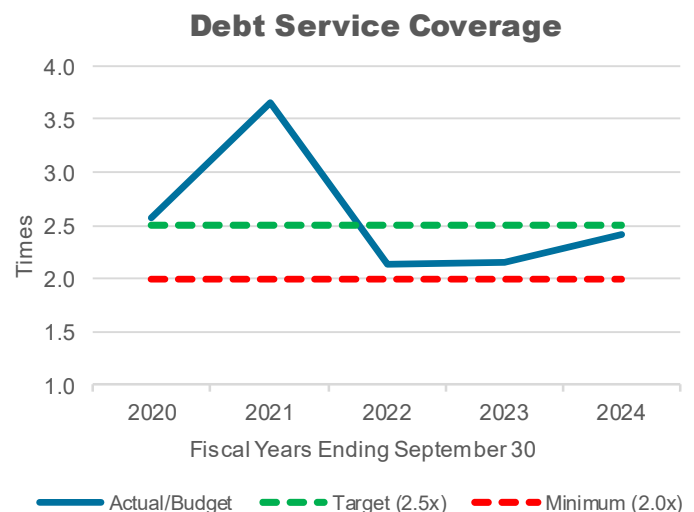
Any business unit with Operating Earnings projected to be below the Operating Requirement is scrutinized for budget reductions, additional revenue sources, or possible financing alternatives. It is common for Operating Earnings to be less than the Operating Requirement when large capital improvements are planned. This is considered acceptable if future years of the operating plan show the business unit will have Operating Earnings in excess of the Operating Requirement in order to cover the years with a shortfall.

For the 2024 Operating Budget, Natural Gas and SpringNet® Operating Earnings will exceed the Operating Requirement. Electric and Water Operating Earnings will be less than the Operating Requirement primarily due to large capital projects and inflation for labor, goods, and materials.

### Debt Service Coverage

Debt Service Coverage (DSC) is the ratio of total income (excluding depreciation and amortization) to total debt service. This ratio is expressed as a measure of how many times the Utility's adjusted annual income will cover the annual debt payments.

City Utilities has set a target DSC, based on financial standards for strongly rated utilities, of 2.5 times debt service, with a minimum required level of 2.0. For the 2024 Operating Budget, DSC is projected to be 2.4.



*\* Debt Service Coverage Ratio is higher in fiscal 2021 due to increased electric off-system revenue during the winter weather event of February 2021.*

## Customer Growth and Use

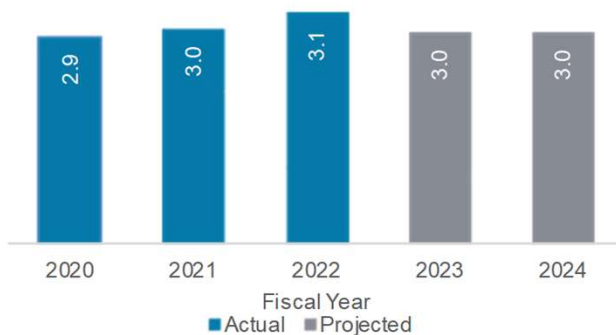
Electric, Natural Gas, and Water sales demonstrate the impact of customer growth and usage projections of system sales included in the Operating Budget. Sales projections are based on normal weather and fiscal 2023 projections include actual sales through February. These projections exclude interdepartmental revenues.

### Electric

The number of electric customers is projected to increase by 830 (0.8%) residential customers and 163 (1.0%) nonresidential customers in fiscal 2024. Use per customer in 2024 is projected to decline slightly compared to 2023 projections.

#### Electric Sales (Retail)

Millions of Megawatt Hours

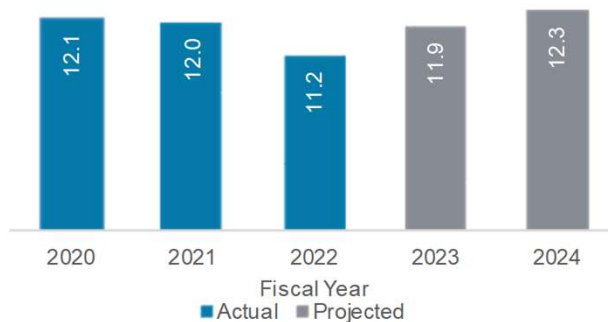


### Natural Gas

The number of natural gas customers is projected to increase by 229 (0.3%) residential customers and 35 (0.4%) nonresidential customers in fiscal 2024. Use per customer in 2024 is projected to be higher than 2023 projections due to the overall warmer winter weather in 2023.

#### Natural Gas Sales

Millions of Dekatherms

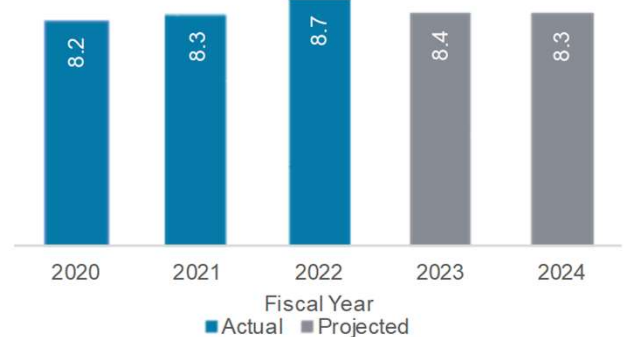


### Water

The Water System continues to experience modest growth in customers. The number of water customers is projected to increase by 381 (0.5%) residential customers and 69 (0.8%) nonresidential customers in fiscal 2024. Water use per residential customer in 2024 is projected to continue to decline with changing customer habits and efficiencies.

#### Water Sales

Billions of Gallons

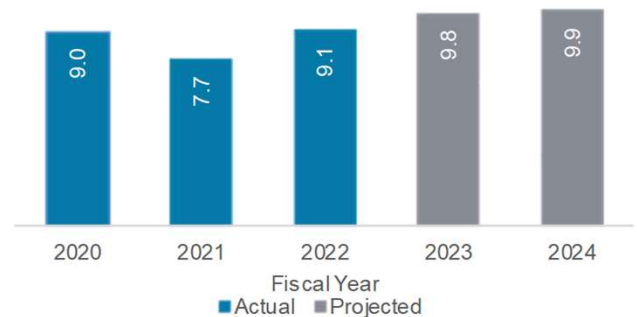


### Transit

Transit ridership for fiscal 2024 is projected to increase slightly compared to 2023.

#### Transit Ridership

Hundred Thousands of Revenue Passengers





## Revenue Forecast

Total receipts for the Utility are projected at \$633 million for fiscal 2024, a decrease of \$13 million compared to the 2023 Reprojected Budget. Most of this expected decrease is due to lower prices on purchased natural gas.

Electric receipts expect to decrease \$5 million from 2023 to 2024 due to changes in recovered fuel costs due to lower fuel prices which has a positive impact on customer bills. Volumetric units sold are expected to remain flat from 2023 to 2024.

Natural Gas receipts expect to decrease \$23 million from 2023 to 2024 due to changes in fuel costs driven by lower prices on natural gas costs and completing collection of under recovery from Winter Storm Uri in February 2021. Volumes sold are expected to increase slightly.

Water revenues expect to increase in 2024 from 2023. The 2024 operating budget reflects the first of three water rate adjustments approved by the Board of Public Utilities and City Council in September 2022. Sales volume is anticipated to decrease slightly from 2023 to 2024.

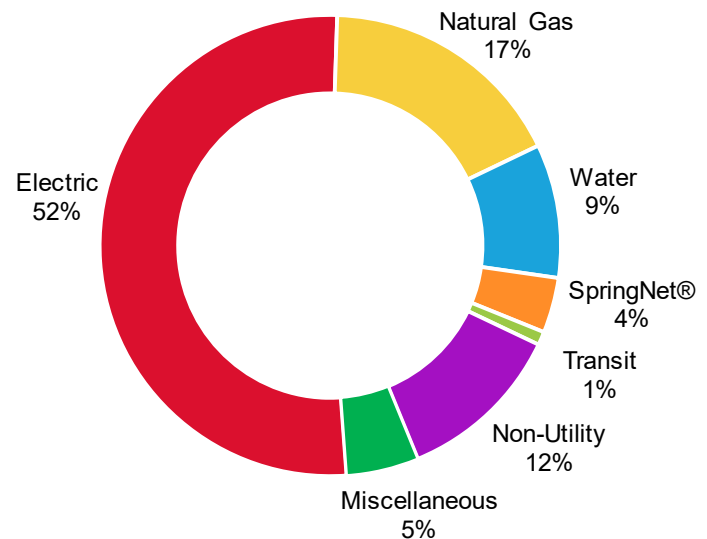
SpringNet® revenues expect to increase in fiscal 2024 due to completion of the Fiber Expansion Project and steady customer growth.

Transit operating revenues expect to decrease from 2023 to 2024. Revenues from ridership and bus advertising do not include any fare increases. It is expected the Transit System will continue to receive federal and state operating subsidies, including funds from the American Rescue Plan Act of 2021 (ARPA), which are also reflected in total Transit receipts.

Non-utility receipts are items City Utilities collects and remits to a third party. These items include sales taxes billed, wastewater billings for the City of Springfield, Missouri drinking water primacy fee, and donations to the Project SHARE program.

Miscellaneous billings include financing proceeds, interest income, customer contributions for service extensions, capital grants, and capital reimbursements from the Federal Transit Administration (FTA). Miscellaneous billings are projected to increase in 2024 primarily due to capital grants. Natural Gas expects \$3 million from the Pipeline and Hazardous Materials Safety Administration toward the replacement of natural gas mains and services. Water expects \$3.5 million from congressionally directed spending through the EPA to complete the 12-mile 48" water main connecting Fellows Lake to Blackman Water Treatment Plant (BWTP).

### 2024 Receipts Budget



Revenues/Receipts			
(\$ in millions)	Actual	Reprojected	Budget
	2022	2023	2024
Utility Operating Revenues/Receipts:			
Electric	\$ 327	\$ 331	\$ 326
Natural Gas	142	133	110
Water	58	57	59
SpringNet®	19	23	25
Trunked Radio	1	1	1
Transit (including subsidies)	6	6	6
Non-Utility Receipts	63	71	74
Miscellaneous Billings	22	24	32
<b>Total Receipts*</b>	<b>\$ 639</b>	<b>\$ 646</b>	<b>\$ 633</b>

\* May not add due to rounding

## Economic Assumptions

The 2024 Operating Budget includes economic assumptions to project expenditure levels. These include projections for inflation, fuel prices, borrowing costs, and investment returns. The assumptions for 2024 are based on the Federal Reserve's current monetary policy and target inflation rate.

The rate of inflation for operating and maintenance expenses and construction costs for the Operating Budget is 3.0% for 2024. During the planning and budgeting process, this rate may have been applied to current expenditure trends to forecast future expenditures, except where other known variables are likely to impact costs. Inflation rates may be used by project managers as a guideline to help forecast project costs as accurately as possible.

Economic Assumptions	
	Budget
Inflation Rate	3.0%
Interest Borrowing Rate (tax-exempt):	
15 year	4.2%
30 year	4.9%
Portfolio Interest Earnings Rate	3.8%

## Fuels and Purchased Energy Assumptions

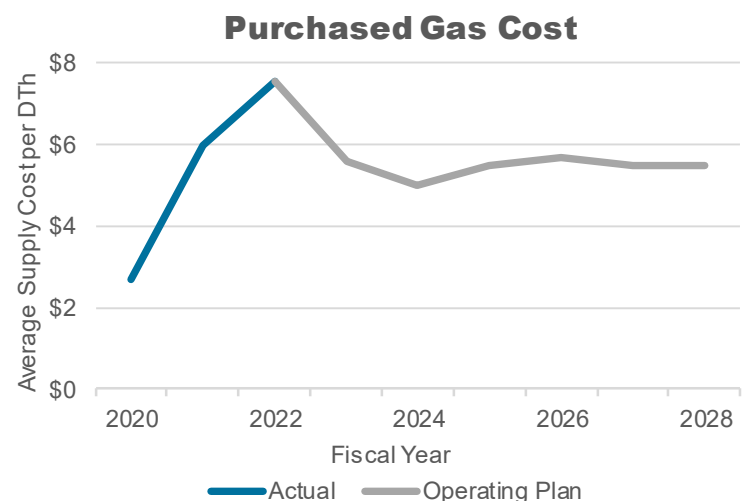
Assumptions for fuels, purchased energy costs, and purchased volumetric estimates are an integral part of the budgeting process. Fuels and purchased energy costs account for 32% of City Utilities' total 2024 budgeted expenditures. Most of these costs will be paid by City Utilities' customers through fuel cost adjustment mechanisms, which impact revenues and receipts for the year.

Current projections reflect the assumption that coal from the Powder River Basin in Wyoming will be consumed by John Twitty Energy Center (JTEC) coal-fired generating units. The average delivered cost of coal is projected to be \$2.56 per million British Thermal Units (BTU) with freight costs included.

Assuming normal weather, natural gas expenditures for 2024 are projected to be lower than 2023 due to forecast of lower prices. The 2024 budgeted cost of 16 million dekatherms of natural gas is \$80 million. This includes \$50 million for natural gas purchased for firm and curtailable customers and \$17 million for transportation capacity. Natural Gas for power generation is budgeted at \$13 million in fiscal 2024.

Purchased energy costs for 2024 budgeted at \$53 million include renewable energy purchased power agreements and purchases from the SPP integrated marketplace. Purchases from SPP are driven by economic decisions to purchase energy when it is more economical than to produce it.

Fuels and Purchased Energy	
	Budget
<b>Coal:</b>	
Tons Purchased	1.3 million
Cost of Coal Purchases	\$60 million
Delivered Price per Ton	\$45.09
<b>Natural Gas:</b>	
Dth Purchased	16 million
Cost of Natural Gas Purchases	\$80 million
Average Supply Cost per DTh	\$4.98
<b>Purchased Energy:</b>	
MWh Purchased	1.7 million
Cost of Purchased Energy	\$53 million
Average Price per MWh	\$31.66



## Capital Improvements

Capital improvements are necessary to provide safe, reliable service to customers and help ensure flexibility of supply. Capital Improvements maintain and restore aging infrastructure promoting compliance with safety and reliability standards for our customers. In recent years, City Utilities modified our planning process to better prioritize projects in a manner best serving the needs of our customers and strategic goals of the Utility. Projects are prioritized within business units in alignment with our Strategic Plan.

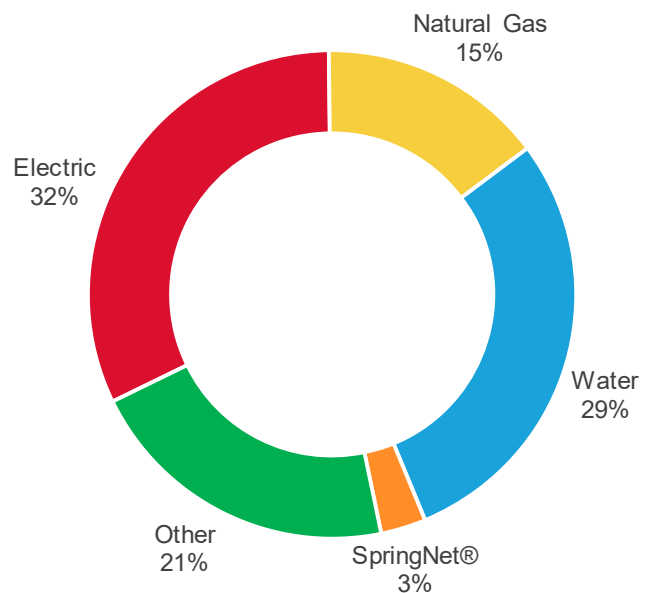
Capital expenditures for the 2024 Operating Budget have a projected cost of \$79 million. This is an increase of \$10 million compared to the 2023 Reprojected Budget. Due to the ongoing process of maintaining City Utilities' infrastructure, many of the capital projects are recurring in nature. Recurring projects include electric pole replacements, water main and service renewals, and natural gas main and service renewals.

Investment in renewing and replacing aging infrastructure continues to be a priority for the Utility. Capital improvements include \$8 million for water main and service renewals, \$8 million for natural gas main and service renewals, \$3 million for purchase and installation of distribution transformers, \$3 million for electric pole maintenance and \$1 million for electric infrastructure improvements for Grant Avenue Parkway.

Other planned capital spending is centered around the strategic goals of dependability, responsibility, excellence, grow, and innovate. Expenditures for other planned capital spending include \$5 million for a 161kV transmission line from Republic Substation to Partnership Industrial Center (PIC) West Substation, \$5 million to complete the 12-mile 48" water main connecting Fellows Lake to Blackman Water Treatment Plant (BWTP), and \$5 million to build a portion of Booster III to expand water service east of Springfield, along Highway 60.

Section C of the 2024 Operating Budget includes additional information on the capital budgeting process, descriptions of the capital projects, and the strategies that each project supports.

### Capital Expenditures by Category

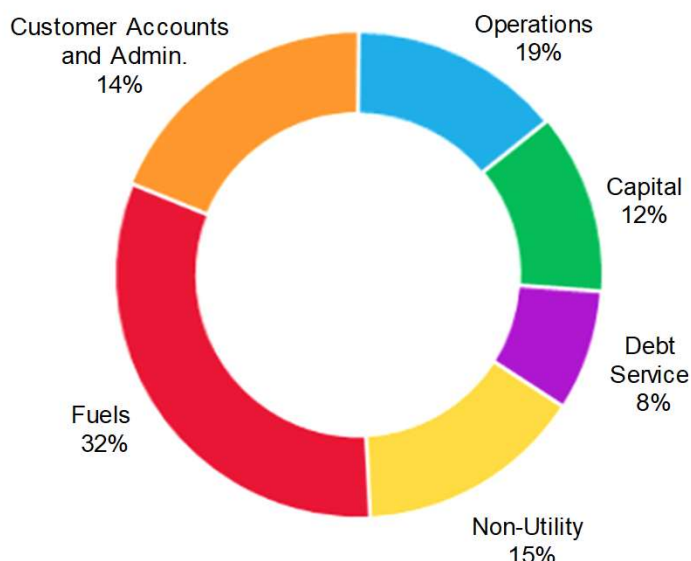


## Expenditures

Total expenditures for the 2024 Operating Budget are projected at \$645 million, flat from the 2023 Reprojected Budget. Increases in expenditures for both operational and maintenance costs and capital additions and improvements are offset by reduced fuel expenditures from fiscal 2024 as compared to 2023.

Total Disbursement Authority for the year is presented in section E of the 2024 Operating Budget. In addition to expenditures, Total Disbursement Authority includes a Business Volatility and Fuels Contingency, net operating expenses of The Energy Authority, changes in payables balance sheet accounts, and other miscellaneous payments. For fiscal 2024, disbursement authority for all funds total \$698 million.

### 2024 Expenditures by Category



### Project Expenditures

Project Expenditures			
(\$ in millions)	Actual	Reprojected	Budget
	2022	2023	2024
<b>Fuels</b>	<b>\$ 223</b>	<b>\$ 223</b>	<b>\$ 209</b>
<b>Operations:<sup>1</sup></b>			
Power Generation	36	31	31
Electric T and D	28	29	28
Natural Gas T and D	6	7	7
Water Supply and Treatment	6	7	7
Water Distribution	5	5	5
Transit	5	6	6
Facilities	6	6	7
Vehicles and Equipment	3	3	3
SpringNet®	5	7	7
Information Technology	11	12	14
General Operations	5	6	6
<b>Sub-total Operations</b>	<b>118</b>	<b>119</b>	<b>120</b>
<b>Customer Accounts and Admin.:<sup>1</sup></b>			
Human Resources	58	62	64
Finance	6	7	8
Administrative Support	6	6	6
Customer Support	13	14	14
<b>Sub-total Customer and Admin.</b>	<b>82</b>	<b>90</b>	<b>92</b>
<b>Capital Improvements</b>	<b>101</b>	<b>69</b>	<b>79</b>
<b>Debt Service</b>	<b>51</b>	<b>52</b>	<b>52</b>
<b>Non-Utility</b>	<b>83</b>	<b>92</b>	<b>94</b>
<b>Total Project Expenditures</b>	<b>\$ 659</b>	<b>\$ 645</b>	<b>\$ 645</b>

<sup>1</sup> Expenditures for "Operations" and "Customer Accounts and Admin." consist of operations, maintenance, labor, and administrative costs.

## Disbursement Authority

Disbursement Authority		
	Reprojected	Budget
	2023	2024
Total Expenditures	\$643,065,521	\$642,894,270
Business Volatility and Fuels Contingency	53,144,077	55,000,000
<b>Total Disbursements</b>	<b>\$696,209,598</b>	<b>\$697,894,270</b>

The Business Volatility and Fuels Contingency includes an equity membership guarantee to The Energy Authority (TEA). Although remittance is not anticipated, it is included as a component of this Contingency, should a payment be needed.

Use of the Business Volatility and Fuels Contingency would be offset by receipts through fuel adjustment mechanisms, should an increase in fuel costs occur, or will be covered through other funding mechanisms.

## Financial Results

Operating income for the Utility is projected at \$39 million in 2024. This amount will be reduced by interest expense and other miscellaneous expenses and increased by interest income, net capital contributions, and miscellaneous income to arrive at the net income projection of \$36 million. Adequate income is important for the Utility and is used to fund capital expenditures and make debt service payments.

Electric operating income is projected to be \$26 million in 2024. Operating income from the Electric System is used to meet the debt service payments on the JTEC Unit 2 financing and to fund electric capital projects.

Natural Gas operating income is projected at \$8 million for fiscal 2024 based on normal weather. This is a slight increase from 2023 reprojected operating income, which was lower due to a warm winter.

The Water operating income is projected to be \$14 million, an increase from the 2023 reprojected budget. The 2024 Operating Budget includes the first of a series of three rate increases for the Water System.

Operating income for SpringNet® is projected at \$3 million. As a result of the fiber expansion project, SpringNet® revenues continue to increase in 2024 to meet debt service payments.

Transit revenues and subsidies are expected to remain similar to 2023 reprojected levels. Transit's net loss, after operating subsidies including receipts from the American Rescue Plan Act (ARPA), is expected to be \$9 million in 2024.

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This section provides key information by business unit related to revenues and receipts within the Utility. A brief description is included for each section of budgeted receipts for the fiscal year beginning October 1, 2023 through September 30, 2024.

Reprojected revenues and receipts are included for the fiscal year beginning October 1, 2022 through September 30, 2023.

For comparison, actual receipts for the fiscal year beginning October 1, 2021 through September 30, 2022 are also presented.

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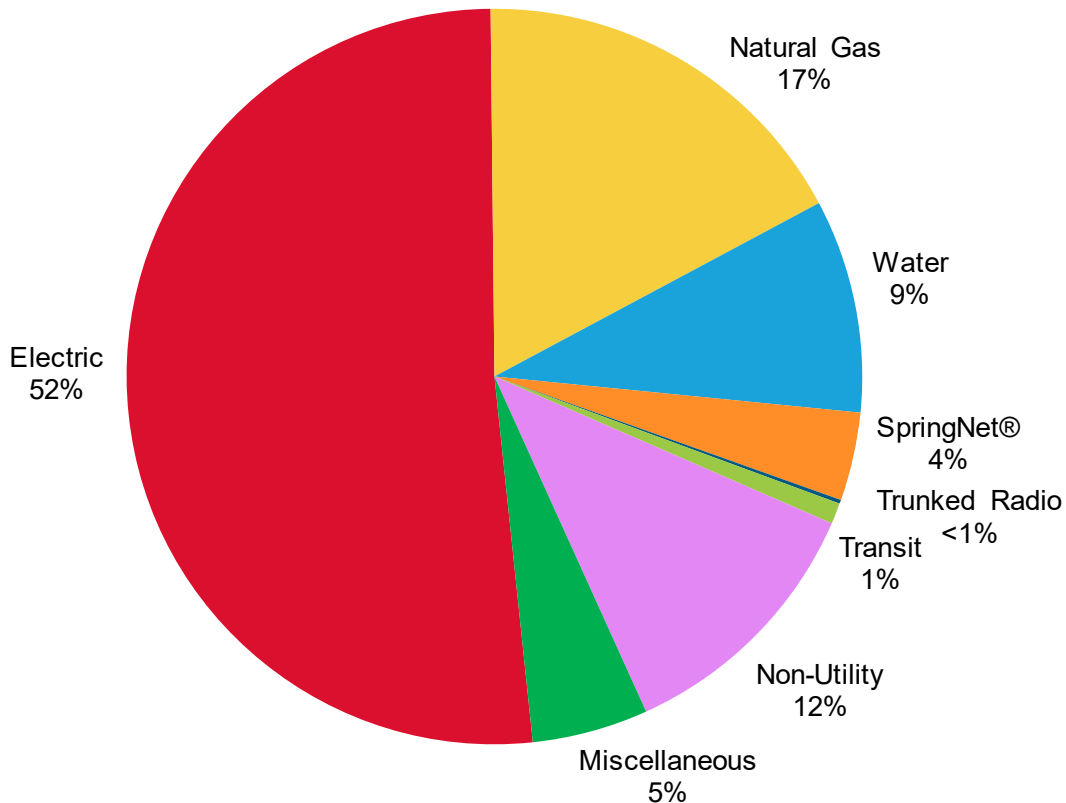
## RECEIPTS HIGHLIGHTS

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## Summary of Receipts by Category

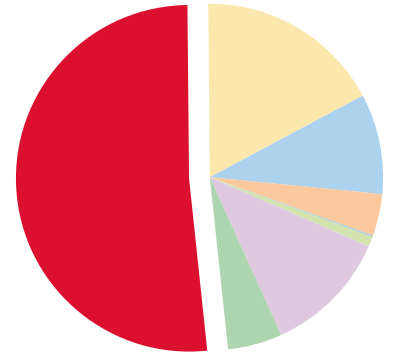
Receipts (000s)	Actual 2022	Reprojected 2023	Budget 2024
Electric Revenues and Receipts	\$ 327,390	\$ 330,904	\$ 326,123
Natural Gas Revenues and Receipts	142,087	133,474	109,877
Water Revenues and Receipts	58,247	56,663	59,418
SpringNet® Revenues and Receipts	19,442	22,948	24,568
Trunked Radio Revenues and Receipts	800	944	1,046
Transit Revenues and Operating Subsidies	5,586	6,070	5,847
Non-Utility Receipts	63,448	71,346	74,096
Miscellaneous Billings and Receipts	22,260	23,939	32,252
Total Receipts	<u>\$ 639,261</u>	<u>\$ 646,288</u>	<u>\$ 633,226</u>

### 2024 Receipts by Category



## Electric Revenues and Receipts

Receipts (000s)	Actual 2022	Reprojected 2023	Budget 2024
Sales Revenues	\$ 324,874	\$ 313,737	\$ 324,454
Other Operating Revenues	11,499	7,638	7,207
Total Revenues	336,373	321,375	331,661
Non-Cash Adjustments	(8,984)	9,530	(5,539)
Total Receipts	\$ 327,390	\$ 330,904	\$ 326,123
System Sales (MWh)	3,088,840	2,954,901	2,954,900
Off-System Sales (MWh)	1,261,077	1,171,411	1,153,900
Total Sales (MWh)*	4,349,917	4,126,312	4,108,800
*Excludes Interdepartmental and Net Unbilled Sales			



### Overview

Electric sales revenues are amounts billed to customers for the sale of electricity adjusted to recognize unbilled revenue and fuel recovery. Electric sales revenues also include interdepartmental sales charged to other operating areas of the Utility and miscellaneous service charges and other revenues as detailed on the Electric Statement of Operations (see E-4).

Non-cash adjustments to sales revenues include unbilled revenues, interdepartmental sales, and recovery of electric fuel costs. These adjustments are included in sales revenues and are deducted to arrive at total receipts.

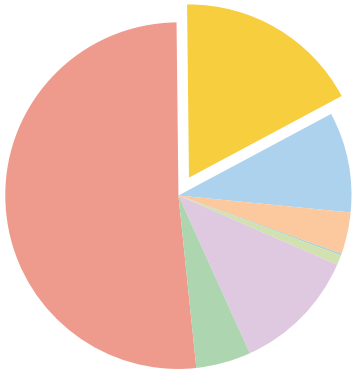
### Reprojected Adjustment

- Fiscal 2023 reprojected electric system sales revenues and volumetric units sold are expected to decrease slightly from budget projections. The reprojected electric system sales volumes are expected to be 4% lower than fiscal 2022 system sales volumes.
- Off-system sales revenues for fiscal 2023 are reprojected at \$27 million, which is an increase of \$4 million compared to the budget projections. This reprojection is due to an increase in the price and volume of off-system sales.

### Highlights

- Total residential electric customers are projected to increase 0.8% to 104,630 customers in fiscal 2024. Electric use per residential customer is projected to decrease approximately 1% with residential electric sales budgeted to remain around one million megawatt-hours (MWh) in fiscal 2024.
- The average number of nonresidential electric customers is expected to increase by 1% to 16,413 customers. Nonresidential electric use per customer is projected to decrease 0.8% from fiscal 2023 levels. Nonresidential electric sales are projected to remain flat at nearly two million MWh in fiscal 2024.
- Off-system sales include energy sales through The Energy Authority (TEA) and the Southwest Power Pool (SPP). Off-system sales for fiscal 2024 are forecasted at 1,153,900 MWh.
- Non-cash adjustments include interdepartmental electric sales for electricity used by other City Utilities business units, unbilled revenues, and under-recovered or over-recovered fuel costs. Electricity for interdepartmental use is budgeted at nearly \$4 million in fiscal 2024.

## Natural Gas Revenues and Receipts



Receipts (000s)	Actual 2022	Reprojected 2023	Budget 2024
Sales Revenues	\$ 148,811	\$ 137,982	\$ 123,545
Other Operating Revenues	2,330	2,220	1,999
Total Revenues	151,141	140,202	125,545
Non-Cash Adjustments	(9,054)	(6,728)	(15,668)
Total Receipts	\$ 142,087	\$ 133,474	\$ 109,877
Sales (DTh)*	11,195,808	11,894,808	12,264,022
*Excludes Interdepartmental and Net Unbilled Sales			

### Overview

Natural gas sales revenues are amounts billed to customers for the sale of natural gas, adjusted to recognize unbilled revenue and fuel recovery. Natural gas sales revenues include interdepartmental sales charged to other operating areas of the Utility. Other operating revenues include miscellaneous service charges and other revenues as detailed on the Natural Gas Statement of Operations (see E-5).

Non-cash adjustments to sales revenues include unbilled revenues, interdepartmental sales, and recovery of natural gas fuel costs. These adjustments are included in sales revenues and are deducted to arrive at total receipts.

### Reprojected Adjustment

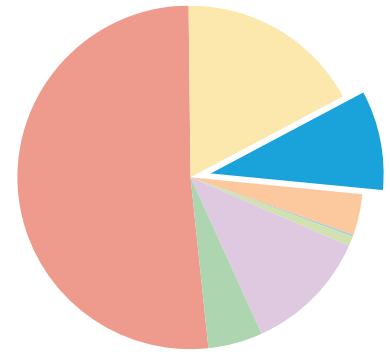
- Sales revenues for fiscal 2023 are expected to decrease from budget projections by \$15 million primarily due to a decrease in the purchase price of natural gas. Reprojected sales volumes increased by about 293,000 dekatherms (Dth) from budget projections.
- The projected system sales volumes in fiscal 2023 are 12 million dekatherms, an increase of about 700,000 Dth from fiscal 2022. There was slight growth in the average number of natural gas customers. The average use per residential customer increased in fiscal 2023 compared to fiscal 2022 but remains lower compared to recent years. There was also an increase in average use per nonresidential customer compared to fiscal 2022.

### Highlights

- Residential natural gas customers are projected to increase 0.3% to 76,549 customers in fiscal 2024. Weather normalized natural gas use per residential customer is projected to increase in fiscal 2024 compared to fiscal 2023. Residential natural gas sales are budgeted at six million Dth in fiscal 2024.
- Nonresidential natural gas customers are budgeted to increase 0.4% to 8,745 customers in fiscal 2024. Weather normalized nonresidential natural gas use per customer is budgeted to slightly increase in fiscal 2024 compared to fiscal 2023, and sales are budgeted at seven million Dth.
- Non-cash adjustments include interdepartmental natural gas sales for natural gas used in power generation charged to the Electric business unit, natural gas used by other City Utilities facilities, unbilled revenues, and under-recovered or over-recovered fuel costs. Natural gas for power generation is budgeted at \$16 million in fiscal 2024 for approximately four million Dth.

## Water Revenues and Receipts

Receipts (000s)	Actual 2022	Reprojected 2023	Budget 2024
Sales Revenues	\$ 56,840	\$ 55,389	\$ 58,066
Other Operating Revenues	1,438	1,424	1,498
Total Revenues	58,278	56,814	59,564
Non-Cash Adjustments	(31)	(151)	(146)
Total Receipts	\$ 58,247	\$ 56,663	\$ 59,418
Sales (Thousand Gallons)*	8,691,840	8,360,000	8,340,900
*Excludes Interdepartmental and Net Unbilled Sales			



### Overview

Water sales revenues are the amounts billed to customers for the sale of water, adjusted to recognize unbilled revenue. Water sales revenues include interdepartmental sales charged to other operating areas of the Utility. Other operating revenues include miscellaneous service charges and other revenues as detailed on the Water Statement of Operations (see E-9).

Non-cash adjustments to sales revenues include unbilled revenues and interdepartmental sales which are deducted from total revenues to arrive at total receipts.

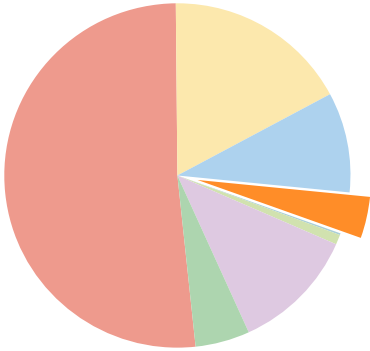
### Reprojected Adjustment

- Water sales volumes for fiscal 2023 are expected to increase from budget projections due to increased water use per customer while the average number of residential and nonresidential customers will remain flat.

### Highlights

- Residential water customers are budgeted to increase 0.5% to 76,522 customers in fiscal 2024. Water use per residential customer is budgeted to decrease about 0.8% in fiscal 2024 with residential water sales decreasing slightly to four billion gallons in fiscal 2024.
- Nonresidential water customers are budgeted to increase 0.8% to 8,689 customers in fiscal 2024. Nonresidential use per customer is budgeted to decrease 1% during fiscal 2024 with nonresidential water sales budgeted to decline slightly to four billion gallons.

## SpringNet® Revenues



Receipts (000s)	Actual 2022	Reprojected 2023	Budget 2024
Sales Revenues	\$ 19,523	\$ 24,223	\$ 25,843
Non-Cash Adjustments	(80)	(1,275)	(1,275)
Total Receipts	<u>\$ 19,442</u>	<u>\$ 22,948</u>	<u>\$ 24,568</u>

### Overview

SpringNet® revenues are generated from leasing dark fiber to broadband service providers and from external broadband services to the business community. SpringNet® offers business solutions to commercial businesses including enterprise data users such as hospitals, banking institutions, universities, local schools, local internet service providers, and small businesses.

Non-cash adjustments represent interdepartmental sales and GASB87 Lease Revenue adjustments. These adjustments are included in sales revenues and are deducted to arrive at total receipts.

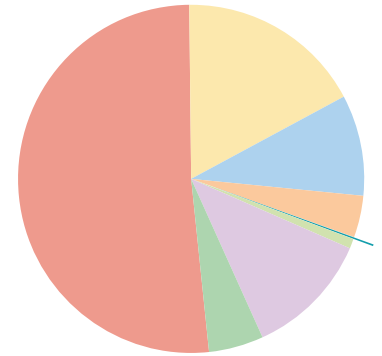
### Highlights

- External sales of SpringNet® broadband services are estimated to grow by around \$2 million in fiscal 2024 due to continued growth in leasing the expanded fiber optic network. Services available to the business community include Internet-type services (NetLink), networking services (LANLink), and wireless attachment services.



## Trunked Radio System Revenues

Receipts (000s)	Actual 2022	Reprojected 2023	Budget 2024
Sales Revenues	\$ 2,209	\$ 2,447	\$ 2,549
Non-Cash Adjustments	(1,409)	(1,503)	(1,503)
Total Receipts	<u>\$ 800</u>	<u>\$ 944</u>	<u>\$ 1,046</u>



### Overview

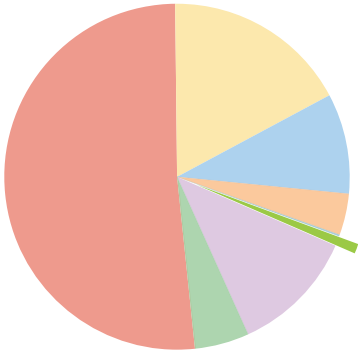
Trunked Radio System (TRS) revenues are generated primarily through reimbursements from the City of Springfield and Greene County for the costs associated with operation and maintenance of the TRS as well as system upgrades. Additional revenues are generated by providing radio services to public safety agencies and leasing tower space.

Non-cash adjustments represent interdepartmental sales. These adjustments are included in sales revenues and are deducted to arrive at total receipts.

### Highlights

- External revenues from the Trunked Radio System are projected to be approximately \$1 million. Revenue for fiscal 2024 was increased by \$100,000 from fiscal 2023 to support system maintenance.
- Internal Trunked Radio services provided to City Utilities' operations are projected to be \$1.5 million.

# Transit Revenues and Operating Subsidies



Receipts (000s)	Actual 2022	Reprojected 2023	Budget 2024
Sales Revenues	\$ 888	\$ 923	\$ 887
Add Operating Subsidies	4,698	5,147	4,960
Total Receipts	<u>\$ 5,586</u>	<u>\$ 6,070</u>	<u>\$ 5,847</u>
Total Revenue Passengers	906,842	982,280	992,248

## Overview

Transit operating revenues are the fares collected from bus passengers, the sale of bus passes and discount cards, the revenues for advertising on transit assets and rent revenues for the transit center.

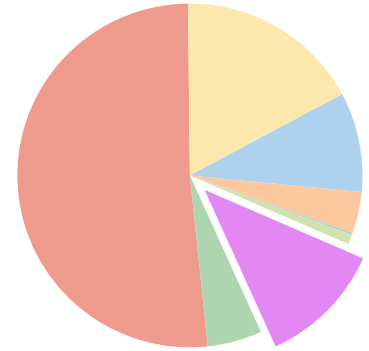
Operating subsidies from the Federal Transit Administration (FTA) and the State of Missouri provide partial funding for the operation of the transit system.

## Highlights

- Advertising sales are projected at \$170,000 in fiscal 2024.
- City Utilities is eligible to receive partial reimbursement from the FTA to help fund system operations, maintenance, planning, capital improvements and safety and security expenses.

## Non-Utility Receipts

Receipts (000s)	Actual 2022	Reprojected 2023	Budget 2024
Reimbursements	\$ 1,554	\$ 5,000	\$ 6,000
Customer Meter Deposits	75	100	100
Project SHARE	91	96	96
Sales Tax Collections	14,266	14,361	13,393
Wastewater Revenue Billings	47,463	51,789	54,094
Missouri Drinking Water Primacy Fee	0	0	412
<b>Total Receipts</b>	<b>\$ 63,448</b>	<b>\$ 71,346</b>	<b>\$ 74,096</b>



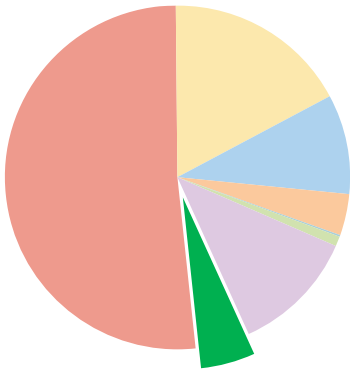
### Overview

Non-Utility Receipts are funds City Utilities collects for third parties, including wastewater revenue billings, sales tax, Missouri drinking water primacy fees and donations to the Project SHARE program. Upon collection, funds are subsequently remitted to the appropriate agency. Receipts of refundable customer deposits and other reimbursable items are also included in this category.

### Highlights

- City Utilities provides the City of Springfield with wastewater billing services. The Operating Budget includes collecting \$54 million in fiscal 2024 from customers for the Clean Water Services Division of the City of Springfield.
- The Operating Budget includes collection of \$13 million during 2024 from customers for the State of Missouri for various state and local sales taxes.
- The Operating Budget includes collection of \$412,000 from water customers for Missouri Drinking Water Primacy Fees to be remitted to the Missouri Department of Natural Resources (MoDNR). The Missouri drinking water primacy fee provides critical funding for laboratory services and activities the state must perform in order to maintain delegation of the federal drinking water program. This delegation is called "primacy." The laboratory services and activities include testing for drinking water contaminants, inspections, compliance activities, complaint investigations and technical assistance.
- Receipts from customers for the Project SHARE program are included in the 2024 Operating Budget at \$96,000. Project SHARE is a voluntary program that relies on community donations to assist City Utilities' customers with their bill.
- The 2024 Operating Budget includes \$6 million for other miscellaneous reimbursable receipts.

## Miscellaneous Billings and Receipts



Receipts (000s)	Actual 2022	Reprojected 2023	Budget 2024
Interest Income	\$ 4,775	\$ 6,260	\$ 6,653
Financings	39,400	0	0
Capital Related Billings	2,413	2,588	9,643
Contributions in Aid of Construction	751	495	4,048
Other Receipts	(25,077)	14,596	11,907
<b>Total Receipts</b>	<b>\$ 22,260</b>	<b>\$ 23,939</b>	<b>\$ 32,252</b>

### Overview

Miscellaneous Billings and Receipts are sources of funds for City Utilities not reflected in previous revenues or receipts. Sources include financing proceeds, interest income, customer contributions for extension of the distribution systems, congressionally directed spending, grants and other miscellaneous billings. Other receipts in fiscal 2022 is impacted by market value adjustments on fund balances.

### Highlights

- Interest income earned on City Utilities' investment portfolio is projected to be \$7 million in fiscal 2024. Investments are typically held to maturity and market value adjustments are not projected.
- Capital reimbursements for extensions are budgeted at \$275,000 for the Electric system, \$535,000 for the Natural Gas system, \$1 million for the Water system, and \$75,000 for SpringNet®.
- Capital reimbursements for municipal improvements are budgeted at \$50,000 for the Electric system, \$230,000 for the Natural Gas system, and \$270,000 for the Water system.
- Capital reimbursements include grant receipts budgeted at \$3 million for Natural Gas provided by the Pipeline and Hazardous Materials Safety Administration (PHMSA) for replacement of aging infrastructure and \$3.5 million for Water provided by the Fiscal 2022 Consolidated Appropriations Act to complete the water main connecting Fellows Lake to Blackman Water Treatment Plant.
- Contributions in Aid of Construction include capital contributions of \$4 million from the FTA in fiscal 2024. These funds are projected to cover over 80% of Transit capital expenditures.
- The 2024 Operating Budget includes \$10 million to offset the potential purchase of financial instruments included in the expenditures budget to protect against high natural gas prices.

The Capital Improvements section provides information by functional category related to utility capital expenditures for the fiscal year beginning October 1, 2023 through September 30, 2024.

Capital project expenditures encompass all capital costs of the project, including labor. A brief description is provided for each major project, including the budgeted capital expenditures for fiscal 2024.

**CAPITAL IMPROVEMENTS**

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Natural Gas	4
Water	5
Transit	7
SpringNet®	8
Information Technology	9
Facilities	10
Vehicles and Equipment	11

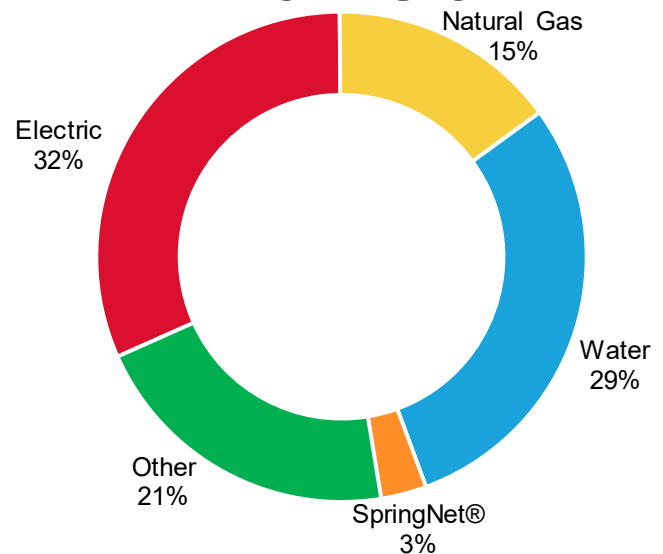
## Capital Improvements Summary

### Purpose

Capital budgeting is a fundamental part of the budgeting process for a utility. City Utilities uses the capital budget as a tool to manage competing demands for resources through a process of planning and prioritizing those resources. Capital improvements are necessary to maintain and rehabilitate aging infrastructure to provide safe and reliable services to our existing customers, to prepare for future demand, and to meet environmental and regulatory requirements.

This section presents an overview of City Utilities' Capital Improvement Budget, including the planning process, the funding sources, and the capital projects planned in the 2024 Operating Budget. Capital Improvement projects are grouped by their functional category and have a projected cost of \$79 million in fiscal 2024.

### Capital Expenditures by Category



Functional Category (000s)	Major Capital	Recurring Capital	2024 Capital Budget
Electric Power Generation	\$ 2,167	\$ 25	\$ 2,192
Electric Transmission and Distribution	17,658	4,987	22,645
Natural Gas Transmission and Distribution	9,271	2,598	11,869
Water Supply and Treatment	6,221	61	6,282
Water Distribution	13,325	3,579	16,905
Transit	4,199	77	4,276
SpringNet®	2,108	238	2,346
Information Technology	3,077	0	3,077
Facilities	1,585	293	1,878
Vehicles and Equipment	2,905	83	2,988
Other Support	0	80	80
Contingencies	0	4,220	4,220
<b>Totals*</b>	<b>\$ 62,517</b>	<b>\$ 16,241</b>	<b>\$ 78,758</b>
*May not add due to rounding			

### Contingencies

A designated contingency fund has been created for Revenue Producing and Municipal Improvements projects. The level of activity in the public works, residential housing, and commercial development markets is difficult to project with a high degree of certainty. When a project exceeds the budgeted allocation within a category, funds may be transferred from the designated contingency fund to supplement the budget for the impacted project. Of the \$4.2 million available in the contingencies budget for 2024, \$3 million is designated for Revenue Producing and Municipal Improvement projects.



## Power Generation

(000s)

### Major Capital Projects

Environmental Improvements	\$	714
NOx Emission Reduction (SCR)		698
Upgrade Combustion Control Sys		434
Plant Decommission/Demo/Restor		321

### Recurring/Small Capital

JTEC - Capital		25
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<b>Totals</b>	<b>\$</b>	<b>2,192</b>
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## Plant Decommission, Demolition, and Restoration

**ESYC15 Budget:** \$321,000

**Description:** Further decommissioning of the James River steam plant will occur through extension and modification of sanitary sewer and water distribution systems to allow for operation of the gas combustion turbines independent of the steam plant infrastructure.

**Purpose:** These modifications will allow deep wells, fire system pumps, storage tanks, and other equipment related to the James River steam plant to be retired without impacting combustion turbine operations. (Strategy – Responsibility)

**Duration:** Ongoing

## Environmental Improvements

**SWMC10 Budget:** \$714,000

**Description:** Purchase and install a new wet dust collector in the JTEC Unit 2 Crusher House.

**Purpose:** To comply with operating permits, environmental regulations, and promote safety while improving operations. (Strategy – Responsibility)

**Duration:** Ongoing

## NOx Emission Reduction (SCR)

**SWMC81 Budget:** \$698,000

**Description:** Purchase and install Selective Catalytic Reduction (SCR) module layers for JTEC Unit 1 and JTEC Unit 2.

**Purpose:** JTEC Units 1 and 2 SCR systems reduce Nitrogen Oxide (NOx) emissions in order to comply with environmental regulations. (Strategy – Responsibility)

**Duration:** Ongoing

## Upgrade Combustion Control Systems

**SWMC26 Budget:** \$434,000

**Description:** Purchase and install upgraded control system hardware and software for controlling the Power Generation assets.

**Purpose:** The availability, safety, and efficiency of the Utilities' Power Generation fleet is dependent upon reliable controls and communications. (Strategy – Responsibility)

**Duration:** Ongoing

## Electric Transmission and Distribution

(000s)

### Major Capital Projects

Republic to PIC West 161kV	\$ 4,533
Pole Maintenance	3,000
Purch/Install Dist Transformrs	3,000
Subs Switchgear Replacements	2,878
Subs Transformer Replacements	2,733
Grant Avenue Parkway	961
Subs Relaying Replacements	353
Downtown Udg Distrib Upgrades	200

### Recurring/Small Capital

Transmission and Distribution	1,855
Revenue Producing/Developer	1,233
Relocations and Municipal Improvements	1,000
Substations	356
Electric Measurement and Metering	464
Power Quality	78

<b>Totals</b>	<b>\$ 22,645</b>
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### Republic to PIC West 161kV

**ELOC35 / ESOC52 / ESOC57 Budget:** \$4.5 million

**Description:** Design and build a new 161kV transmission line from the Republic Substation to the Partnership Industrial Center (PIC) West Substation.

**Purpose:** Complete the transmission loop through the Republic substation. The substation is currently served by a single 161kV transmission line from JTEC. The completion of the transmission loop reduces the risk of power supply loss to the area. (Strategies – Dependability and Responsibility)

**Duration:** To be completed in fiscal 2025.

### Pole Maintenance

**ELMC17 Budget:** \$3.0 million

**Description:** Replace and maintain aging electric pole infrastructure.

**Purpose:** Work completed under this project will move toward establishing a 50-year pole replacement cycle. Planned maintenance is more economical than reactive maintenance (replacing poles after failure) and provides increased reliability to our customers. (Strategy – Dependability)

**Duration:** Ongoing

### Purchase and Install Distribution Transformers

**ELOC05 Budget:** \$3.0 million

**Description:** Purchase of distribution transformers.

**Purpose:** Each year hundreds of new transformers are installed to support new capital projects, preventative maintenance, damage repairs, and storm restoration. With increased manufacturing lead times, it is important to maintain adequate stock of distribution transformers to continue to meet the reliability needs of City Utilities' customers. (Strategy – Dependability)

**Duration:** Ongoing

### Substation Switchgear Replacements

**ESMC39 Budget:** \$2.9 million

**Description:** Replace aging substation switchgear ahead of failure.

**Purpose:** Replace two substation switchgear in fiscal 2024 with outdoor breakers. Aging substation switchgear are expensive to maintain and present both reliability and safety risks. (Strategies – Dependability and Responsibility)

**Duration:** Ongoing

### Substation Transformer Replacements

**ESMC34 Budget:** \$2.7 million

**Description:** Replace aging transformer fleet to reduce the risk of failure.

**Purpose:** Replace three transformers in fiscal 2024. This project supports the replacement schedule of 75 substation transformers. Many in-service transformers are beyond their expected useful lives. (Strategies – Dependability and Grow)

**Duration:** Ongoing

### Grant Avenue Parkway

**ELOC38 Budget:** \$961,000

**Description:** Replace the electrical distribution system associated with the City's Grant Avenue Parkway project through the BUILD Grant. The primary scope is undergrounding all electrical facilities along Grant Avenue between Sunshine and College Streets. In 2025, the planned reimbursements to the utility are estimated to be \$2.4 million, out of a total project cost of \$4.8 million.

**Purpose:** Support and provide resources for the City's Grant Avenue Parkway project. (Strategies – Excellence and Grow)

**Duration:** This project began in fiscal 2021. Design and construction are expected to be completed in fiscal 2024, and reimbursements are planned for fiscal 2025.

**Substation Relaying Replacements****ESMC02 Budget:** \$353,000

**Description:** Replace aging substation relays. Protective relays are used to detect and locate faults on the electric transmission and distribution systems. Faults can result from a variety of causes including storms, failed equipment, and automobile accidents.

**Purpose:** Ensures a high level of protection is maintained at all substations to decrease system disturbances by protecting assets within the substation. (Strategies – Dependability and Responsibility)

**Duration:** Ongoing**Downtown Underground Distribution Upgrades****ELMC15 Budget:** \$200,000

**Description:** Upgrade the existing underground electric distribution system serving the downtown area.

**Purpose:** Components of the existing system have surpassed or are nearing the end of their expected useful lives. (Strategies – Dependability and Responsibility)

**Duration:** Ongoing**Natural Gas**

(000s)

**Major Capital Projects**

Natural Gas Main and Service Renewals	\$ 8,247
Advanced Metering Infrastructure - Natural Gas	917
Natural Gas Main Tie-Ins	107

**Recurring/Small Capital**

Transmission and Distribution	1,061
Relocations and Municipal Improvements	803
Natural Gas Measurement	425
Revenue Producing	310

<b>Totals</b>	<b>\$ 11,869</b>
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**Natural Gas Main and Service Renewals****GSDC04/GSDC05 Budget:** \$8.2 million

**Description:** Renewal of natural gas mains and services is necessary to ensure continuity of safe and reliable natural gas service. Natural gas mains are being renewed due to age, leak history, and risk potential. Grant funding from PHMSA of \$10 million will bolster the renewal program in fiscal years 2024, 2025, and 2026.

**Purpose:** To address higher-risk and aging piping systems as identified in the Distribution Integrity Management Program (DIMP). (Strategy – Dependability)

**Duration:** Ongoing**Advanced Metering Infrastructure - Natural Gas****GSMC08 Budget:** \$917,000

**Description:** Install Advanced Metering Infrastructure (AMI) including meters and associated communication equipment.

**Purpose:** Advanced Metering Infrastructure allows for remote, two-way communication between natural gas meters and City Utilities. In addition to eliminating the need for a manual meter read, this infrastructure also enables an array of advanced services including customer interval data encouraging energy efficiencies. (Strategy – Innovate)

**Duration:** AMI installation is expected to be completed in fiscal 2025.

**Natural Gas Main Tie-Ins****GSDC11 Budget:** \$107,000

**Description:** Complete natural gas system improvements including tie-ins as identified through the Natural Gas Master Plan and to address risks identified from severe cold weather events.

**Purpose:** Natural gas tie-ins provide adequate pressure and redundancy for our customers. Significant one-way natural gas feeds increase the likelihood of customer outages due to third-party damages or unscheduled leak repairs. (Strategy – Dependability)

**Duration:** Ongoing

## Water Supply and Treatment

(000s)

### Major Capital Projects

Water Main Fellows to BWTP	\$ 5,368
Fulbright Water Treatment Plant Filter Rehabilitation	444
Water Treatment Renewals and Replacements	209
Fulbright and Blackman Water Treatment Instrument Additions	100
Fulbright and Blackman Water Treatment Plant Process Improvement	100

### Recurring/Small Capital

Water Treatment and Production	40
Water Supply	21

<b>Totals</b>	<b>\$ 6,282</b>
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### Water Main Fellows Lake to Blackman Water Treatment Plant

**WSDC14 Budget:** \$5.4 million

**Description:** Complete the 12-mile 48" water main connecting Fellows Lake to Blackman Water Treatment Plant (BWTP). Approximately one mile of main remains to be installed. The Utility will receive reimbursement of \$3.5 million through congressionally directed spending through the EPA.

**Purpose:** To provide redundancy to the existing infrastructure between Fellows Lake and BWTP. (Strategy – Dependability)

**Duration:** This project is expected to be completed in fiscal 2024.

### Fulbright Water Treatment Plant Filter Rehabilitation

**WTFC12 Budget:** \$444,000

**Description:** Two of the six Fulbright Water Treatment Plant (FWTP) filters are over 40 years old and need replacement before performance degrades.

**Purpose:** Upgrade filters at FWTP and replace aging equipment, underdrain, and depleted filter media. (Strategy – Dependability)

**Duration:** This project began in fiscal 2020 and is expected to be completed in fiscal 2025.

### Water Treatment Renewals & Replacements

**WTRC07 Budget:** \$209,000

**Description:** Replace pumps, motors, valves, and other essential components of City Utilities' water treatment system.

**Purpose:** A portion of the water treatment operating equipment and infrastructure is beyond its expected useful life. The systematic replacement of these components will promote system reliability. (Strategies – Dependability and Responsibility)

**Duration:** Ongoing

### Fulbright and Blackman Water Treatment Plant Instrument Additions

**WTRC01 Budget:** \$100,000

**Description:** Purchase and install instrumentation to provide data to Water Treatment Operations for improved reliability, control, and efficiency.

**Purpose:** To meet increasingly stringent regulatory requirements, improve operational efficiencies, and improve the reliability of service to our customers. (Strategies – Responsibility and Excellence)

**Duration:** Ongoing

### Fulbright and Blackman Water Treatment Plant Process Improvement

**WTRC02 Budget:** \$100,000

**Description:** Complete improvements as necessary to optimize water treatment operations.

**Purpose:** Process improvements enhance safety, reliability, and efficiency. (Strategy – Responsibility)

**Duration:** Ongoing

## Water Distribution

(000s)

### Major Capital Projects

Water Main and Service Renewals	\$ 8,450
Booster III	4,614
Water Main Tie-Ins	261

### Recurring/Small Capital

Municipal Improvements	1,562
Distribution System Improvements	1,346
Revenue Producing	671

<b>Totals</b>	<b>\$ 16,905</b>
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## Water Main Tie-In

**WSDC07 Budget:** \$261,000**Description:** Complete water distribution system improvements by tie-ins.**Purpose:** Tie-ins eliminate one-way feeds which provides adequate pressure and redundancy for our customers. Tie-ins increase resiliency in the event of leak repairs, improve water quality, and enhance fire protection. (Strategy – Dependability)**Duration:** Ongoing

## Water Main and Service Renewals

**WSDC05/WSDC06 Budget:** \$8.4 million

**Description:** Replace water mains that have a history of leaks or an increased risk for leaks in the future. Each year mains break from a variety of causes including age, weather, corrosion, ground movement, and third-party damage. Nearly 40 miles of water mains are over 100 years old, and 411 miles are between 50 and 100 years old. As these pipes age, they fail and result in damages and additional costs for overlying infrastructure repair, other property damage, and lost and unaccounted for water.

**Purpose:** Achieve and sustain a main and service renewal program that promotes value and reliability. Where applicable, water main renewal projects are coordinated with natural gas main renewals to achieve cost synergies through joint trenching. (Strategy – Dependability)

**Duration:** Ongoing

### Booster III

**WSDC21 Budget:** \$4.6 million

**Description:** Design and begin construction of a booster pump station, parallel mains along US Highway 60, and a tie-in to the existing system. Booster III will allow for water service along the US Highway 60 corridor east of Springfield. Due to the higher elevations, it is necessary to establish a new pressure zone to serve the area.

**Purpose:** Expand City Utilities' water service footprint to align with City sewer and meet future customer demand within the Utility's Electric and Natural Gas service footprint. Booster III will promote economic development in this area of growing demand. (Strategy – Grow)

**Duration:** Easements for Booster III will start being acquired in fiscal 2023 with multiple phases of potential expansion to follow.

## Transit

(000s)

### Major Capital Projects

ITS Hardware & Software	\$ 2,525
Paratransit/Small Bus Fleet	1,079
Transit Enhancements/Security	595

### Recurring/Small Capital

Transit Capital	77
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<b>Totals</b>	<b>\$ 4,276</b>
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### ITS Hardware & Software

**BUSC26 Budget:** \$2.5 million

**Description:** Replace hardware and software for current Automatic Vehicle Location (AVL) and Intelligent Transportation System (ITS), and the fare collection technology.

**Purpose:** The current ITS System is beyond its expected useful life and is unsupported by the vendor. The fixed route portion of the system is responsible for real-time bus location information, automatic voice annunciations, connecting with online web portal and mobile application, and facilitates the General Transit Feed Specification for services like Google Trip Planner. The demand response component of the system provides for ride scheduling and optimization. Replacing this system will provide more stable connectivity, improved customer facing information, advances in customer service technology specifically for our paratransit service, and improved reporting for regulatory compliance. This system collects fares, reads ticket media, provides passenger data, and produces financial reports for fares collected. The Utility will pursue grant funding opportunities to support these initiatives. (Strategy – Excellence)

**Duration:** The purchase and implementation will occur in fiscal 2024.

### Paratransit and Small Bus Fleet

**BUSC04 Budget:** \$1.1 million

**Description:** Purchase four paratransit buses in fiscal 2024.

**Purpose:** The paratransit buses are replacements of existing buses that have reached the ends of their expected useful lives. Replacement is necessary to maintain the paratransit fleet. The Utility will seek grant funding to support the paratransit bus replacements. (Strategy – Dependability)

**Duration:** Ongoing

### Transit Enhancements/Security

**BUSC20 Budget:** \$595,000

**Description:** Replace bus shelters and shelter pads to support Americans with Disabilities Act (ADA) accessibility and improve upon aging shelters. Planned sidewalk enhancements will provide an accessible pathway and increased connectivity to the transit system. Install automated wheelchair securements to increase passenger safety.

**Purpose:** The Utility desires to maintain and improve the accessibility, functionality, and utility of the Transit System. The Utility pursues multiple grant funding opportunities to support these initiatives. (Strategies – Responsibility and Dependability)

**Duration:** Ongoing



**SpringNet®**

(000s)

**Major Capital Projects**

Revenue Generation	\$ 1,252
Fiber/Outside Plant Infrastructure	616
Ethernet Infrastructure	240

**Recurring/Small Capital**

Facility Relocations	238
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<b>Totals</b>	<b>\$ 2,346</b>
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**Revenue Generation****TELC05 Budget:** \$1.3 million**Description:** Enables SpringNet® to meet customer demand for broadband services and to generate additional revenue through growth.**Purpose:** Generates revenue growth and supports economic development efforts. (Strategy – Grow)**Duration:** Ongoing**Fiber/Outside Plant Infrastructure****TELC19 Budget:** \$616,000**Description:** Expands fiber optic cable assets and allows construction of outside plant infrastructure such as equipment shelters in high demand areas.**Purpose:** Enables the construction of fiber optic cable extensions as well as capacity additions in order to meet growing demand. (Strategy – Grow)**Duration:** Ongoing**Ethernet Infrastructure****TELC03 Budget:** \$240,000**Description:** Supports and enhances the Ethernet infrastructure (routers, switches, optical transport equipment) of the SpringNet® broadband network. Routers and switches generally require replacement every five to six years.**Purpose:** Ensures the core network infrastructure of SpringNet® maintains adequate capacity and reliability to support growth demands from the Springfield business community. (Strategy – Dependability)**Duration:** Ongoing

## Information Technology

(000s)

### Major Capital Projects

Maintenance and Support - Enterprise Resource Planning Systems	\$ 1,150
IT Infrastructure	820
Maintenance and Support - Customer Systems	500
IT Desktop Support	475
Maintenance and Support - Operational Systems	133
<b>Totals</b>	<b>\$ 3,077</b>

### Maintenance and Support - Enterprise Resource Planning Systems

**ITDC27/ITDC37 Budget:** \$1.1 million

**Description:** Complete implementation and licensing of a new Human Capital Management (HCM) solution in fiscal 2024.

**Purpose:** The current HCM solution is blended between cloud and on-premise applications and does not cost-effectively scale to the needs of its users. Migration of the current system to a preferred cloud-based environment is not cost-effective. Replacement of this system with a new platform will allow for improvements to the time entry process. (Strategy – Responsibility)

**Duration:** Ongoing

### IT Infrastructure

**ITPC06 Budget:** \$820,000

**Description:** Routine hardware upgrades and replacements relating to network infrastructure, virtual servers, and database hardware.

**Purpose:** Updating critical infrastructure will decrease the loss of support as technology advances and reduce the likelihood of a system failure. (Strategies – Dependability and Responsibility)

**Duration:** Ongoing

### Maintenance and Support - Customer Systems

**ITDC26 Budget:** \$500,000

**Description:** Implement a Complex Billing and Time of Use (TOU) rate engine, implement Prepay billing, and improve the customer portal.

**Purpose:** Complex Billing is used to bill commercial and industrial customers. The implementation will replace the current Complex Billing system which will result in annual cost savings. Prepay may provide additional options for our customers by providing flexibility in budgeting and paying for utility services. Customer Portal improvements will enhance customer-communications options. (Strategy – Dependability)

**Duration:** Implementation is expected to be completed in fiscal 2024.

### IT Desktop Support

**ITPC07 Budget:** \$475,000

**Description:** Replace desktop related technology and equipment.

**Purpose:** To keep the Utility's desktop hardware up-to-date, reliable, and secure, the replacement of Panasonic Toughbooks with Dell Rugged laptops in docking stations for use inside vehicles will continue in fiscal 2024. (Strategies – Responsibility and Dependability)

**Duration:** The Toughbook replacement project is estimated to be completed by end of calendar year 2024.



## Facilities

(000s)

### Major Capital Projects

Facilities System Improvements	\$	450
Major Interior and Exterior Projects		275
Trunked Radio System		275
Facilities Security		260
Major Roof Replacements		175
Pavement Projects		150

### Recurring/Small Capital

Industrial Park Infrastructure		170
Other Facilities Improvements		118
Trunked Radio and SCADA Systems		5

<b>Totals</b>	<b>\$</b>	<b>1,878</b>
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### Facilities System Improvements

**PBMC18 Budget:** \$450,000

**Description:** Upgrade or replace various types of heating, ventilation, and air conditioning (HVAC) equipment, air compressors, uninterruptible power source (UPS) systems, stand-by generators, controls, and other facility mechanical equipment as they reach the end of their expected useful lives.

**Purpose:** Facilities System Improvements increase efficiency, promote reliability, and ensure an adequate environment for essential technology. (Strategy – Dependability)

**Duration:** Ongoing

### Major Interior & Exterior Projects

**PBMC03 Budget:** \$275,000

**Description:** Essential repair and restoration of building components.

**Purpose:** Repair and restore miscellaneous building exteriors (e.g., brick sealing, windows, landscape restoration), continued replacement of carpet at a few remaining facilities, and ongoing maintenance. (Strategy – Dependability)

**Duration:** Ongoing

### City/County/CU Trunked Radio System

**TELC08 Budget:** \$275,000

**Description:** Replace eight Trunked Radio System (TRS) tower site HVAC units in fiscal 2024. The Utility will be introducing enhanced HVAC controls and monitoring systems in fiscal 2024 to various tower sites.

**Purpose:** The HVAC systems at the TRS tower sites were purchased in 2002 and failure rates are increasing. The units provide essential cooling for the mission critical TRS. (Strategy – Responsibility)

**Duration:** Ongoing

### Facilities Security

**SECC01 Budget:** \$260,000

**Description:** Purchase and install Perimeter Intrusion Detection systems and enhances mitigation efforts through security camera and fencing upgrades and additions.

**Purpose:** To deter, detect, and delay intruders attempting to harm high-value or regulatory-controlled assets of the utility. (Strategies – Responsibility and Excellence)

**Duration:** Ongoing

### Major Roof Replacements

**PBMC45 Budget:** \$175,000

**Description:** Repair, replace, and maintain building roofs and associated water-proofing elements.

**Purpose:** As roofs age, they require maintenance and replacement to preserve the integrity of the underlying building. Evaluations identify and prioritize roof replacement needs. (Strategy – Dependability)

**Duration:** Ongoing

### Pavement Projects

**PBMC01 Budget:** \$150,000

**Description:** Maintain and replace parking lots, material yards, and other minor items.

**Purpose:** The Belcrest Material Yard and underlying drainage is approximately 40 years old and is experiencing groundwater induced failure. Underlying metal drainage structures of significant size have deteriorated and need replacement. This lot endures heavy loads due to pole and transformer handling. Fiscal 2024 will include an engineering study to prepare for the replacement of the Belcrest Material Yard. (Strategy – Dependability)

**Duration:** Ongoing

## Vehicles and Equipment

(000s)

### Major Capital Projects

Heavy Equipment	\$ 2,475
Small Vehicle and Equipment Replacement	321
Electrified Fleet Assets	109

### Recurring/Small Capital

Fleet Additions	83
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<b>Totals</b>	<b>\$ 2,988</b>
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## Vehicle Electrification

FLMC27 Budget: \$109,000

**Description:** Purchase replacement fleet assets that are powered by an electrified powertrain.

**Purpose:** This is a strategic commitment due to the increasing affordability in the electrified vehicle (EV) segment and the benefits associated with electrified assets. By purchasing EVs, the Utility will be positioned to take steps to further minimize the emissions impact of our fleet and to comply with potential future regulations. (Strategies – Responsibility and Grow)

**Duration:** Ongoing

## Heavy Equipment

FLMC06 Budget: \$2.5 million

**Description:** Scheduled replacement of heavy-duty fleet assets.

**Purpose:** Best practices in the fleet industry indicate replacement cycles for heavy-duty assets are between 12 and 15 years. Due to normal wear and tear, heavy-duty fleet vehicles and equipment at the Utility are generally scheduled for replacement after 15 years of service. (Strategies – Dependability and Responsibility)

**Duration:** Ongoing

## Small Vehicle and Equipment Replacement

FLMC04 Budget: \$321,000

**Description:** Scheduled replacement of light-duty fleet assets.

**Purpose:** Best practices in the fleet industry indicate replacement cycles for light-duty assets are between 8 and 10 years to balance the cost of ownership and reliability. Due to normal wear and tear, light-duty fleet vehicles at the Utility should be scheduled for replacement after 10 years of service. (Strategies – Dependability and Responsibility)

**Duration:** Ongoing

City Utilities groups expenditures by functional category. Operating Expenditures are presented for the fiscal year beginning October 1, 2023 through September 30, 2024. Operating Expenditures encompass fuels, labor, operations, maintenance, and administrative costs.

For comparative purposes, actual expenditures for the year ended September 30, 2022 and reprojected expenditures for the year ending September 30, 2023 are also presented.

The Functional Responsibility sections include brief descriptions of each category and their functions.

The Reprojected Adjustment sections present significant changes to expenditures for the current fiscal year 2023.

Major Budget Initiatives encompass the major expenditures for large, nonrecurring, and new projects for fiscal year 2024.

Annual Initiatives describe the significant ongoing daily activities that are budgeted within the category.

**OPERATING EXPENDITURES**

Operating Expenditures by Category	1
Power Generation	2
Fuels and Purchased Energy	3
Electric Transmission and Distribution	4
Natural Gas Transmission and Distribution	4
Water Supply and Treatment	5
Water Distribution	6
Transit	6
Facilities	7
Vehicles and Equipment	8
SpringNet®	8
Information Technology	9
Human Resources	10
Finance	11
General Operations Support	12
Administrative Support	13
Customer Support	14
Debt Service	15
Non-Utility	15

## Operating Expenditures by Category

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Power Generation	\$ 35,580	\$ 30,562	\$ 31,008
Fuels and Purchased Energy	223,260	223,188	208,629
Electric Transmission and Distribution	28,063	29,279	28,079
Natural Gas Transmission and Distribution	6,370	6,878	6,967
Water Supply and Treatment	5,803	7,162	6,519
Water Distribution	5,347	4,545	5,127
Transit	5,336	5,858	5,699
Facilities	6,058	6,369	6,586
Vehicles and Equipment	3,216	3,222	3,217
SpringNet®	5,445	6,905	7,100
Information Technology	11,400	11,544	13,676
Human Resources	57,693	62,499	64,047
Finance	6,199	7,225	7,610
General Operations Support	5,322	6,282	6,071
Administrative Support	5,678	6,302	6,231
Customer Support	12,857	13,970	13,693
Debt Service	50,742	51,920	52,069
Non-Utility	83,237	92,432	94,033
Total Expenditures*	<u>\$ 557,606</u>	<u>\$ 576,143</u>	<u>\$ 566,362</u>
* May not add due to rounding			

## Power Generation

### Functional Responsibility

Power Generation includes the local generation and control of electric power through the operation of John Twitty Energy Center (JTEC), James River Power Station (JRPS), and McCartney Generating Station (MGS). These facilities encompass 503 MW of base load generation from two coal fired steam turbines and 359 MW of peaking capacity from six natural gas combustion turbines.

City Utilities is a member of the Southwest Power Pool (SPP), a Regional Transmission Operator (RTO) that operates a consolidated balancing authority for its members to schedule and dispatch energy resources. In conjunction with the consolidated balancing authority, SPP operates an Integrated Marketplace (IM) for SPP members to market energy to and procure energy from other SPP members.

City Utilities' Power System Control area works with SPP to ensure the City Utilities' system always operates in a prudent, reliable manner.

City Utilities' Power Marketing area works with The Energy Authority (TEA) to offer the Utility's energy resources into the SPP Integrated Marketplace.

The Transmission Planning area evaluates the system's future needs and develops plans necessary for the reliable delivery of bulk power to the Utility's system.

### Reprojected Adjustment

- Power Generation costs increased due to outage work at JTEC on Unit 1, Unit 2, and the combustion turbines and outage work at MGS.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
JTEC Maintenance	\$ 22,040	\$ 20,345	\$ 18,789
JTEC Operations	6,065	5,834	6,651
JTEC Materials	990	100	100
Sub-Total JTEC	29,095	26,278	25,540
JRPS Maintenance	2,608	364	1,266
JRPS Operations and Materials	167	135	133
Sub-Total JRPS	2,775	500	1,399
Power Generation – Other	3,711	3,784	4,069
Total Expenditures	\$ 35,580	\$ 30,562	\$ 31,008

### Major Budget Initiatives

- McCartney Generating Station plans to overhaul one power turbine and one engine in fiscal 2024. There are a total of four power turbines and engines at MGS. This planned outage work at MGS will cost approximately \$6 million in fiscal 2024.
- Planned outage work at John Twitty Energy Center consists of installation of new air heater baskets procured in fiscal 2023, replacement of air slides on the fly ash system, inspection and repair of the turbine valves and other minor outage work in fiscal 2024 for JTEC Unit 2. The total cost of fiscal 2024 JTEC outage work will be approximately \$2 million.
- Planned outage work at James River Power Station consists of rebuilding a spare combustion turbine rotor and purchase and rebuild components to overhaul the combustion and hot section of a unit in fiscal 2025.

### Annual Initiatives

- Operations and Maintenance expenditures for Power Generation include labor, goods, materials, and services required to maintain the reliable operation of the local generating facilities.

## Fuels and Purchased Energy

### Functional Responsibility

Coal is the primary fuel used for generating electricity by the steam units at the John Twitty Energy Center. Natural gas is the primary fuel for the combustion turbines.

City Utilities participates in the Southwest Power Pool (SPP) Integrated Marketplace. City Utilities provides generation to the market and purchases energy from the market when economical. City Utilities purchases supplemental hydroelectric energy from the Southwestern Power Administration (SWPA) when it is available. It is estimated in fiscal 2024 that the Utility will receive over 41% of its energy (as a percentage of system sales) from renewable sources.

Natural gas, for resale to customers and for electric generation, is transported to Springfield through pipelines operated by Southern Star Central Gas Pipeline, Inc. and Enable Gas Transmission, LLC. The Energy Authority (TEA), as an agent for City Utilities, purchases natural gas for City Utilities' customers. Although natural gas prices have returned to levels below \$3.00 per DTh, the natural gas market continues to experience significant pricing volatility.

### Annual Initiatives

- The Operating Budget assumes that the John Twitty Energy Center will burn low-sulfur coal from the Powder River Basin in Wyoming. The 2024 Operating Budget includes the purchase of approximately one million tons of coal at a cost of around \$60 million or \$45.09 per ton. Average delivered coal costs, including freight, are budgeted at \$2.56 per million British Thermal Units (BTU). The budgeted coal inventory on September 30, 2024 is approximately 194,000 tons valued at \$7 million.
- The 2024 budgeted cost of 16 million dekatherms of natural gas is \$80 million or \$4.98 per DTh. This includes \$50 million for natural gas purchased for firm and curtailable customers, \$17 million for transportation capacity, and \$13 million for the purchase of four million dekatherms of natural gas used in power generation.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Coal	\$ 56,240	\$ 64,448	\$ 60,223
Natural Gas	117,829	98,796	89,754
Propane and Fuel Oil	1,561	2,258	2,488
Purchased Power	43,363	54,054	52,821
Emission Consumables	3,546	3,012	2,577
Other Electric-Fuel Handling	410	319	459
Other Natural Gas Supply	310	301	307
Total Expenditures	<u>\$ 223,260</u>	<u>\$ 223,188</u>	<u>\$ 208,629</u>

- The Operating Budget assumes a natural gas inventory of two million dekatherms valued at \$8 million on September 30, 2024. The inventory will be withdrawn during the 2023-2024 heating season as needed to meet firm requirements for natural gas and will be replenished during the spring and summer of 2024. The budgeted natural gas inventory at September 30, 2024, is budgeted at a value at \$8 million for two million dekatherms.
- In August 2008, City Utilities entered a 20-year contract to purchase energy from the Smoky Hills Wind Project near Salina, Kansas. It is estimated that this 46 MW contract will deliver 146,700 MWh in fiscal 2024.
- In October 2013, City Utilities entered a 25-year contract to purchase energy from Strata Solar. It is estimated that this 4.95 MW contract will deliver 8,079 MWh in fiscal 2024 approximately a 19% capacity factor.
- In November 2015, City Utilities entered a 22-year contract to purchase energy from Frontier Windpower, LLC, a wholly owned subsidiary of Duke Energy located near Ponca City, Oklahoma. It is estimated that this 200 MW contract will deliver 624,200 MWh in fiscal 2024.
- In January 2018, City Utilities entered a 20-year contract to purchase energy from the Diamond Vista Wind Project near Salina, Kansas. It is estimated that this 98 MW contract will deliver 394,600 MWh in fiscal 2024.
- The Operating Budget assumes the purchase of two million MWh of energy in 2024 or approximately 39% of system and off-system requirements. The budgeted cost of purchased power is \$53 million. This includes \$3 million for fixed capacity charges for 50 MW purchased from the Southwestern Power Administration (SWPA).

## Electric Transmission and Distribution

### Functional Responsibility

Electric Transmission and Distribution is responsible for the engineering, construction, operation, and maintenance of more than 1,800 miles of overhead and underground distribution lines, 210 miles of transmission lines, and 43 substation sites. Transmission is classified as 69kV and above while distribution is 13.2 kV and below. Electric Transmission and Distribution is also responsible for street lighting in the community and the Vegetation Management Program, which manages the urban forest to help prevent interference with the operation of the electric system. Approximately 121,000 customers are served.

### Annual Initiatives

- System expansion and relocation of facilities requires engineers and technicians to work with developers, contractors, and other utilities to provide service quickly and efficiently to new customers.
- Vegetation Management Programs will continue to improve electric system reliability and are budgeted at \$4 million in fiscal 2024.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Electric T and D	\$ 23,484	\$ 22,574	\$ 22,844
Electric T and D Storms	835	1,300	1,098
Measuring and Metering	618	652	642
Electric Substations	2,381	3,200	2,933
Power Quality	202	329	350
Electric Materials	543	1,223	213
Total Expenditures	<u>\$ 28,063</u>	<u>\$ 29,279</u>	<u>\$ 28,079</u>

- Given the responsibility of efficiently maintaining and operating approximately 23,000 streetlights, City Utilities has updated its lighting specifications. Moving forward, all new lighting installations will utilize LED technology and all high-pressure sodium (HPS) fixtures will be replaced with LEDs upon failure.
- Ongoing preventive and scheduled maintenance of the electric system is reflected in several budgeted projects. Overhead, underground, and substation maintenance requires a significant amount of City Utilities' labor, as well as some contract labor for specific items.

## Natural Gas Transmission and Distribution

### Functional Responsibility

Natural Gas Transmission and Distribution is responsible for the engineering, construction, operations, and maintenance of over 1,296 miles of natural gas mains, 49 miles of natural gas transmission pipelines, 165 district regulator stations, five city gate stations, and more than 79,000 service lines. Department of Transportation and Public Service Commission safety regulations are strictly followed to ensure the safe and efficient supply of natural gas to approximately 85,000 customers.

### Annual Initiatives

- Natural Gas Transmission and Distribution expenditures include the labor, goods, materials, and services necessary to operate the natural gas system and to maintain compliance with all applicable federal and state safety regulations.
- Included in these annual initiatives are the performance and maintenance of the leak survey and cathodic protection programs, integrity management initiatives, and purchase of odorant, as well as the operation and maintenance of the Lake Springfield Natural Gas Peaking Station.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Nat Gas T and D Maint	\$ 1,979	\$ 2,093	\$ 1,999
Natural Gas Measurement	2,126	2,181	2,152
Nat Gas T and D Ops	2,046	2,589	2,706
Natural Gas Materials	219	15	109
Total Expenditures	<u>\$ 6,370</u>	<u>\$ 6,878</u>	<u>\$ 6,967</u>



## Water Supply and Treatment

### Functional Responsibility

Water Operations is responsible for providing safe drinking water to our community. That responsibility includes all phases of the treatment process, from protecting source water quality through management of our watersheds to ensuring drinking water quality by sampling our customers' water at the tap, and all steps in between. These efforts have consistently yielded excellent results that exceed regulatory requirements and have been recognized nationally through the American Water Works Association's Partnership for Safe Water program for over twenty-three years.

City Utilities operates and maintains all water treatment facilities, which can produce a maximum of 75 million gallons per day. Typical daily output varies between 20 to 50 million gallons per day, depending on the season. On average, Water Treatment personnel treat and deliver 29 million gallons per day of safe drinking water.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Supply Operations	\$ 1,015	\$ 1,284	\$ 745
Supply Maintenance	239	380	364
Treatment Operations	2,273	3,058	2,875
Production Operations	862	977	1,126
Production Maintenance	1,414	1,463	1,408
Total Expenditures	<u>\$ 5,803</u>	<u>\$ 7,162</u>	<u>\$ 6,519</u>

### Major Budget Initiatives

- Water Treatment Operations include assessment of City Utilities' water sources and treatment methods to determine compliance with proposed federal regulations. If finalized, the Utility will be required to monitor, provide public notice, and reduce levels of regulated substances in drinking water if they exceed the maximum contaminant level.

### Annual Initiatives

- The Operating Budget assumes normal operation of the Stockton Pump Station. Operating expenses includes electric power, equipment and site maintenance of assets at Stockton Lake, and City Utilities' financial obligation to the Corps of Engineers in maintaining the Stockton dam and reservoir. The Corps of Engineers determines the overall Stockton Lake and Dam maintenance needs, and the Utility pays a percentage of those expenses based on the allocation percentage.
- The Blackman and Fulbright Water Treatment Plants have extensive pumping facilities, chemical feed equipment, processing equipment, piping, valves, electrical equipment, SCADA systems, controls, storage, and mixing and settling facilities, which require considerable monitoring and maintenance. Recurring projects in this category also include procurement of chemicals to treat the water to drinking water standards to meet all state and federal regulations.
- City Utilities, City of Springfield, and Greene County provide the annual funding for the Watershed Committee of the Ozarks to support watershed protection, management, and education. City Utilities' portion is \$212,000 for fiscal 2024.
- Operation of the certified water quality laboratory is included in this budget category. City Utilities' lab performs over 80,000 analyses on water samples each year for regulatory compliance and operational optimization. Lab personnel also carry out a lakes management program that is a benchmark for the Midwest region in managing surface water sources for taste and odor.



## Water Distribution

### Functional Responsibility

Water Distribution maintenance and operations expenditures cover the activities associated with maintaining and operating more than 1,250 miles of transmission and distribution water mains, 8,150 fire hydrants, and 30,500 valves. The reliable delivery of safe drinking water to approximately 85,000 customers is performed in compliance with the rules and regulations of the Missouri Department of Natural Resources (MoDNR).

Water Measurement and Metering functions include the purchase, installation, and maintenance of water meters as well as disinfection of new mains, flushing, and chlorine testing for the distribution system. The personnel responsible for these functions also monitor private backflow prevention and respond to individual customer requests for water leaks, low pressure, water connects, and disconnects.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Distrib. Maintenance	\$ 2,449	\$ 2,682	\$ 3,123
Distrib. Operations	973	936	1,018
Measuring and Metering	885	919	978
Water Materials	1,040	8	8
Total Expenditures	<u>\$ 5,347</u>	<u>\$ 4,545</u>	<u>\$ 5,127</u>

### Annual Initiatives

- Water distribution expenditures include the labor, equipment, and materials necessary to respond to main and service breaks, conduct a flushing program to maintain drinking water quality, systematically maintain customer meters in service, and monitor the timely testing of customers' backflow prevention assemblies.

## Transit

### Functional Responsibility

Transit is responsible for the operation and maintenance of the public transportation system for the City of Springfield. City Utilities offers Fixed Route and Paratransit bus services. These systems provide transportation for those who have no other means of transportation, wish to reduce motor vehicle emissions, or avoid traffic congestion. The Fixed Route program includes the operation of accessible buses on a fixed route schedule. The Paratransit program called Access Express, operates on a demand-responsive, origin-to-destination basis which transports disabled passengers on accessible coaches using a call-in reservation system.

A portion of operational funding is provided by the Federal Transit Administration (FTA). Transit is responsible for compliance with regulations from FTA, Title VI, and the Americans with Disabilities Act (ADA).

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Transit Operations	\$ 4,054	\$ 4,537	\$ 4,474
Transit Maintenance	1,281	1,321	1,225
Total Expenditures	<u>\$ 5,336</u>	<u>\$ 5,858</u>	<u>\$ 5,699</u>

### Annual Initiatives

- Transit operations and maintenance expenditures include the labor, maintenance, fuel, and other ongoing expenses of daily Transit operations.

## Facilities

### Functional Responsibility

The Facilities Category is responsible for the maintenance, repair, remodeling, construction, and security of City Utilities' buildings and properties. The acquisition and maintenance of office furnishings and equipment, property acquisition, and internal mail services are also included in the Facilities category. Key functions include architectural services, engineering and design services, property management, and maintenance of facility records. Overall goals are to provide employees with a safe, clean, and productive work environment.

The Trunked Radio System division operates and maintains a complex, computer-controlled two-way radio system that facilitates efficient sharing of scarce radio frequency channels among a large group of users. City Utilities, City of Springfield, and Greene County are partners in the county-wide system that serves 4,200 users in multiple government and vital non-profit agencies. The system is strictly utilized for public safety, emergency response, and operations of critical services. This system is integrated with the Missouri Statewide Wireless Interoperability Network (MOSWIN) which extends radio services throughout the state of Missouri. The system includes a hardened central electronics facility, seven radio tower sites, and sixteen consoles at the E911 Center. The division also provides wireless communications to support 165 natural gas and water Supervisory Control and Data Acquisition (SCADA) sites.

### Annual Initiatives

- Facilities and Grounds Maintenance will support a broad spectrum of ongoing and planned maintenance and repairs to City Utilities' facilities. These include maintaining roofs, building exteriors, electrical, plumbing, HVAC systems, fire suppression and alarm systems, stand-by generators, elevators, uninterruptible power supply systems, and air compressors. Also included are the costs for minor maintenance of building interiors, exteriors, and grounds.
- Security includes the cost of contract security services for City Utilities' facilities and the 24/7 operation of the Security Operations Center. The funding will address physical security vulnerabilities at critical infrastructure facilities and provide countermeasures addressing these vulnerabilities, including upgrading physical security barriers and electronic security systems.
- The Trunked Radio System is maintained by an in-house staff, along with electric and technical service contractors, ensuring this system operates at the highest level of reliability. The operations and maintenance budget includes spending to enhance cybersecurity and fund a System Upgrade Agreement to prepay future system upgrades. This will ensure continued compatibility with MOSWIN for the life of the system.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Facilities and Grounds Maintenance	\$ 3,190	\$ 3,314	\$ 3,233
Office Services	134	136	137
Property Maintenance	3	5	5
Security	1,600	1,858	1,915
Trunked Radio System	1,131	1,057	1,296
Total Expenditures	<u>\$ 6,058</u>	<u>\$ 6,369</u>	<u>\$ 6,586</u>

## Vehicles and Equipment

### Functional Responsibility

Fleet Management maintains all aspects of City Utilities' fleet. This includes purchasing new assets; optimizing replacement cycles to maximize useful life; maintaining, repairing, and rebuilding various components and sub-systems of fleet assets; and overseeing the surplus process to sell assets that have been retired. The Utility has a fleet of 682 non-FTA funded assets including bucket trucks, heavy duty trucks, passenger vehicles, light duty trucks, mowers, forklifts, boats, cranes, backhoes, trailers, and other various pieces of equipment. Expenditures related to buses are included in the Transit category.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Vehicle Operations	\$ 976	\$ 1,041	\$ 960
Vehicle Maintenance	2,035	2,177	2,252
Vehicle Materials	205	5	5
Total Expenditures	<u>\$ 3,216</u>	<u>\$ 3,222</u>	<u>\$ 3,217</u>

### Annual Initiatives

- Operations and Maintenance expenditures in this category include Fleet Management labor, parts, fleet equipment testing, shop tools, general operating expenses, fuel, and tire repair for all non-FTA funded fleet assets.

## SpringNet®

### Functional Responsibility

The SpringNet® network maintains two focuses: internally provided services and an external business unit operated under the SpringNet® trademark. SpringNet® has provided external broadband services since 1997. SpringNet® provides dark fiber leases, including the recent fiber expansion project, and wireless carrier pole attachments including small cells. Additionally, it offers two distinct Ethernet high speed broadband services, NETLink (Internet access) and LANLink (business to business private networks).

SpringNet®'s internal services include dark fiber resources to the Electric system as well as LANLink and NETLink to the Utility for multiple locations. In addition to providing these services to City Utilities, LANLink and NETLink services are also provided to the City of Springfield where competitively requested.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
SpringNet® Operations	\$ 5,327	\$ 6,745	\$ 7,085
SpringNet® Materials	118	160	15
Total Expenditures	<u>\$ 5,445</u>	<u>\$ 6,905</u>	<u>\$ 7,100</u>

### Annual Initiatives

- SpringNet®'s operational expenses are necessary for support, maintenance, and operations of the SpringNet® broadband network. Major elements include interconnection fees, equipment maintenance, and right of way fees paid to The City of Springfield.

## Information Technology

### Functional Responsibility

The core functions of Information Technology (IT) include implementing new technology, the maintenance of existing technology, internal customer support for technology, securing systems/information, and delivering analytical reporting products and business transformation services. IT maintains thirteen mission critical systems and nearly ninety departmental systems. The mission critical systems are the Customer Information System (CIS), Financial Supply Chain Management System (FSCM), Financial Management Information System (FMIS), Job Order Tracking System (JOTS), City Utilities Employee System (CUES), Energy Management System (EMS), Mobile Work Management, Outage Management System, Geographical Information System (GIS), Exchange (Email), GOTO (phone), NICE InContact (Call Center), and SharePoint.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
IT Administration	\$ 5,348	\$ 6,036	\$ 6,079
IT Applications Maintenance <sup>1</sup>	4,493	0	6,058
Desktop Support	513	921	424
IT Infrastructure	691	1,963	491
IT Maintenance and Support	355	2,624	624
Total Expenditures	<u>\$ 11,400</u>	<u>\$ 11,544</u>	<u>\$ 13,676</u>
FY 2023 Adjustment <sup>1</sup>		2,000	
Adjusted Expenditures	<u>\$ 11,400</u>	<u>\$ 13,544</u>	<u>\$ 13,676</u>

<sup>1</sup> IT Applications Maintenance is zero in fiscal 2023 due to the anticipated GASB96 implementation which distributed \$4 million among the expenditure categories and \$2 million budgeted in capital spending.

### Annual Initiatives

- Hardware and software maintenance of \$6 million is included in the Information Technology budget. These funds are contractual obligations for maintenance agreements and services to support the hardware and software for the Utility. This budget increases with each additional software purchase.
- Expansion and upgrades to existing infrastructure and applications are critical to delivering secure and reliable technology solutions. IT is projecting a budget of \$1 million for expansion and replacement efforts for infrastructure and applications. Infrastructure includes desktop hardware, servers, storage, storage area network equipment, and networking equipment. Applications are focused on the periodic application upgrades and periodic maintenance releases required by the vendor on products like the Energy Management System and the PeopleSoft suite of applications for Finance and Human Resources.
- Labor is a significant portion of the Information Technology budget and is dedicated to developing and supporting the technology in use at City Utilities. The budgeted labor provides ongoing technical support, training, hardware management, software maintenance, and software development. Combined, these efforts total \$6 million for 2024.

## Human Resources

### Functional Responsibility

Human Resources administration functions include workers' compensation, health management, benefits, employee labor relations, safety and training, recruitment, human resources information systems, and compensation. Benefits include the cost of employee-related insurance, employee sick and vacation, paid holidays, City Utilities' contributions for employment taxes, retirement contributions to the Missouri Local Government Employees Retirement System (LAGERS), and employee directed benefits.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Benefits	\$ 54,777	\$ 58,832	\$ 60,312
Admin. and Operations	2,916	3,667	3,735
Total Expenditures	<u>\$ 57,693</u>	<u>\$ 62,499</u>	<u>\$ 64,047</u>

### Annual Initiatives

- Health, life, and long-term disability insurance are projected at \$8 million. City Utilities promotes wellness within its workforce to help maintain high productivity and to help manage healthcare costs. The Health Management team encourages our employees to participate in an annual Health Risk Assessment and to engage in regular exercise and healthy lifestyles.
- City Utilities is committed to maintaining highly skilled and knowledgeable employees. Toward this goal, the 2024 Operating Budget includes \$971,000 to provide various types of training. This training includes technical and professional development, regulatory compliance, safety, and an education assistance program.
- LAGERS contributions are projected at \$22 million. FICA employer taxes, unemployment, and employee-owned and directed benefits are projected at \$13 million while vacation, sick leave, and holiday pay is budgeted at \$16 million.
- The 2024 Operating Budget for City Utilities' workers' compensation program includes \$1 million for medical treatment and indemnity payments that may be incurred as a result of workplace injuries and illnesses.
- Proactive safety programs focus on reducing the occurrence of workplace accidents and injuries. Employees are afforded a safe work environment through assistance in the design of equipment and facilities, development of safe work procedures, safety training, and providing necessary personal protective equipment. The 2024 Operating Budget includes \$1 million for these programs.

## Finance

### Functional Responsibility

Financial Operations is responsible for the preparation and presentation of the Utility's financial statements, the Operating Plan, the Operating Budget, asset management, Integrated Marketplace settlements, financial technology, and internal control policies. Financial Operations also includes Treasury, which is responsible for cash management, investment management, payments for bonded indebtedness and financing agreements, accounts payable, accounts receivable, and payroll processing. Risk Management efforts include assisting with the development of the Operational Resiliency efforts, risk assessments, third party risk control, and Enterprise Risk Management process development. Financial Technology is responsible for assisting with reporting solutions and process improvements through technology optimization.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Financial Operations	\$ 2,289	\$ 2,883	\$ 2,847
Risk Management and Insurance	3,719	4,073	4,457
External Fees	192	269	306
Total Expenditures	<u>\$ 6,199</u>	<u>\$ 7,225</u>	<u>\$ 7,610</u>

### Annual Initiatives

- For fiscal 2024, external fees are budgeted at \$306,000. External fees include the annual independent audit, outside financing fees, banking fees, and investment manager fees.
- City Utilities' risk management and robust insurance program is budgeted at \$4 million for fiscal 2024, which includes risk mitigation initiatives and the procurement of Property and Casualty lines, Financial, Workers Compensation, Cyber and other industry appropriate coverages. The Utility's focus on risk management aims to prevent and mitigate the potential impact of catastrophic losses and liabilities related to Utility operations. The hardening commercial insurance markets continue to drive significant premium increases across all property and casualty lines. To mitigate the budgetary impact, the Utility partners with utility-experienced brokers to seek innovative approaches in the marketplace, including peer benchmarking, utilizing industry mutuals, alternative risk transfer options, high deductibles and excess lines, and substantial reserves.

## General Operations Support

### Functional Responsibility

General Operations Support includes logistical operations such as Geographic Information System (GIS), operation of the AMI (Advanced Metering Infrastructure) system, damage prevention of underground utility facilities, purchasing, and inventory control. Primary GIS functions include maintenance of permanent map records for the electric, natural gas, water, and SpringNet® infrastructure. AMI operations ensure the efficient operation of the AMI system and components. Purchasing is responsible for the procurement of equipment, materials, supplies, and services to support the Utility within governing rules and regulations. Inventory Control provides physical storage and distribution services in six major storeroom locations, two material yards, and five unmanned locations. This area is also responsible for the storage and recording of hazardous materials and acts as a backup if the primary cleanup contractor is unavailable.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Customer Engineering/ Contract Inspection	\$ 229	\$ 258	\$ 246
Drafting, Surveying, and Technical	1,158	1,452	1,302
Damage Prevention	2,153	2,045	2,015
Purchasing and Inventory Control	1,782	2,527	2,509
Total Expenditures	<u>\$ 5,322</u>	<u>\$ 6,282</u>	<u>\$ 6,071</u>

### Reprojected Adjustment

- Damage Prevention of Underground Facilities decreased by \$200,000 due to infrastructure locate costs trending lower than expected.

### Annual Initiatives

- The Drafting, Surveying, and Technical line summarizes costs necessary for the GIS area to administer and maintain electric, natural gas, water, and SpringNet® fiber asset data in the GIS. Also included is support and administration of GIS data used on laptops in the field. This area includes the migration of SpringNet®'s legacy fiber mapping and management tool to a GIS based tool that can handle the increased data related to the Fiber Expansion Project. AMI Operations is now included in this expense line and includes costs necessary to monitor the AMI system, ensure its accurate functioning, and collaborate with customers on AMI inquiries.
- Damage Prevention expenditures represent location and notification costs necessary for City Utilities to comply with state law. Missouri Statute 319 requires all underground facility owners to locate and mark their underground facilities before any known excavation within their service territory. Due to synergies, City Utilities also administers this function for the City of Springfield's sanitary sewer and traffic signal systems. The associated costs for the City of Springfield are budgeted in the Non-Utility category and billed to the City. Damage Prevention also investigates damages to the Utility's infrastructure.
- Purchasing and Inventory Control expenditures include labor for buyers, storeroom, and administrative personnel. Additionally, advertising costs, training, and other goods and services to support these functions are also included in this budget.



## Administrative Support

### Functional Responsibility

Administrative Support includes multiple administrative and general departments and the senior management administration of several City Utilities' areas including General Management, Legal and Government Relations, Internal Auditing, Records Governance, Environmental Affairs, Reliability Compliance, Economic Development, and Rates and Fuels.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Total Expenditures	\$ 5,678	\$ 6,302	\$ 6,231

### Annual Initiatives

- Legal advises employees and the Board of Public Utilities on legal matters and overall operations and management policies. Legal is also responsible for managing claims, grievances and litigation by and against the Utility and facilitating requests for proposal, contracts and bonds. Legal assists Risk Management in identifying and investigating potential liabilities and recommends procedures to avoid them.
- Economic Development works to attract new industrial and commercial businesses to the area to help existing utility business customers grow and to positively influence Springfield's quality of life. Economic Development also provides administrative support and oversight for the Partnership Industrial Center-West industrial park. Economic Development works closely with the Springfield Business Development Corporation (SBDC), the Springfield Area Chamber of Commerce, the City of Springfield, and Greene County. City Utilities has a contract with the SBDC for Economic Development Services to provide an in-kind contribution of labor. The SBDC provides resources and assistance to new and existing businesses seeking to create jobs within City Utilities' service territory. The SBDC engages with site location consultants, the Missouri Partnership, and the Missouri Department of Economic Development to recruit new industry, jobs, and capital investment to Springfield and Greene County.
- The areas of Government Relations, Reliability Compliance and Environmental Affairs represent the Utility in state and national legislative, regulatory and administrative processes and monitor compliance with environmental and electric reliability policies.
- Records Governance ensures compliance with records retention policies and acts as custodian of records.
- Internal Auditing provides independent assurance that internal control processes are operating efficiently and presents an annual audit plan for approval by the Board's Audit Committee. The Utility's external audit firm relies on testing performed by Internal Auditing as it aligns with the external audit plans and procedures based on their risk assessment. In addition, Internal Auditing coordinates their procedures with the external auditors for the annual financial audit.
- Rates and Fuels oversees City Utilities' rate program, provides revenue and fuels forecasts used in budgeting and long-range planning. Additionally, in partnership with The Energy Authority, Rates and Fuels is responsible for the Utilities' natural gas supply management.



## Customer Support

### Functional Responsibility

Customer Support includes Communications and Community Relations, Customer Services, Field Services, Meter Reading, Customer Operations Excellence, AMI Operations, Natural Gas, Water, and Electric Metering, Developer Support, Energy Services and Renewables, and other services provided to the community.

### Major Budget Initiatives

- From the recommendation made by the Power Supply Community Task Force, City Utilities continues implementation of cost-effective programs to encourage customers to use energy and water wisely. These dollars are a product of the rate increase packages passed by the Board of Public Utilities and City Council in 2006.

### Annual Initiatives

- Customer Services establishes and manages customer accounts, evaluates meter readings for billing, bills accounts, processes payments, and is responsible for Contact Center, Lobby, Remittance, Billing, Credit and Collections, and Field Scheduling operations. These departments provide services to customers via customer portal, app, phone, email, chat, and walk-in lobby. Various key performance indicators such as service level, wait time, abandoned rate, and occupancy level are closely monitored to ensure that Customer Services is providing world-class service.
- Communications builds awareness of Utility programs and services and provides educational information to help customers do business with the Utility, save energy and water, and access resources about electric, natural gas, water, transit, and broadband. The Energy Services efforts stem from the recommendations from the Power Supply Community Task Force and provide solutions to help delay or avoid the need for additional capacity projects in electric, natural gas and water.
- Energy Services programs provide cost effective solutions to encourage customers to efficiently manage their energy and water use. This is done by offering rebates to customers for the purchase and installation of energy and water efficient appliances and products and by providing customer education through Utility communications and community outreach. Energy and water efficiency, rebates and incentives, customer services programs, and consumer safety are among the messages conveyed to customers through traditional media and online through the Utility's website, social media, and email communications.
- Customer Operations Excellence focuses on the customer experience. Ongoing customer research facilitates planning, development, implementation, and evaluation of Utility communications by providing insights into customer priorities and opinions. The research also measures key customer opinions about the Utility's performance. Surveys completed by J.D. Power provide benchmark comparisons to utilities across the nation using key performance indicators and is part of our strategic planning. Research is also used to guide the development of efficiency and renewable energy programs offered to customers.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Communications and Energy Services	\$ 3,515	\$ 3,418	\$ 3,169
Customer Services and Collections	7,151	8,164	8,159
Field Services and Developer Support	2,191	2,389	2,365
Total Expenditures	<u>\$ 12,857</u>	<u>\$ 13,970</u>	<u>\$ 13,693</u>

## Debt Service

### Functional Responsibility

The debt service category funds timely debt service payments of principal and interest on City Utilities' outstanding revenue bonds and lease obligations.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Total Expenditures	\$ 50,742	\$ 51,920	\$ 52,069

### Annual Initiatives

- Debt service for the Series 2014 Certificates of Participation will be \$3 million in 2024. This debt provided funds for the Environmental Regulatory Compliance Project, Rail Unloading Improvements Project at the John Twitty Energy Center, and Blackman Water Treatment Plant Clearwell Project. (Matures August 2029).
- Debt service for the Series 2015 Public Utility Refunding Revenue Bonds will be \$39 million in 2024. This debt was issued for the purpose of refunding the Series 2006 Public Utilities Revenue Bonds, which were used for the construction of JTEC Unit 2. (Matures July 2036).
- Debt service for the Series 2021 Certificates of Participation will be \$10 million in 2024. This taxable debt was issued for the purpose of expanding the fiber network in Springfield. (Matures October 2036).

## Non-Utility

### Functional Responsibility

The Non-Utility category represents disbursements to third parties, including meter deposit and credit balance refunds to customers, reimbursement items, sales tax remitted to the State of Missouri, Missouri Drinking Water Primacy Fees collected from water customers and remitted to Missouri Department of Natural Resources, wastewater revenues collected on behalf of the City of Springfield, and payments in lieu of taxes.

Expenditures (000s)	Actual 2022	Reprojected 2023	Budget 2024
Third Party Payments	\$ 83,237	\$ 90,992	\$ 92,833
Non-Capital Contingencies	0	1,440	1,200
Total Expenditures	\$ 83,237	\$ 92,432	\$ 94,033

Remittance items are expenditures that City Utilities must make on behalf of another party and will receive reimbursement for the expenditure.

### Annual Initiatives

- On behalf of the City of Springfield, wastewater charges are billed and collected by City Utilities. These revenues, less an administrative fee, are remitted monthly to the City of Springfield. For fiscal 2024, wastewater remittances are estimated at \$54 million.
- Missouri drinking water primacy fees are collected from water customers and remitted to the Missouri Department of Natural Resources less a 2% processing fee. The primacy fee provides funding for the State of Missouri to maintain delegated duties of the federal drinking water program.
- Sales taxes are collected from customers for utility usage and are remitted to the State of Missouri less a 2% processing discount. This project is based on budgeted revenues and the various tax rates for each taxing jurisdiction served by City Utilities. For fiscal 2024, the projected sales tax to be remitted is \$13 million.
- City Utilities pays the City of Springfield a percentage of gross external revenues in lieu of taxes. In accordance with the Springfield City Charter, the rates are 3% for electric revenue, 4% for natural gas revenue, and 4% for transit revenue. By City Ordinance, the rates are 4% for water revenue. The budget for payments in lieu of taxes for fiscal 2024 is \$17 million. The SpringNet® right of way fees to The City of Springfield are included in the SpringNet® Category.

The Financial Statements show the projected results of anticipated operational and financial decisions made during the budget year.

The Statement of Net Position (Balance Sheet), reflects the projected financial position of the Utility. The Statement of Revenues, Expenses and Changes in Net Position (Income Statement) is provided for the Total Utility as well as Statements of Operations for the individual business units: Electric, Natural Gas, Transit, SpringNet®, Trunked Radio System, and Water. The individual Statements of Operations reflect the impact of the allocation of budgeted expenditures and receipts.

The All Funds Summary of Cash Receipts and Disbursements report summarizes the budgeted receipts, expenditures, and transfers for the Utility funds. This report reflects the timing differences between billing of revenues and cash receipts as well as between project charges and cash payments for those charges.

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**STATEMENT OF NET POSITION***Fiscal Years Ending September 30*

<b>(000s)</b>	<b>Actual * 2022</b>	<b>Reprojected 2023</b>	<b>Budget 2024</b>
Utility Plant, At Cost			
Plant In Service	\$ 2,559,156	\$ 2,642,998	\$ 2,702,859
Less Accumulated Depreciation	1,033,512	1,096,442	1,160,148
Net Plant In Service	1,525,644	1,546,556	1,542,711
Construction Work In Progress	102,981	92,883	111,807
Net Utility Plant	1,628,625	1,639,439	1,654,519
Leased Assets (GASB 87)			
Leased Assets	445	445	445
Less Accumulated Amortization	148	148	148
Net Leased Assets	298	298	298
Funds For Bonded Indebtedness	6,422	6,422	6,422
Designated Improvement Account	163,653	158,570	162,156
Working Capital - Other	25,402	80,174	61,709
Price Risk Management Assets	6,528	6,528	6,528
Equity Interest In Partnership Industrial Center	1,901	1,915	2,120
Equity Interest In Prepaid Gas Service	90	90	90
Equity Interest In The Energy Authority	8,462	7,993	8,307
Equity Interest In TEA Solutions	118	118	118
Regulatory Assets - Asset Retirement Obligations	1,102	1,143	1,187
Regulatory Assets - Property, Plant, and Equipment	18,652	15,955	13,259
Lease Receivable	80,415	80,415	80,415
Net Pension Asset	60,551	60,551	60,551
Other Noncurrent Assets	3,977	4,755	6,966
Total Noncurrent Assets	2,006,196	2,064,366	2,064,644
Current Assets			
Cash, Cash Equivalents and Short-term Investments	47,067	5,877	6,377
Accounts Receivable			
Customers, Less Allowance For Doubtful Accounts	31,141	31,179	33,745
Unbilled Revenues	14,628	15,025	15,830
Other	12,744	5,350	5,345
Lease and Interest Receivable	5,286	5,286	5,286
Recoverable Fuel Costs	19,948	0	0
Inventories			
Materials and Supplies	35,554	37,435	37,608
Coal	6,118	7,871	6,758
Natural Gas	12,668	7,537	8,086
Emission Consumables	161	164	164
Prepayments	2,160	2,160	2,160
Total Current Assets	187,476	117,885	121,360
<b>Total Assets</b>	<b>2,193,672</b>	<b>2,182,252</b>	<b>2,186,004</b>
Deferred Outflows of Resources			
Unamortized Loss on Reacquired Debt	12,372	11,477	10,583
GASB 68 Expected Vs. Actual Experience	17,392	17,392	17,392
Total Deferred Outflows of Resources	29,763	28,869	27,975
<b>Total Assets and Deferred Outflows</b>	<b>\$ 2,223,435</b>	<b>\$ 2,211,121</b>	<b>\$ 2,213,978</b>

**STATEMENT OF NET POSITION***Fiscal Years Ending September 30*

<b>(000s)</b>	<b>Actual *</b> <b>2022</b>	<b>Reprojected</b> <b>2023</b>	<b>Budget</b> <b>2024</b>
Net Position (Equity)	\$ 1,401,915	\$ 1,418,599	\$ 1,454,961
Long-term Obligations			
Total Long-term Obligations Outstanding	525,945	492,385	457,490
Unamortized Premium (Discount)	27,566	25,420	23,273
Total Long-term Obligations	553,511	517,805	480,763
Asset Retirement Obligations	1,102	1,143	1,187
Price Risk Management Liabilities	303	303	303
Regulatory Liability - Deferred GASB 68 Pension Credit	31,923	31,923	31,923
Leases Payable	158	158	158
Other Noncurrent Liabilities	19,392	20,746	21,775
Total Noncurrent Liabilities	606,389	572,079	536,110
Current Liabilities			
Current Portion of Long-term Obligations	32,145	33,560	34,895
Accounts Payable			
Trade	21,930	21,930	22,488
Other Accounts Payable	6,767	6,725	7,448
Customer Deposits	5,151	5,235	5,303
Accruals			
Interest	3,819	3,611	3,387
Salaries and Wages	1,582	1,200	1,531
Payment In Lieu Of Taxes	1,642	1,266	1,459
Fuel Adjustments and Natural Gas Refunds	0	4,606	3,820
Purchased Power	2,220	3,212	4,589
Purchased Fuels	9,448	8,679	7,910
Current Portion of Sick and Vacation	10,845	10,845	10,845
Leases and Interest Payable	148	148	148
Other	3,104	3,094	2,755
Total Current Liabilities	98,800	104,113	106,577
<b>Total Net Position and Liabilities</b>	<b>2,107,104</b>	<b>2,094,790</b>	<b>2,097,648</b>
Deferred Inflows of Resources			
GASB 68 Expected Vs. Actual Experience	31,571	31,571	31,571
GASB 87 Leases	84,760	84,760	84,760
Total Deferred Inflows of Resources	116,331	116,331	116,331
<b>Total Net Position, Liabilities, and Deferred Inflows</b>	<b>\$ 2,223,435</b>	<b>\$ 2,211,121</b>	<b>\$ 2,213,978</b>

\* Includes GASB87 Lease Accounting Adjustments

# STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

*Fiscal Years Ending September 30*

(000s)	Actual * 2022	Reprojected 2023	Budget 2024
<b>Operating Revenue</b>	\$ 568,412	\$ 545,984	\$ 546,048
<b>Operating Expense</b>			
Production Fuel and Purchased Power	135,065	140,082	136,672
Natural Gas Purchased	105,324	94,093	79,537
Other Production	19,370	19,420	20,991
Distribution and Transmission	39,910	40,052	40,067
Bus and Garage Operations	6,959	7,183	7,835
Other Services	7,045	8,072	9,251
Customer Accounts	13,591	14,597	15,388
Administrative and General	37,421	49,097	46,572
Maintenance	59,564	57,247	57,141
Depreciation and Amortization	72,137	75,175	76,422
Payment In Lieu Of Taxes	17,798	17,570	16,591
Other Taxes	656	785	989
<b>Total Operating Expense</b>	514,841	523,371	507,455
<b>Operating Income (Loss)</b>	53,571	22,612	38,593
<b>Other Income (Expense)</b>			
Interest Income	7,535	6,260	6,653
Market Value Adjustment	(33,789)	0	0
Gain Or (Loss) On Investments	4,078	(858)	(1,200)
Interest Expense	(20,818)	(19,567)	(18,284)
Allowance For Funds Used During Construction	3,076	879	1,150
Operation Of Recreational Facilities	(308)	(394)	(417)
Long-Term Obligations Related Amortization	306	1,002	1,002
Transit Contributions In Aid of Construction	751	495	4,048
Miscellaneous Income (Expense)	4,149	6,254	4,816
<b>Total Other Income (Expense)</b>	(35,020)	(5,929)	(2,231)
<b>Change in Net Position (Equity)</b>	18,550	16,683	36,362
<b>Net Position (Equity) At Beginning Of Period</b>	1,383,365	1,401,915	1,418,599
<b>Net Position (Equity) At End Of Period</b>	\$ 1,401,915	\$ 1,418,599	\$ 1,454,961

\* Includes GASB87 Lease Accounting Adjustments

**STATEMENT OF OPERATIONS - ELECTRIC***Fiscal Years Ending September 30*

(000s)	Actual *	Reprojected	Budget
	2022	2023	2024
<b>Operating Revenue</b>			
Sales			
Customer	\$ 270,994	\$ 296,662	\$ 291,431
For Resale	34,758	26,605	27,484
Interdepartmental	3,315	3,732	3,610
Under (Over) Recovered Fuel Cost	16,188	(15,351)	1,221
Unbilled	(382)	2,089	708
Total Sales	324,874	313,737	324,454
Other Operating Revenue			
Other Electric Revenue	6,788	2,597	2,160
Rent	28	407	396
Lease Revenue	332	0	0
Sales Tax Discount	168	187	170
Sewer Billing Charges	689	696	698
Service Fees	432	462	470
Temporary Connection Fees	44	89	100
Late Payment Charges	3,018	3,198	3,214
Total Other Operating Revenue	11,499	7,638	7,207
<b>Total Operating Revenue</b>	336,373	321,375	331,661
<b>Operating Expense</b>			
Production Fuel and Purchased Power	135,065	140,082	136,672
Other Production	11,709	11,060	12,411
Distribution and Transmission	25,237	24,981	25,298
Customer Accounts	5,919	6,505	6,859
Administrative and General	20,202	27,722	26,449
Maintenance	44,720	42,037	40,812
Depreciation and Amortization	45,670	46,084	46,982
Payment In Lieu Of Taxes	9,689	9,927	9,784
<b>Total Operating Expense</b>	298,211	308,398	305,267
<b>Operating Income (Loss)</b>	\$ 38,162	\$ 12,976	\$ 26,394

\* Includes GASB87 Lease Accounting Adjustments

**STATEMENT OF OPERATIONS - NATURAL GAS***Fiscal Years Ending September 30*

<b>(000s)</b>	<b>Actual 2022</b>	<b>Reprojected 2023</b>	<b>Budget 2024</b>
<b>Operating Revenue</b>			
Sales			
Customer	\$ 139,757	\$ 131,254	\$ 107,877
Interdepartmental	32,639	17,644	16,027
Under (Over) Recovered Fuel Cost	(24,186)	(9,203)	(435)
Unbilled	601	(1,713)	76
Total Sales	148,811	137,982	123,545
Other Operating Revenue			
Sales Tax Discount	87	61	64
Sewer Billing Charges	488	490	492
Service Fees	228	247	245
Late Payment Charges	1,527	1,422	1,199
Total Other Operating Revenue	2,330	2,220	1,999
<b>Total Operating Revenue</b>	<b>151,141</b>	<b>140,202</b>	<b>125,545</b>
<b>Operating Expense</b>			
Natural Gas Purchased	105,324	94,093	79,537
Distribution and Transmission	9,738	9,654	9,406
Customer Accounts	3,895	4,166	4,271
Administrative and General	5,514	6,106	6,020
Maintenance	5,269	5,387	5,538
Depreciation and Amortization	7,897	7,924	8,260
Payment In Lieu Of Taxes	5,744	5,339	4,395
Other Taxes	6	14	14
<b>Total Operating Expense</b>	<b>143,387</b>	<b>132,683</b>	<b>117,442</b>
<b>Operating Income (Loss)</b>	<b>\$ 7,755</b>	<b>\$ 7,519</b>	<b>\$ 8,103</b>



**STATEMENT OF OPERATIONS - TRANSIT***Fiscal Years Ending September 30*

(000s)	Actual 2022	Reprojected 2023	Budget 2024
<b>Operating Revenue</b>			
Sales			
Passenger Fare	\$ 719	\$ 691	\$ 648
Advertising	169	169	170
Total Sales	888	860	818
Other Operating Revenue			
Rent	0	63	69
Total Other Operating Revenue	0	63	69
<b>Total Operating Revenue</b>	888	923	887
<b>Operating Expense</b>			
Bus and Garage Operation	6,959	7,183	7,835
Administrative and General	2,514	2,914	2,801
Maintenance	1,917	1,924	1,868
Depreciation and Amortization	2,170	2,217	2,171
Payment In Lieu Of Taxes	36	37	35
<b>Total Operating Expense</b>	13,595	14,275	14,711
<b>Operating Income (Loss)</b>	<b>\$ (12,707)</b>	<b>\$ (13,352)</b>	<b>\$ (13,824)</b>
Transit Subsidies	4,707	5,147	4,960
Net Amount Funded by			
Electric, Natural Gas, and Water Customers	\$ (8,000)	\$ (8,205)	\$ (8,864)
Transit Contributions in Aid of Construction	\$ 751	\$ 495	\$ 4,048

**STATEMENT OF OPERATIONS - SPRINGNET®***Fiscal Years Ending September 30*

<b>(000s)</b>	<b>Actual * 2022</b>	<b>Reprojected 2023</b>	<b>Budget 2024</b>
<b>Operating Revenue</b>			
Customer	\$ 18,312	\$ 22,948	\$ 24,568
Interdepartmental	1,210	1,275	1,275
<b>Total Operating Revenue</b>	<b>19,523</b>	<b>24,223</b>	<b>25,843</b>
<b>Operating Expense</b>			
Other Services	6,109	6,783	7,719
Customer Accounts	29	4	151
Administrative and General	2,727	3,939	3,342
Depreciation and Amortization	7,899	10,240	10,200
Other Taxes	649	770	975
<b>Total Operating Expense</b>	<b>17,414</b>	<b>21,737</b>	<b>22,386</b>
<b>Operating Income (Loss)</b>	<b>\$ 2,108</b>	<b>\$ 2,486</b>	<b>\$ 3,457</b>

\* Includes GASB87 Lease Accounting Adjustments

**STATEMENT OF OPERATIONS - TRUNKED RADIO***Fiscal Years Ending September 30*

<b>(000s)</b>	<b>Actual *</b>	<b>Reprojected</b>	<b>Budget</b>
	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Operating Revenue</b>			
Customer	\$ 800	\$ 944	\$ 1,046
Interdepartmental	1,409	1,503	1,503
<b>Total Operating Revenue</b>	<b>2,209</b>	<b>2,447</b>	<b>2,549</b>
<b>Operating Expense</b>			
Other Services	936	1,288	1,532
Administrative and General	274	512	605
Depreciation and Amortization	342	300	306
<b>Total Operating Expense</b>	<b>1,552</b>	<b>2,100</b>	<b>2,443</b>
<b>Operating Income (Loss)</b>	<b>\$ 657</b>	<b>\$ 347</b>	<b>\$ 106</b>

\* Includes GASB87 Lease Accounting Adjustments

**STATEMENT OF OPERATIONS - WATER***Fiscal Years Ending September 30*

<b>(000s)</b>	<b>Actual *</b>	<b>Reprojected</b>	<b>Budget</b>
	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Operating Revenue</b>			
Sales			
Customer	\$ 56,809	\$ 55,239	\$ 57,920
Interdepartmental	136	130	125
Unbilled	(105)	21	21
Total Sales	56,840	55,389	58,066
Other Operating Revenue			
Rent	12	33	52
Lease Revenue	26	0	0
Sales Tax Discount	36	37	43
Sewer Billing Charges	485	489	491
Service Fees	244	267	257
Late Payment Charges	636	598	654
Total Other Operating Revenue	1,438	1,424	1,498
<b>Total Operating Revenue</b>	<b>58,278</b>	<b>56,814</b>	<b>59,564</b>
<b>Operating Expense</b>			
Production	7,662	8,360	8,579
Distribution and Transmission	4,934	5,417	5,362
Customer Accounts	3,749	3,921	4,108
Administrative and General	6,189	7,905	7,355
Maintenance	7,658	7,900	8,922
Depreciation and Amortization	8,160	8,409	8,503
Payment In Lieu Of Taxes	2,330	2,267	2,377
<b>Total Operating Expense</b>	<b>40,682</b>	<b>44,179</b>	<b>45,206</b>
<b>Operating Income (Loss)</b>	<b>\$ 17,596</b>	<b>\$ 12,635</b>	<b>\$ 14,358</b>

\* Includes GASB87 Lease Accounting Adjustments

**STATEMENT OF CASH FLOWS***Fiscal Years Ending September 30*

(000s)

**Reconciliation of Net Operating Income to****Net Cash Provided by Operating Activities**

Net Operating Income (Loss)

Adj to Reconcile Net Opr Inc to Net Cash Provided by Opr Activities

Depreciation expense and amortization

Auto depreciation included in vehicle expense

Miscellaneous Income (Expense)

Operation of Recreational Facilities

Change in Assets and Liabilities

Accounts Receivable

Unbilled Revenues

Price Risk Management Assets

Recoverable Fuel Costs

Inventories

Prepayments

Other Noncurrent Assets

Accounts Payable

Customer Deposits

Accrued Liabilities

Other Noncurrent Liabilities

**Net Cash Provided From (Used for) Operating Activities****Cash Flows from Noncapital Financing Activities**

Receipts from Federal and State Grants

**Cash Flows from Capital Financing Activities**

Change in GASB87 Leases

Proceeds from issuance of capital obligations

Transfer of financing proceeds to Construction Funds

Debt Issuance Costs

Transfer of financing proceeds from Construction Funds

Capital Grants and Contributions

Additions to Utility Plant, net of removal

Repayment of LT Capital Obligation

Interest Paid

**Net Cash Provided from (Used for) Capital Financing Activities****Cash Flows from Investing Activities**

Sale and maturities of investment securities

Purchase of investment securities

Interest Received

Equity interest in The Energy Authority

Equity interest in TEA Solutions

Equity interest in Partnership Industrial Centers

Distribution from Partnership Industrial Centers

**Net Cash Provided from (Used for) Investing Activities**

Net Increase (Decrease) in Cash and Equivalents

**Cash and Cash Equivalents at Beginning of Period****Cash and Cash Equivalents at End of Period**

	Actual 2022	Reprojected 2023	Budget 2024
\$ 53,571	\$ 22,612	\$ 38,593	
72,137	75,175	76,422	
2,326	2,234	2,234	
(142)	1,107	(144)	
(308)	(394)	(417)	
(9,381)	7,356	(2,562)	
(114)	(397)	(805)	
(1,867)	0	0	
8,498	24,554	(786)	
(12,677)	1,493	393	
(322)	0	0	
3,078	(1,145)	(2,577)	
(6,053)	(42)	1,281	
42	84	68	
656	(543)	791	
(0)	1,354	1,029	
109,443	133,449	113,520	
4,236	5,147	4,960	
1,720	0	0	
128,966	0	0	
(38,018)	0	0	
(948)	0	0	
38,018	0	0	
3,163	3,083	13,691	
(121,118)	(87,118)	(99,417)	
(120,610)	(32,145)	(33,560)	
(20,132)	(19,775)	(18,509)	
(128,959)	(135,955)	(137,794)	
71,260	0	14,879	
(85,117)	(91)	0	
5,068	6,260	6,653	
(367)	(388)	(1,514)	
(118)	0	0	
(12)	(237)	(205)	
0	223	0	
(9,287)	5,767	19,813	
(24,566)	8,408	500	
51,658	27,092	35,500	
\$ 27,092	\$ 35,500	\$ 36,000	

**ALL FUNDS SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS***Fiscal Years Ending September 30*

<b>(000s)</b>	<b>Actual 2022</b>	<b>Reprojected 2023</b>	<b>Budget 2024</b>
<b>Receipts</b>			
Total Revenues and Other Billings	\$ 639,261	\$ 636,288	\$ 623,226
Natural Gas Hedging Receipts	0	10,000	10,000
Total Revenues and Other Receipts	639,261	646,288	633,226
Receivable and Other Balance Sheet Accounts			
Change In Accounts Receivable	(19,603)	5,276	(4,711)
Business Volatility and Fuels Contingency	0	53,144	55,000
Total Receipts	619,657	704,708	683,516
<b>Disbursements</b>			
Non-capital and Capital Project Expenditures	436,542	422,104	437,258
Fuels and Purchased Power	222,540	222,568	207,862
Total Project Expenditures	659,082	644,672	645,120
Business Volatility and Fuels Contingency	0	53,144	55,000
Change In Payables Balances	5,367	(1,606)	(2,226)
Total Disbursements	664,449	696,210	697,894
<b>Receipts Net Of Disbursements</b>	(44,792)	8,499	(14,379)
Beginning Balance All Funds	287,336	242,544	251,043
<b>Ending Balance All Funds</b>	<b>\$ 242,544</b>	<b>\$ 251,043</b>	<b>\$ 236,664</b>

**SUMMARY OF FUND BALANCES***Fiscal Years Ending September 30*

<b>(000s)</b>	<b>Actual 2022</b>	<b>Reprojected 2023</b>	<b>Budget 2024</b>
Cash and Short-term Investments	\$ 76,690	\$ 35,500	\$ 36,000
Market Value Adjustment	(29,623)	(29,623)	(29,623)
Working Capital - Other	25,402	80,174	61,709
Funds For Bonded Indebtedness	6,422	6,422	6,422
Designated Improvement Account			
Reserves and Current Funding Requirements			
Disaster Recovery Fund	27,071	30,372	31,435
Contingency Fund	20,927	29,829	30,873
Pollution Reserve Fund	36,520	37,020	37,020
Fuel Over Recovery	4,445	1,942	721
Trunked Radio System Capital Reserve	1,000	1,000	1,000
Trunked Radio Operations and Maintenance Reserve	75	75	75
Capital Reserves - Electric	31,454	20,454	23,084
Capital Reserves - Natural Gas	663	663	663
Capital Reserves - SpringNet®	5,618	1,261	1,261
Capital Reserves - Water	3,166	3,241	3,311
Capital Reserves - Common	32,714	32,714	32,714
Total Designated Improvement Account	163,653	158,570	162,156
<b>Total Fund Balances</b>	<b>\$ 242,544</b>	<b>\$ 251,043</b>	<b>\$ 236,664</b>

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