



WHERE COMMUNITY AND SPIRIT MEET®

WORK SESSION MINUTES

A work session of the Kirkwood City Council was held on July 18, 2024, at 5:00 p.m. at Kirkwood City Hall, 139 S. Kirkwood Road, Kirkwood, Missouri. Present Mayor Gibbons, Council Members Jaksetic, Luetzow, McLean, Rheinnecker, Schaefer, and Zimmer. Also in attendance were Chief Administrative Officer Russell Hawes, Assistant Chief Administrative Officer David Weidler, City Clerk Laurie Asche, and Director of Electric Mark Petty.

APPROVAL OF THE JULY 11, 2024 WORK SESSION MINUTES

Motion was made by Council Member Zimmer and seconded by Council Member Jaksetic to continue approval of the July 11, 2024 Work Session minutes to August 1, 2024. A discussion took place. The motion to continue the minutes to the August 1, 2024 work session agenda was unanimously approved.

MSD/SUGAR CREEK STORMWATER MITIGATION

Bret Berthold, MSD Executive Director, was present to discuss this topic with the Council. Some of the discussion is as follows:

- City of Kirkwood is in 3 OMCI Taxing Districts: Deer Creek (Northeast), Gravois Creek (Southeast), and Sugar Creek (West).
- MSD is requesting that municipalities with at least one OMCI taxing district to consider whether they support continuation of the property tax at one-quarter of the current rate.
- The question before Council is if they support leaving the OMCI property-tax in place, at some level, whether it be through all three water sheds, or only one or two.
- If the OMCI property-tax were to continue at the one-quarter of the current rate, the City of Kirkwood be eligible to receive up to an additional \$169,000 per year in grant funds.
- The City of Kirkwood is also eligible to receive \$300,000 per year in Prop S funds, which would be in the form of a municipal grant, and would be fund that could be used anywhere in the City of Kirkwood.
- OMCI property-tax grant funds can only be used within the specific water shed.
- Prop S funds can be accumulated from year to year, and the City can pool money with the City of Des Peres
- If the Council wishes to support the continuing OMCI taxing districts, a letter of support would need to be submitted to MSD by no later than mid-September
- A recommendation needs to be made by MSD to the MSD Rate Commission by October.

Some of the discussion that took place is as follows:

- Question was raised regarding what the OMCI property-tax at one-quarter of the current rate would cost a homeowner. It is based on the assessed value of the home.
- Confirmation was sought regarding if for the OMCI grant funds, funds would be collected by MSD and the municipality would then come to MSD with a proposed project, and if MSD approves of the project they would reimburse the municipality for the project. Yes.



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- Question was raised regarding if the OMCI grant funds generated in the Kirkwood's taxing districts could go to other municipalities. No, the funds stay within the City of Kirkwood.
- Non-residential will start receiving a non-impervious fee in the OMCI taxing districts.
- Kirkwood has been accumulating OMCI grant funds since 2020 and currently has approximately \$800,000, in which \$200,000 of those funds are being used to develop a Storm Water Master Plan.
- It was requested that MSD to provide a list of proposed projects that MSD is reviewing.
- Question was raised regarding if the City could support continuing only 1 or 2 OMCI taxing districts, and not all 3? The answer is yes.
- Question was raised regarding how many years the Prop S funds be accumulated. Approximately 2-3 years.
- Question was raised regarding if Prop S grant money is restricted to the districts. No, Prop S grant money can be used in any district. OMCI grant funds would have to be spent in the specific watershed districts.
- MSD will send municipalities the status of their OMCI grant funds.

This topic will be placed on a future Work Session agenda.

ELECTRIC BUDGET PLANNING DISCUSSION

Director of Electric Mark Petty and Kyle Haemig with GDS Associates were in attendance to present information on Kirkwood Electric's Power Supply. Some of the discussion is as follows:

- Kirkwood runs and owns its electric distribution system.
- The largest expense the Electric Department has is purchase power.
- The City of Kirkwood has true independence by having a City Council being the rate making authority with no State oversight, which allows Kirkwood greater control than most municipalities.
- Ameren owns Kirkwood's transmission, MISO operates Ameren's transmission, and Kirkwood has many power suppliers. There is no current power supply contract with Ameren.
- The Federal Energy Regulatory Commission regulates MISO. Wholesale markets are federal markets.
- Kirkwood deals directly with the MISO grid, has MISO obligations, and pays MISO bills.
- Kirkwood buys its power from Prairie State Energy Campus, with a contract through the year 2042; and anticipated to start buying power from Grain Belt somewhere between the years 2027-2030.
- Power is not priced on a daily basis. It is priced more by of an hour-by-hour or minute-by-minute basis.
- Fundamentally, you cannot store power at the whole sale level.

Some of the discussion from Council is as follows:

- Question was raised regarding if the City of Kirkwood could generate its electricity. Building a facility in this area is difficult due to current air emission standards. The City would need to get MISO approval.



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- Planning for an unstable market until sales grow and contingency planning was recommended.
- Question was raised regarding if there has been consideration given to lowering the rates for certain hours of the day. Time of Use Rates encourage usage when there are lower system needs, which encourages less use during peak hours and more use outside of peak hours.
- Question was raised regarding what the value of Kirkwood's electric system is. Worth approximately \$27 million.
- Question was raised regarding if the \$5.5 million in cash reserves is enough. One year's worth of operating revenues is recommended for reserves.

There being no further matters to come before the council, the meeting was adjourned.

Laurie Asche
City Clerk