

Where 'Liberty' flows  
Public Service Commission  
approves Liberty purchase  
By Jill Way  
[jillw@bolivarmonews.com](mailto:jillw@bolivarmonews.com)

Tracy now works for Liberty Utilities

This week, the City of Bolivar and Liberty Utilities got an official nod of approval from the Missouri Public Service Commission for a sale years in the making.

According to a PSC news release, the commission approved an agreement on Wednesday, Dec. 8, to grant Liberty Utilities "certificates of convenience and necessity to install, own, acquire, operate and maintain" the City of Bolivar's water and sewer systems.

Following prior voter approval, the commission's authorization includes the transfer of the systems from Bolivar to Liberty, the release stated.

The sale of the systems, which includes all property and equipment, from the city to Liberty Utilities comes with a \$23.5 million price tag, per previous coverage.

Under the agreement approved by the PSC, Liberty will adopt Bolivar's existing rates for all of Bolivar's customers, the release stated.

"The commission approved the agreement determining the asset transfer is not detrimental to the public interest and that approval of the Liberty CCN application is 'necessary or convenient for the public service,'" the release stated.

According to the release, Liberty serves around 7,636 water customers and 638 sewer customers in Missouri. Bolivar currently provides service to around 4,690 water connections and 4,786 sewer connections.

Mike Beatty, Liberty Central Region vice president, said the organization is thrilled the commission granted the request.

"We appreciate the work of the City of Bolivar during this process, the trust that Bolivar voters put in Liberty when they approved the purchase in June 2020, and the community's patience as we worked through the important and required regulatory process," Beatty said.

Bolivar city administrator Tracy Slagle also said the city appreciated the voter turnout in June 2020, which "gave the board of aldermen guidance to move forward with this transfer of ownership."

Slagle said it's been a long process to get to this point.

"Many hours of work have gone into preparing for the transition," she said. "We appreciate all the hard work that has been done by our staff to gather the information needed to create a smooth transition. Our city employees who will be relocating to Liberty have been extremely patient while waiting on approval of the sale from the Public Service Commission."

Bolivar mayor Chris Warwick also thanked city staff as the three-year project "is finally coming to fruition."

"The board of aldermen, city administrator Tracy Slagle, department heads — finance director Natalie Scrivner, city clerk Paula Henderson, police chief Mark Webb, public works director Jerry Hamby, fire chief Brent Watkins — all have helped to make this project possible," Warwick said. Slagle said the city has worked closely with Liberty through the transition.

“Liberty has maintained bi-weekly calls with the city throughout the process, and I know every effort is being made for this to be as seamless of a transition as possible to our water and sewer customers.”

Liberty, which acquired the Empire District Electric Company in 2017, isn't new to the community, with Beatty noting the company has “had the honor of serving Bolivar for many years as the electric provider.”

“We're excited to grow the Liberty team, tackle the challenges that have impacted Bolivar's water and wastewater systems, and provide safe, quality water to the Bolivar community in the years ahead,” he said.

### **What led to the sale?**

The first step in the new partnership between the city and the utility provider came around a year and a half ago when Bolivar voters approved the sale and transfer and authorized a franchise agreement in a June 2, 2020, election.

Per previous coverage, 62% of voters said yes to the ballot measure with 743 of 1,215 people voting in favor of Question 1, which asked voters to approve the \$23.5 million sale, and 741 approving Question 2, which asked voters to approve the city's franchise agreement with Liberty for up to 20 years.

Bolivar's board of aldermen voted to approve the contract with Liberty Utilities and sign the asset purchase agreement following a closed special session in November 2019.

The privatization of Bolivar's water and wastewater comes after a decade of battling Environmental Protection Agency regulations and continued sewer and water rate increases.

Compliance with EPA water quality standards and wasteload allocation set for Bolivar's Town Branch and Piper Creek have been a struggle for the city since Piper Creek, near the city's wastewater treatment plant at Rt. D and Mo. 32, was placed on the Missouri Clean Water Commission's 303(d) list of impaired waterways in 1998, per previous coverage.

To address EPA standards as part of a lawsuit the city filed against the agency in 2016, the board unanimously approved a variance in August 2019, detailing the city's proposed plans and timelines — as well as subsequent rate increases.

The Missouri Clean Water Commission reviewed and accepted the variance in 2020, per previous coverage. The city was due to implement the variance in 2020 after the end of a two-year court-ordered stay on litigation.

If the system stayed with the City of Bolivar, rates would increase by at least 38% over the next 18 years as the city moved through the steps of the variance, Slagle previously said.

However, Beatty previously told city leaders in a March 2020 board of aldermen meeting rates would increase by only half that amount over time with the utility company. He said rate increases were not projected to begin until 2024.

He said there are several reasons Liberty plans to put off a rate increase.

“We need to evaluate the cost of compliance,” he said. “We need to make our prudent investments in the system first then request reimbursement through rates from the Missouri Public Service Commission.”

He said those investments would include improvements to the system.

### **What's next?**

Now that the Public Service Commission has approved the transition, the provider can complete the purchase and begin to operate Bolivar's systems, according to Kelli Price with Liberty Utilities.

“Our next steps are to implement tariffs for this new service area and to close on the purchase with the City of Bolivar, which we anticipate happening early in 2022,” Price said.

Price said tariffs are a detailed accounting of the services Liberty delivers, the rates for those services and the policies to which the provider will adhere.