

**REGULAR SESSION –WEDNESDAY, MARCH 16, 2022**

STATE OF KANSAS        )  
  ) SS  
CITY OF KANSAS CITY )

The Board of Public Utilities of Kansas City, Kansas (aka BPU, We, Us, Our) met in Regular Session on Wednesday, March 16, 2022 at 6:00 P.M. The following Board Members were present: Mary Gonzales, President; Rose Mulvany Henry, Vice President; Thomas Groneman, Secretary; Robert L. Milan, Jeff Bryant, and David Haley.

Also present: William Johnson, General Manager; Angela Lawson, Deputy Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Johnetta Hinson, Executive Director Customer Service; Jeremy Ash, Executive Director Electric Operations; Jerin Purtee, Executive Director Electric Supply; Steve Green, Executive Director Water Operations; Dong Quach, Executive Director Electric Production; Maurice Moss, Executive Director Corporate Compliance; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Phillip Brown, Senior Civil Engineer; Becky Aldinger, Director Purchasing/Supply Chain; Robert Kamp, IT Project Manager; Dennis Dumovich, Director Human Resources; and, Patrice Townsend, Director Utility Services.

A tape of this meeting is on file at the Board of Public Utilities.

Ms. Gonzales called the Board meeting to order at 6:02 P.M. She welcomed all that were listening to or viewing the meeting. She stated that the Board felt it was necessary to offer the use of technology for staff as well as for the general public. Members of the community who wished to speak to the Board during the public comment session must be logged in to the Zoom meeting through the internet using their browser or the Zoom application. Those wishing to offer comments during the public comments section could click on the raised hand feature at the bottom of the application or window or press Star 9 if connected by phone only. During the public comment section of the agenda, community members would be asked to provide their name and address and had five minutes to speak. As always, the public could also email or call the BPU with any concerns. The agenda and presentations could be found on the BPU website or if they were using Zoom they would appear on their screen. Ms. Gonzales introduced herself and the other Board Members along with the General Manager, and Legal Counsel.

Roll call was taken and all Board Members were present.

**Item #3 – Approval of Agenda**

A motion was made to approve the Agenda by Mr. Bryant, seconded by Mr. Milan, and unanimously carried.

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**Item #4 – Approval of Work Session Minutes of March 2, 2022**

A motion was made to approve the minutes of the Work Session of March 2, 2022, by Mr. Groneman, seconded by Mr. Bryant, and unanimously carried.

**Item #5 – Approval of Regular Session Minutes of March 2, 2022**

A motion was made to approve the minutes of the Regular Session of March 2, 2022, by Mr. Bryant, seconded by Mr. Milan, and unanimously carried.

**Item #6 – Public Comments**

Mr. William Johnson, General Manager, asked Mr. Robert Kamp, IT Project Manager, if there were any visitors wishing to speak.

Mr. Kamp said that no one had their hand raised via teleconference.

**Item #7 – General Manager / Staff Reports**

- i. *Inventory Management:* Becky Aldinger, Director Purchasing/Supply Chain, gave a PowerPoint presentation to update the Board on BPU’s Supply Chain/Inventory Operations for both electric and water. She also touched on some of the challenges they now experienced due to the circumstances of the past few years. COVID as well as the Texas winter storm had affected the manufacturing capacity. (See attached.)

Ms. Aldinger responded to questions and comments from the Board.

- ii. *Revised EPA Lead & Copper Rule:* Mr. Phillip Brown, Senior Civil Engineer, gave a PowerPoint presentation to provide information to the Board on the Environmental Protection Agency’s (EPA) revised rule for lead and copper in water lines. His presentation included outlining the area which were the responsibility of BPU and the areas that the homeowner were responsible for. (See attached.)

Mr. Brown and Mr. Steve Green, Executive Director Water Operations, answered questions from the Board.

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Mr. Johnson asked Mr. Jeremy Ash, Executive Director Electric Operations, to speak about security at the pole yard. The updates included, lighting and additional cameras and more detailed video and use of monitoring technology.

Mr. Dennis Dumovich, Director Human Resources, included information on access security updates that had been made at the various facilities.

- iii. *Board Compensation:* Mr. Haley addressed the topic of Board compensation and his assertion that the Board is currently under-compensated.

Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, reported that the Board had an increase in 2004. At that time, Board compensation went from \$250 to \$950/month.

Ms. Gonzales reported that the WaterOne Board was compensated \$700/month. The Chair receives an additional \$100. They have access to a health plan but the Board member paid the premium. BPU Board members do not incur a cost for health insurance and they also received a computer as well as tech support. It was her opinion that those things were part of Board compensation.

There was discussion about what the UG Commissioners were paid as well as what fringe benefits they had access to.

Mr. Milan added that an increase was a yes or no question, and his opinion was that if discussion moved forward, no more than a \$250 increase should be entertained.

Ms. Mulvany Henry echoed Mr. Bryant’s comments from the previous meeting, where he stated the importance of having people run for office to serve. She did not consider it a job.

Mr. Bryant spoke about the previous increase and that it was a 300 % increase. He said that making Board compensation more lucrative could perhaps make holding a Board position more appealing to those who were not looking to move the utility forward. He did not support the increase.

Mr. Groneman said that he felt that the Board was adequately compensated. He would not support an increase.

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Mr. Haley stated that he appreciated the input from his fellow Board members and added that he also is in a public service role as a member of the Legislature however, periodically everything changed in terms of the value ascribed to their services. Salaries were reviewed every year for staff members of the utility and renegotiated in good faith. Appreciation was shown by way of compensation for the jobs that people did. He appreciated volunteerism as it was a part of his life, but after 18 years, he felt, there should be a measured consideration for an increase over that period of time. He understood the appetite of the other Board members, but Board compensation was something he would take into consideration when looking at other requested increases during the annual budget review if Board members were not as equitably in line with their own compensation.

Mr. Bryant remarked that when staff compensation is addressed during the budget, staff is looked at completely different from members of the Board. Board members choose to run for office to support the community. The jobs done by BPU staff supports their families.

- iv. *Miscellaneous Comments:* Mr. Johnson reminded the Board that the APPA and AWWA National Conferences were coming up and to let staff know if they wished to attend.

Also, he said to let staff know if they wished to attend the KCK Chamber Expo.

**Item #8 – Board Comments**

Mr. Groneman thanked everyone for the informative presentations. He also thanked Mr. Haley for bringing up the topic of board compensation.

Mr. Milan said that he appreciated the presentations and reminded the Board that they needed to recognize the work they did on the cold weather topic. That they needed to encourage customers to use the provisions available to keep their utilities on and be positive. In regards to the medical device topic, customers needed to inform BPU of their devices so they could be included in the policy/procedure discussion. He appreciated Board discussion and at the end of the day, it came down to a yes or a no.

Mr. Haley thanked his fellow Board members and staff for the excellent presentations and discussions. He welcomed the transparency the audio visual would add and looked forward to moving towards that. He mentioned that Bill 476, which would cap the amount of fee/charges that could be included in the utility bill for a customer at 15%, would get a

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hearing. He said he was withdrawing Bill 477, which would look at how our policies stacked up with the Kansas Corporation Commission (KCC) and others. He felt that an excellent job was being undertaken on those efforts. He would continue to share his thoughts on Board compensation on how they should have some incremental increase for their public service. While not encouraging people to not wholeheartedly rely on income from public service, he felt people with families and other commitments should not be deterred from giving their time, energies, and skills without realizing they had some base compensation.

Mr. Bryant thanked Ms. Aldinger and Mr. Brown for their presentations of the evening, it was good to see new faces. Also in regards to the Audio/Visual topic he was not making a motion, but asked the Board to give direction, by a vote, to the staff, to pursue the purchase of audio/visual equipment for the recording of Board meetings.

A straw poll was taken:

Mr. Haley – yes

Mr. Groneman – yes

Mr. Milan – no

Mr. Bryant – yes

Ms. Gonzales – yes

Ms. Mulvany Henry – yes

Ms. Mulvany Henry echoed the other Board member comments about the evening's presentations. She appreciated Mr. Sullivan and Mr. Laverack getting back with the Board to and getting them to the point they were at. She said that she saw Mr. Brown's comments about team, as a testament to Mr. Green's leadership.

Ms. Gonzales echoed what Ms. Mulvany Henry said about the team effort/ teamwork. She appreciated the information provided on the audio-visual topic. It helped her see the importance of signing up in advance. She thanked staff for the update on security and inventory.

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Mr. Milan requested to attend the AWWA National Conference, June 12-15, 2022.

A motion was made to approve Mr. Milan’s attendance to the conference by Ms. Gonzales, seconded by Mr. Bryant, and carried unanimously.

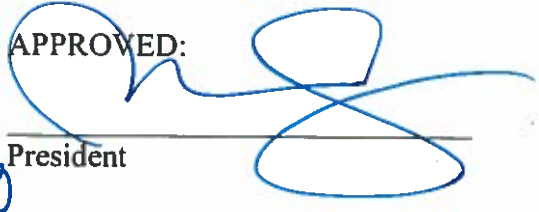
**Item #9 – Adjourn**

A motion was made to adjourn the Regular Session at 7:32 P.M. by Mr. Bryant, seconded by Mr. Milan, and unanimously carried.

ATTEST:

  
Secretary

APPROVED:

  
Acting President

# Supply Chain/Inventory Update

March 16, 2022



# Supply Chain/Inventory Update

Bio - Becky Aldinger

Iowa native

Iowa State University graduate with a BS in Civil Engineering

University of Kansas (KU) graduate with Master's in Business Administration (MBA)

25 years of procurement/supply chain experience

Career

Started career at Westar/Evergy designing gas mains. Several additional roles at Westar/Evergy as Director of Supply Chain Management and Director of Power Plant Performance.

Worked for Protection One (now owned by ADT) - a nationwide security company as Purchasing Manager  
Procurement Manager at Kiewit - a large construction company. At Kiewit, procured engineering equipment for large power jobs, supported their power delivery group - purchases for transmission line and substation projects and managed their shared services group supporting low-risk contracts for professional and other service type work.

Joined BPU in March, 2021 - Director, Purchasing and Supply Chain



# Supply Chain/Inventory Update

- Overview of Supply Chain/Inventory Operations
  - Provide support to BPU’s engineering, construction and operations teams for both electric and water
  - Manage approximately \$20 million inventory and annual spend to support all storeroom operations for BPU.
    - Stores and Inventory team
      - Led by Yolanda Trummel





# Supply Chain/Inventory Update

	Nearman Power	Muncie Water	Electric Service Center
Clerks	Darcy Andrews	Patricia Sambol	Pam Stark
Warehouse	Soua Hermoua William Stephen	Marcie Huckaby Steve Hartegan	Katie Burke (Lead) Zach Crosthwait Troy Brown Tylisha Smith
Pole Yard			James Farr
Wireroom			Anthony Villegas
Truck Driver		Dave Randall	Jessica Rollo Kim McKinney

# What Does BPU Manage for Inventory?

## Electric - Transmission and Distribution

- Pole line hardware
- Substation equipment
- Street lights and equipment
- Transformers
- Wire and cable
- Poles



# What Does BPU Manage for Inventory?

- Electric - Generation
  - Maintenance, repair & operations (MRO) materials
  - Control and instrumentation materials
  - Boiler materials
  - Industrial electrical components - fuses, bearings, etc.
  - Valves, fittings



# What Does BPU Manage for Inventory?

- Water Operations
  - Maintenance, repair & operations (MRO) materials
  - Pipe
  - Valves
  - Water Hydrants
  - Fittings, etc.



# Inventory Information

- How much Inventory?
  - Electric Operations: \$6.4 million
  - Electric Production: \$11.0 million
  - Water Production/Operations: \$2.6 million
    - Total Inventory Valuation: \$20 million

# Inventory Information

## Inventory Items

- 20,600 unique items



# 2021 Obsolete Inventory

Inventory write-off completed in 2021:

- Electric Ops: 44 items, quantity - 1,550
- Muncie: 57 items, quantity - 4,000
- Nearman Power: 1,050 items, quantity - 27,000



# Current Supply Chain Challenges

## General

- Longer lead times
- Multiple shipments
- Pricing negotiations

## Actions

- Working to minimize disruptions (stock outs) for BPU
  - Evaluating all items as ordered with updated lead times, updating Reorder Points/Reorder Quantities as needed
  - Reviewing items flagged as “No Substitutes”
  - Alternate suppliers

# Opportunities

1. Increase Inventory Visibility
2. Improve Cycle Count Process
3. Streamline Reorder Point/Reorder Quantity Process
4. Evaluate opportunities for Vendor Managed Inventory/Consignment

# Questions?





# Lead & copper Rule (LCR)

KCBPU

# Talking Points

- Lead and Copper Rule (LCR) Overview
- Cost and Mitigation of Cost
- Phase 1
  - Service Line Inventory Instructions
- Phase 2 tentatively scheduled 2023-2024
  - Sampling

# Lead and Copper Rule Overview

- The Lead and copper rule was originally published in 1991
- Lead and Copper Rule Revisions (LCRR) published in the **Federal Register** on January 15, 2021.
- The Revised LCR effective Date Delayed by Biden administration for additional review is Dec. 16, 2021 [Link to Document](#)
- Oct. 16, 2024 the initial compliance date in the Lead and Copper Rule
- On Dec. 16<sup>th</sup>, 2021 Executive Order 13990, The EPA concluded that there are significant opportunities to improve the rule by compliance date.

# LCRR Highlights

- Must identify all portions of the service line from the main to customers house
- KDHE planning on including "Galvanized Requiring Replacement" must be downstream of a lead service pigtail and "Unknowns" as LSL
- LSL inventory will need to be made available to all customers on the Utility's Website
- Must notify customers annually for if their service line is listed as LS, "Galvanized Requiring Replacement" or Unknown
- BPU is responsible for providing customers with water pitchers and filters if service LSL is disturbed or replaced

- Tier 1 Sites - Single family that are served by a lead service line
- Tier 2 Sites - Multifamily that are served by a lead service line
- Tier 3 Sites - Galvanized service lines identified as being downstream of a lead service line currently or in the past
- Tier 4 Sites - Single Family with copper interior plumbing with lead solder
- Tier 5 Sites - Sites that are representative of sites throughout the distribution system.



# Lead Service Line Replacement Plan

- Average annual rate of at least 3% calculated on a two-year rolling basis
  - Only full lead service line replacement (LSLR) count
  - If the material is unknown it is treated as a lead service line
- Following each LSLR BPU must:
- Provide filters/cartridges for each customer for 6 months
  - Collect a tap sample withing 3 to 6 months after replacement
- Average cost of a service line replacement is over \$5,000.
  - If we had 15,000 at \$5k each that is an estimated annual cost of \$2.25 Million Dollars each year

# Estimated Inventory Cost

- BPU Staffing cost estimate \$172,961.33
- Hydroexcavation \$1,000,000
- Machine Learning \$250,000
- Total \$1,422,961.31



Well

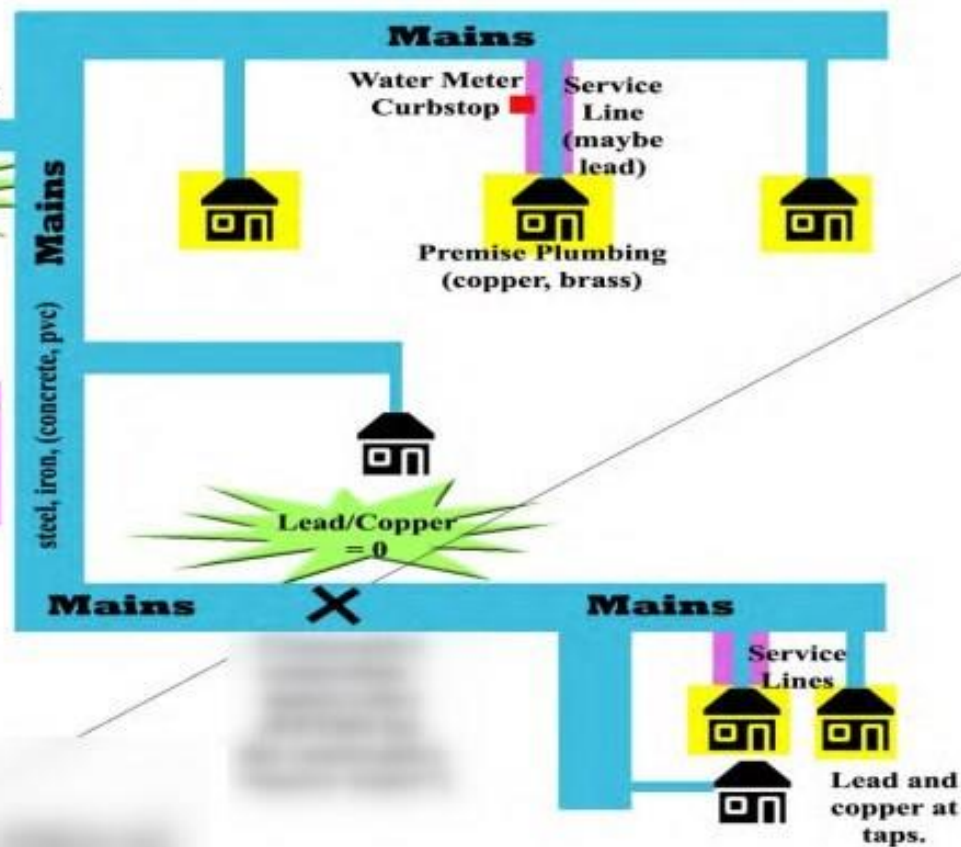


Treatment Plant  
Taps at sinks, etc.

EPTDS  
Source "Water")

Lead/Copper = 0

## Where Does Lead & Copper Get Into Drinking Water?

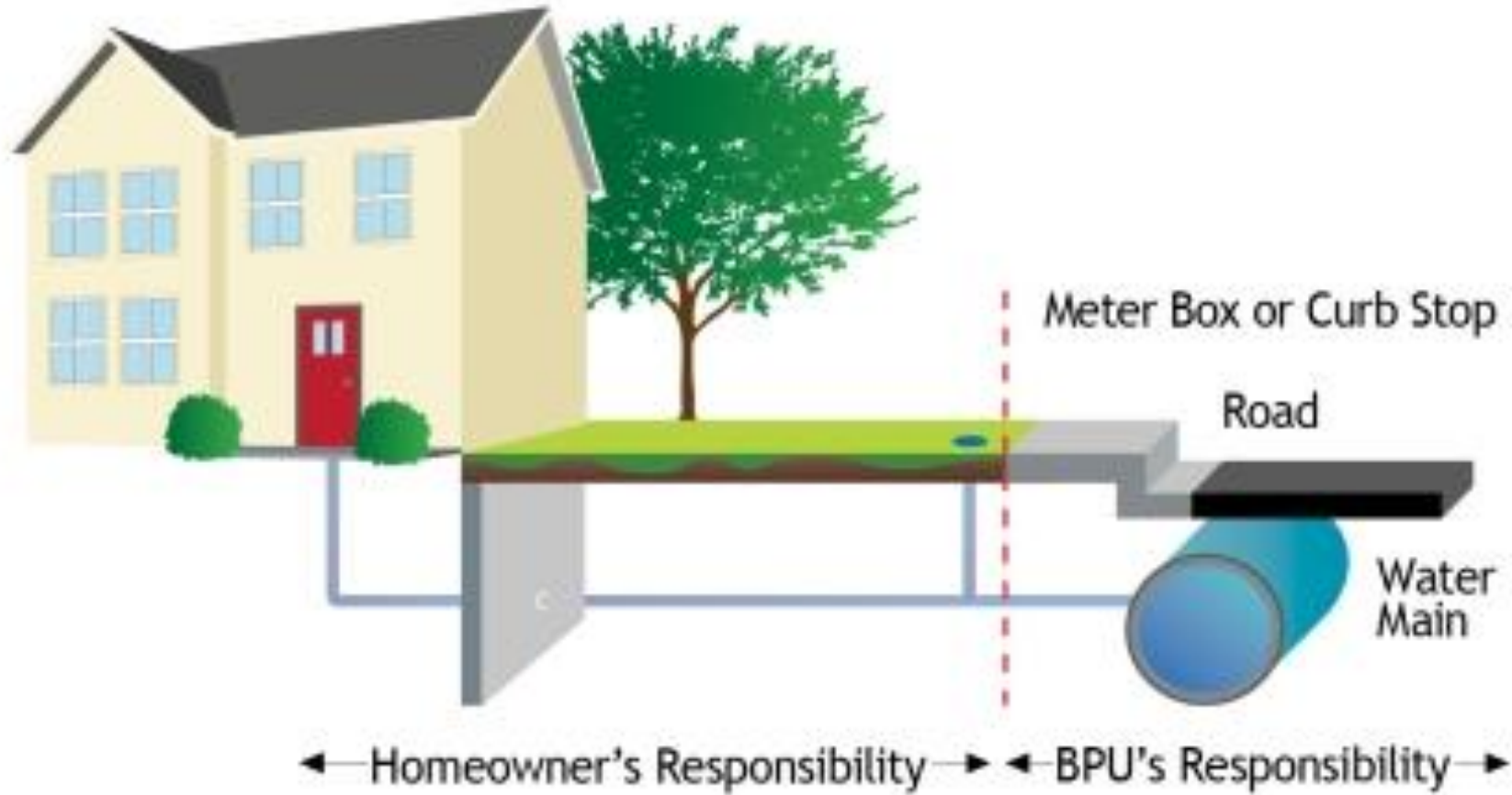


EPTDS: Entry Point to Distribution System

### Lead and Copper Sampling:

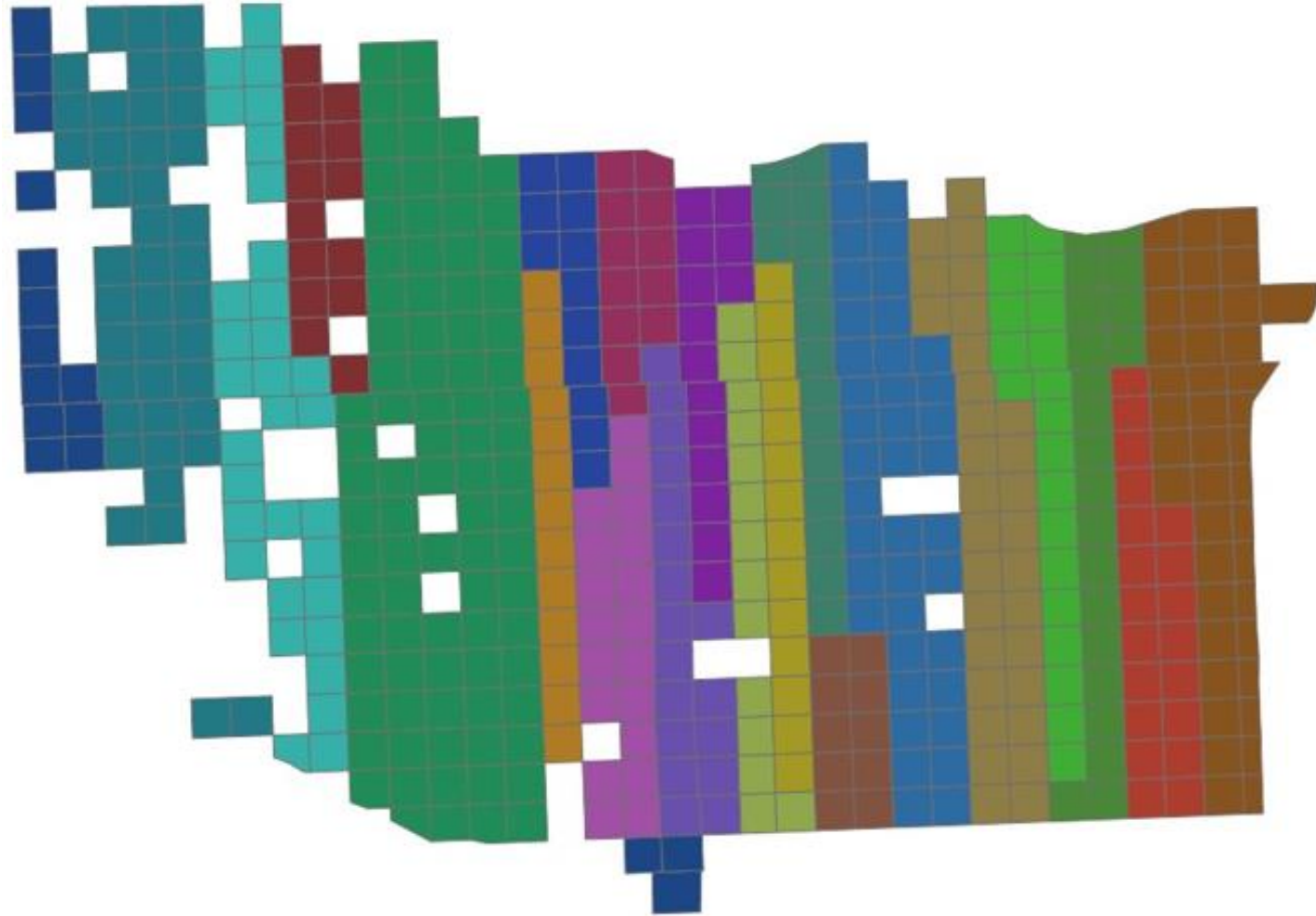
- Source (flush before sample)
- Taps (do not flush before sample)

# BPU Responsibility and Customer's Responsibility



# Service Inventory Methodology

# Map Assignments



# How work is Split up

- Clerks are about 20 per day (5 clerks)
- Dispatcher, Engineers, Supervisors are about 5 a day (15 people)
- Executive Officer and Directors are about 2 a day
- 181 reviews per day

# Map Overview

**Lead And Copper**  
Service Inventory Map

Search...

Home Tools

Open Save Save as Print Home Initial View Full Extent Bookmarks Previous Extent Next Extent Identify Print Share

Global Tasks Navigation Find Data Tasks

Home

I want to...

Tools

## Revisions to the Lead and Copper Rule

EPA's new Lead and Copper Rule better protects children and communities from the risks of lead exposure by better protecting children at schools and child care facilities, getting the lead out of our nation's drinking water, and empowering communities through information. Improvements under the new rule include:

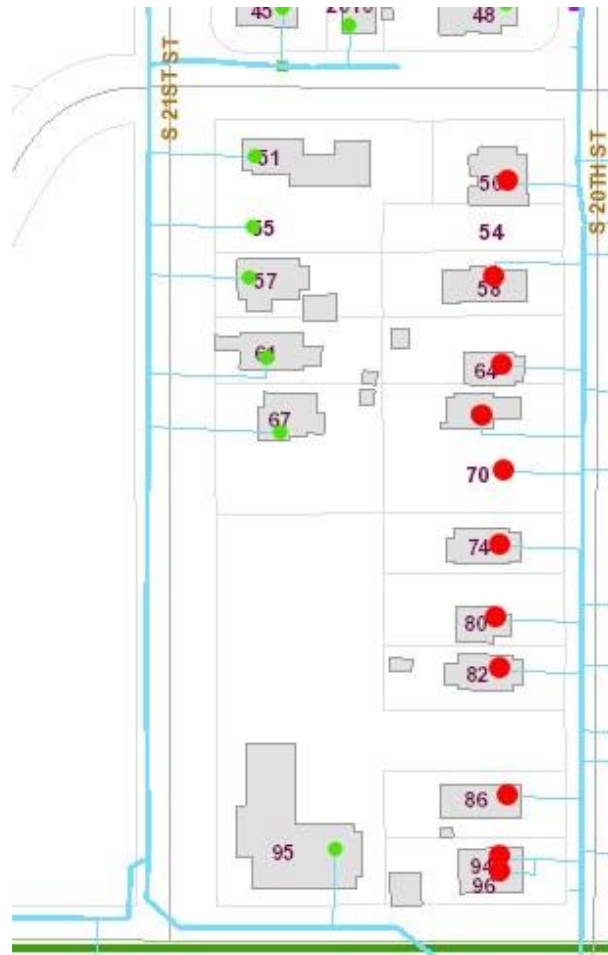
- Using science-based testing protocols to find more sources of lead in drinking water.
- Establishing a trigger level to jumpstart mitigation earlier and in more communities.
- Driving more and complete lead service line replacements.
- For the first time, requiring testing in schools and child care facilities.
- Requiring water systems to identify and make public the locations of lead

Home Layers

LCRBASE... 18500 Scale 1: 72,224 Go 0 0.5 1mi



# Symbology



## Description

[OnBase](#)

Address: 2322 N 62ND ST

## Details

Register Number  
0047166

Size of Corp or Tap  
N/A

Type of Control Valve  
METER BOX

Date of Tap or BPU Material Install  
N/A

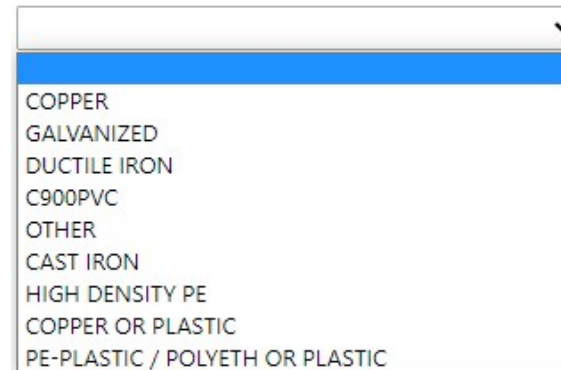
BPU Service Material Type between Main and Control Valve  
N/A

Customer Service Material Install Date  
N/A

CUST Service Material Type Between Control Valve and Building  
N/A

Do the records indicate if there is a lead gooseneck or a 3/8 inch corp?  
N/A

Do the records indicate if there was ever a lead service in the past  
N/A



A dropdown menu is open, displaying a list of material types. The first item, 'COPPER', is highlighted with a blue background. A blue arrow points from the 'BPU Service Material Type between Main and Control Valve' field to this dropdown menu.

- COPPER
- GALVANIZED
- DUCTILE IRON
- C900PVC
- OTHER
- CAST IRON
- HIGH DENSITY PE
- COPPER OR PLASTIC
- PE-PLASTIC / POLYETH OR PLASTIC

# OnBase Historical Review

OnBase

Custom Query Results ☰

DOCUMENT NAME


▽ Contains...

- WTR - Work Order for Register Number 0007874 at Address 58 S 20TH ST
- WTR - Water Meter or Service Repair for Register Number 0007874 at Address 58 S 20TH ST
- WTR - Other for Register Number 0007874 at Address 58 S 20TH ST
- WTR - Other for Register Number 0007874 at Address 58 S 20TH ST
- WTR - Meter Change for Register Number 0007874 at Address 58 S 20TH ST
- WTR - History for Register Number 0007874 at Address 58 S 20TH ST

Items: 6

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WTR - History for Register Number 0007874 at Address 58 S 20TH ST


 Circle

Keywords

Register Number 0007874

Address 58 S 20TH ST

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Tapper wanted at No. 58 S 20 Street

Name of Applicant J. M. O'Grady

Name of Plumber Esperant & Ray

Size of Corporation Cock 1/2 inch

Time Wanted 5:00 P.M.

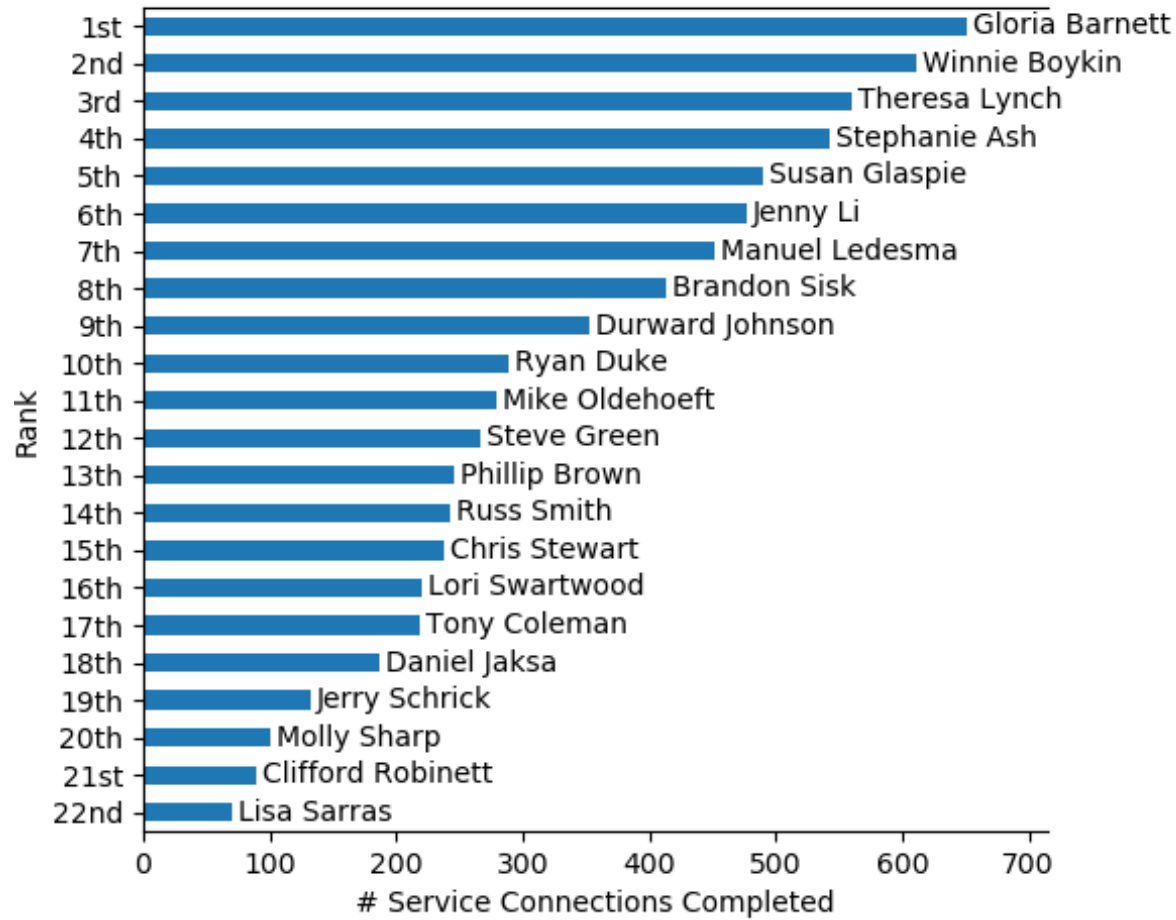
If wanted after 6 P.M. must be filed before 6 P.M.

1

2

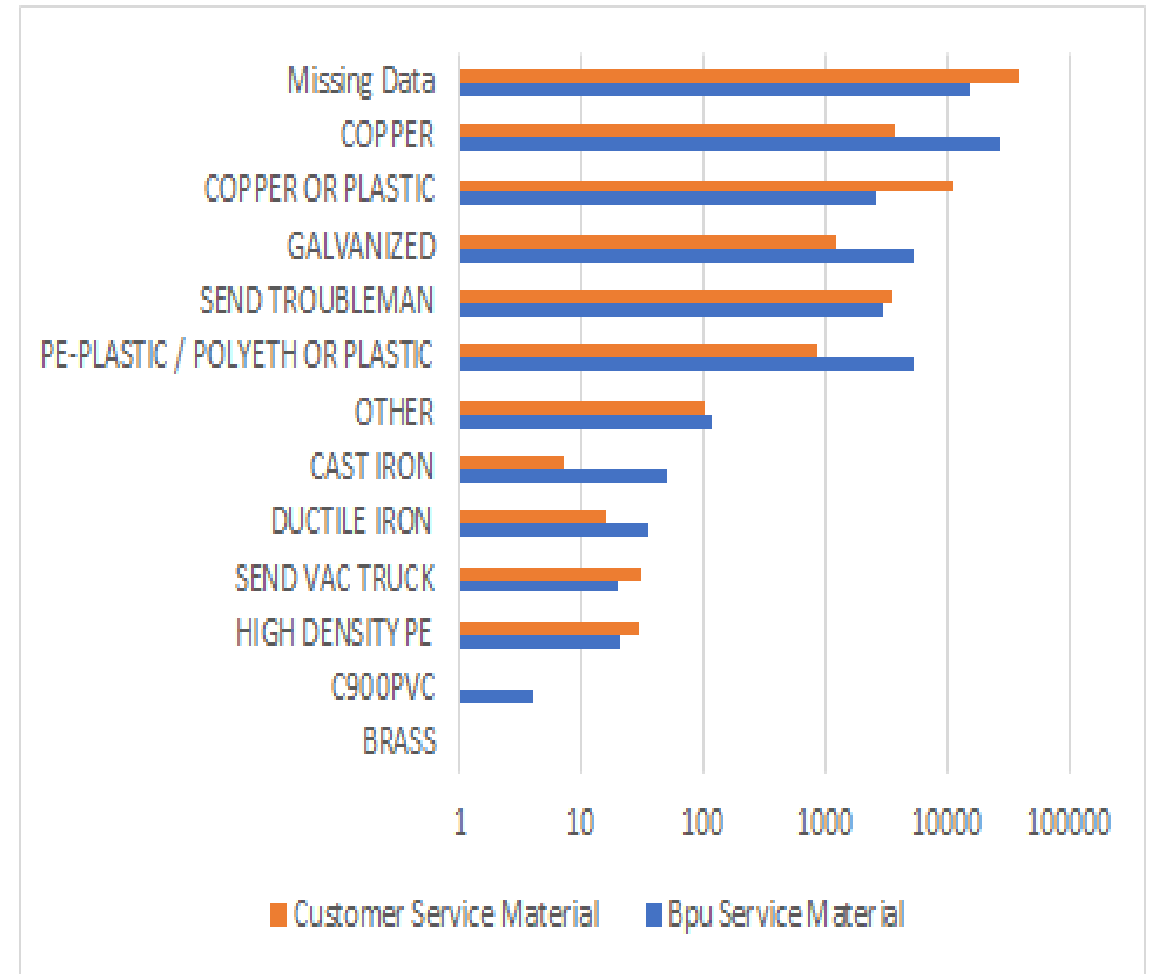
1 Note(s)

### LeaderBoard



# Count as of Mar 10th, 2022

Material	Bpu Service Material	Customer Service Material
BRASS	0	1
C900PVC	4	1
HIGH DENSITY PE	21	29
SEND VAC TRUCK	20	31
DUCTILE IRON	35	16
CAST IRON	51	7
OTHER	116	102
PE-PLASTIC / POLYETH OR PLASTIC	5351	873
SEND TROUBLEMAN	2984	3566
GALVANIZED	5380	1237
COPPER OR PLASTIC	2637	11158
COPPER	27410	3678
Missing Data	15265	38575



# What is Next?

- Customer Survey
- Site Visits by employees
- Hydrovac excavations
- Machine Learning Analysis
- Sampling in 2023-2024

# Questions