

REGULAR SESSION –WEDNESDAY, AUGUST 2, 2023

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, August 2, 2023 at 6:00 PM. The following Board Members were present: Rose Mulvany Henry, President; Thomas Groneman, Vice President; Robert L. Milan, Secretary; Jeff Bryant and Mary Gonzales. David Haley arrived at 6:32 PM.

Also present: William Johnson, General Manager; Angela Lawson, Acting Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Maurice Moss, Executive Director Corporate Compliance; Steve Green, Executive Director Water Operations; Darrin McNew, Executive Director Electric Operations; Jerin Purtee, Executive Director Electric Supply; Johnetta Hinson, Executive Director Customer Service; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Mike Fergus, Director Electric Distribution and Services; and Robert Kamp, IT Project Manager.

A video of this meeting is on file at the Board of Public Utilities and can be found on the BPU website, www.bpu.com.

Ms. Mulvany Henry called the Board meeting to order at 6:01 PM. She welcomed all that were listening to or viewing the meeting. She informed all that the meeting was being recorded including video and audio. During the public comment section, those attending in person, wishing to speak, should use the sign-up sheet at the entry and provide their name and address. Public comments were limited to five minutes and should be addressed to the Board. Members of the public who wished to speak to the Board using Zoom needed to use the Raise Hand feature at the bottom of the application or window to signal that they wish to address the board during the public comment section. Members of the public connected by phone only, needed to press *9 to indicate they wished to address the Board in the public comment section. No confidential information should be shared, including, account information. Staff would not provide individual account information during an open meeting. As always, the public could also email or call the BPU with any concerns. She informed that all participants were to act respectfully to each other. Personal attacks or accusations would not be tolerated. All concerns would be directed to the Board only, they would then determine staff involvement. If side discussion was necessary, it was to be conducted outside of the Board room to avoid interfering with presenters or other attendees. If any rules are breached during this meeting, the attendee was subject to removal. Ms. Mulvany Henry 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, except Mr. David Haley who arrived at 6:32 PM.

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Item #3 – Approval of Agenda

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

Item #4 – Approval of Regular Session Minutes of July 19, 2023

A motion was made to approve the minutes of the Regular Session of July 19, 2023, by Mr. Groneman, seconded by Ms. Gonzales, and unanimously carried.

Item #5– Public Comments

There were no visitors wishing to speak.

Item #6– General Manager / Staff Reports

- i. *2023 2nd Quarter Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer; reviewed the 2023 Second Quarter Financials to the Board. (See attached PowerPoint.)

A motion was made to approve the 2023 Second Quarter Financials as presented, by Ms. Gonzales, seconded by Mr. Bryant, and unanimously carried.

- ii. *Electric System Storm Restoration Procedures:* Mr. Darrin McNew, Executive Director Electric Operations and Mr. Mike Fergus, Director Electric Distribution and Services, provided an overview on the storm event that occurred on July 14th. It included an update on how staff responded, their restoration priorities and processes, and how the community was impacted. (See attached PowerPoint.)

Mr. McNew, Mr. Fergus and Mr. Johnson responded to questions and comments from the Board.

- iii. *Western Fuels Board Appointment- Resolution #5288:* Mr. Johnson spoke with the Board about the upcoming Western Fuels meeting which he and Mr. Jeremy Ash, Chief Operating Officer, would be delegates and Mr. Jerin Purtee, Executive Director Electric Supply, would be an alternate delegate.

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A motion was made to approve Resolution #5288, Appointing Delegates and Alternate Delegates to the 2023 Western Fuels Association, Inc. Annual Meeting, by Mr. Groneman, seconded by Mr. Milan.

Mr. Haley inquired on the date and location of the annual meeting prior to the vote.

Mr. Johnson said that the meeting would be held in Denver, Colorado, August 2023.

The motion was unanimously carried.

- iv. *Miscellaneous Comments:* Mr. Johnson spoke to the Board about their input on the order of priority for the next Policy Review meeting.

Ms. Mulvany Henry asked that Board members respond to Mr. Johnson and Ms. Lawson with their feedback. She asked that it be completed before the next meeting if possible.

Item #7 – Board Comments

Mr. Haley said he looked forward to upcoming policy changes. He thanked staff for their presentations and gave his continued support for enhancements to Customer Service.

Mr. Groneman thanked Mr. McNew and Mr. Fergus for their presentation and acknowledged staff for their hard work during the recent storms.

Mr. Milan echoed Mr. Groneman’s comments and thanked staff for their service during the recent storms.

Mr. Bryant said he was eager to see a rebate policy in place for those most vulnerable in the community. He would like to see this come before the Board by the next meeting so that the public may utilize it promptly. He added thanks on behalf of District 3, to BPU staff for their timely and safe power restoration following the storms.

Ms. Gonzales listed a few key words that really stood out to her while Mr. Fergus gave his presentation. Some of the words were; phenomenal, incredible, rock stars and teamwork. She explained balancing her responsibility to her constituents, the community, and BPU.

Ms. Mulvany Henry had no comments.

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Item #8 – Executive Session

Ms. Angela Lawson, Acting Chief Counsel proposed a motion for adoption as followed:

“I move that after taking a five minute break the Board go into Executive Session for 15 minutes to discuss confidential matters related to employment of the general manager, a personnel matter of nonelected personnel as justified under the exception in the Kansas Open Meetings Act; and that the General Manager William Johnson and Acting Chief Counsel Angela Lawson, be present to participate in the discussion, all others to be dismissed from the room and electronic and telephonic transmissions to cease, and that we and reconvene in open session and returning to both electronic and telephonic broadcasting at 7:30 PM to either take action in an open session or to adjourn.”

A motion to go into Executive Session and reconvene at 7:30 PM was made by Ms. Gonzales, seconded by Mr. Bryant and unanimously carried.

The Board moved into Executive Session.

At 7:30 PM the meeting returned to Open Session.

Item #9 – Adjourn

At 7:30 PM a motion to adjourn was made by Mr. Bryant, seconded by Mr. Milan and unanimously carried.

ATTEST:


Secretary

APPROVED:


President

2023 Second Quarter Financial Results

August 2, 2023



2023 Billed kWh (YTD Jan - June)

Electric	(CY) 2023 YTD	(PY) 2022 YTD	
Residential	264,179,734	269,613,401	↓
Commercial	475,826,296	469,754,576	↑
Industrial	257,147,935	259,462,335	↓
	997,153,965	998,830,312	↓ -0.2%

Commercial usage was above 2022 levels and Residential, Industrial and Total was below 2022 levels

Residential – Down 2% Commercial – Up 2% Industrial – Down >1%

2023 Billed CCF's (YTD Jan - June)


Water	(CY) 2023 YTD	(PY) 2022 YTD	
Residential	1,697,181	1,619,901	 Residential and Commercial were above 2022 levels while  Industrial was slightly below 2022 levels
Commercial	1,227,309	1,170,737	
Industrial	872,036	885,716	
	3,796,526	3,676,354	3.3%

Residential – Up 5%

Commercial – Up 5%

Industrial – Down 2%

Revenues – Second Quarter 2023

	(CY) 2023 2nd Quarter	(PY) 2022 2nd Quarter		Budget 2023 2nd Quarter	(CY) 2023 2nd Quarter	
Electric	\$ 75.088	\$ 70.557		\$ 72.789	\$ 75.088	
Water	12.948	12.619		12.677	12.948	
Combined	\$ 88.036	\$ 83.176	5.8%	\$ 85.466	\$ 88.036	

Actual Compared to 2023 Budget

Electric – Up 3%

Water – Up 2%

Combined – Up 3%

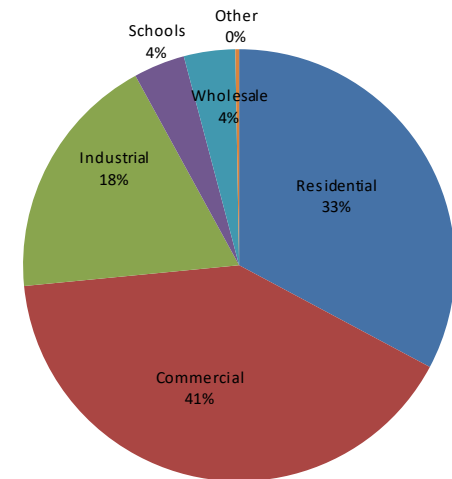
Revenues – 2023 YTD

	(CY) 2023 YTD	(PY) 2022 YTD		Budget 2023 YTD	(CY) 2023 YTD	
Electric	\$ 154.433	\$ 143.951	↑	\$ 147.436	\$ 154.433	↑
Water	25.394	24.716		25.016	25.394	↓
Combined	\$ 179.827	\$ 168.667	↑ 6.6%	\$ 172.452	\$ 179.827	↑ 4.3%




**Dollars in millions

Variance – YTD comparing Budget to Actual for 2023

<u>Electric:</u>	<i>Up 5%</i>	<u>Water:</u>	<i>Up 2%</i>
Residential	(\$516K)	Residential	\$328K
Commercial	\$ 5.9M	Commercial	\$467K
Industrial	\$ 871K	Industrial	(\$150K)
Schools	\$597K	Wholesale	\$120K
Wholesale	(\$1.6M)		



Operating Expenses – Second Quarter 2023

	(CY) 2023 2nd Quarter	(PY) 2022 2nd Quarter		Budget 2023 2nd Quarter	(CY) 2023 2nd Quarter		
Electric	\$ 67.720	\$ 62.131		\$ 62.279	\$ 67.720		
Water	10.001	9.279		10.407	10.001		
Combined	\$ 77.721	\$ 71.410	8.8%	\$ 72.686	\$ 77.721		 6.9%

Actual Compared to 2023 Budget

Electric – Up 9%
Water - Down 4%

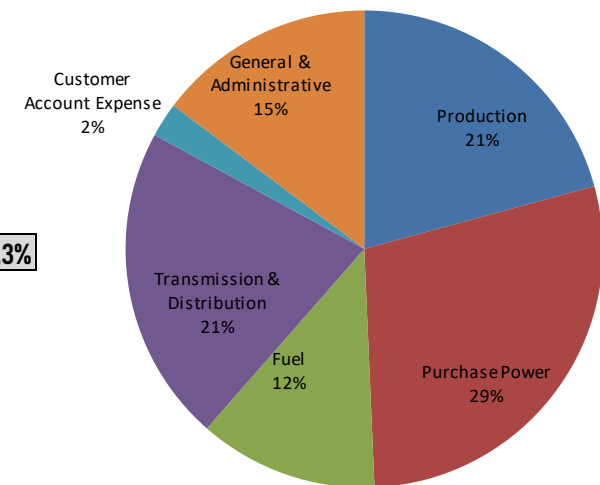
Operating Expenses – 2023 YTD

	(CY) 2023 YTD	(PY) 2022 YTD		Budget 2023 YTD	(CY) 2023 YTD	
Electric	\$ 128.417	\$ 115.017		\$ 122.560	\$ 128.417	
Water	19.290	18.186		20.493	19.290	
Combined	\$ 147.707	\$ 133.203	10.9%	\$ 143.053	\$ 147.707	3.3%

**Dollars in millions

Actual Compared to 2023 Budget

- Electric – Up 5%
- Water - Down 6%
- Combined – Up 7%



2022 ERC Under Recovery of the ERC is completed Amortized through June 2023 - \$14,781,274

Operating Expenses – 2023 YTD less Depreciation

	(CY) 2023 YTD	(PY) 2022 YTD		Budget 2023 YTD	(CY) 2023 YTD	
Electric	\$ 110.752	\$ 99.289		\$ 105.231	\$ 110.752	↑
Water	15.082	14.067		16.302	15.082	↓
Combined	\$ 125.834	\$ 113.356	11.0%	\$ 121.533	\$ 125.834	↑ 3.5%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2023

Electric:

Purchased Power \$2.2M
 Fuel (\$8.8M)
 Production (\$ 82K)
 T&D (\$1.4M)
 G&A (\$992K)

Water:

Production (\$691K)
 T&D (\$310K)
 G&A (\$162K)



Financial Results


Change in Net Position – Second Quarter 2023

	(CY) 2023 2nd Quarter	(PY) 2022 2nd Quarter	Budget 2023 2nd Quarter	(CY) 2023 2nd Quarter
Electric	\$ (4.412)	\$ (3.628)	\$ (0.941)	\$ (4.412)
Water	1.760	1.740	0.861	1.760
Combined	\$ (2.652)	\$ (1.888)	\$ (0.080)	\$ (2.652)

**Dollars in millions

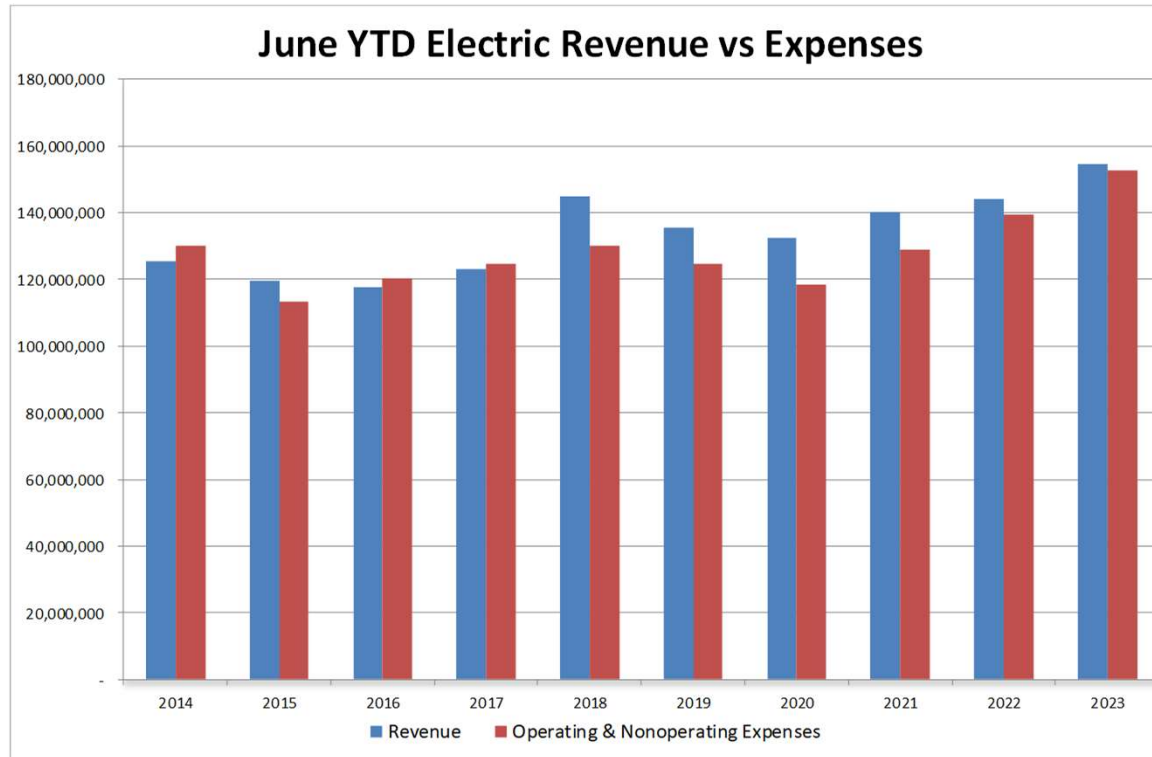
Change in Net Position – 2023 YTD

	(CY) 2023 YTD	(PY) 2022 YTD	Budget 2023 YTD	(CY) 2023 YTD
Electric	\$ 1.824	\$ 4.583	\$ 1.419	\$ 1.824
Water	3.515	3.473	1.486	3.515
Combined	\$ 5.339	\$ 8.056	\$ 2.905	\$ 5.339

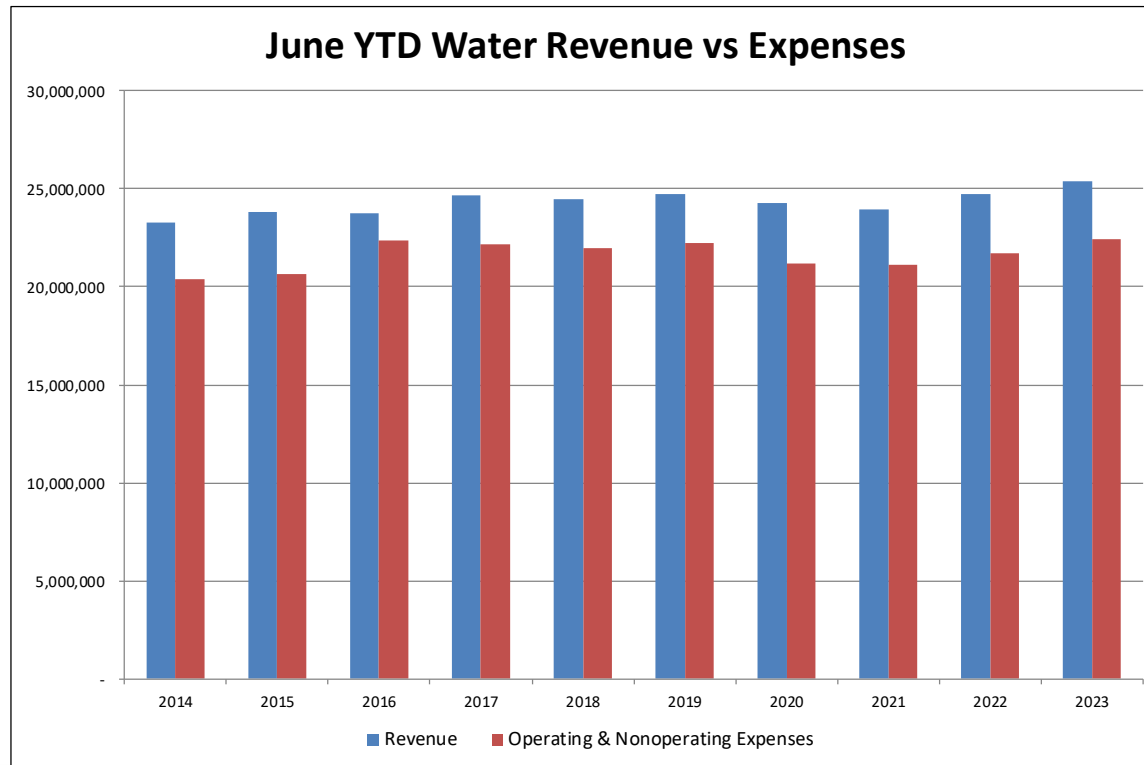


**Dollars in millions

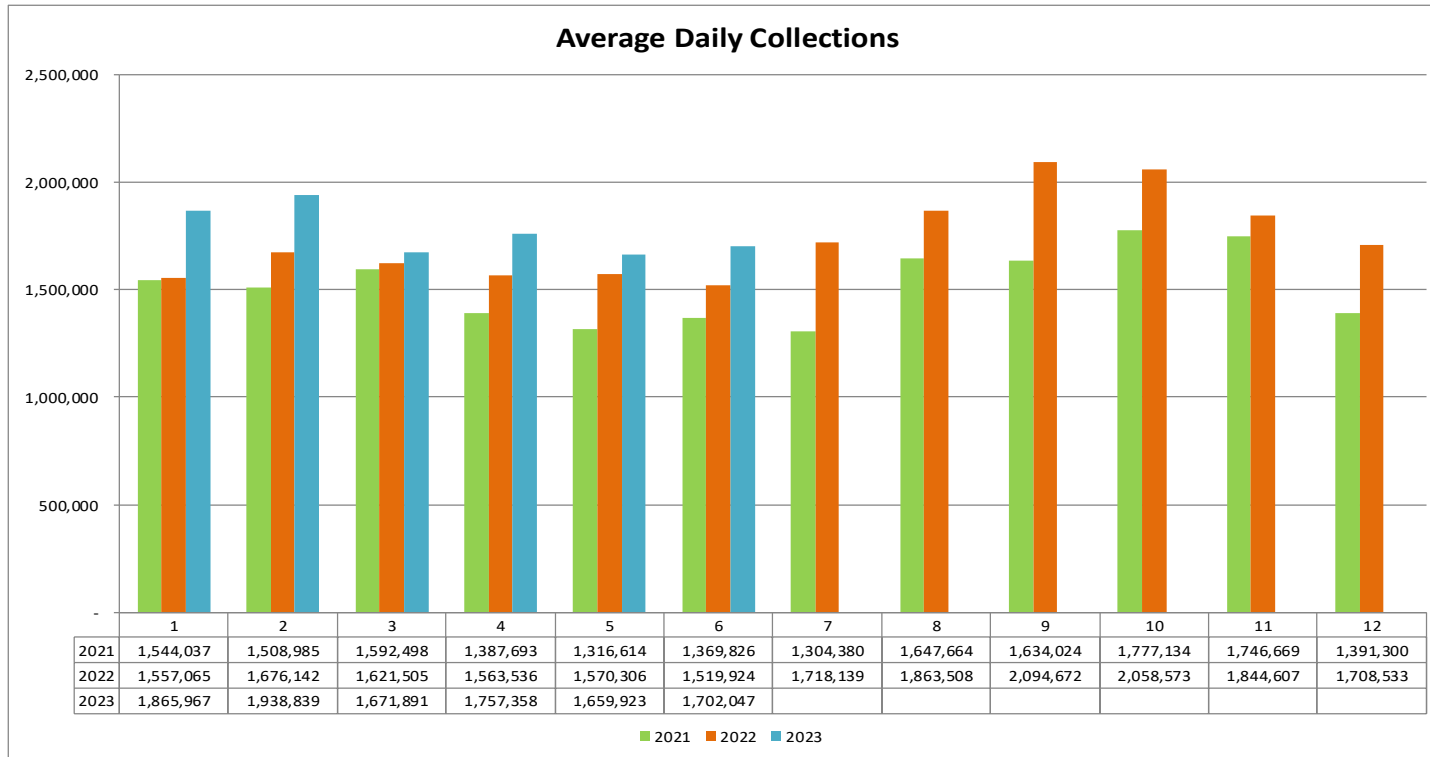
Financial Results – 10 Year Trend



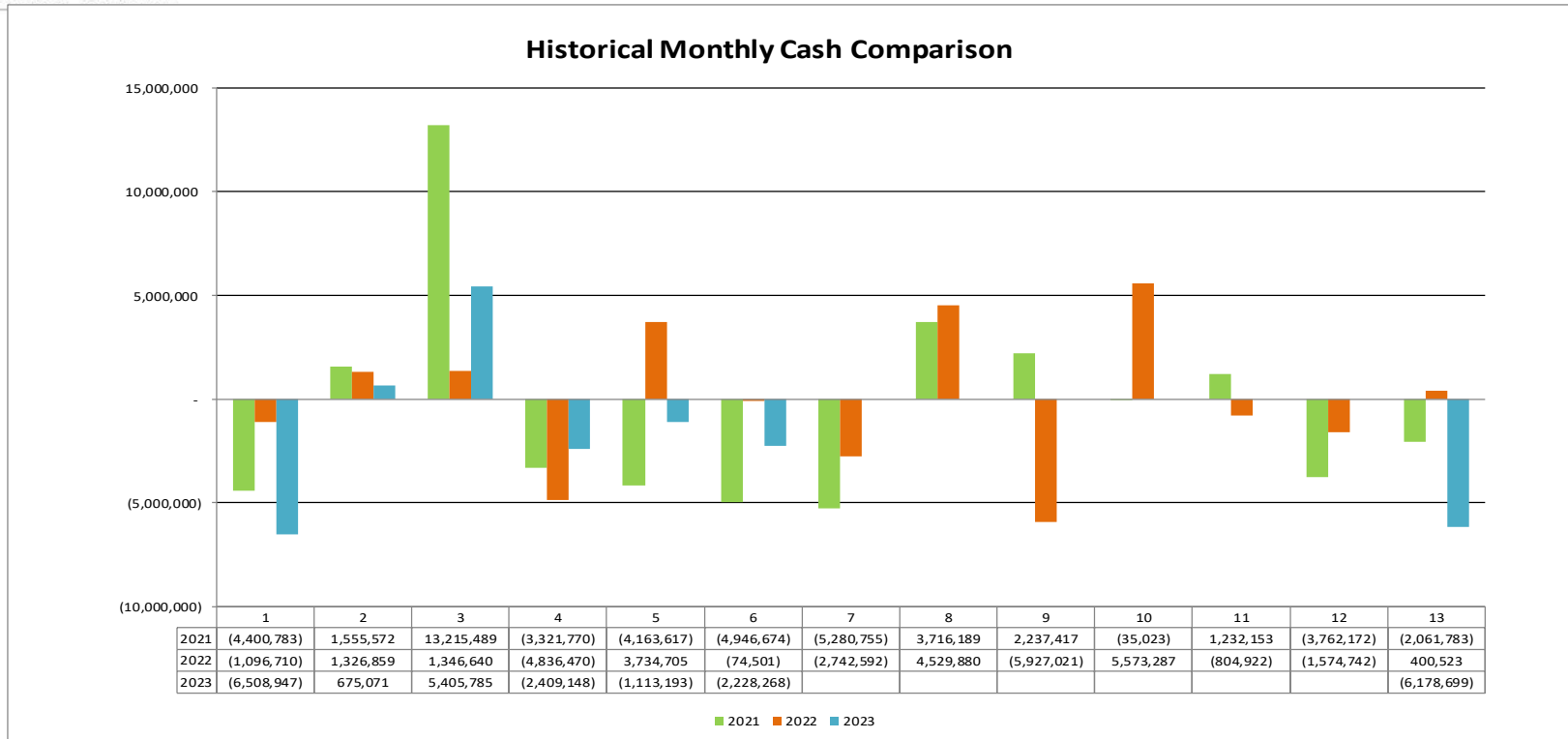
Financial Results – 10 Year Trend



Financial Results



Financial Results



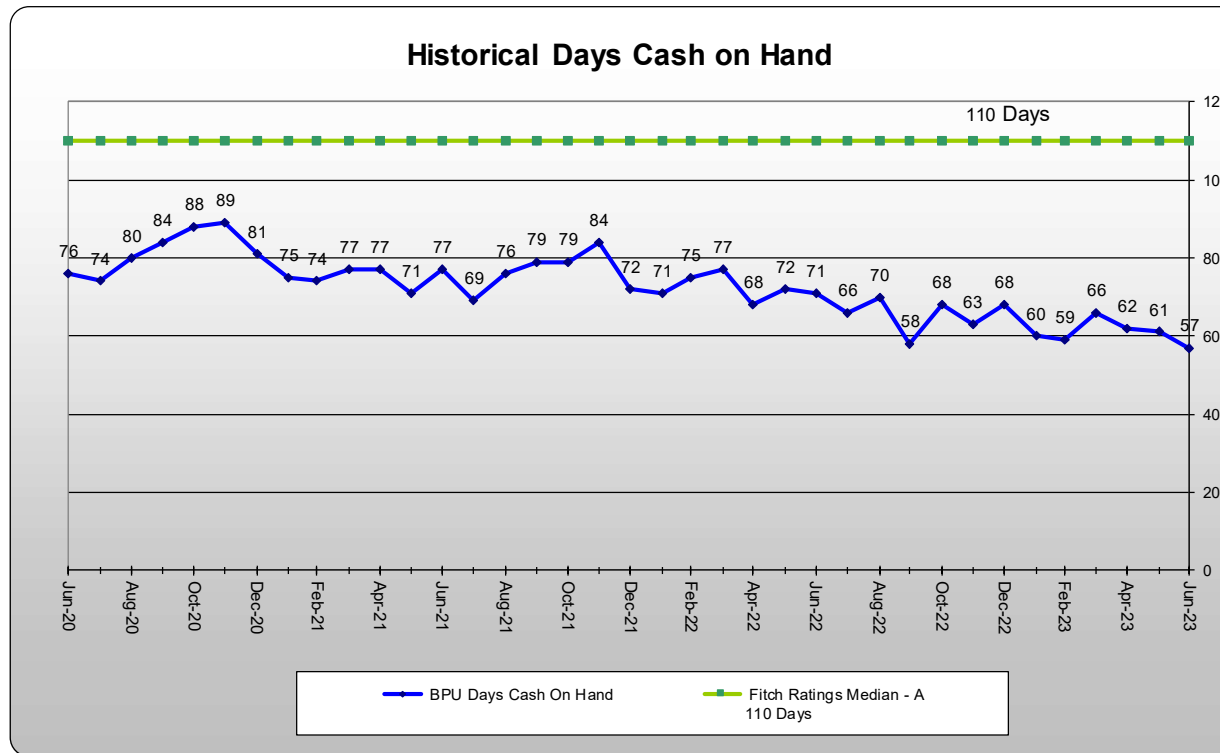
Cash Position

	(CY) 2023 June	(PY) 2022 June	2023 May
Combined (E&W) Days Cash-on-Hand	\$ 37.42 57	\$ 44.35 71	\$ 40.28 61

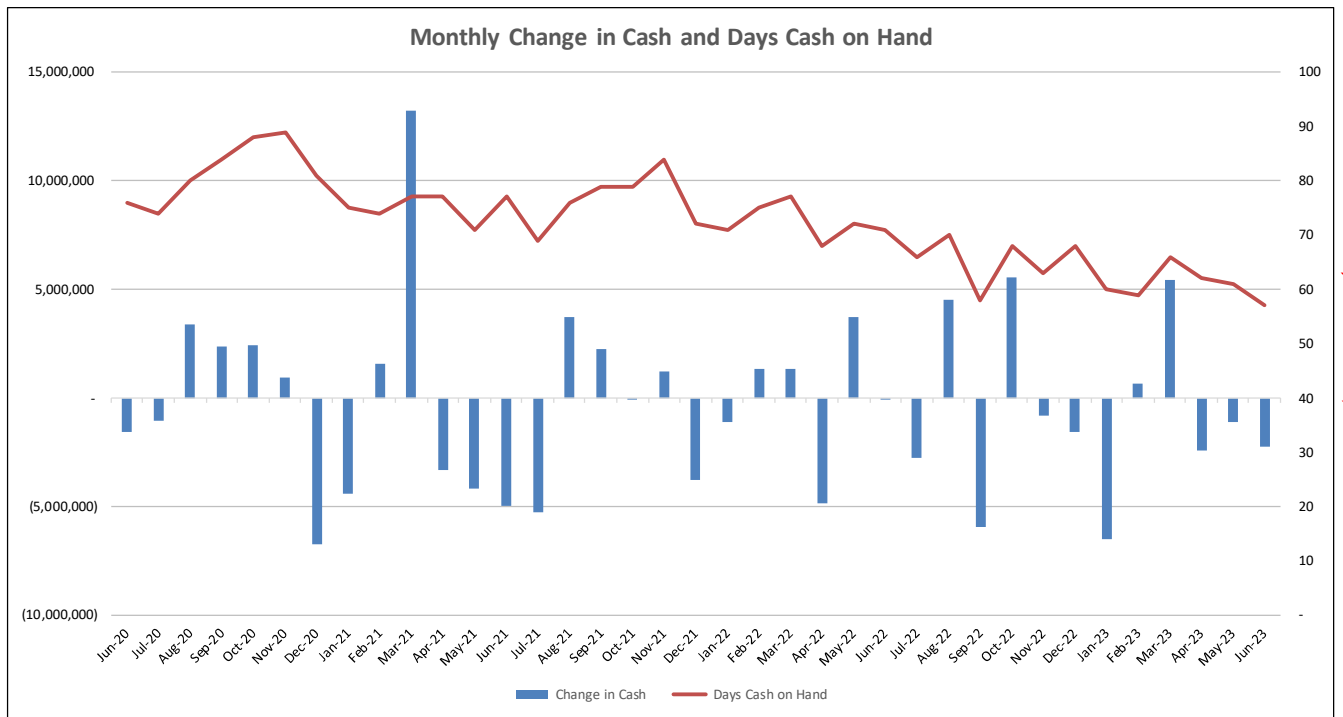
**Dollars in millions

1 Day = Approximately \$700K-\$750K
(Based on 12 month rolling average of expenses)

Financial Results



Financial Results



Balance Sheet: Notables

	(CY) 2023 June	(PY) 2022 June
Fuel Inventory	\$ 10.547	\$ 3.504
Bond Dollars 2016C (Elec T&D)	\$ 0.731	\$ 0.709
Bond Dollars 2020A (Elec)	\$ 0.822	\$ 0.798

**Dollars in millions

Capital Spending

	(CY) 2023 YTD	(PY) 2022 YTD	2023 Budget	
Electric	\$ 10.80	\$ 10.50	\$ 30.67	
Water	6.81	3.92	24.71	
Common	1.43	1.77	5.20	
Total YTD Capital	\$ 19.05	\$ 16.20	\$ 60.58	Remaining 69%

Major projects in 2023:

**Dollars in millions

- Fisher UG Feeders - \$2.0M
- Annual Underground - \$1.0M
- Annual Overhead - \$824K
- Distribution Pole Inspect/Replace - \$797K
- N1 Burner Coal Nozzle Replacement – \$2.0M
- Water Sys Imp, Valves & Leaks - \$1.7M
- Argentine 7 MG Tank Replacement - \$3.0M

Debt Coverage

Debt Coverage with PILOT

	(CY) 2023 June	(PY) 2022 June
Electric	2.74	2.25
Water	2.19	1.93
Combined	2.84	2.37

Debt Coverage w/o PILOT

	(CY) 2023 June	(PY) 2022 June
Electric	2.00	1.60
Water	1.71	1.48
Combined	2.10	1.71

Financial Guideline Target 1.6 to 2.1 times with PILOT



Kansas City Board of Public Utilities

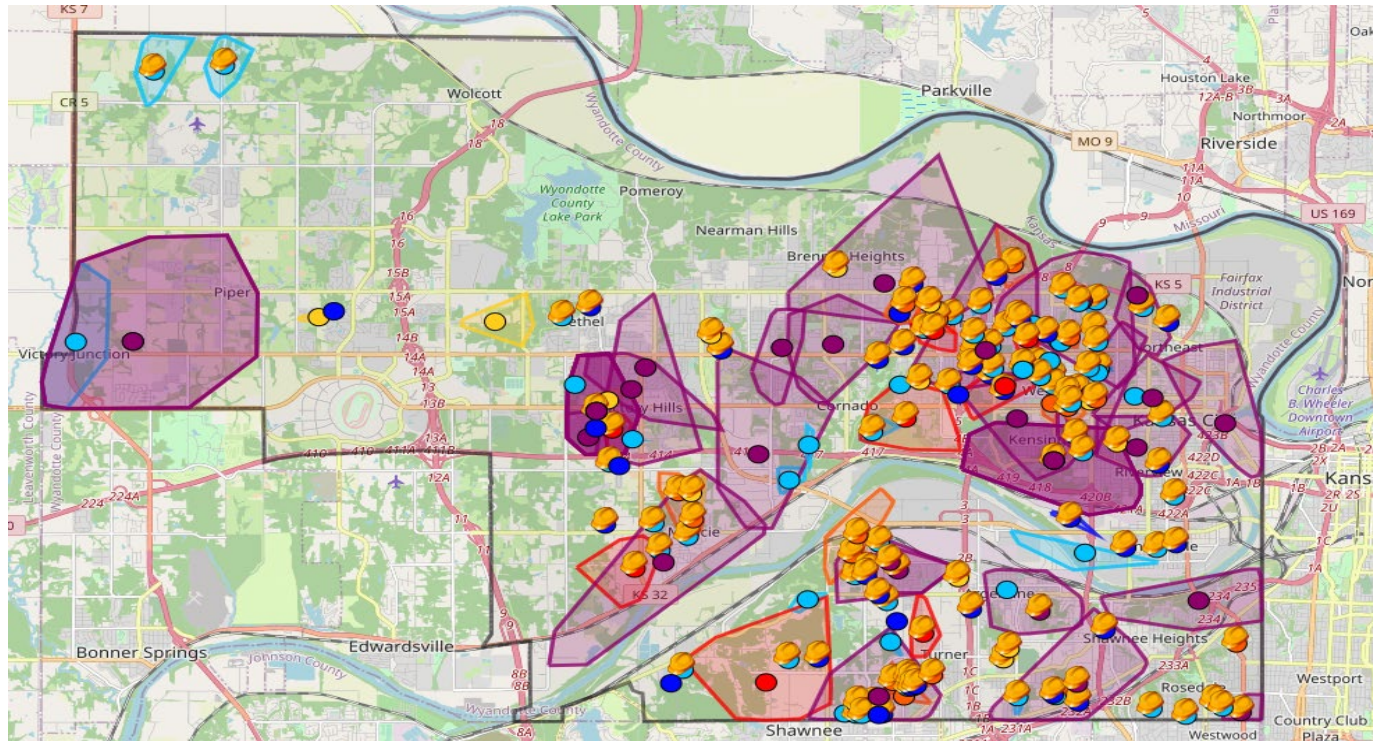
July 14, 2023 Storm Event

- Storm Event Overview
- Outage Map
- System Restoration Process
- Restoration Priorities
- BPU Team
- Mutual Aid
- Storm Damage
- Questions?

Storm Event Overview

- Kansas City experienced a severe weather event on July 14, 2023 that resulted in the largest electrical service interruption since the 2002 ice storm
- During the worst part of the storm as many as 38,000 customers were without power
- A total of 19 main distribution feeds were opened due to damage sustained during the storm

BPU Outage Map





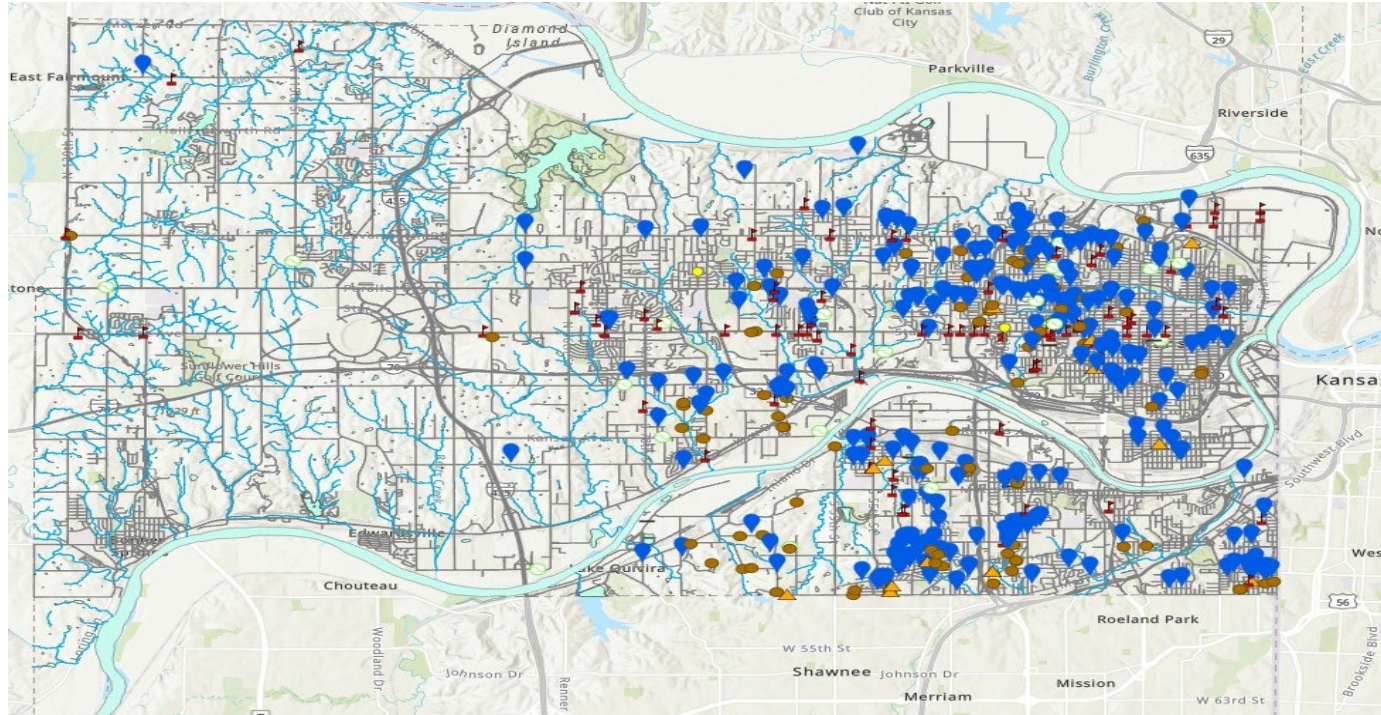
System Restoration Procedure

- Transmission System
- Distribution Substations
- Main Distribution Feeders
- Distribution Laterals
- Individual Services and Homes

Restoration Priorities

- Hospitals and medical facilities
- Water treatment plants, waste water plants, and pumping stations
- Public safety - emergency response centers, 911 call center
- Emergency shelters
- Nursing homes and assisted living facilities
- Customers with medical issues
- Wire down reports and emergency calls

BPU Work Tickets



BPU Storm Response Team

- **BPU Electric Operations Department**
 - ESDC
 - Superintendents
 - Line Crews
 - Substation
 - Engineering
 - Mapping and Drafting
 - Storeroom
 - Fleet Maintenance
 - Office Records
 - Carpenters
 - Light Meter
 - Traffic Signal
 - Radio and Cable
- **Energy Control Center**

Additional resources from Kansas, Oklahoma and Arkansas

- KMU Mutual Aid Program
 - McPherson BPU
 - Clay Center Public Utilities
 - City of Pratt, Kansas
- Capital Electric line crews
- Asplundh tree crews

Tree Damage



Damaged Poles



Wind Damage



Lightning Damage



Crews Working



Questions?