

**REGULAR SESSION –WEDNESDAY, NOVEMBER 2, 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, November 2, 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; Steve Green, Executive Director Water Operations; Dong Quach, Executive Director Electric Production; Jerin Purtee, Executive Director Electric Supply; Maurice Moss, Executive Director Corporate Compliance; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Andrew Ferris, Director Electric Supply Planning; Dennis Dumovich, Director of Human Resources; Carlos Quijas, Development Coordinator; 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](http://www.bpu.com).

Ms. Gonzales called the Board meeting to order at 6:04 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. During the public comment section, 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. Staff would assist those attending in person. 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 Ms. Mulvany Henry, and unanimously carried.

REGULAR SESSION –WEDNESDAY, NOVEMBER 2, 2022

STATE OF KANSAS     )  
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**Item #4– Approval of Work Session Minutes of October 17, 2022**

Ms. Mulvany Henry requested an addition to the October 17, 2022 Work Session minutes. For the record, she asked the General Manager about a flexible work policy and that the response given was, that whether the utility was working on it or not she was unclear on, because he said that it would not be shared with the Board.

A motion was made to approve the minutes with the above stated amendment of the Work Session of October 17, 2022, by Mr. Bryant, seconded by Ms. Mulvany Henry, and unanimously carried.

**Item #5– Approval of Regular Session Minutes of October 17, 2022**

A motion was made to approve the minutes of the Regular Session of October 17, 2022, by Mr. Milan, seconded by Mr. Bryant, and unanimously carried.

**Item #6 – Public Comments**

Ms. Sheila K. Jones, 4500 Georgia Ave., conveyed her experience in paying her bill with the help of utility assistance, via the drop box and she wanted to thank Mr. Haley for his assistance in resolving the matter. She also wanted to ask why wasn't the payment from the utility assistance agency accepted and ultimately sent back and also wanted to know why the lobby was still closed.

Mr. Johnson said that a series of conversations were and would continue to take place regarding agencies being verified, recognized, and authorized in BPU's system. Also, how to handle a payment coming from someone other than the customer themselves.

Ms. Johnetta Hinson, Executive Director Customer Service, explained the process that an agency goes through to aid in paying on someone's account. There was currently a designated line and email address for agencies to use.

Mr. Bryant said that he would like to discuss the process at a future Work Session after the first of the year, as well as the status of the lobby.

Mr. Haley asked how often Customer Services was encountered with new agencies.

REGULAR SESSION –WEDNESDAY, NOVEMBER 2, 2022

STATE OF KANSAS        )  
  ) SS  
CITY OF KANSAS CITY )

Mr. Johnson said that along with agencies, there could be churches that also provided assistance. There were also other circumstances that required Customer Service to do their due diligence. They were reviewing their processes.

In response to Ms. Mulvany’s question, Ms. Hinson was going to look into the agency line and email being on the BPU website.

Ty Gorman, 2843 Parkwood Blvd., conveyed his thoughts regarding gaps in customer funding and issues with the ending of KERA. He expressed his and his neighbors’ thoughts on having no customer shut-offs. He and his neighbors’ also wanted separation of the electric and water charges from the unrelated fees and fixed costs. He also expressed the need for a community meeting with the Northeast KCK Neighborhood Association to discuss federal assistance opportunities for bill reduction.

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

- i. *3<sup>rd</sup> Quarter 2022 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, reviewed the 2022 Third Quarter Financials to the Board. (See attached PowerPoint.)

Ms. Austin and Mr. Andrew Ferris, Director Electric Supply Planning, and Mr. Johnson responded to comments and questions from the Board.

A motion was made to approve the 2022 Third Quarter Financials as presented, by Mr. Bryant, seconded by Mr. Milan, and unanimously carried.

- ii. *Risk Management Plan Review:* Mr. Maurice Moss, Executive Director Corporate Compliance, reviewed the Enterprise Risk Management Plan. (See attached PowerPoint.)
- iii. *Miscellaneous Comments:* Mr. Johnson reported that the Unified Government (UG) Economic Development taskforce met, where discussion on what needed to be discussed in the next six months.

He said that the UG Energy Efficiency taskforce was working on scheduling a meeting.

He said that the UG Administrator search firm was moving forward.

**REGULAR SESSION –WEDNESDAY, NOVEMBER 2, 2022**

STATE OF KANSAS        )  
  ) SS  
CITY OF KANSAS CITY )

The UG Commission did approve the Kansas Department of Health and Environment (KDHE) Loan Request for the additional funds.

**Item #8 – Board Comments**

Mr. Bryant thanked everyone for the evening’s presentations and conversations had with staff and Board.

Ms. Gonzales also thanked everybody for the presentations.

Mr. Groneman echoed Mr. Bryant’s comments. He thanked staff for the time they put in to provide information. It was very important in helping the Board make decisions.

Mr. Haley also echoed Mr. Bryant’s comments. He also reiterated his concern regarding how payments were received. He was still looking for a better understanding of the PILOT as well as separating it and other UG charges on the BPU bill. He reminded that UG charges on the BPU bill were going to increase after the first of the year. He would also like for the Board meeting access information to be made easier to obtain on the website.

Mr. Milan spoke about the upcoming Customer Service presentation on the processes for receiving checks. He reviewed the PILOT. The current BPU bill explained the charges from each entity, BPU and UG.

Ms. Mulvany Henry asked Mr. Johnson when the Board would be getting the information regarding contractors by department and the costs associated with them.

Ms. Austin said it would be the week of November 7<sup>th</sup>.

**Item #9– Executive Session**

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

“I move that after taking a break until 7:50 the Board go into Executive Session for 20 minutes in the first floor conference room 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 the Deputy Chief Counsel, Angela Lawson, be present to participate in the discussion, all others to be dismissed from the room and electronic

**REGULAR SESSION –WEDNESDAY, NOVEMBER 2, 2022**

STATE OF KANSAS     )  
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and telephonic transmissions to cease, and that we reconvene in open session returning to both electronic and telephonic broadcasting at 8:10 P.M. in the board room to either take action in an open session or to adjourn”.

A motion to go into Executive Session and reconvene at 8:10 P.M. was made by Mr. Bryant, seconded by Mr. Milan and carried unanimously.

At 8:10 P.M. the meeting returned to Open Session in the board room.

At 8:11 P.M. a motion to extend the Executive Session for 15 minutes, until 8:26 P.M. was made by Mr. Bryant, seconded by Ms. Mulvany Henry and carried unanimously with, Mr. Bryant, Ms. Mulvany Henry, Ms. Gonzales, and Mr. Haley voting. The Board went back into closed session in the work room.

At 8:26 P.M. the meeting returned to Open Session in the board room.

A motion was made to approve the General Manager’s second contract extension effective January 1, 2023, by Mr. Bryant, seconded by Mr. Milan

Roll call was taken:

Mr. Bryant – yes

Ms. Gonzales – yes

Mr. Groneman – yes

Mr. Haley – no

Mr. Milan – yes

Ms. Mulvany Henry – no

The motion carried.

REGULAR SESSION –WEDNESDAY, NOVEMBER 2, 2022

STATE OF KANSAS     )  
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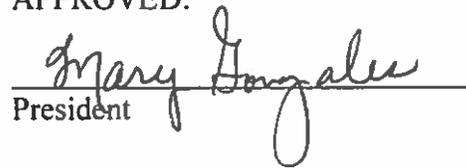
**Item #10 – Adjourn**

At 8:29 P.M. a motion to adjourn was made by, Mr. Milan seconded by Mr. Bryant and carried unanimously.

ATTEST:

  
Secretary

APPROVED:

  
President

# 2022 Third Quarter Financial Results

November 2, 2022

## 2022 Billed kWh (YTD Jan - September)

| Electric    | (CY) 2022<br>YTD | (PY) 2021<br>YTD |      |
|-------------|------------------|------------------|------|
| Residential | 479,200,878      | 470,060,025      |      |
| Commercial  | 765,331,922      | 728,152,348      |      |
| Industrial  | 404,868,784      | 347,054,019      |      |
|             | 1,649,401,584    | 1,545,266,392    | 6.7% |

Residential – Up 2%    Commercial – Up 5%    Industrial – Up 17%

## 2022 Billed CCF's (YTD Jan - September)

| Water       | (CY) 2022<br>YTD | (PY) 2021<br>YTD |      |
|-------------|------------------|------------------|------|
| Residential | 2,630,342        | 2,643,623        |      |
| Commercial  | 2,030,558        | 1,910,009        |      |
| Industrial  | 1,433,846        | 1,328,432        |      |
|             | 6,094,746        | 5,882,064        | 3.6% |

Residential – Down 1%

Commercial – Up 6%

Industrial - Up 8%

## Revenues – Third Quarter 2022

|          | (CY) 2022<br>3rd Quarter | (PY) 2021<br>3rd Quarter |       | Budget 2022<br>3rd Quarter | (CY) 2022<br>3rd Quarter |       |
|----------|--------------------------|--------------------------|-------|----------------------------|--------------------------|-------|
| Electric | \$ 101.862               | \$ 80.057                |       | \$ 80.187                  | \$ 101.862               |       |
| Water    | 15.449                   | 14.677                   |       | 14.617                     | 15.449                   |       |
| Combined | \$ 117.311               | \$ 94.734                | 23.8% | \$ 94.804                  | \$ 117.311               | 23.7% |

### **Actual Compared to 2022 Budget**

Electric - Up 27%

Water – Up 6%

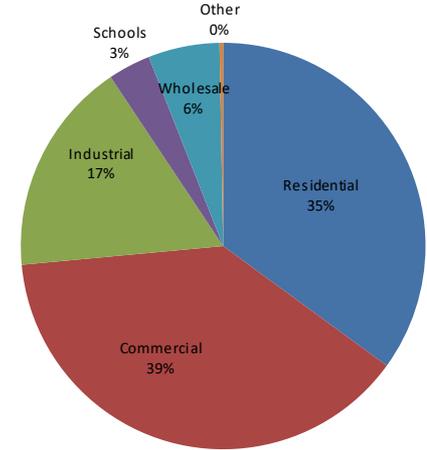
## Revenues – 2022 YTD

|          | (CY) 2022<br>YTD | (PY) 2021<br>YTD |       | Budget 2022<br>YTD | (CY) 2022<br>YTD |       |
|----------|------------------|------------------|-------|--------------------|------------------|-------|
| Electric | \$ 245.813       | \$ 220.373       |       | \$ 212.756         | \$ 245.813       |       |
| Water    | 40.165           | 38.612           |       | 39.386             | 40.165           |       |
| Combined | \$ 285.978       | \$ 258.985       | 10.4% | \$ 252.142         | \$ 285.978       | 13.4% |

\*\*Dollars in millions

### Variance – YTD comparing Budget to Actual for 2022

| <u>Electric:</u> | <i>Up 16%</i> | <u>Water:</u> | <i>Up 2%</i> |
|------------------|---------------|---------------|--------------|
| Residential      | \$ 6.0M       | Residential   | \$217K       |
| Commercial       | \$13.1M       | Commercial    | \$512K       |
| Industrial       | \$ 3.5M       | Industrial    | \$100K       |
| Schools          | \$ 275K       | Wholesale     | \$178K       |
| Wholesale        | \$ 8.5M       |               |              |



## Operating Expenses – Third Quarter 2022

|          | (CY) 2022<br>3rd Quarter | (PY) 2021<br>3rd Quarter |       | Budget 2022<br>3rd Quarter | (CY) 2022<br>3rd Quarter |       |
|----------|--------------------------|--------------------------|-------|----------------------------|--------------------------|-------|
| Electric | \$ 72.597                | \$ 48.885                |       | \$ 52.666                  | \$ 72.597                |       |
| Water    | 9.253                    | 9.236                    |       | 9.626                      | 9.253                    |       |
| Combined | \$ 81.850                | \$ 58.121                | 40.8% | \$ 62.292                  | \$ 81.850                | 31.4% |

### ***Actual Compared to 2022 Budget***

Electric – Up 38%

Water - Down 4%

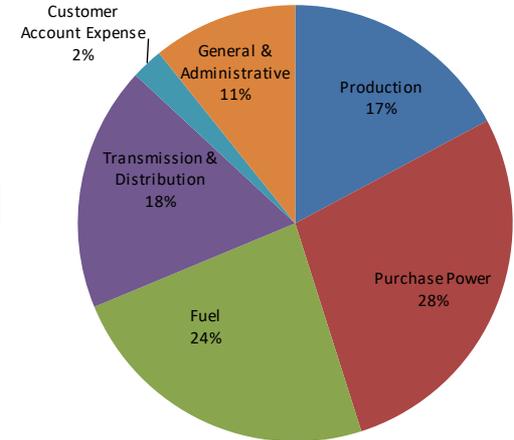
## Operating Expenses – 2022 YTD (Total)

|          | (CY) 2022<br>YTD | (PY) 2021<br>YTD |       | Budget 2022<br>YTD | (CY) 2022<br>YTD |       |
|----------|------------------|------------------|-------|--------------------|------------------|-------|
| Electric | \$ 187.615       | \$ 155.558       |       | \$ 156.624         | \$ 187.615       |       |
| Water    | 27.438           | 26.641           |       | 29.262             | 27.438           |       |
| Combined | \$ 215.053       | \$ 182.199       | 18.0% | \$ 185.886         | \$ 215.053       | 15.7% |

\*\*Dollars in millions

### **Actual Compared to 2022 Budget**

- Electric - Up 20%
- Water - Down 6%



## Operating Expenses – 2022 YTD less Depreciation

|          | (CY) 2022<br>YTD | (PY) 2021<br>YTD |       | Budget 2022<br>YTD | (CY) 2022<br>YTD |       |
|----------|------------------|------------------|-------|--------------------|------------------|-------|
| Electric | \$ 163.437       | \$ 132.579       |       | \$ 132.976         | \$ 163.437       |       |
| Water    | 21.240           | 20.361           |       | 22.942             | 21.240           |       |
| Combined | \$ 184.677       | \$ 152.940       | 20.8% | \$ 155.918         | \$ 184.677       | 18.4% |

\*\*Dollars in millions

Variance – YTD comparing Budget to Actual 2022

### Electric:

|                 |          |
|-----------------|----------|
| Purchased Power | \$16.7M  |
| Fuel            | \$18.9M  |
| Production      | (\$403K) |
| T&D             | (\$4.4M) |
| G&A             | (\$2.7M) |

### Water:

|            |          |
|------------|----------|
| Production | (\$964K) |
| T&D        | (\$110K) |
| G&A        | (\$682K) |

## Change in Net Position – Third Quarter 2022

|          | (CY) 2022<br>3rd Quarter | (PY) 2021<br>3rd Quarter | Budget 2022<br>3rd Quarter | (CY) 2022<br>3rd Quarter |
|----------|--------------------------|--------------------------|----------------------------|--------------------------|
| Electric | \$ 15.174                | \$ 17.853                | \$ 14.452                  | \$ 15.174                |
| Water    | 4.262                    | 3.535                    | 2.988                      | 4.262                    |
| Combined | \$ 19.436                | \$ 21.388                | \$ 17.440                  | \$ 19.436                |

\*\*Dollars in millions

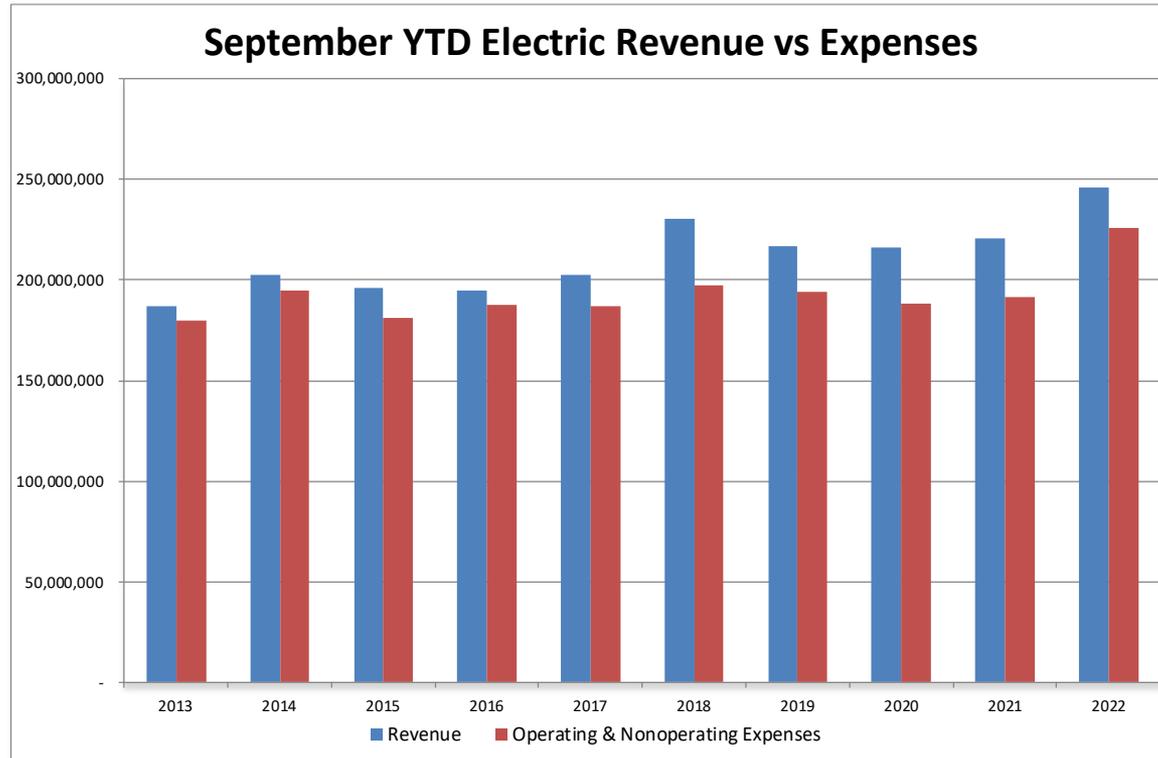
## Change in Net Position – 2022 YTD

|          | (CY) 2022<br>YTD | (PY) 2021<br>YTD |
|----------|------------------|------------------|
| Electric | \$ 19.757        | \$ 29.168        |
| Water    | 7.735            | 6.928            |
| Combined | \$ 27.492        | \$ 36.096        |

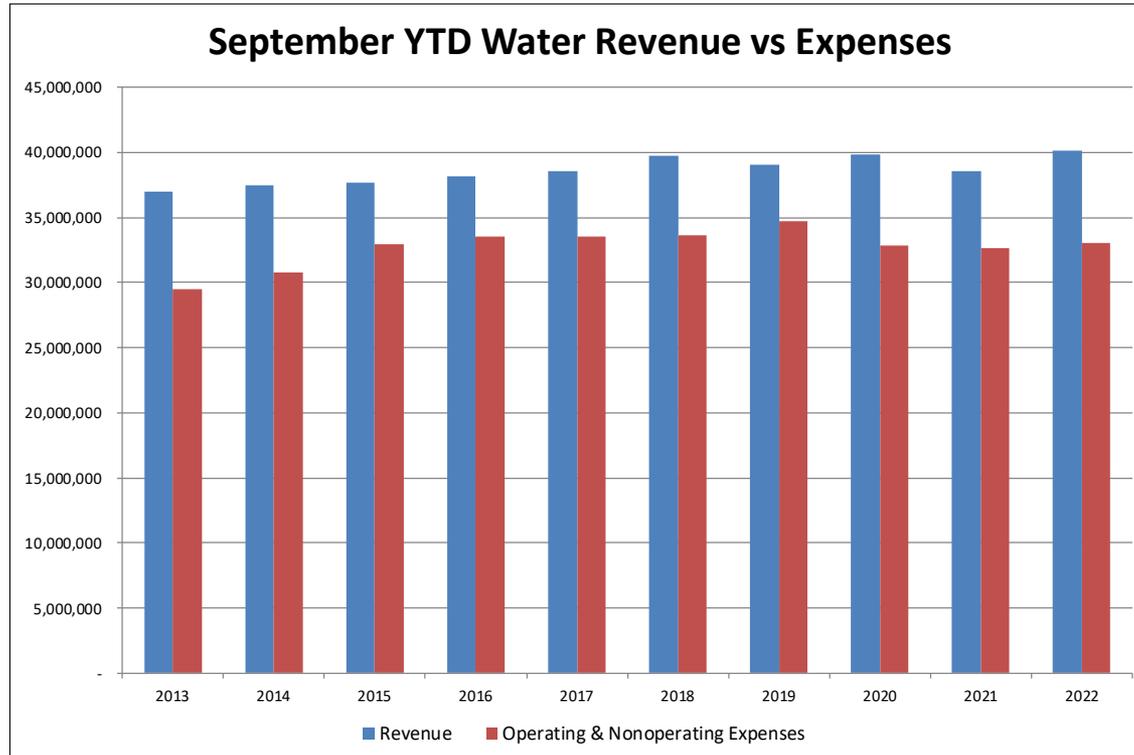
| Budget 2022<br>YTD | (CY) 2022<br>YTD |
|--------------------|------------------|
| \$ 19.936          | \$ 19.757        |
| 4.881              | 7.735            |
| \$ 24.817          | \$ 27.492        |

\*\*Dollars in millions

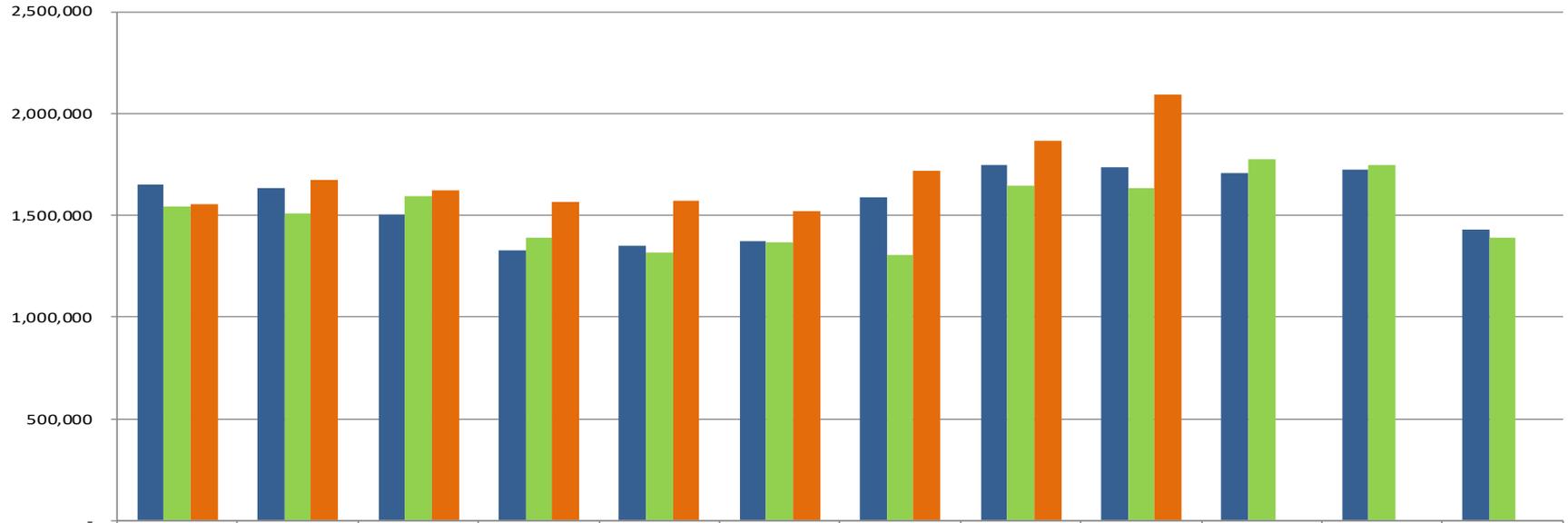
# Financial Results – 10 Year Trend



# Financial Results – 10 Year Trend

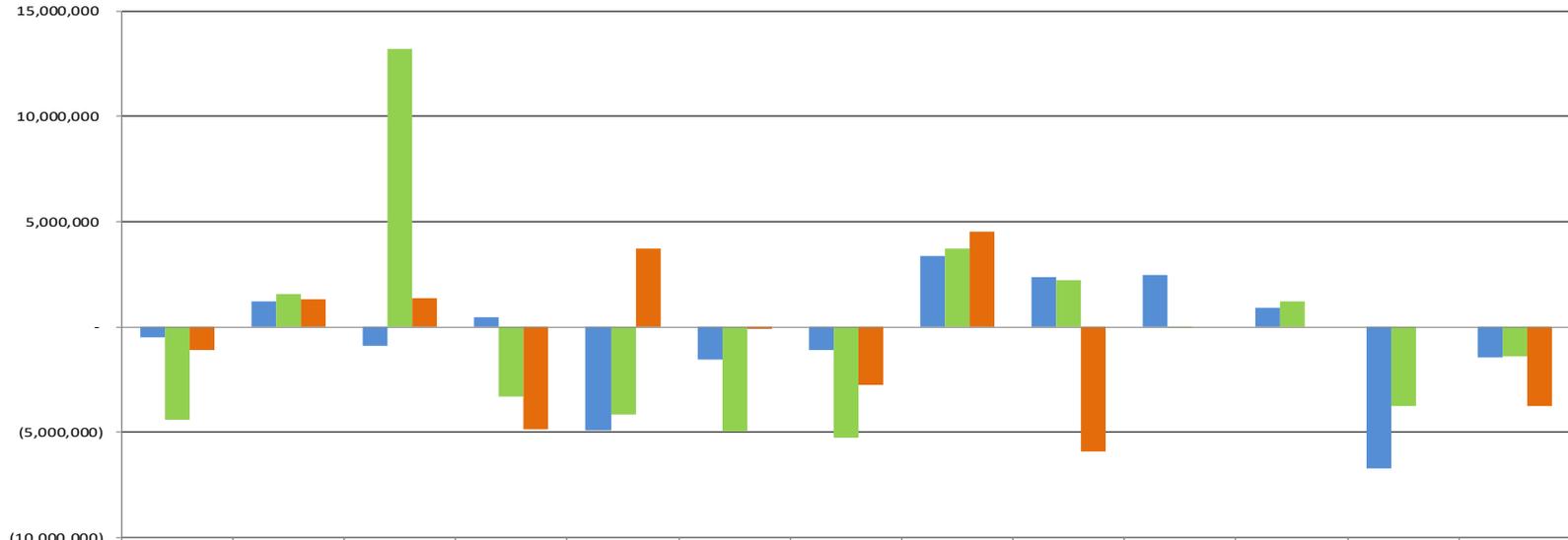


### Average Daily Collections



■ 2020 ■ 2021 ■ 2022

### Historical Monthly Cash Comparison



|      | 1           | 2         | 3          | 4           | 5           | 6           | 7           | 8         | 9           | 10        | 11        | 12          | YTD         |
|------|-------------|-----------|------------|-------------|-------------|-------------|-------------|-----------|-------------|-----------|-----------|-------------|-------------|
| 2020 | (506,764)   | 1,231,806 | (870,211)  | 469,614     | (4,889,313) | (1,558,427) | (1,071,879) | 3,361,462 | 2,381,298   | 2,447,114 | 918,358   | (6,738,913) | (1,452,414) |
| 2021 | (4,400,783) | 1,555,572 | 13,215,489 | (3,321,770) | (4,163,617) | (4,946,674) | (5,280,755) | 3,716,189 | 2,237,417   | (35,023)  | 1,232,153 | (3,762,172) | (1,388,931) |
| 2022 | (1,096,710) | 1,326,859 | 1,346,640  | (4,836,470) | 3,734,705   | (74,501)    | (2,742,592) | 4,529,880 | (5,927,021) |           |           |             | (3,739,210) |

■ 2020 ■ 2021 ■ 2022

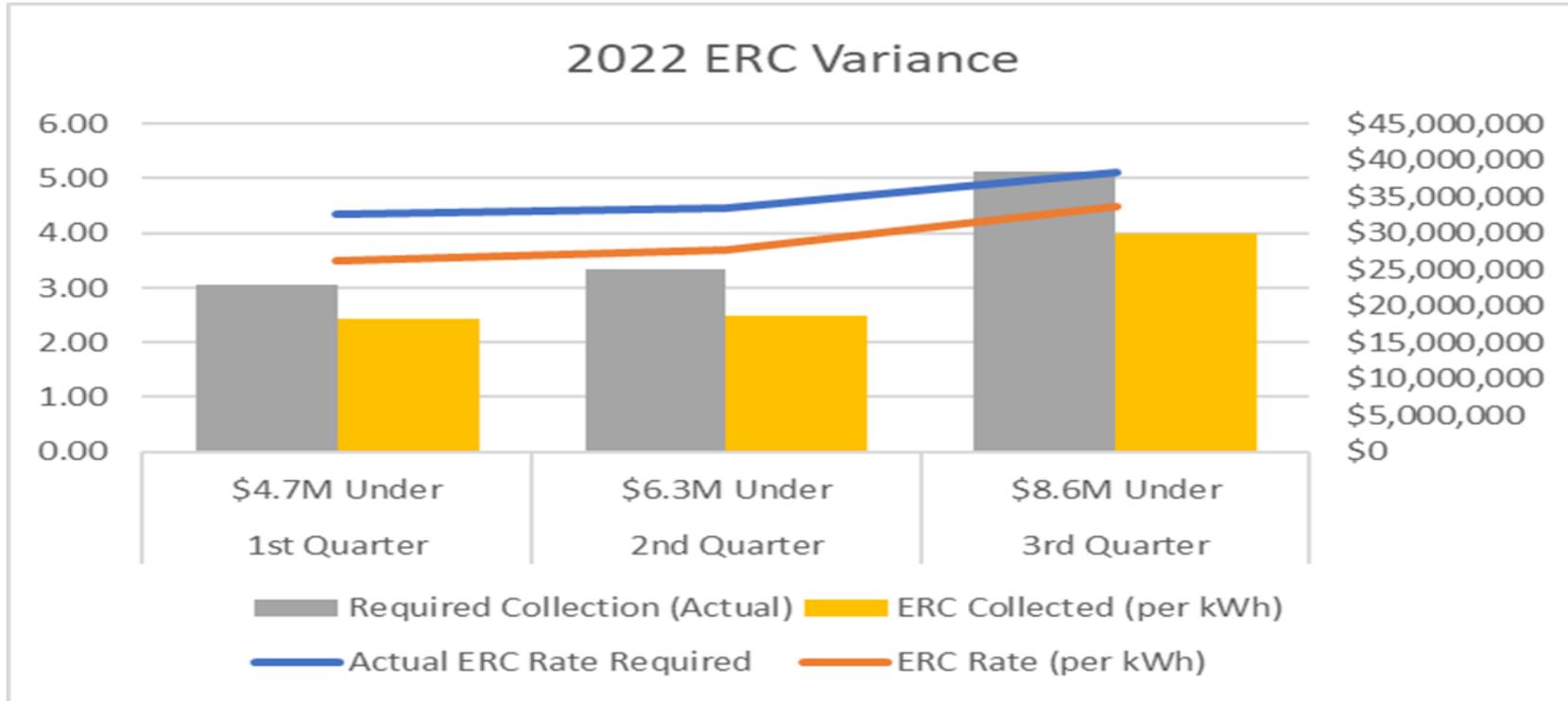
## Cash Position

|                   | (CY) 2022<br>September | (PY) 2021<br>September | 2022<br>August |
|-------------------|------------------------|------------------------|----------------|
| Combined (E&W)    | \$ 40.19               | \$ 46.42               | \$ 46.19       |
| Days Cash-on-Hand | 58                     | 79                     | 70             |

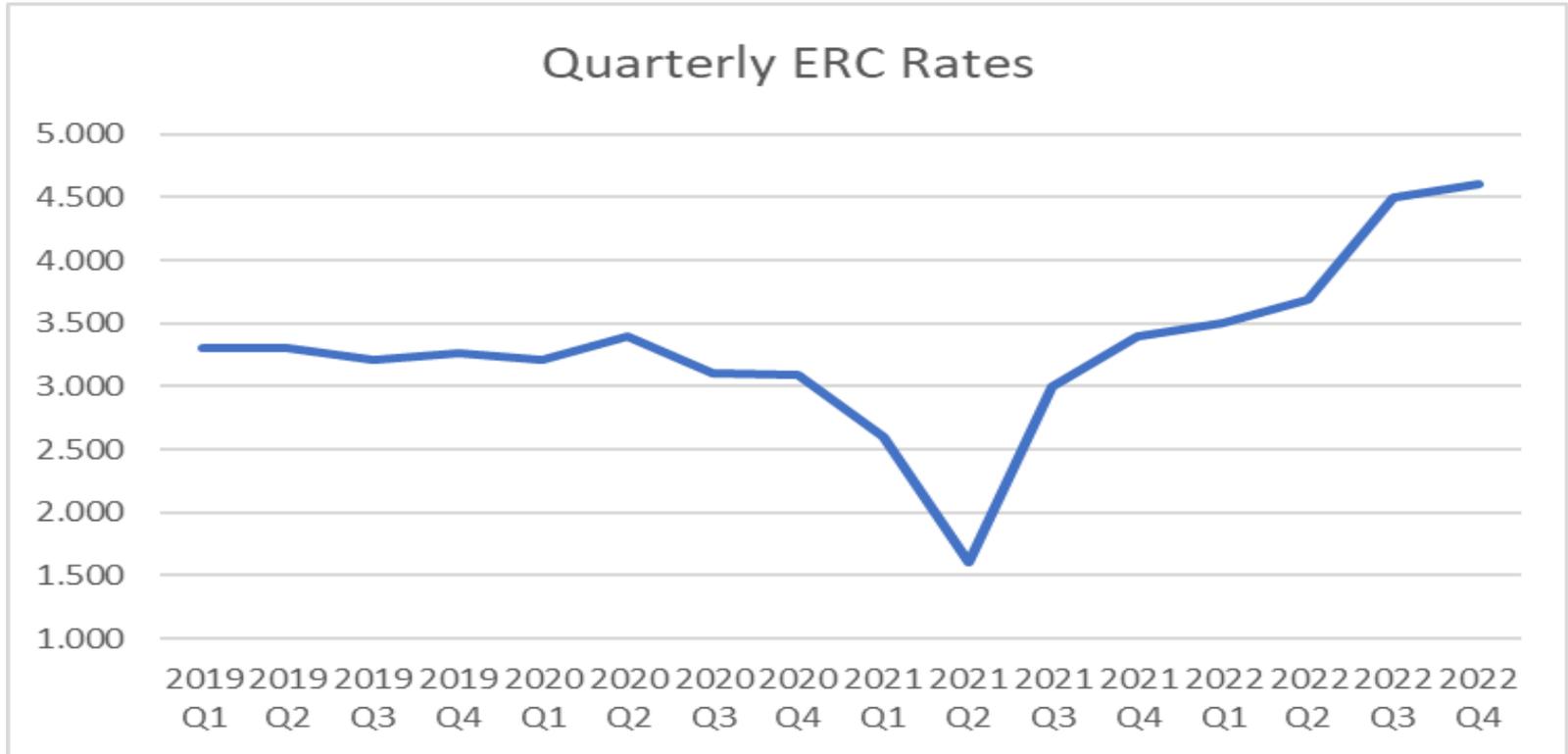
\*\*Dollars in millions

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

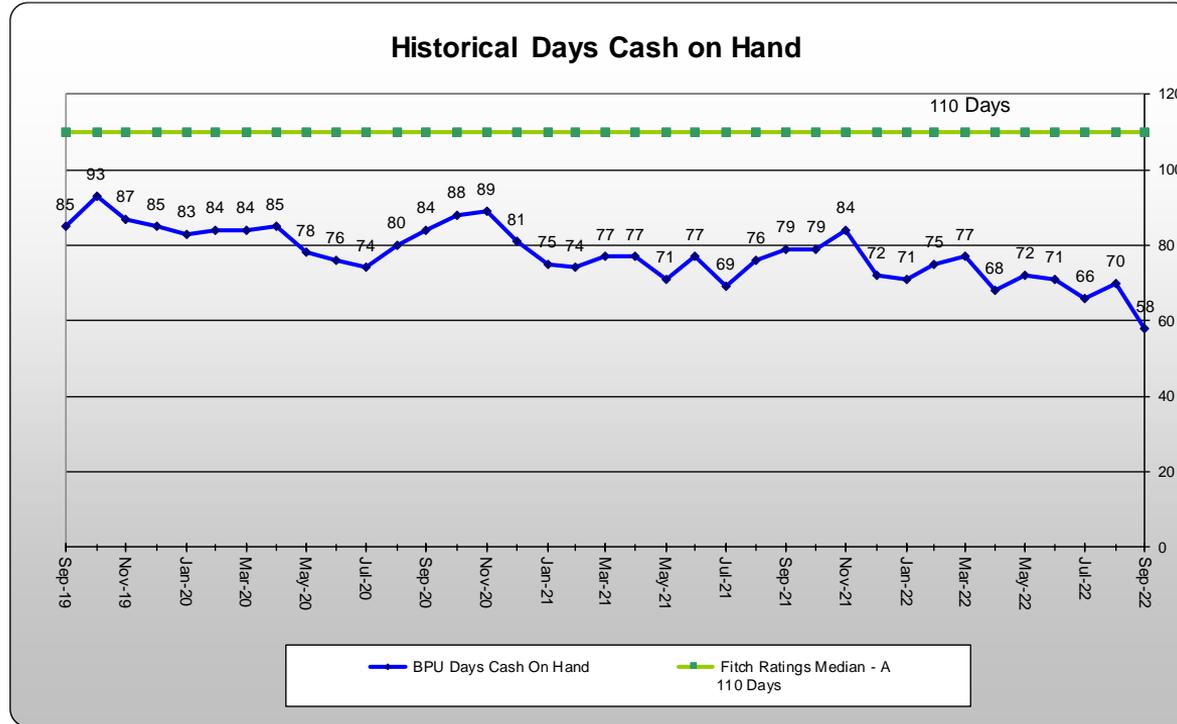
# ERC Cost and Rate per kWh

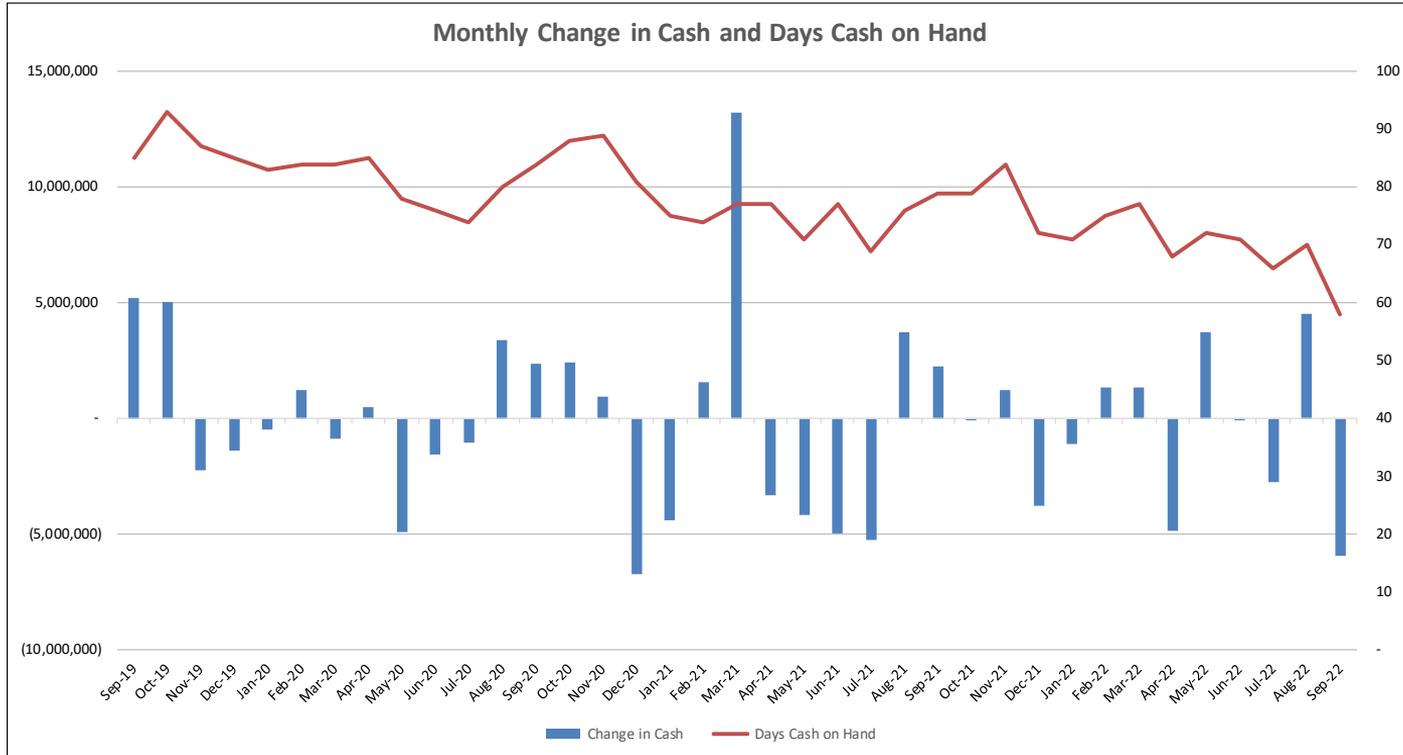


# Energy Rate Component Rate History



# Financial Results





## Balance Sheet: Notables

|                               | (CY) 2022<br>September | (PY) 2021<br>September |
|-------------------------------|------------------------|------------------------|
| Fuel Inventory                | \$ 6.666               | \$ 3.190               |
| Bond Dollars 2016C (Elec T&D) | \$ 0.712               | \$ 0.709               |
| Bond Dollars 2020A (Elec)     | \$ 0.800               | \$ 7.814               |

\*\*Dollars in millions

## Capital Spending

|                          | (CY) 2022<br>YTD | (PY) 2021<br>YTD | 2022 Budget     |                  |
|--------------------------|------------------|------------------|-----------------|------------------|
| Electric                 | \$ 15.55         | \$ 14.22         | \$ 28.09        |                  |
| Water                    | 6.40             | 5.90             | 22.28           |                  |
| Common                   | 2.67             | 2.84             | 5.85            |                  |
| <b>Total YTD Capital</b> | <b>\$ 24.62</b>  | <b>\$ 22.97</b>  | <b>\$ 56.22</b> | <b>Remaining</b> |

56%

\*\*Dollars in millions

Major projects in 2022:

- Piper OH Feeders - \$928K
- Fisher UG Feeders - \$3.3M
- Annual Underground - \$2.5M
- Water Leak, Valve, System Imp. - \$1.5M
- Water Transmission Imp. - \$1.7M
- UG/CMIP Water Dist. - \$406K

## Debt Coverage

### Debt Coverage with PILOT

|          | (CY) 2022<br>September | (PY) 2021<br>September |
|----------|------------------------|------------------------|
| Electric | 2.23                   | 1.91                   |
| Water    | 1.83                   | 1.96                   |
| Combined | 2.34                   | 2.09                   |

### Debt Coverage w/o PILOT

|          | (CY) 2022<br>September | (PY) 2021<br>September |
|----------|------------------------|------------------------|
| Electric | 1.55                   | 1.33                   |
| Water    | 1.37                   | 1.51                   |
| Combined | 1.65                   | 1.49                   |

Financial Guideline Target 1.6 to 2.1 times with PILOT

# Enterprise Risk Management Policy/Plan

November 02, 2022

- Risk Management Plan Update
- Board Risk Responsibilities
- Overview of the Risk Management Policy
- Internal Risk Management Governance
- Next Steps
- Questions?

# Risk Management Plan



1. Governance and Culture
2. Strategic Plan & Setting Objectives
3. Identifying Risks
4. Prioritization of Risks
5. Monitor & Evaluate
6. Communicate & Report

# Need for Risk Management

Regulatory Requirements

SPP Energy Market

Department of Justice

Preparedness for Uncertain Events

# Board Risk Responsibilities

Both the law and practicality continue to support the proposition that the Board of Directors (BOD) should not be involved in actual day-to-day risk *management*.

BOD should instead, through their risk *oversight* role, satisfy themselves that the risk management policy designed and implemented by the utility's senior executives are consistent with the utility's strategy.

BOD should be aware of the type and magnitude of the principal risks and should require that the GM and senior executives are fully engaged in risk management.

# Risk Management Policy

BOD policy contains three sections:

Section 1: Defines Risk

Section 2: Management of Risk

Section 3: Implementation of Risk Management

# Risk Management Policy

“Risk” is an uncertain event which, should it occur, will affect the achievement of our objectives.

Risk = Probability x Impact (Severity)

Management of Risk is a fundamental responsibility of the GM and his leadership team.

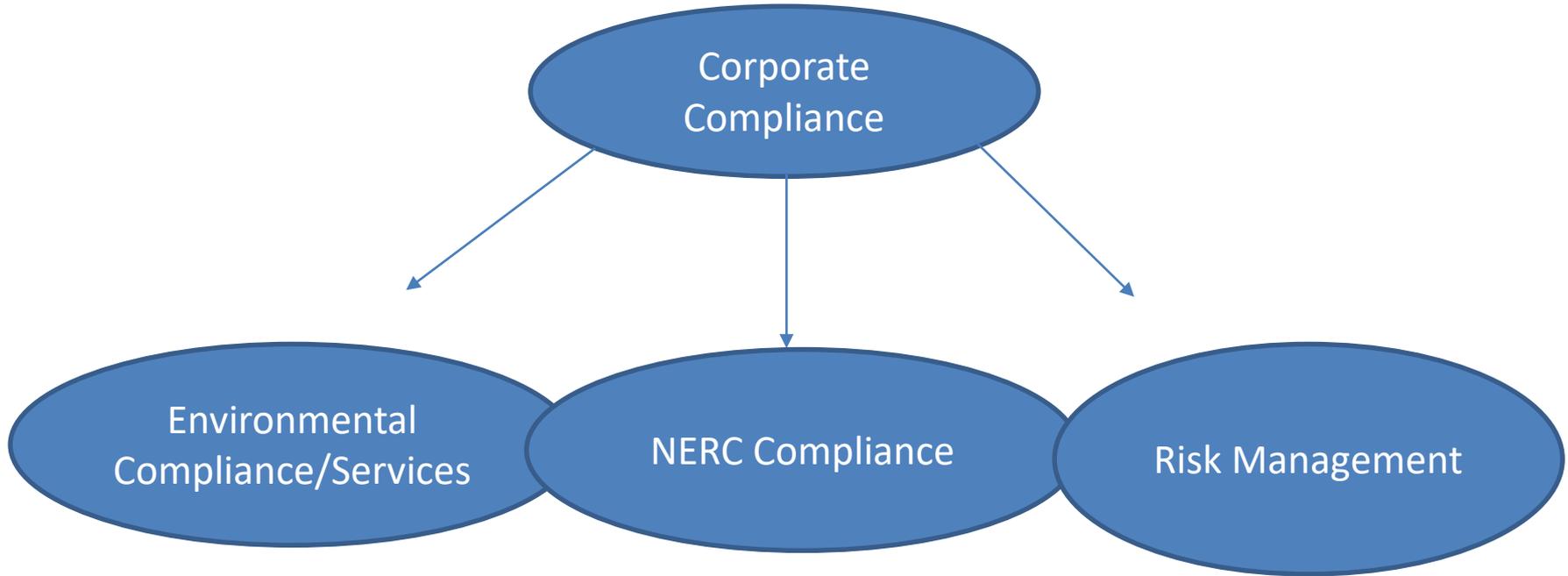
GM has designated Corporate Compliance as responsible for the management of risk.

# Risk Management Policy

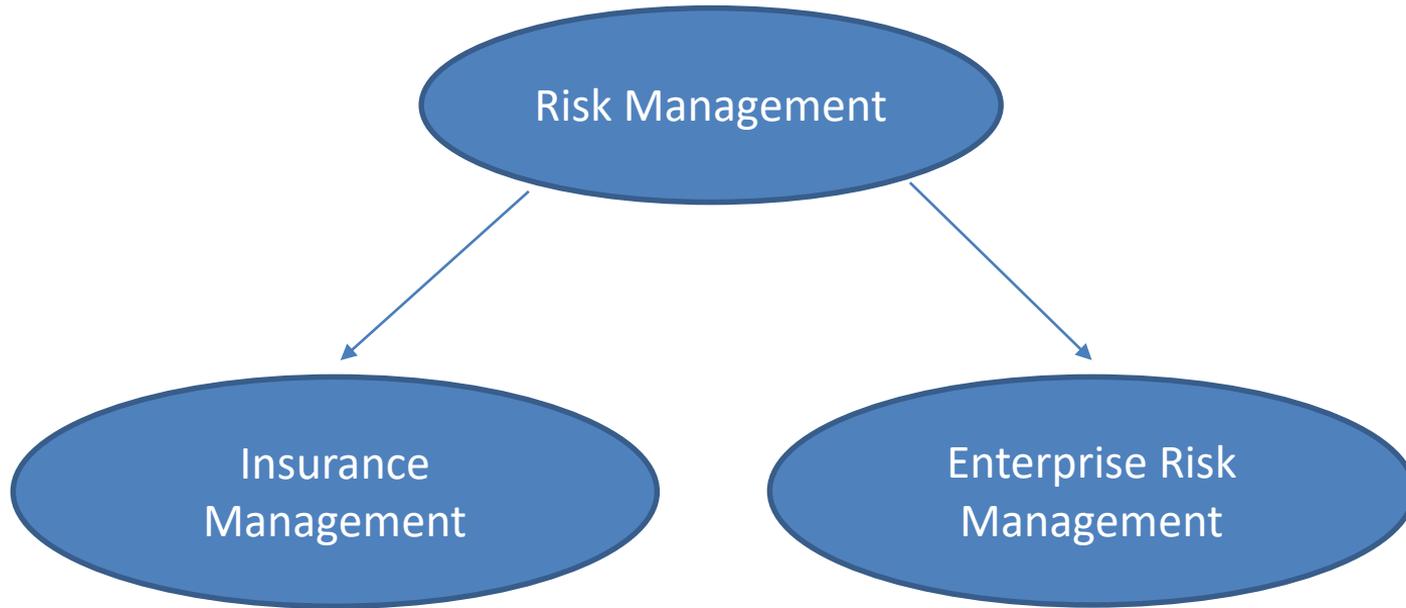
## Implementation of Risk Management Plan:

- Utility-wide approach
- Embedded management systems and processes
- Follows a formal enterprise risk management framework

# Risk Management Governance



# Risk Management Governance



# Risk Management Governance

## Risk Management Department:

- Identify and Evaluate Risks
- Develop Risk Response or Remediation Plans
- Establish Metrics
- Reporting

# Next Steps

1. Adoption of Board Policy
2. Remediation & Response Plans
3. Communicate and Report

\*\*\*\*\*Continuous & Ongoing\*\*\*\*\*

# Questions?

**Kansas City, Kansas  
Board of Public Utilities**

**Resolution No. \_\_\_\_  
Risk Management Policy**

WHEREAS, the Kansas City, Kansas Board of Public Utilities “Board” is given the responsibility by Charter Ordinance No. 5-01 as amended to exclusively manage, operate, maintain and control the daily operation of the Water Department and the Electric Department of the City of Kansas City, Kansas; and

WHEREAS, Pursuant to Charter Ordinance 5-01 Section 13(f) of the Code of the Unified Government of Wyandotte County/Kansas City, Kansas, the Board of Public Utilities has the authority to adopt a Risk Management Policy;

WHEREAS, the Board wishes to adopt a Risk Management Policy;

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF  
THE KANSAS BOARD OF PUBLIC UTILITIE AS FOLLOWS:**

The following Risk Management Policy is hereby adopted to be effective January 1, 2023 and shall be included in the Administration Section of the BPU Policies to be numbered as appropriate.

**Preface:** Kansas City Board of Public Utilities (BPU) shall maintain an Enterprise Risk Management (ERM) program to perform BPU’s risk management activities which enables management to visualize, assess, and manage major risks that may adversely impact the attainment of key organization objectives. The General Manager (GM) is responsible for identifying, assessing, and managing risks using the ERM program.

**Section 1: Definition of Risk**

“Risk” refers to an uncertain event or set of events which, should it occur, will affect the achievement of objectives; a risk is measured by a combination of the probability of a perceived threat or opportunity occurring and the magnitude of its impact on objectives:

- (1) Strategic Risk, affects the ability to carry out goals and objectives through the actions items as articulated in the BPU Strategic Plan;
- (2) Compliance Risk, affects compliance with laws and regulations, employee and customer safety, environmental issues, litigation, conflicts of interest, and related matters;
- (3) Reputational Risk, affects reputation, public perception, political issues, and related matters;

- (4) Financial Risk, affects the revenue and the overall financial health of the utility, and related matters; and,
- (5) Operational Risk, affects ongoing management processes and procedures, and reliable services.

## **Section 2: Management of Risk**

The management of risk within BPU is a fundamental responsibility of BPU leadership. The General Manager shall define BPU's ability (risk tolerance) and willingness (risk appetite) to absorb the impact of certain risks. The General Manager, through Corporate Compliance, shall ensure that BPU risks are effectively managed.

Certain utility risks rise to a level such that the General Manager shall make the Board aware of the risk. Risks rising to this level includes those where the combination of an event's probability and the potential consequences is likely to:

1. Impair the achievement of a BPU strategic goal or objective;
2. Result in substantial financial costs or significant impact to operations; or,
3. Damage BPU's reputation.

Some level of risk is not only expected in normal everyday activities but can be beneficial.

However, acceptance of risk shall not include:

1. Willful exposure of customers, employees, or others to unsafe environments or activities;
2. Intentional violation of federal, state, or local laws;
3. Willful violation of contractual obligations; or,
4. Unethical behavior.

## **Section 3: Implementation of Risk Management Procedures**

A utility-wide approach to risk management shall be adopted and embedded into the Utilities' management systems and processes. All risk management efforts shall be focused on supporting BPU's strategic objectives. BPU shall develop a risk management framework and associated procedures that include:

1. Formal and ongoing identification of risks that impact the institution's goals;
2. Development of risk management plans;
3. Monitoring the progress of managing risks;
4. Periodic updates of risk management plans; and,
5. Reporting of risks so that significant risks are reported to the Board

The GM shall adopt and amend as needed Risk Management Procedures to maintain the utility ERM framework. The risk management procedures shall ensure high-level management of risk.

BPU risk management framework and procedures shall be reviewed annually. Periodic reviews of compliance with the utility-wide guidelines shall also be conducted by external audits or a similar accountability function.

**The foregoing resolution is adopted by the Board of Public Utilities of Kansas City,**

**Kansas, this \_\_\_\_\_ day of \_\_\_\_\_, 2022.**

**THE BOARD OF PUBLIC UTILITIES OF KANSAS CITY, KANSAS**

**By \_\_\_\_\_  
Mary Gonzales, President**

**ATTEST:**

**\_\_\_\_\_  
Thomas Groneman, Secretary**

**Approved as to form:**

**\_\_\_\_\_  
BPU Legal Counsel**

**BOARD**