

REGULAR SESSION –WEDNESDAY, DECEMBER 21, 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, December 21, 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; Jeremy Ash, Interim Chief Operating Officer; Dong Quach, Executive Director Electric Production; Steve Green, Executive Director Water Operations; Darrin McNew, Acting Executive Director Electric Operations; Maurice Moss, Executive Director Corporate Compliance; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Dennis Dumovich, Director of Human Resources; Gabriela Freeman, Supervisor Customer Services; Dustin Miller, Director of Applications; Robert Kamp, IT Project Manager; Tierra Johnson, Acting Supervisor Cash Operations and, Phillip Brown, Senior Civil Engineer.

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. Gonzales called the Board meeting to order at 6:01 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, DECEMBER 21, 2022

STATE OF KANSAS)
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Item #4– Approval of Work Session Minutes of December 7, 2022

A motion was made to approve the minutes of the Work Session of December 7, 2022, by Mr. Bryant, seconded by Mr. Milan, and unanimously carried.

Item #5– Approval of Regular Session Minutes of December 7, 2022

A motion was made to approve the minutes of the Regular Session of December 7, 2022, by Mr. Groneman, seconded by Ms. Mulvany Henry, and unanimously carried.

Item #6 – Public Comments

Ms. Evelyn Hawthorn, 2056 N. Tremont St., expressed her opinion on bills, cut-offs, and late fees and BPU’s role as part of the Unified Government (UG).

Mr. Robert Ewing, 2617 N. 45th Terr., expressed his opinion on funds being utilized appropriately, on Board members, and on various items purchased for his rental properties.

Mr. Johnson said that he had spoken with Mr. Ewing, and reminded him to speak with Mr. Darrin McNew, Acting Executive Director Electric Operations.

Ms. Fannie Hill, 4310 Parallel, expressed her thoughts on the hardship one of her rental tenants was dealing with.

Mr. Johnson, asked Ms. Hill to speak with Ms. Gabriela Freeman, Supervisor Customer Services.

Mr. Bryant asked if the Zoom application had stopped working.

Robert Kamp, IT Project Manager, confirmed that Zoom had in fact stopped working and that they were trying to resume the connection.

Brook Williams, 1040 Orville Ave., expressed his opinion about 2023 pay increases. He also inquired on how to figure out where his energy usage was.

Mr. Johnson explained how to use the Energy Engage tool on the BPU website.

REGULAR SESSION –WEDNESDAY, DECEMBER 21, 2022

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Ms. Susan Stevens, 4018 Silver Ave., reiterated her encouragement to vote no on the 2023 Budget. She also expressed her views on residents receiving help from United Way, as well as her opinion that shut-offs should not occur when the assistance organizations were not reachable. She also wanted businesses to pay their taxes and not have the burden be put on the poor.

Mr. Curtis Martin, 2115 Quindaro, voiced his thoughts on why to vote no on the 2023 Budget. He also wanted Board members to come to community meetings.

Ms. Mulvany Henry asked if there was an alternative way for those attending the meeting remotely to be able to participate since the Zoom issue had still not been resolved.

After discussion, it was determined to continue the Public Comment section with those who were physically attending the meeting.

Ms. Lisa Walker-Yeager, 1068 Webster Ave., explained why she felt the Board should vote no on the 2023 Budget. She voiced her views on the Board and staff advocating on issues such as, unrelated fees and taxes on the BPU bill and also work on obtaining federal dollars. She also expressed her thoughts on the fact that the UG facilities did not pay for utilities.

Mr. Ken Snyder, 2105 N. 40th St., expressed his opinion on the opening of the lobby, as well as employee salaries, general manager selection process, leadership and board per diem, and Board member term limits.

Mr. Rayan Makarem, 3730 Metropolitan, spoke about the 2023 Budget, the need for renewable energy and the use of federal dollars for green energy and programs to help the customers. He also spoke about customer disconnections.

Due to technical difficulties in the board room, the Board, General Manager, and as many customers as the room would accommodate, moved into the first-floor conference room to hear the Public Comments remaining on Zoom.

Ms. Louise Lynch, expressed her views, voting no on the 2023 Budget, having public commenters give their addresses, and communications.

Mr. Ty Gorman, 2843 Parkwood Blvd., expressed his thoughts on the technical difficulties that had occurred. He also stated his views on the 2023 Budget, transparency, and community communications. He also expressed his thoughts on a moratorium on shut-offs due

REGULAR SESSION –WEDNESDAY, DECEMBER 21, 2022

STATE OF KANSAS)
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Mr. Groneman – yes

Mr. Haley – no

Mr. Milan – yes

Ms. Mulvany Henry – no

The motion carried.

- iii. *Miscellaneous Comments:* Mr. Johnson congratulated Mr. Dong Quach, Executive Director Electric Production on his upcoming retirement, thanking him for his years of service to the utility since 1998.

Mr. Quach spoke about coming to the United States from Vietnam and the road that brought him to BPU. He thanked the Board and General Manager, and all of his colleagues. He spoke about how proud he was to be in the United States and how proud he was to be a part of BPU.

Item #8 – Board Comments

Mr. Bryant thanked all who were in attendance, both in person and online. He reflected on the importance of the process, of discussing, revising, and passing the 2023 Budget and thanked his fellow Board members, as well as staff, for the culmination of time that it took. He also expressed his passion for his home town and appreciation for grassroots groups and the time people took out of their schedules to attend the evening’s meeting. He looked forward to the community’s participation in the new year. He wished all a Merry Christmas and Happy New Year.

Mr. Haley said he appreciated the evening’s attendance in person and online, and for the discussion. He thanked Mr. Quach for his service and strength he brought to the utility. He spoke about his decision to not support the budget and applauded the transfer of monies to the United Way from the Economic Development fund. He also spoke about the need to enhance customer service and his desire have separate bills for UG’s charges and BPU charges. He also spoke about the opening of the warming center at 550 State Avenue and wished everyone the best for the Holiday season.

REGULAR SESSION –WEDNESDAY, DECEMBER 21, 2022

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Mr. Groneman spoke about the community discussion and also about the six months that staff and the Board have been working on the 2023 Budget. He also encouraged staff to pursue the federal dollars that were available to help serve BPU’s customers. He also said that he supported the separation of the UG and BPU charges and welcomed community input on that issue. He thanked Mr. Quach for his years of service to the community and BPU and wished everyone a Happy Holiday.

Mr. Milan said he appreciated the comments made and about the three sources of revenue that the BPU received; residential, commercial, and industrial. He talked about importance of communication and his understanding of transparency, accomplishment and validation. He also spoke about the hard work put into the 2023 Budget. He was proud to part of a community that came forward and encouraged the public to continue to come to the Board meetings on the first and third Wednesday’s of the month. He wished all a Merry Christmas and Happy New Year.

Ms. Mulvany Henry congratulated Mr. Quach on his retirement and thanked him for his service to BPU. She also expressed her thoughts on acting as well as listening to the community and reiterated the Board’s appreciation for those who attended the Board meeting. She proposed that in January, the Board discuss the development of a community-based organization to work with the utility to develop best practices. She also explained her thoughts on voting no for the 2023 Budget and the importance of hearing what was impacting community members. She also proposed a moratorium on shut-offs until the end of the year.

Mr. Johnson confirmed that it had been decided to implement a moratorium on shut-offs until the end of the year.

Ms. Mulvany thanked all who came to the meeting wished everyone a happy and safe Holiday.

Ms. Gonzales also congratulated Mr. Quach on his retirement and for his service to the utility. She spoke about the Board’s fiduciary duty in regards to passing a budget and about being in recovery mode from the pandemic situation that created so many unknowns and unforeseen circumstances. Regarding the passing the 2023 Budget, she spoke about the time frame, details and expenses that were discussed during the budget process, as well as the opportunity to ask for more details whenever necessary. She also reminded all about the contributions made by BPU employees to the United Way to help the community and said that moving forward the Board should also do a better job in communicating what public

REGULAR SESSION –WEDNESDAY, DECEMBER 21, 2022

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power does for the community and invited all to attend Board meeting and to reach out to their Board members.

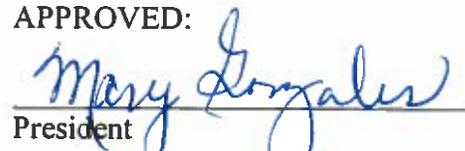
Item #10 – Adjourn

At 8:02 P.M. a motion to adjourn was made by Ms. Mulvany Henry, seconded by Mr. Bryant and unanimously carried.

ATTEST:


Secretary

APPROVED:


President



Kansas City Board of Public Utilities 2023 Annual Budget Summary

December 21, 2022

2023 Budget Objectives

- Positive Net Income
- Positive Cash Flow
- Fund Capital Projects
- Maintain Cash Balances & Debt Coverage



2023 Budget Objectives

Priorities of Capital Program

Water:

- Argentine 7 MG Water Tank replacement
- Water Pump Station Electrical Upgrades
- Kansas River Crossing
- Switchgear & Variable Frequency Drive Upgrades at Nearman Water
- Water Distribution (UG/CMIP, Leak Projects, Valve Improvements, Hydrants, Service Services)

Electric Operations:

- Continue Electric Meter Replacements
- Continue Electric Pole inspection program



2023 Budget Objectives

Cont.

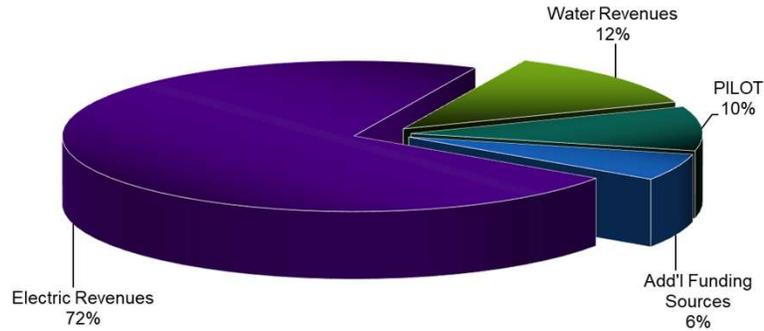
- Annual Transformer purchase
- Overhead Distribution – Piper/Urban Outfitters
- Complete Rosedale Substation
- Yards II Project
- Work Equipment

Electric Production:

- Burner Coal Nozzles & Heads Replacement
- Generator Rewedge and Reheat Stop Valve Seat Restoration
- N1 SCR (Selective Catalytic Reactor) Catalyst Layer
- Balance of Plant Programmable Logic Controller to Distributed Control System Upgrade
- Pulse Jet Fabric Filter Bags & Cages Replacement
- N1 No. 5 Feedwater Heater Replacement
- CT4 Control Systems

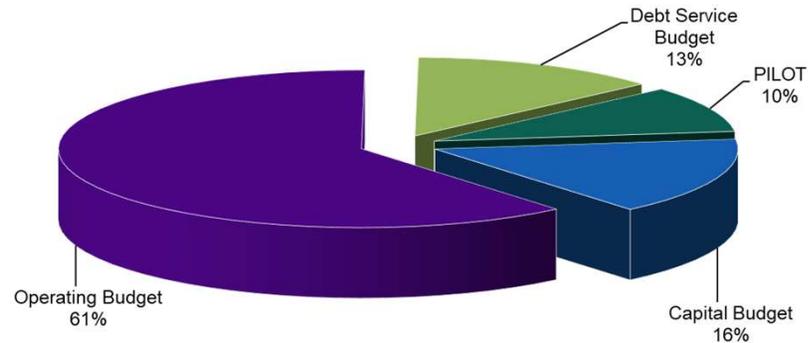
2023 Budget Funding

SUMMARY OF FUNDING BY RESOURCE CATEGORY						
Revenue by Category	Approved Budget 2023	Adopted Budget 2022	More/(Less) Than 2022 Adopted		% of Grand Total	
			\$	%	2023	2022
Electric Revenues	\$ 281,846,448	\$ 250,207,000	\$ 31,639,448	12.65%	72.41%	71.35%
Water Revenues	47,989,400	46,922,900	1,066,500	2.27%	12.33%	13.38%
PILOT	37,029,230	34,577,401	2,451,829	7.09%	9.51%	9.86%
Add'l Funding Sources	22,367,946	18,965,097	3,402,849	17.94%	5.75%	5.41%
Grand Total	\$ 389,233,024	\$ 350,672,398	38,560,626	11.00%	100.00%	100.00%



2023 Budget Uses

BPU ANNUAL BUDGET						
Uses of Funds	Approved Budget 2023	Adopted Budget 2022	More/(Less) Than 2022 Adopted		% of Grand Total	
			\$	%	2023	2022
Operating Budget	\$ 238,580,489	\$ 207,329,809	\$ 31,250,680	15.07%	61.30%	59.12%
Debt Service Budget	51,820,859	51,813,422	7,437	0.01%	13.31%	14.78%
PILOT	37,029,230	34,577,401	2,451,829	7.09%	9.51%	9.86%
Capital Budget	61,802,446	56,951,766	4,850,680	8.52%	15.88%	16.24%
Grand Total	\$ 389,233,024	\$ 350,672,398	38,560,626	11.00%	100.00%	100.00%



QUESTIONS?