

REGULAR SESSION –WEDNESDAY, DECEMBER 7, 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 7, 2022 at 6:00 P.M. The following Board Members were present: Mary Gonzales, President; Thomas Groneman, Secretary; Robert L. Milan, and Jeff Bryant. Rose Mulvany Henry, Vice President, and David Haley attended via Zoom.

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; Darrin McNew, Acting Executive Director Electric Operations; Maurice Moss, Executive Director Corporate Compliance; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Chris Stewart, Director Civil Engineering; Dennis Dumovich, Director of Human Resources; Dustin Miller, Director of Applications; 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. 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 Mr. Milan and unanimously carried.

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Item #4– Approval of Work Session Minutes of November 16, 2022

A motion was made to approve the minutes of the Work Session of November 16, 2022, by Mr. Bryant, seconded by Mr. Groneman, and unanimously carried.

Item #5– Approval of Regular Session Minutes of November 16, 2022

A motion was made to approve the minutes of the Regular Session of November 16, 2022, by Mr. Bryant, seconded by Mr. Milan, and unanimously carried.

Item #6 – Public Comments

Mr. Curtis Martin, 2115 Quindaro, expressed his thoughts on the pay raise approved for the General Manager as well as contributions to the United Way.

Ms. Susan Stevens, 4018 Silver Ave., expressed why she wanted the Board to vote no on the upcoming budget.

Mr. Johnson explained the allocating of monies to the United Way through employee contribution, the Board match through the utility assistance program, as well as the hardship funding program for residents in Wyandotte County. The United Way was more suitable to manage and distribute those funds and over 90% of those dollars came back to the community.

Responding to a question from Ms. Mulvany Henry, Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, reported that the contribution to the United Way was \$105,000 and to the hardship program was \$120,000.

Ms. Jayla Atkinson, 3730 Metropolitan Ave., expressed her thoughts about the budget discussion held on December 5.

Mr. Beto Martinez, 3730 Metropolitan Ave. stated he represented an organization, Clean Air Now, and expressed his concerns on community involvement and the 2023 proposed budget.

Mr. Johnson explained that the PILOT was a UG charge, that they determine what BPU collects. The UG was in control of what the percentage they received from BPU’s revenue. Those monies along with the other UG charges we collected are transferred to the UG. In addition to that, he explained that the BPU was a public utility.

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Ms. Gustine Green, 2208 Haskell Avenue, expressed her concern about the UG and BPU being merged together. She was also concerned about the increase in UG charges coming in 2023.

Mr. Johnson explained that the UG charges needed to be discussed with the UG Commissioners.

Mr. Bryant talked about the importance of the public attending as many public meetings as possible to understand the public utility.

Ms. Dani LJ, 1324 S. 50th St., suggested that that Board vote no on the budget and also made suggestions which included; shut-offs, removal of UG charges on the BPU bill, and the need to investment in grant writing to obtain federal dollars, along with renewal energy recommendations.

Mr. Thomas Gordon, 2521 N. 7th St., spoke about the importance of the voice of the public, and echoed the other comments. He also commented on the General Manager pay.

At 6:43 P.M. Mr. Haley expressed his thoughts on collecting the UG charges. And explained that the BPU was a division of the UG. He also spoke about the need for a resolution to request the separation of the UG and BPU billing.

Mr. Ty Gorman, 2843 Parkwood Blvd., expressed why he thought the Board should vote no on the 2023 Budget. He also relayed his thoughts on not having customer shut-offs. He also spoke about the need for separation of the electric and water charges from the unrelated fees and fixed costs. He also made suggestions regarding lowering utility bills and renewable energy.

Mr. Reginald Jones, 1220 Cleveland, expressed his thoughts on the 2023 Budget and the importance of communication.

Ms. Lisa Walker-Yeager, 1068 Webster Ave., expressed thanks on former expanded hours of the lobby as well as previous assistance given. She also spoke about the General Manager’s pay, the PILOT, and the importance of communication.

Ms. Louise Lynch, 737 Miami Ave., expressed her thoughts on communication, the 2023 Budget, and assistance distribution.

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Ms. Sara Lynch, 737 Miami Ave., echoed the previous comments. She also spoke concerns about taxation and fees, the need for assistance, communication, and the need for a diverse energy portfolio.

Mr. Ryan McKeran (could not verify the spelling of the last name), 3730 Metropolitan, echoed the previous comments and spoke about the 2023 Budget.

Item #7 – General Manager / Staff Reports

- i. *October 2022 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, reviewed the October 2022 Financials with the Board. (See attached PowerPoint.)

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

- ii. *Self-Recognition Policy Resolution #5280:* Mr. Dennis Dumovich, Director of Human Resources, presented the Self-Recognition Policy that was reviewed by the Board in the Work Session and asked for approval.

Ms. Lawson said there was one revision in the resolution.

A motion was made to approve the Self Recognition Policy Resolution #5280 with the revision in Section 1a.2, by Mr. Bryant, seconded by Ms. Mulvany Henry, and unanimously passed.

- iii. *WYCO Redistricting Resolution #5281:* Mr. Grimm, UG Research Manager, reviewed the options previously presented to the Board.

A motion was made to approve WYCO Redistricting Resolution #5281 by Mr. Bryant, seconded by Ms. Mulvany Henry, and unanimously passed.

- iv. *Miscellaneous Comments:* Mr. Johnson gave an update on the UG County Administrator Search Taskforce. The taskforce had met to go over materials being sent to candidates. The hope was to have three candidates to forward to the Mayor and Commissioners by January 2023.

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Item #8 – Board Comments

Mr. Haley said he appreciated the evening’s attendance and discussion. He attended the Economic Development and Finance met and mentioned the progress of the Rock Island bridge project. He reiterated his desire to propose a resolution that would call for separate bills, with UG’s charges on one bill and BPU charges on the other.

Mr. Groneman expressed his thoughts and interpretation of allocations made from the UG PILOT on the BPU bill. He also spoke about agreeing with some of the issues brought forth that evening, such as the separation of the bill as well as seeking outside funding. He also spoke about BPU’s current renewable portfolio. He also said he was in favor of responding on record to the issues brought up in Public Comments.

Mr. Milan thanked those who attended the meeting and invited them to return because communication was important. He also stated that there were three elements to the BPU budget; residential, commercial, and industrial. He also spoke about the PILOT and being an agency of the UG.

Mr. Bryant expressed his thoughts on the dual bills and the PILOT and the importance of attendance and communication. He also thanked those who stayed for the duration of the meeting and watched the presentations.

Ms. Gonzales echoed the previous comments and thanked everybody for their attendance. She also thanked Mr. Sullivan for his team’s presentation at the Work Session.

Ms. Mulvany Henry also thanked Mr. Sullivan’s team’s presentation on the Executive Dashboard. She expressed her thoughts on public attendance and communication as well as her views regarding BPU’s transparency and the budget. She suggested having \$250,000, including this year’s remaining \$250,000 in the Economic Development Fund reallocated for use in utility assistance.

Mr. Groneman thanked those who remained for the entire meeting.

Mr. Milan made additional comments about the budget.

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Item #9 –Executive Session

Ms. Angela Lawson, Deputy 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 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, and that we reconvene in open session returning to both electronic and telephonic broadcasting at 8:33 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 8:33 P.M. was made by Mr. Bryant, seconded by Mr. Groneman and carried unanimously.

At 8:33 P.M. the meeting returned to Open Session in the board room.

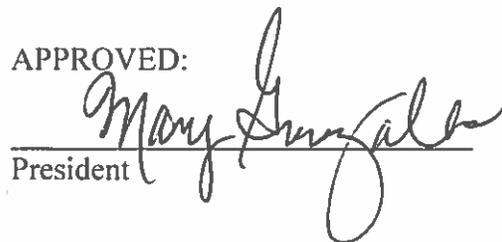
Item #10 – Adjourn

At 8:44 P.M. a motion to adjourn was made by Mr. Groneman, seconded by Mr. Bryant and carried, minus Ms. Mulvany Henry and Mr. Haley who were not available to move to adjourn.

ATTEST:


Secretary

APPROVED:


President

October 2022 Financial Results

December 7, 2022

2022 Billed kWh (YTD Jan - October)

Electric	(CY) 2022 YTD	(PY) 2021 YTD	
Residential	518,258,588	514,353,862	
Commercial	847,678,360	807,276,229	
Industrial	440,668,520	388,642,857	
	1,806,605,468	1,710,272,948	5.6%

Residential – Up 1% Commercial – Up 5% Industrial – Up 13%

2022 Billed CCF's (YTD Jan - October)

Water	(CY) 2022 YTD	(PY) 2021 YTD	
Residential	2,955,905	2,957,371	
Commercial	2,298,669	2,165,083	
Industrial	1,598,329	1,482,566	
	6,852,903	6,605,020	3.8%

Residential – Down >1%

Commercial – Up 6%

Industrial - Up 8%

Revenues – October 2022

	(CY) 2022 October	(PY) 2021 October		Budget 2022 October	(CY) 2022 October	
Electric	\$ 25.889	\$ 22.608		\$ 22.274	\$ 25.889	
Water	4.690	4.734		4.550	4.690	
Combined	\$ 30.579	\$ 27.342	11.8%	\$ 26.824	\$ 30.579	14.0%

Actual Compared to 2022 Budget

Electric - Up 16%

Water – Up 3%

Financial Results

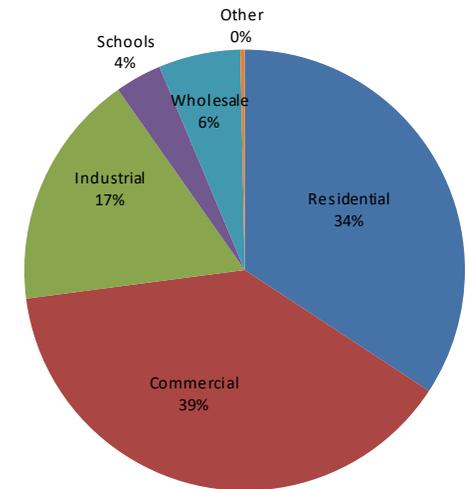
Revenues – 2022 YTD

	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 271.701	\$ 242.981		\$ 235.030	\$ 271.701	
Water	44.855	43.346		43.936	44.855	
Combined	\$ 316.556	\$ 286.327	10.6%	\$ 278.966	\$ 316.556	13.5%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2022

Electric:	<i>Up 16%</i>	Water:	<i>Up 2%</i>
Residential	\$ 5.0M	Residential	\$392K
Commercial	\$14.5M	Commercial	\$539K
Industrial	\$ 4.5M	Industrial	\$114K
Schools	\$ 756K	Wholesale	\$170K
Wholesale	\$10.2M		



Operating Expenses – October 2022

	(CY) 2022 October	(PY) 2021 October		Budget 2022 October	(CY) 2022 October	
Electric	\$ 19.378	\$ 18.537		\$ 17.454	\$ 19.378	
Water	3.124	2.995		3.193	3.124	
Combined	\$ 22.502	\$ 21.532	4.5%	\$ 20.647	\$ 22.502	9.0%

Actual Compared to 2022 Budget

Electric – Up 11%

Water - Down 2%

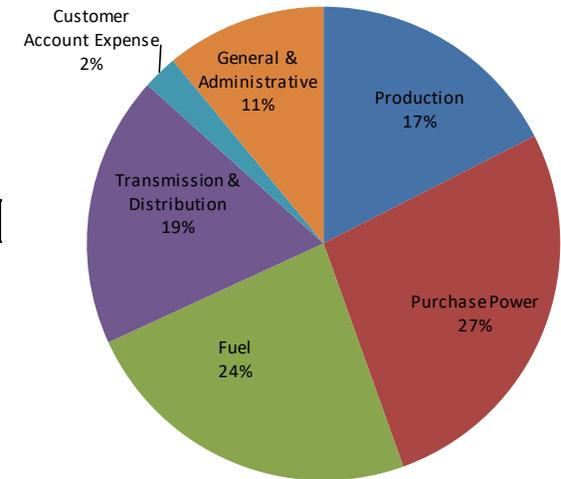
Operating Expenses - 2022 YTD (Total)

	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 206.993	\$ 174.095		\$ 174.079	\$ 206.993	
Water	30.563	29.636		32.455	30.563	
Combined	\$ 237.556	\$ 203.731	16.6%	\$ 206.534	\$ 237.556	15.0%

**Dollars in millions

Actual Compared to 2022 Budget

- Electric - Up 19%
- Water - Down 6%



Operating Expenses – 2022 YTD less Depreciation

	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 179.898	\$ 148.561		\$ 147.761	\$ 179.898	
Water	23.667	22.659		25.433	23.667	
Combined	\$ 203.565	\$ 171.220	18.9%	\$ 173.194	\$ 203.565	17.5%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2022

Electric:

Purchased Power	\$16.7M
Fuel	\$20.1M
Production	\$ 46K
T&D	(\$4.3M)
G&A	(\$2.8M)

Water:

Production	(\$1.0M)
T&D	(\$114K)
G&A	(\$700K)

Change in Net Position – October 2022

	(CY) 2022 October	(PY) 2021 October
Electric	\$ 2.438	\$ 0.044
Water	1.097	1.145
Combined	\$ 3.535	\$ 1.189

Budget 2022 October	(CY) 2022 October
\$ 0.988	\$ 2.438
0.838	1.097
\$ 1.826	\$ 3.535

**Dollars in millions



Financial Results

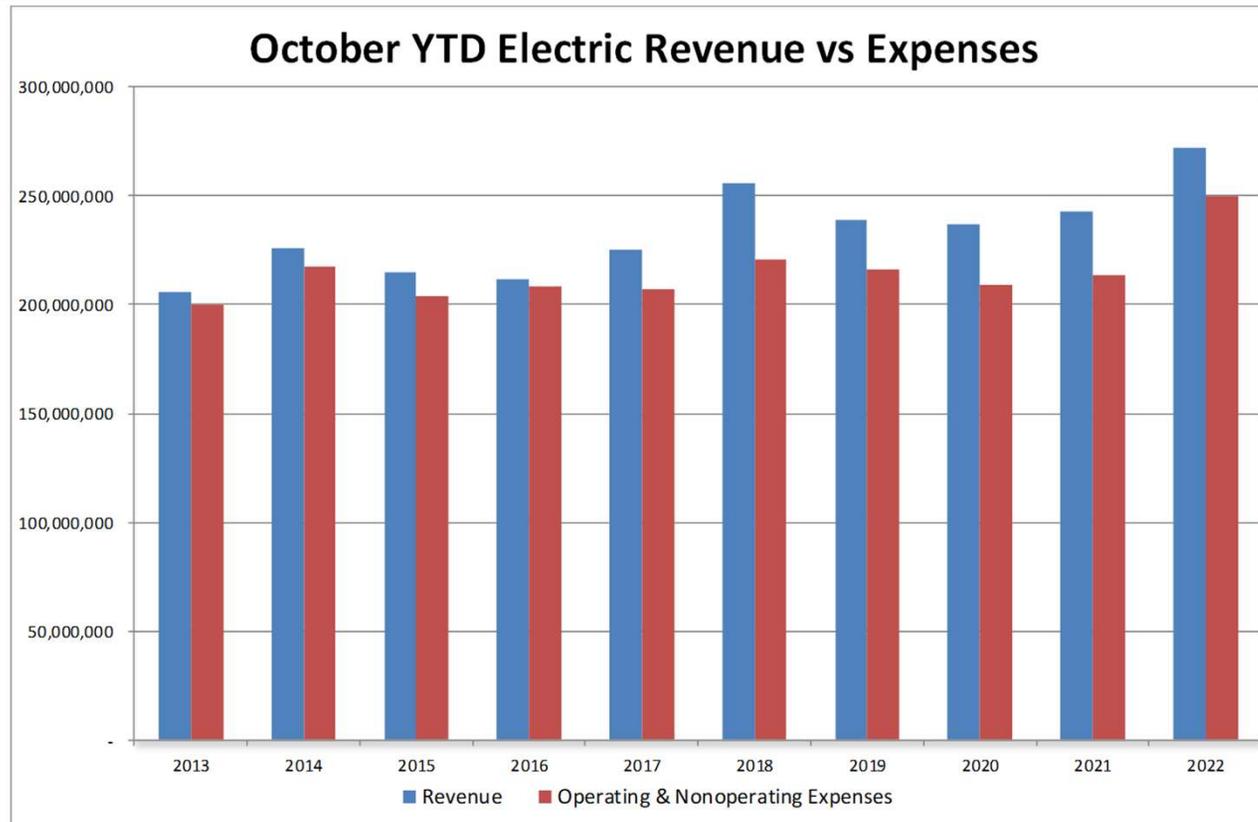
Change in Net Position – 2022 YTD

	(CY) 2022 YTD	(PY) 2021 YTD
Electric	\$ 22.195	\$ 29.213
Water	8.832	8.073
Combined	\$ 31.027	\$ 37.286

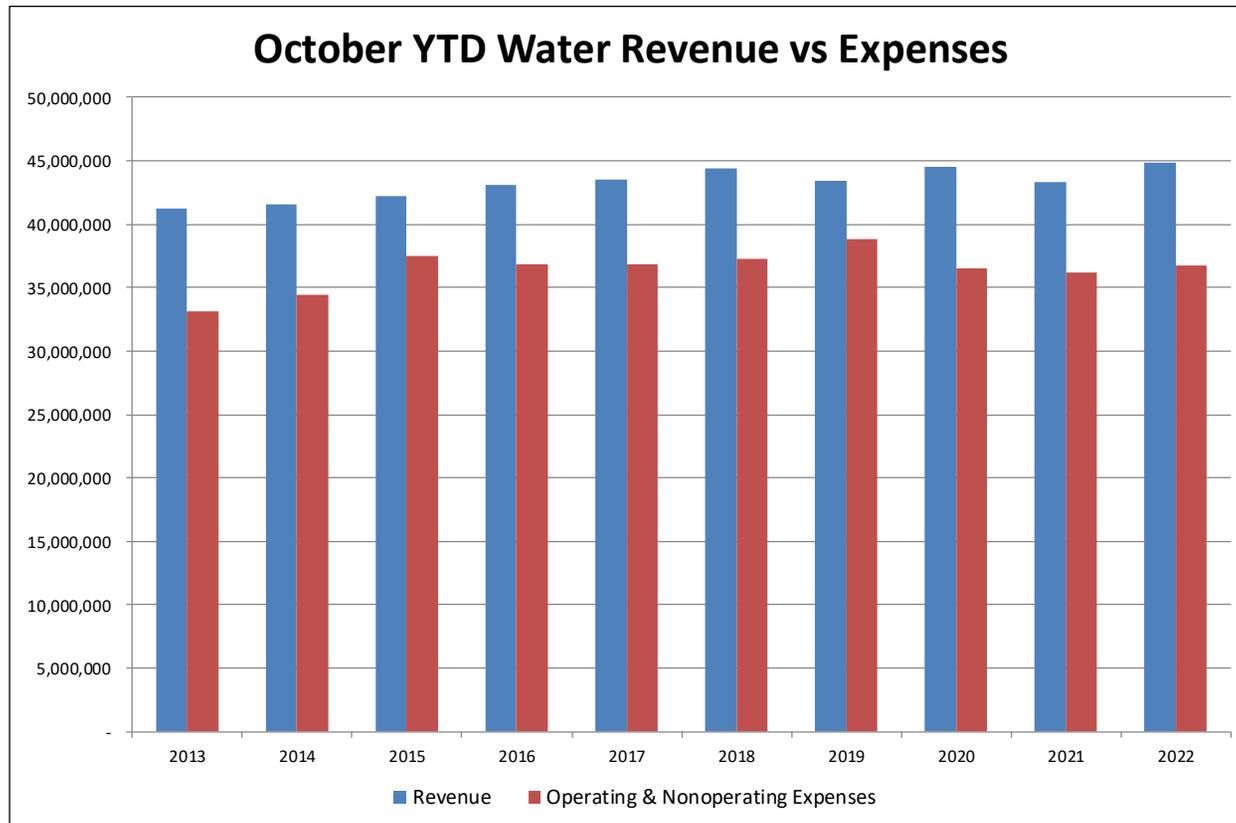
Budget 2022 YTD	(CY) 2022 YTD
\$ 20.924	\$ 22.195
5.720	8.832
\$ 26.644	\$ 31.027

**Dollars in millions

Financial Results – 10 Year Trend

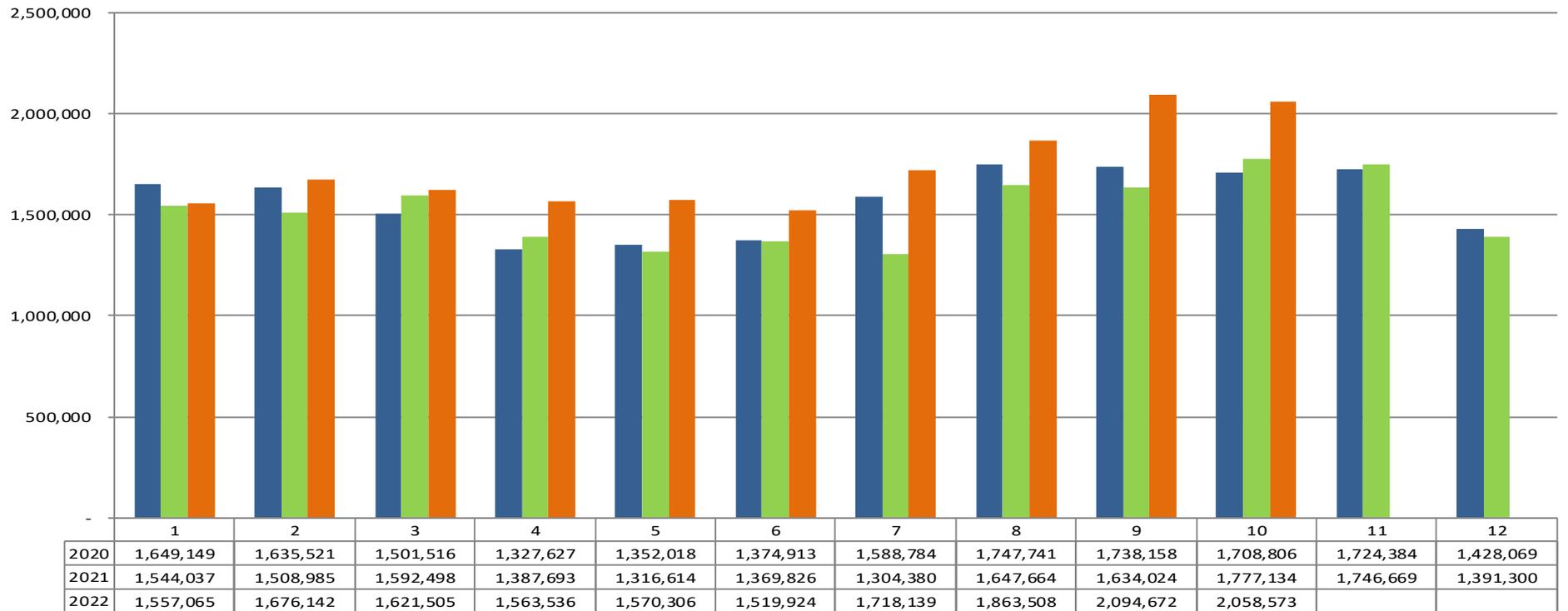


Financial Results – 10 Year Trend



Financial Results

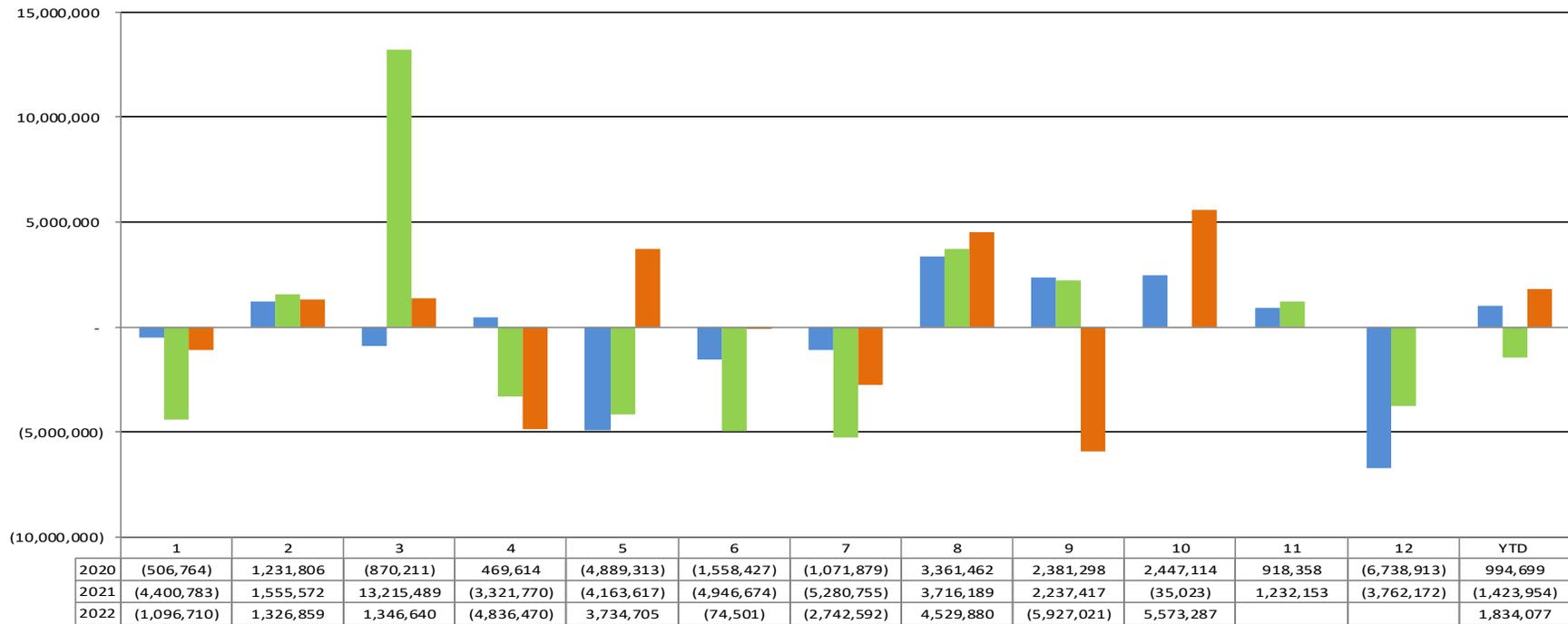
Average Daily Collections



■ 2020 ■ 2021 ■ 2022

Financial Results

Historical Monthly Cash Comparison



■ 2020 ■ 2021 ■ 2022

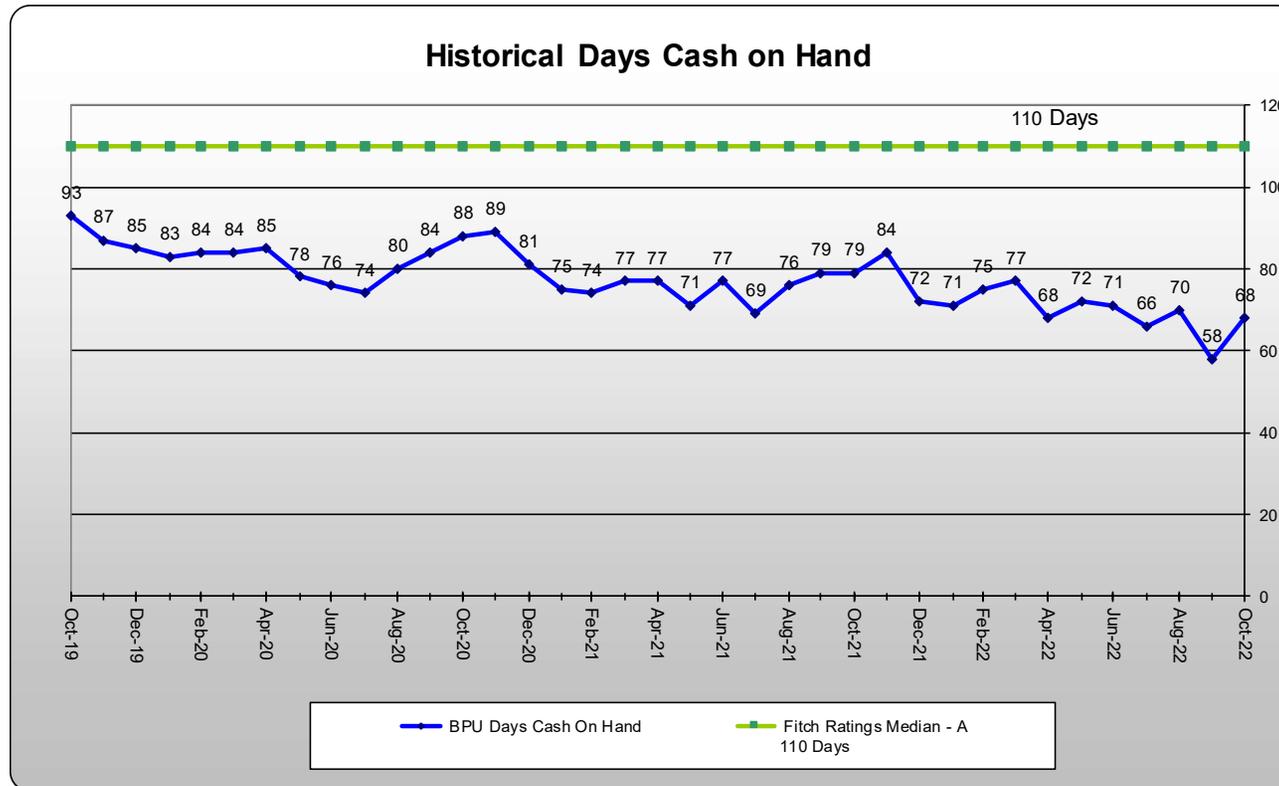
Cash Position

	(CY) 2022 October	(PY) 2021 October	2022 September
Combined (E&W) Days Cash-on-Hand	\$ 47.00 68	\$ 46.22 79	\$ 40.19 58

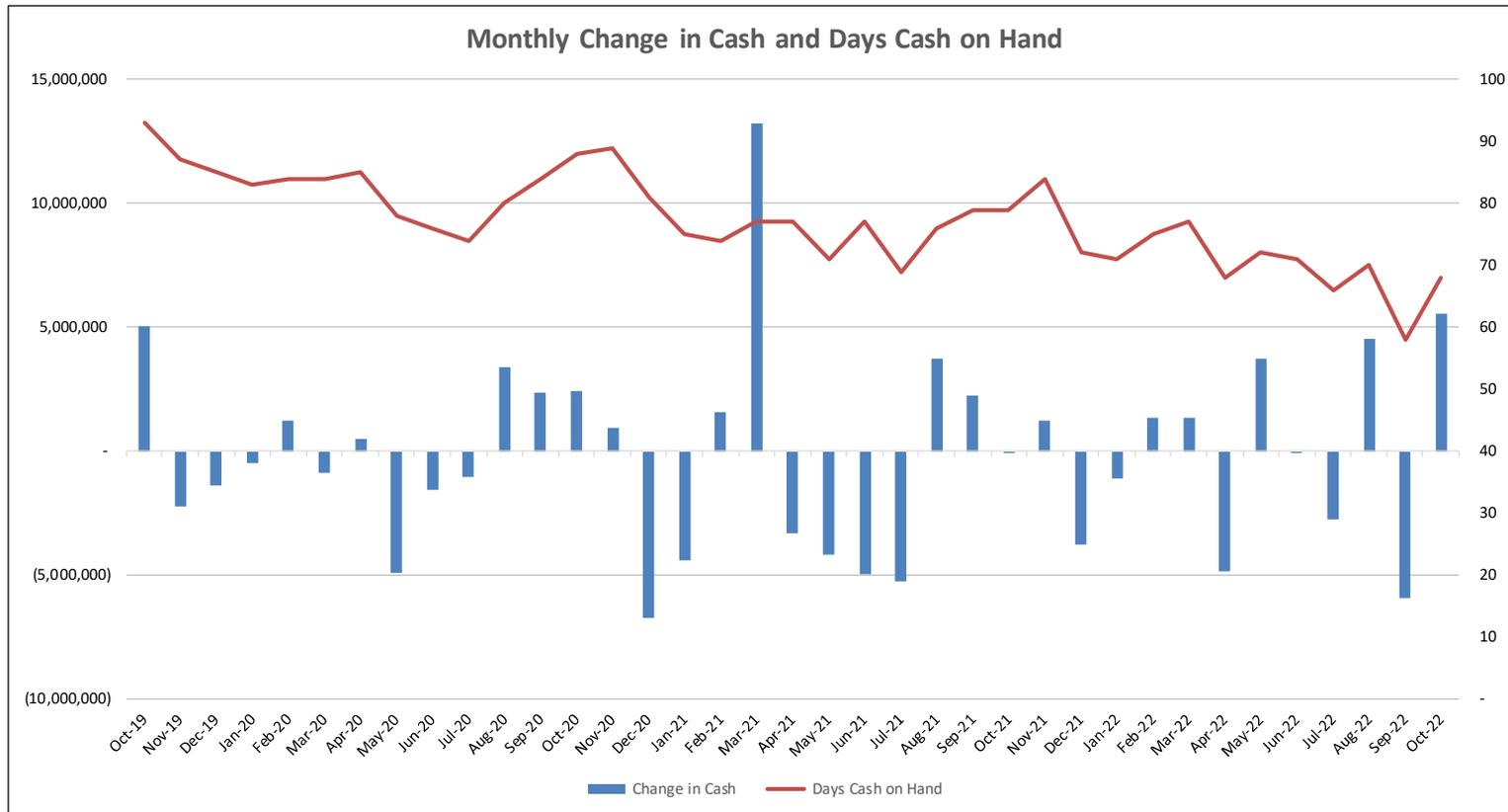
**Dollars in millions

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

Financial Results



Financial Results



Balance Sheet: Notables

	(CY) 2022 October	(PY) 2021 October
Fuel Inventory	\$ 6.808	\$ 4.062
Bond Dollars 2016C (Elec T&D)	\$ 0.713	\$ 0.709
Bond Dollars 2020A (Elec)	\$ 0.802	\$ 7.814

**Dollars in millions

Capital Spending

	(CY) 2022 YTD	(PY) 2021 YTD	2022 Budget	
Electric	\$ 17.35	\$ 17.21	\$ 28.09	
Water	7.77	6.83	22.28	
Common	2.92	3.19	5.85	
Total YTD Capital	\$ 28.04	\$ 27.23	\$ 56.22	Remaining 50%

**Dollars in millions

Major projects in 2022:

- Piper OH Feeders - \$928K
- Fisher UG Feeders - \$3.3M
- Annual Underground - \$2.6M
- Annual Overhead - \$1.5M
- Water Leak, Valve, System Imp. - \$1.5M
- Water Transmission Imp. - \$1.7M
- UG/CMIP Water Dist. - \$481K

Debt Coverage

Debt Coverage with PILOT

	(CY) 2022 October	(PY) 2021 October
Electric	2.30	1.92
Water	1.99	1.97
Combined	2.43	2.09

Debt Coverage w/o PILOT

	(CY) 2022 October	(PY) 2021 October
Electric	1.61	1.33
Water	1.53	1.52
Combined	1.74	1.49

Financial Guideline Target 1.6 to 2.1 times with PILOT