

WORK SESSION MINUTES – WEDNESDAY, NOVEMBER 17, 2021

STATE OF KANSAS)
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CITY OF KANSAS CITY)

The Board of Public Utilities of Kansas City, Kansas (aka BPU, We, Us, Our) met remotely in Work Session on Wednesday, November 17, 2021 at 5:00 P.M. The following Board Members were on the teleconference: Robert L. Milan, President; Mary Gonzales, Vice President; Rose Mulvany Henry, Secretary; Thomas Groneman Jeff Bryant, and Ryan Eidson.

Also on teleconference: William Johnson, General Manager; Wendy Green, Senior Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Johnetta Hinson, Executive Director Customer Service; Jeremy Ash, Executive Director Electric Operations; Jerry Ohmes, Executive Director Electric Supply; Steve Green, Executive Director Water Operations; David Mehlhaff, Chief Communications Officer; Jerry Sullivan, Chief Information Officer; Randy Otting, Director Accounting; Tung Nguyen, Director Engineer Production; Jody Franchett, Director Administrative Services; Robert Kamp, IT Project Manager; Dennis Dumovich, Director Human Resources; Patrice Townsend, Director Utility Services; and Phillip Brown, Senior Civil Engineer.

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

Mr. Milan called the meeting to order at 5:00 P.M.

Roll call was taken, all Board members were present.

Item #3 – Approval of Agenda

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

Item #4 – Board Updates / GM Updates

Mr. Eidson inquired about the policy regarding alcohol consumption during working hours, and also wanted to know if the policy was the same for bargaining as well as non-bargaining employees.

Mr. Johnson said he would have Human Resources send out the information on the policy to the board.

Mr. Groneman stated that there was nothing significant to the utility in the Public Works and Safety Standing Committee meeting.

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Mr. Bryant said that the Unified Government’s (UG) Finance Committee meeting was information around the UG Budget, nothing which applied to BPU.

Ms. Gonzales attended a SPARK committee meeting which dealt with the federal funding of COVID money and how it would be spent, at the KCKCC Tech Center. There were no presentations given by the UG or BPU but submissions would be accepted until the spring.

Ms. Mulvany said that the Economic Development Committee had not met yet, so she had no update.

Mr. Milan said that that he had been asked to work with the incoming Mayor’s transition team.

Mr. Johnson said that he had been in contact with our US Representative and Senators about Federal Funding Infrastructure dollars. He stated that he’d had brief discussions with the UG on some common interests. They also had a list of things that they were going to request through our lobbying efforts to bring dollars back to BPU. He wanted to find a way to earmark these monies towards grants as opposed to low interest loans.

Item #5 – 2022 Budget Workshop – Capital Improvement Plans

Mr. Randy Otting, Director Accounting, along with Mr. Steve Green, Executive Director Water Operations, Mr. Jeremy Ash, Executive Director Electric Operations, Mr. Tung Nguyen, Director Engineer Production, Mr. Jerry Sullivan, Chief Information Officer, Ms. Jody Franchett, Director Administrative Services, and Mr. Dennis Dumovich, Director Human Resources, presented their initial proposals for Capital Improvement Plans for 2022 to the Board. Each representative outlined projects they were going to focus on, as well as preliminary dollar amounts for the upcoming year. (See the attached PowerPoint presentation.)

Mr. Green answered questions from the Board.

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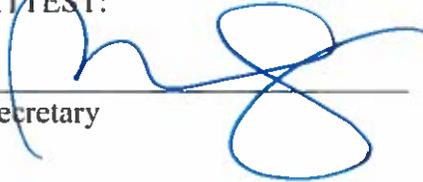
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Item #6 – Adjourn

A motion was made to adjourn the Work Session at 6:01 P.M. by Mr. Bryant, seconded by Mr. Eidson and carried unanimously.

ATTEST:

Secretary



APPROVED:

President



2022 CAPITAL



NOVEMBER 17, 2021

CRITERIA FOR BUDGET

Budget Goals

1. Improve Customer Service
2. Improve Operational Efficiency
3. Improve System Reliability
4. Reduce Costs

2022 WATER CAPITAL

Water Work Equipment – \$ 410,000

- Trouble Truck (Water Dist.)
 - Water Tools (Water Dist.)
 - Water Work Equipment – Hydrant Truck
 - Radios
-

2022 WATER CAPITAL

Water Transmission & Storage - \$ 11,422,052

Major Projects:

Transmission Main 98th & Parallel (KDHE)	\$ 1,301,880
Argentine 7 MG (KDHE)	\$ 6,000,000
Water Pump Station Controls (KDHE)	\$ 900,000
Water Trans Valve Improve	\$ 75,000
Water Transmission Improvement	\$ 112,000
Kansas River Crossing (KDHE)	\$ 3,005,372

2022 WATER CAPITAL

Water Distribution - \$ 7,553,080

Major Projects:

Non Revenue Water Leak Detection	\$ 150,000
UG/CMIP Water Dist. Projects	\$ 1,002,927
Water Dist. Leak Project (KDHE)	\$ 3,204,167
Water Dist. System Improvements	\$ 1,549,632
Water Dist. System Relocations	\$ 272,870
Water Dist. Valve Improvements	\$ 601,901
Water Fire Hydrant Program	\$ 471,584

2022 WATER CAPITAL

Other Water Capital Projects - \$ 2,531,388

Water Technology	\$ 45,000
Water Meters	\$ 334,138
Water Services	\$ 791,045
Water Facility	\$ 505,505
Furnish & Equip	\$ 161,000
Water Grounds	\$ 89,700
Water Production Projects – KDHE (\$550K NWTP PUMP)	\$ 605,000

2022 WATER CAPITAL

Sources of Funding - Water

Cash	\$7,322,616
KDHE Loan	\$14,961,350
Total	\$ 22,283,966

2022 ELECTRIC OPERATIONS

Electric Transmission - \$ 1,350,000

69kV Mill Street - Kaw Backup Circuit	\$	500,000
Misc. Transmission Projects	\$	250,000
EO Barber to Terrace Trans Line	\$	250,000
EO Maywood Feeder Rebuild - Woodlands	\$	250,000
Transmission Line FO Additions	\$	100,000

2022 ELECTRIC OPERATIONS

Electric Substations - \$ 465,000

Relays	\$150,000
General Improvements & Security	\$ 250,000
Miscellaneous Projects	\$ 65,000

2022 ELECTRIC OPERATIONS

Electric Distribution - \$12,851,000

Major Projects:

Annual OH Construction	\$ 2,000,000
Piper OH Feeders - Urban Outfitters	\$ 4,400,000
Fisher OH & UG Feeders	\$ 1,000,000
Annual UG Construction	\$ 2,000,000
Distribution Pole Inspection & Replacement	\$ 2,500,000

2022 ELECTRIC OPERATIONS

Electric General Const. - \$ 2,240,000

Major Projects:

Automobiles	\$ 100,000
Work Equipment	\$ 500,000
Electric Tools	\$ 100,000
Electric Facilities	\$ 300,000
Electric Meters	\$ 1,000,000
Electric Technology	\$ 100,000
IVR & Outage Management	\$ 100,000

2022 ELECTRIC OPERATIONS

Sources of Funding - Electric Operations

Cash	\$ 17,257,000
2016C Bond Issue	\$ 700,000
2020A Bond Issue	\$ 1,000,000
Total	\$ 19,617,000

2022 ELECTRIC PRODUCTION

Nearman Power Station – \$ 5,100,000

Major projects:

Coal Nozzles and Heads Replacement	\$	1,700,000
MCC/Load Center Replace	\$	675,000
SCR Catalyst Layer	\$	650,000
BOP PLC to DCS Upgrade	\$	400,000
Crusher/Dryer Replacement	\$	382,000
Volt Reg Conversion	\$	310,000
Expansion Joint Replacement	\$	218,000
SCR Doors	\$	200,000
Drum Heater Inst Upgrade	\$	155,000
Startup Transformer Rebuild	\$	150,000

2022 ELECTRIC PRODUCTION

Nearman Common - \$ 2,175,000

NC Coal Conveyor Belt Replacement	\$ 75,000
NC Fire Protection System Upgrade	\$ 2,100,000

2022 ELECTRIC PRODUCTION

Other Electric Production Capital - \$ 1,198,000

- QC Levee Improvement (COE) \$ 300,000
- Dogwood Capital Projects \$ 808,000
- CT4 Hydraulic Oil/Lube Oil Varnish Removal \$ 40,000
- CT2 RTU to Schweitzer Upgrade \$ 50,000

2022 ELECTRIC PRODUCTION

Sources of Funding – Electric Production

Total Cash \$8,473,000

2022 TECHNOLOGY

Enterprise Technology - \$4,575,000

Application Services:	\$ 1,740,000
Business Intelligence	\$ 420,000
Customer Applications	\$ 750,000
Utility Operations	\$ 570,000
Enterprise Resource and Integration Bus:	\$ 1,500,000
Enterprise Improvements	\$ 1,270,000
Integration	\$ 230,000

2022 TECHNOLOGY

Enterprise Technology

Network and Services:	\$ 640,000
Infrastructure	\$ 295,000
Security	\$ 345,000
 Project Management:	
Quality Assurance Delivery	\$ 90,000
 Desktop Support:	
Infrastructure	\$ 605,000

2022 TECHNOLOGY

Sources of Funding – Enterprise Technology

Total Cash \$4,575,000

2022 ELECTRIC SUPPLY

Electric Supply Capital - \$0

No Proposed Capital for 2022

2022 COMMON CAPITAL

Common - \$ 1,970,800

Administrative Services & HR Security Improvements

Security Improvements	\$	325,000
Facilities	\$	110,000
Furniture & Equipment & Grounds	\$	305,000

Administrative Services Technology

Technology – Admin. Services	\$	505,800
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Total Cash	\$	1,245,800
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Other:

Annual Heat Pump	\$	225,000
Economic Development	\$	500,000

2022 TOTAL CAPITAL

2022 Capital (Proposed)

Water	\$	22,283,966
Electric Operations	\$	19,617,000
Electric Production	\$	8,473,000
Electric Supply	\$	0
Technology	\$	4,575,000
Common & Other	\$	1,970,800
Total	\$	56,919,766

2022 TOTAL CAPITAL

BPU Sources of Funding (Proposed)

Cash	\$ 39,598,416
KDHE Loan	\$ 14,961,350
2020A Bond Issue	\$ 1,000,000
2016C Bond Issue	\$ 700,000
Total	\$ 56,919,766
