

REGULAR SESSION –WEDNESDAY, DECEMBER 4, 2024

**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 4, 2024 at 6:00 PM. The following Board Members were present: Thomas Groneman, President; Stevie A. Wakes Sr., Secretary; Mary Gonzales and Brett Parker. David Haley, Vice President, and Rose Mulvany Henry attended via Zoom.

Also present: William Johnson, General Manager; Angela Lawson, Acting Chief Counsel; Lori Austin, Chief Financial Officer; Abbey Frye, Chief Administrative Officer; Leigh Mulholland, Chief Compliance Officer; Jerry Sullivan, Chief Information Officer; Darrin McNew, Executive Director Electric Operations; Donald Stahl, Executive Director Electric Production; Steve Green, Executive Director Water Operations; Amber Oetting; Director Communications & Marketing; Dennis Dumovich, Director of Human Resources; 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.

Mr. Groneman called the Board meeting to order at 6:00 PM. He welcomed all that were listening to or viewing the meeting. He informed all that the meeting was being recorded including video and audio. During the visitor comments section, those who attended in person, wishing to comment, should use the sign-up sheet at the entry and provide their name and address. In addition, there would be a public comments section after the General Manager/Staff Reports. During this section, the public could comment on the items presented in the General Manager/Staff Reports section that evening. Both visitor and public comments were limited to three 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 visitor and public comment sections. 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. He informed all participants 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.

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Mr. Groneman introduced himself 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 Amended Agenda, by Mr. Parker, seconded by Mr. Wakes, and unanimously carried.

Item #4– Approval of the Minutes of the Work Session of November 20, 2024

A motion was made to approve the minutes of the Work Session of November 20, 2024, by Ms. Gonzales, seconded by Mr. Parker, and unanimously carried.

Item #5– Approval of the Minutes of the Regular Session of November 20, 2024

A motion was made to approve the minutes of the Regular Session of November 20, 2024, by Mr. Parker, seconded by Ms. Gonzales, and unanimously carried.

Item #6– Visitors Comments

Mr. Scott Harding, Wyandotte County, expressed comments regarding various budget items.

Ms. Lori Austin, Chief Financial Officer, responded to this comment.

Item #7– General Manager / Staff Reports

- i. *October 2024 Financials:* Ms. Lori Austin, Chief Financial Officer, reviewed the October 2024 Financials to the Board. (See attached PowerPoint.)

A motion was made to approve the October 2024 Financials as presented, by Mr. Parker, seconded by Ms. Mulvany Henry, and unanimously carried.

- ii. *Adoption of the 2025 Budget – Resolution #5307:* Ms. Austin reviewed key items regarding the 2025 budget and presented Resolution #5307, approving the 2025 presented budget, both operating and capital budgets that were proposed.

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A motion was made to approve Resolution #5307 by, Mr. Wakes, seconded by Mr. Parker, and unanimously carried.

- iii. *Miscellaneous Comments:* Mr. Johnson thanked staff for ensuring the utilities financial stability and asked the Board to consider how they would like to proceed with the January meetings due to the holiday.

Item #8– Public Comments on Agenda Items

Mr. Scott Harding, Wyandotte County, spoke about budget items, including the purchase and sale of power.

Mr. Johnson and Mr. Donald Stahl, Executive Director Electric Production, responded to this comment.

Item #9– Board Comments

Mr. Haley thanked Ms. Austin for the financial update and expressed comments regarding various budget considerations in the future.

Mr. Wakes thanked Ms. Austin for the financial presentation, staff for their work on the budget for 2025, and Mr. Johnson for his leadership.

Ms. Mulvany Henry echoed previous comments and thanked staff for their efforts in lowering the 2025 budget.

Mr. Parker thanked Ms. Austin and staff for their work on the 2025 budget and acknowledged the goal of the Board and staff was to provide the best service at the most efficient cost.

Ms. Gonzales said she was pleased that staff was able to lower the budget for 2025 and said it was very important to continue to provide safe and reliable services while continuing to be financially sustainable and transparent. She thanked and expressed appreciation to staff for their efforts throughout the budget preparation.

Mr. Groneman echoed previous sentiments and thanked staff for their time and efforts regarding the 2025 budget and said that lowering the budget was remarkable.

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Item #10 – Executive Session

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

“I move that the Board go into Executive Session in the first floor Board room until 7:05 PM to consult with our attorney and to discuss under attorney-client privilege confidential matters related to potential claims as permitted under the Kansas Open Meeting Act; and that the General Manager, William Johnson, Chief Compliance Officer, Leigh Mulholland, attorney, Angela Lawson, and outside counsel, Brittany Barrientos, be present to participate in the discussion and that all others be dismissed from the room, and that we reconvene in open session at 7:05 PM in the Board Room.”

At 6:48 PM a motion was made to move into Executive Session, by Mr. Parker, seconded by Mr. Wakes, and roll call was taken:

Haley – No

Wakes – Yes

Mulvany Henry – Yes

Parker – Yes

Gonzales – Yes

Groneman – Yes

The motion carried.

At 7:05 PM the meeting returned to Open Session.

A motion was made to move back into Executive Session for five minutes, by Mr. Parker, seconded by Ms. Gonzales. Roll call was taken:

Haley – No

Wakes – Yes

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Mulvany Henry – Yes

Parker – Yes

Gonzales – Yes

Groneman – Yes

The motion carried.

At 7:12 PM the meeting returned to Open Session.

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

“I move that the Board go into Executive Session until 7:22 PM to discuss confidentially, so as not to jeopardize the integrity of security practices and procedures intended to protect the information and/or physical security of a public body or agency; all is justified under the security measures exception in the Kansas Open Meeting Act; and that, and that the General Manager, William Johnson’ Chief Compliance Officer, Leigh Mulholland; and Acting Chief Counsel, Angela J Lawson, be present and that we reconvene in Open Session resuming at 7:22 PM in the Board Room.”

Mr. Haley asked for the motion to be read again for clarification.

Ms. Lawson proposed a motion for adoption as followed:

“I move that the Board go into Executive Session in the Board room until 7:25 PM to discuss confidentially so as not to jeopardize the integrity of security practices and procedures intended to protect the information and or physical security of a public body or agency, all is justified under the security measure exception in the Kansas Open Meetings Act; and that the General Manager, William Johnson; Chief Compliance Officer, Leigh Mulholland; and Acting Chief Counsel, Angela Lawson, be present and that we reconvene in Open Session at 7:25 PM here in the Board room.”

At 7:14 PM a motion was made to move into Executive Session, by Mr. Parker, seconded by Mr. Wakes. Roll call was taken:

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Haley – No

Wakes – Yes

Mulvany Henry – Yes

Parker – Yes

Gonzales – Yes

Groneman – Yes

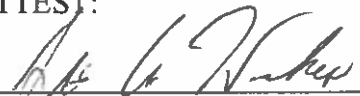
The motion carried.

At 7:25 PM the meeting returned to Open Session.

Item 11 – Adjourn


At 7:25 PM a motion to adjourn was made by Mr. Parker, seconded by Mr. Wakes, and unanimously carried.

ATTEST:



Secretary

APPROVED:






President

October 2024 Financial Results

December 4, 2024

Financial Results

2024 Billed kWh (YTD October)

Electric	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	480,707,939	511,508,300	  
Commercial	829,093,931	853,613,187	
Industrial	428,182,431	404,072,634	
	1,737,984,301	1,769,194,121	-1.8%

Residential and Commercial customer classes are below 2023 levels while Industrial customer class is slightly above last years level.

Residential – Down 6% Commercial – Down 3% Industrial – Up 6%

2024 Billed CCF's (YTD October)

Water	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	2,943,094	3,007,351	
Commercial	2,368,273	2,382,194	
Industrial	1,507,137	1,559,403	
	6,818,504	6,948,948	-1.9%

Residential – Down 2%

Commercial – Up <1%

Industrial – Down 3%

Financial Results

Revenues – October 2024

	(CY) 2024 October	(PY) 2023 October		Budget 2024 October	(CY) 2024 October	
Electric	\$ 22.629	\$ 24.743		\$ 24.536	\$ 22.629	
Water	4.591	5.290		5.201	4.591	
Combined	\$ 27.220	\$ 30.033	-9.4%	\$ 29.737	\$ 27.220	-8.5%

**Dollars in millions

Actual Compared to 2024 Budget

Electric – Down 8%

Water – Down 12%

Financial Results

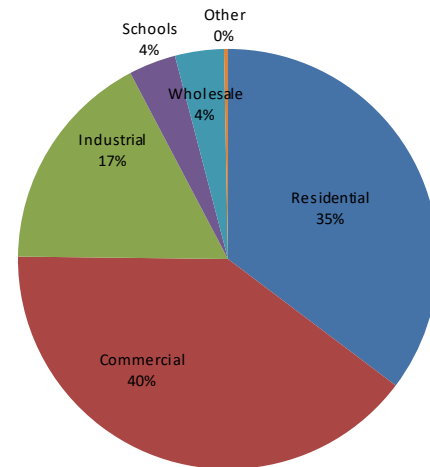
Revenues – 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 275.590	\$ 277.364	↓	\$ 265.260	\$ 275.590	↑
Water	48.516	47.029	↑	48.181	48.516	
Combined	\$ 324.106	\$ 324.393	↓	\$ 313.441	\$ 324.106	3.4%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2024

<u>Electric:</u>	Up 4%	<u>Water:</u>	Up 1%
Residential	\$ 420K	Residential	(\$290K)
Commercial	\$ 8.0M	Commercial	\$ 1.1M
Industrial	(\$ 2.1M)	Industrial	(\$ 30K)
Schools	\$ 689K	Wholesale	(\$135K)
Wholesale	(\$1.7M)		



Recognized 6 months of 6 of the 2023 ERC Over Recovery of the ERC - \$4,087,528

Operating Expenses – October 2024

	(CY) 2024 October	(PY) 2023 October		Budget 2024 October	(CY) 2024 October	
Electric	\$ 18.980	\$ 18.591	↑	\$ 18.937	\$ 18.980	↑
Water	4.080	3.493		4.042	4.080	
Combined	\$ 23.060	\$ 22.084	4.4%	\$ 22.979	\$ 23.060	0.4%

**Dollars in millions

Actual Compared to 2024 Budget

Electric – Up <1%

Water – Up 1%

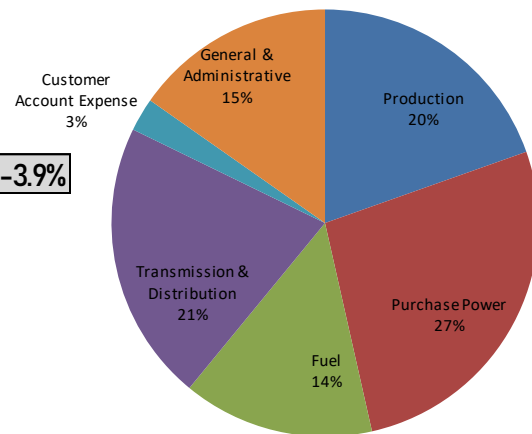
Operating Expenses – 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 191.044	\$ 206.937	↓	\$ 196.581	\$ 191.044	↓
Water	32.811	31.883	↑	36.272	32.811	↓
Combined	\$ 223.855	\$ 238.820	↓	\$ 232.853	\$ 223.855	↓
			-6.3%			-3.9%

**Dollars in millions

Actual Compared to 2024 Budget

- Electric – Down 3%
- Water - Down 10%
- Combined – Down 4%



Operating Expenses – 2024 YTD less Depreciation

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 160.948	\$ 177.462	↓	\$ 167.519	\$ 160.948	
Water	25.793	24.883	↑	29.366	25.793	
Combined	\$ 186.741	\$ 202.345	↓ -7.7%	\$ 196.885	\$ 186.741	↓ -5.2%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2024

Electric:

Purchased Power \$ 6.2M
 Fuel (\$ 5.9M)
 Production (\$ 993K)
 T&D (\$ 2.8M)
 G&A (\$ 2.8M)

Water:

Production (\$723K)
 T&D (\$ 2.0M)
 G&A (\$783K)

Financial Results

Change in Net Position – October 2024

	(CY) 2024 October	(PY) 2023 October
Electric	\$ (0.131)	\$ 2.334
Water	0.277	1.240
Combined	\$ 0.146	\$ 3.574

Budget 2024 October	(CY) 2024 October
\$ 1.867	\$ (0.131)
0.628	0.277
\$ 2.495	\$ 0.146



**Dollars in millions

Change in Net Position – 2024 YTD

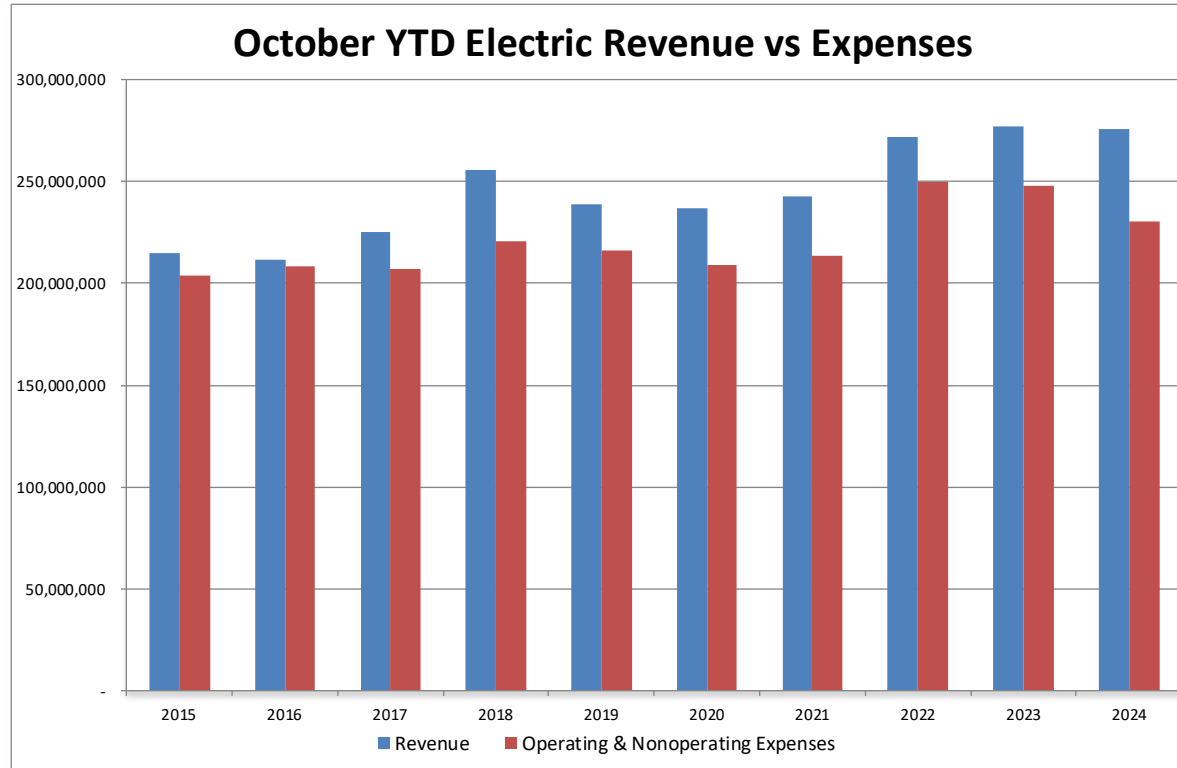
	(CY) 2024 YTD	(PY) 2023 YTD
Electric	\$ 45.318	\$ 29.294
Water	12.503	10.060
Combined	\$ 57.821	\$ 39.354

Budget 2024 YTD	(CY) 2024 YTD
\$ 28.902	\$ 45.318
6.496	12.503
\$ 35.398	\$ 57.821

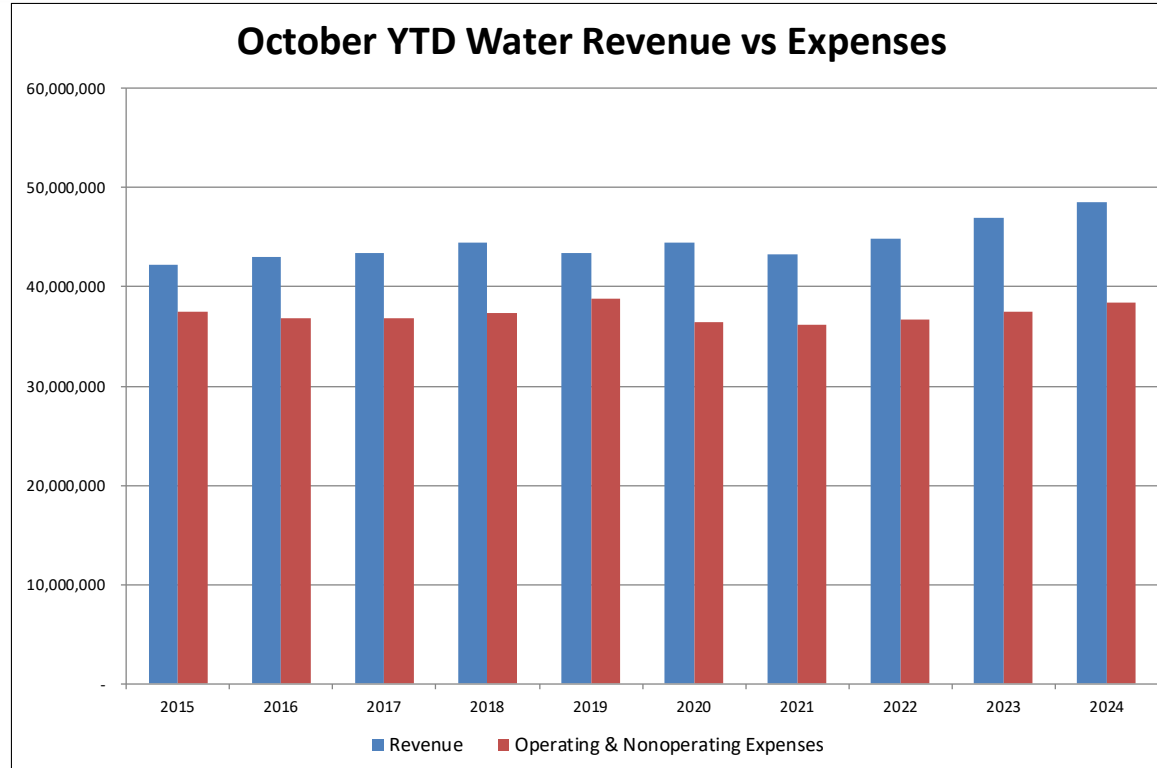


**Dollars in millions

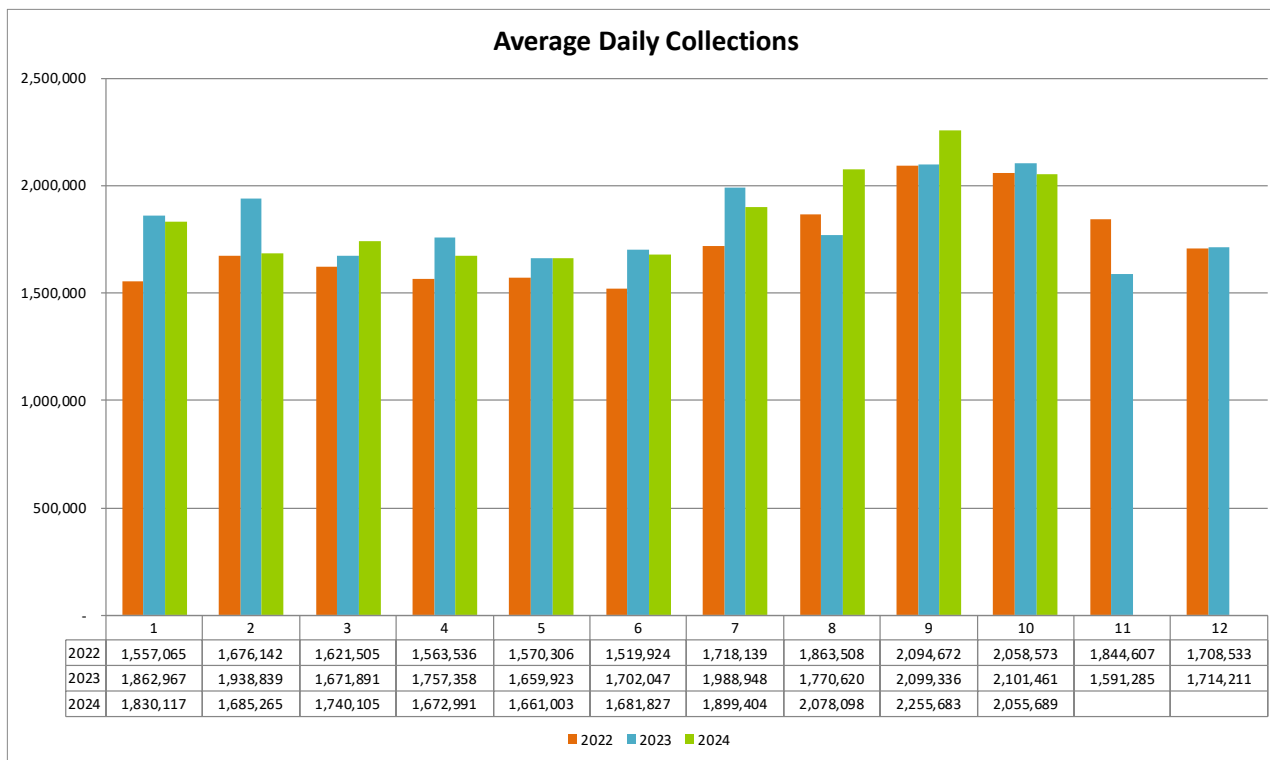
Financial Results – 10 Year Trend



Financial Results – 10 Year Trend

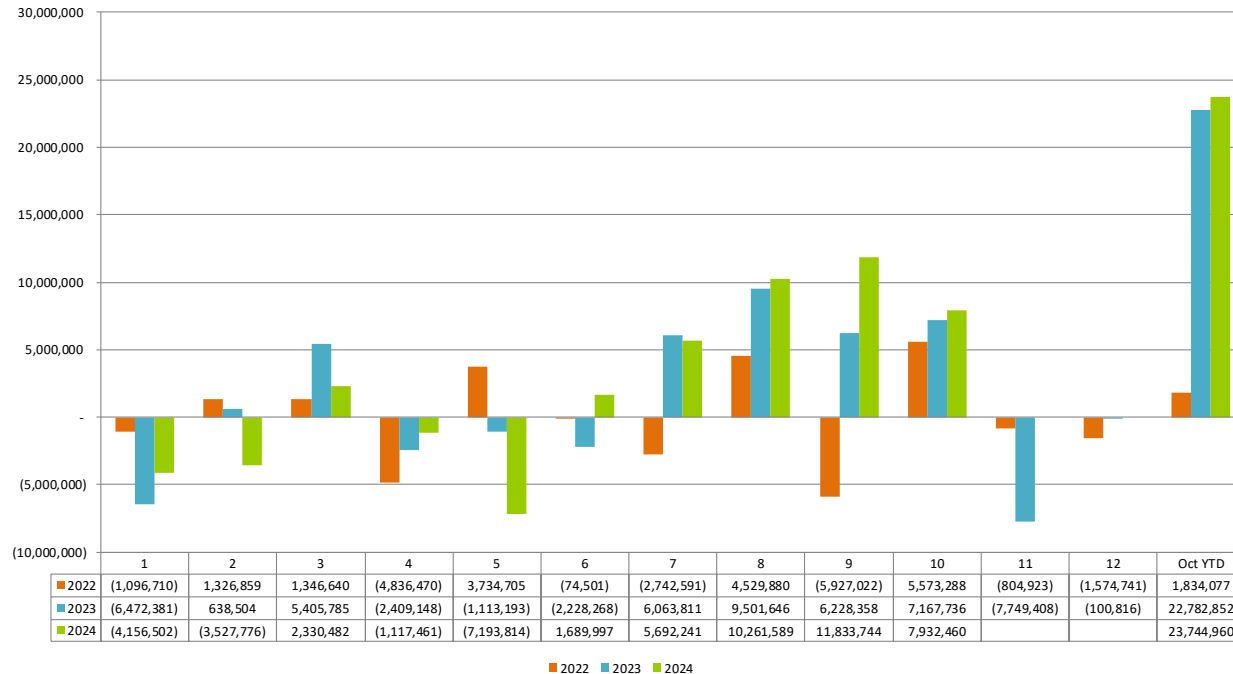


Financial Results



Financial Results

Historical Monthly Cash Comparison



Financial Results

Cash Position

	(CY) 2024 October	(PY) 2023 October	2024 September
Combined (E&W)	\$ 81.76	\$ 66.16	\$ 73.94
Days Cash-on-Hand	136	107	124

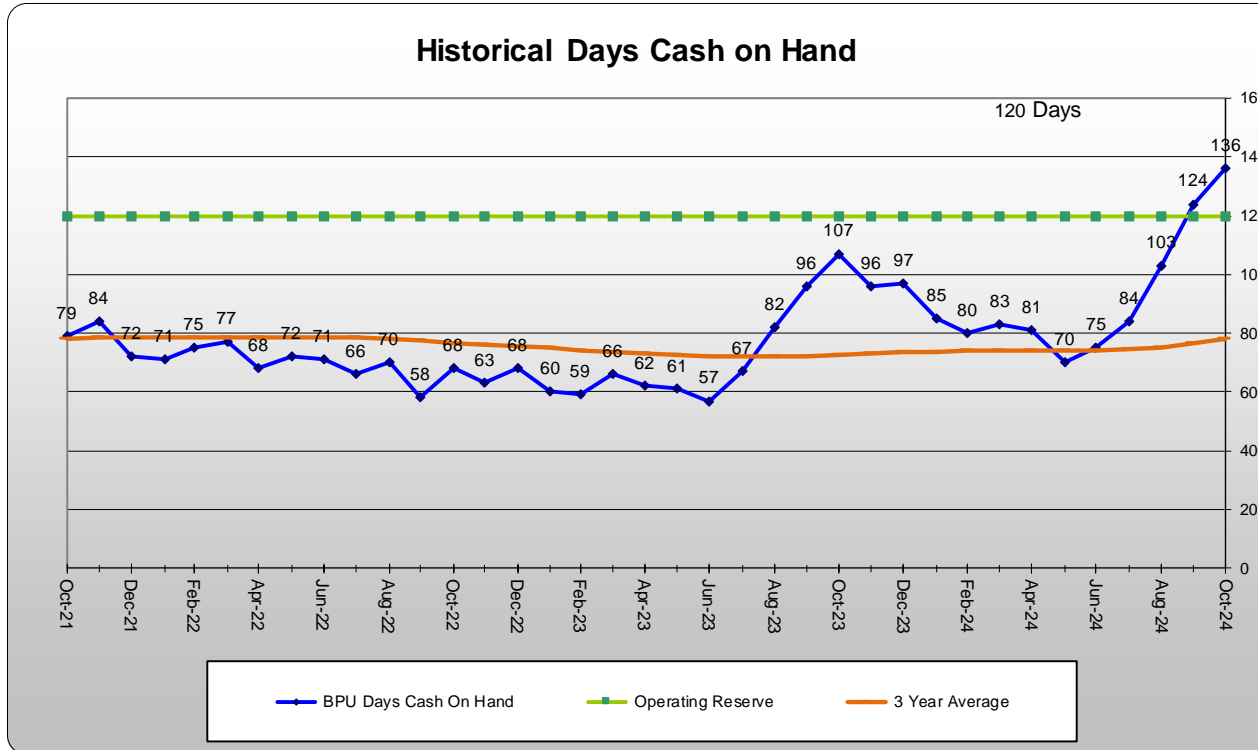
1 Day = Approximately \$600K-\$625K
(Based on 12 month rolling average of expenses)

Balance Sheet: Notables

	(CY) 2024 October	(PY) 2023 October
Fuel Inventory	\$ 11.522	\$ 9.402

**Dollars in millions

Financial Results



Capital Spending

	(CY) 2024 YTD	(PY) 2023 YTD	2024 Budget	
Electric	\$ 19.25	\$ 20.98	\$ 35.64	
Water	11.14	11.52	26.32	
Common	3.67	3.29	5.13	
Total YTD Capital	\$ 34.06	\$ 35.79	\$ 67.09	Remaining 49%

Major projects in 2024:

**Dollars in millions

Annual OH & UG Construction - \$2.4M
 Annual Meter Program - \$897K
 Distribution Pole Inspection - \$2.1M
 OH & UG Transformers - \$2.5M
 98th St OH Feeder Relocation - \$727K
 Water Distribution - \$5.2M
 Water Production - \$613K
 Water Services - \$585K

Debt Coverage

Debt Coverage with PILOT

Financial Guideline Target
2.0 times with PILOT

	(CY) 2024 October	(PY) 2023 October
Electric	2.87	2.96
Water	2.80	2.32
Combined	2.98	3.05

Debt Coverage w/o PILOT

Financial Guideline Target
1.6 times without PILOT

	(CY) 2024 October	(PY) 2023 October
Electric	2.15	2.23
Water	2.19	1.83
Combined	2.25	2.32