

BOARD INFORMATION PACKET



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

Regular Meeting of

February 5, 2025



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Agenda Item #VI.....General Manager/Staff Reports

Regular Session

February 5, 2025 – 6:00 P.M.

- I. Call to Order
- II. Roll Call
 - _____ David Haley, At Large, Position 2
 - _____ Stevie A. Wakes, Sr., District 1
 - _____ Rose Mulvany Henry, At Large, Position 3
 - _____ Brett Parker, District 3
 - _____ Mary L. Gonzales, At Large, Position 1
 - _____ Tom Groneman, District 2
- III. Approval of Agenda
- IV. Approval of the Minutes of the Regular Session of January 22, 2025
- V. Visitor Comments
- VI. General Manager / Staff Reports
 - i. Water Infrastructure Investments East of I-635
 - ii. Miscellaneous Comments
- VII. Public Comments on Agenda Items
- VIII. Board Comments
- IX. Adjourn

REGULAR SESSION –WEDNESDAY, JANUARY 22, 2025

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, January 22, 2025 at 6:00 PM. The following Board Members were present: Thomas Groneman, President; David Haley, Vice President; Stevie A. Wakes Sr., Secretary; Mary Gonzales, Brett Parker, and Rose Mulvany Henry.

Also present: Jeremy Ash, General Manager; Wendy Green, Deputy Chief Counsel; Lori Austin, Chief Financial Officer; Andrew Ferris, Chief Financial Officer; Abbey Frye, Chief Administrative Officer; Leigh Mulholland, Chief Compliance Officer; Jerry Sullivan, Chief Information Officer; Johnetta Hinson, Executive Director Customer Service; Darrin McNew, Executive Director Electric Operations; Donald Stahl, Executive Director Electric Production; Steve Green, Executive Director Water Operations; Jerin Purtee, Executive Director Electric Supply; Amber Oetting; Director Communications & Marketing; Dennis Dumovich, Director of Human Resources; Steve Hargis, Supervisor Water Operations; 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 Agenda, by Mr. Parker, seconded by Mr. Wakes, and unanimously carried.

Item #4– Approval of the Minutes of the Regular Session of December 18, 2024

A motion was made to approve the minutes of the Regular Session of December 18, 2024, by Ms. Mulvany Henry, seconded by Mr. Wakes, and unanimously carried.

Prior to opening the Visitors Comments section on the Agenda, Mr. Ash took a moment to recognize the electric production and operations teams for their hard work during the recent weather events.

Item #5– Visitors Comments

There were no visitors wishing to speak.

Item #6– Election of Officers

Ms. Wendy Green, Deputy Chief Counsel, said the floor was open for nominations.

Mr. Groneman opened nominations for office of President for the term of January 2025 to January 2026.

A motion was made to nominate Mr. Haley as President, by Mr. Wakes, seconded by Mr. Parker. No other nominations were received.

A motion was made to close the nominations by Mr. Wakes, seconded by Ms. Mulvany Henry, and unanimously carried.

Roll call was taken on the vote for Mr. Haley for President, and he was elected unanimously.

Mr. Groneman turned the meeting over to Mr. Haley.

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Mr. Haley opened nominations for office of Vice President for the term of January 2025 to January 2026.

A motion was made to nominate Ms. Mulvany Henry as Vice President, by Mr. Wakes, seconded by Mr. Parker. No other nominations were received.

A motion was made to close the nominations by Mr. Groneman, seconded by Mr. Wakes, and unanimously carried.

Roll call was taken on the vote for Ms. Mulvany Henry for Vice President, and she was elected unanimously.

Mr. Haley opened nominations for the office of Secretary for the term of January 2025 to January 2026.

A motion was made to nominate Mr. Parker as Secretary, by Mr. Wakes, seconded by Ms. Mulvany Henry. No other nominations were received.

A motion was made to close the nominations by Mr. Groneman, seconded by Mr. Wakes, and unanimously carried.

Roll call was taken on the vote for Mr. Parker for Secretary, and he was elected unanimously.

Item #7– General Manager / Staff Reports

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

A motion was made to approve the November 2024 Financials as presented, by Mr. Groneman, seconded by Mr. Parker, and unanimously carried.

- ii. *Miscellaneous Comments:* Mr. Ash thanked Ms. Amber Oetting, Director Communications & Marketing; Ms. Abbey Frye, Chief Administrative Officer; and Mr. Andrew Ferris, Chief Financial Officer; for representing BPU at the legislative luncheon in Topeka. He welcomed Mr. Ferris back in his new role as Chief Financial Officer, and recognized Ms. Johnetta Hinson, Executive Director Customer Service,

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STATE OF KANSAS)
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for her 35 years of service to BPU and said this would be her last Board meeting prior to retirement.

Ms. Hinson shared experiences over her career at BPU, starting as a teller and working her way up to Executive Director of Customer Service. She said she was proud of Customer Service and the improvements made over the years. She thanked the Board and thanked BPU for being a wonderful place to work.

Item #8– Public Comments on Agenda Items

Mr. Scott Harding, Wyandotte County, inquired about BPU applying for FEMA reimbursement from the recent weather event.

Mr. Ash responded to his inquiry and explained the process of applying for FEMA reimbursements.

Item #9– Board Comments

Ms. Mulvany Henry congratulated Mr. Haley on his elected position as Board President, welcomed Mr. Ferris back to BPU, thanked Ms. Hinson for her efforts on the Customer Service Policy and congratulated her on retirement.

Ms. Gonzales congratulated Ms. Hinson on her retirement and thanked her for her service to BPU. She thanked and congratulated her fellow Board members for their new offices for the upcoming year.

Mr. Parker welcomed Mr. Ferris back to BPU, echoed thanks to Ms. Hinson for her service to BPU and the community, and congratulated her on her upcoming retirement. He also thanked BPU production and operations for their work during the recent snow storms.

Mr. Wakes thanked Ms. Hinson for her service, welcomed back Mr. Ferris, acknowledged Mr. Ash on his new role as General Manager, and congratulated fellow Board members on their newly elected offices.

Mr. Groneman welcomed Mr. Ferris back, wished Ms. Hinson well in her retirement, and thanked staff, both in the field and behind the scenes, for their hard work over the last month.

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Mr. Haley congratulated Ms. Hinson on her retirement, welcomed back Mr. Ferris, and thanked Ms. Austin for her financial presentation. He congratulated Mr. Ash on his new role as General Manager and thanked fellow Board members on their offices. He provided his email address, dhaley@bpu.com, for committee members to send items they'd like to see on the agenda and said he was proud of the BPU for the low number of outages that occurred during the recent weather events.

Item 10 – Adjourn

At 6:46 PM a motion to adjourn was made by Mr. Groneman, seconded by Mr. Parker, and unanimously carried.

ATTEST:

APPROVED:

Secretary

President

January 22, 2025

To: President and Members of the Board of Public Utilities

FR: Jeremy Ash, General Manager

RE: Election of Officers

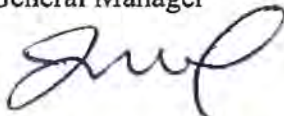
Section 3.1 of the Board Rules of Procedure states that “The Board shall elect, from its membership at the second meeting in January of each year, a President, a Vice President and shall appoint a Secretary.” Except in the case of a vacancy on the Board, four affirmative votes shall be required to elect each officer. Terms of officers shall be limited to not more than two consecutive one year terms in the same office; however, in the event no nominee receives four affirmative votes, the current office holder shall remain in office for successive one year terms until a nominee receives the requisite number of votes at the election held at the second meeting of the year.

Typically, the nominations are opened for the Office of President. More than one nomination may be received. After all nominations are received, the Board shall vote on each nomination in the order they are received. At any time, a nominee receives four affirmative votes by the remainder of the Board, the President of the Board is declared and no further votes on the remaining nominees are required. In the event that four affirmative votes are not received by any nominee, the current President would retain the office.

The newly elected President then presides over the balance of the meeting, and for the Election of Officers to fill the Office of Vice President and the appointment to fill the Office of Secretary.

Respectfully submitted,

Jeremy Ash
General Manager





November 2024 Financial Results

January 22, 2025



Financial Results

2024 Billed kWh (YTD November)

Electric	(CY) 2024 YTD	(PY) 2023 YTD
Residential	513,278,918	552,625,944
Commercial	902,269,566	927,040,664
Industrial	468,583,147	444,013,856
	1,884,131,631	1,923,680,464
		-2.1%

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

Residential – Down 7% Commercial – Down 3% Industrial – Up 6%



Financial Results

2024 Billed CCF's (YTD November)

Water	(CY) 2024 YTD	(PY) 2023 YTD
Residential	3,241,859	3,271,647
Commercial	2,597,357	2,579,105
Industrial	1,652,554	1,696,084
	7,491,770	7,546,836
		-0.7%

Residential – Down 1% Commercial – Up <1% Industrial – Down 3%



Financial Results

Revenues – November 2024

	(CY) 2024 November	(PY) 2023 November	Budget 2024 November	(CY) 2024 November
Electric	\$ 24.281	\$ 17.894	\$ 24.172	\$ 24.281
Water	5.426	4.295	4.900	5.426
Combined	\$ 29.707	\$ 22.189	\$ 29.072	\$ 29.707
				2.2%

**Dollars in millions

Actual Compared to 2024 Budget

- Electric – Up <1%
- Water – Up 11%

Financial Results

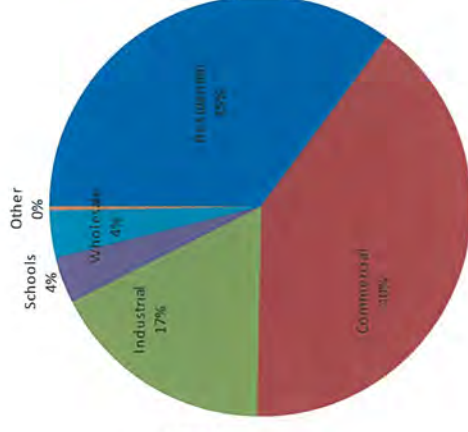
Revenues – 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD	Budget 2024 YTD	(CY) 2024 YTD
Electric	\$ 299.870	\$ 295.258	\$ 289.432	\$ 299.870
Water	53.942	51.324	53.081	53.942
Combined	\$ 353.812	\$ 346.582	\$ 342.513	\$ 353.812
				3.3%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2024

Electric:	Up 4%	Water:	Up 2%
Residential	(\$ 77K)	Residential	\$161K
Commercial	\$ 8.2M	Commercial	\$ 1.3M
Industrial	(\$ 2.9M)	Industrial	(\$ 93K)
Schools	\$ 602K	Wholesale	(\$6K)
Wholesale	(\$ 2.5M)		



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



Financial Results

Operating Expenses – November 2024

	(CY) 2024 November	(PY) 2023 November	Budget 2024 November	(CY) 2024 November
Electric	\$ 17,900	\$ 18,614	\$ 17,968	\$ 17,900
Water	2,999	3,805	3,449	2,999
Combined	\$ 20,899	\$ 22,419	\$ 21,417	\$ 20,899
				-2.4%

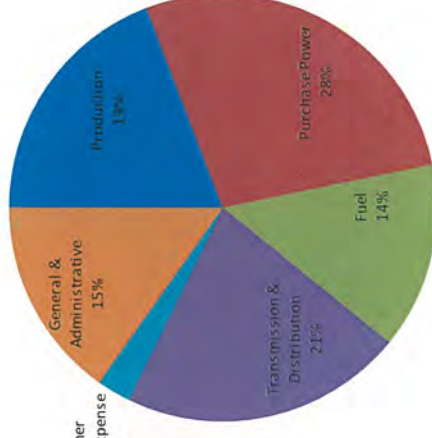
** Dollars in millions

Actual Compared to 2024 Budget

- Electric – Down <1%
- Water – Down 13%

Operating Expenses – 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD	Budget 2024 YTD	(CY) 2024 YTD
Electric	\$ 208,943	\$ 225,552	\$ 214,549	\$ 208,943
Water	35,810	35,688	39,721	35,810
Combined	\$ 244,753	\$ 261,240	\$ 254,270	\$ 244,753
				-3.7%
				-6.3%
				Customer Account Expense 3%



**Dollars in millions

Actual Compared to 2024 Budget

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



Financial Results

Operating Expenses – 2024 YTD less Depreciation

	(CY) 2024 YTD	(PY) 2023 YTD	Budget 2024 YTD	(CY) 2024 YTD
Electric	\$ 175.812	\$ 193.136	\$ 182.581	\$ 175.812
Water	28.089	27.996	32.124	28.089
Combined	\$ 203.901	\$ 221.132	\$ 214.705	\$ 203.901
				-5.0%

**Dollars in millions

Electric:

Purchased Power	\$ 8.1M
Fuel	(\$ 6.6M)
Production	(\$ 1.9M)
T&D	(\$ 2.8M)
G&A	(\$ 3.2M)

Water:

Production	(\$ 851K)
T&D	(\$ 2.2M)
G&A	(\$ 869K)

Variance – YTD comparing Budget to Actual 2024



Financial Results

Change in Net Position – November 2024

	(CY) 2024 November	(PY) 2023 November	(CY) 2024 November
Electric	\$ 2.525	\$ (4.300)	\$ 2.525
Water	1.945	0.008	1.945
Combined	\$ 4.470	\$ (4.292)	\$ 4.470

	Budget 2024 November	(CY) 2024 November
	\$ 2.513	\$ 2.525
	0.952	1.945
	\$ 3.465	\$ 4.470



**Dollars in millions



Financial Results

Change in Net Position – 2024 YTD

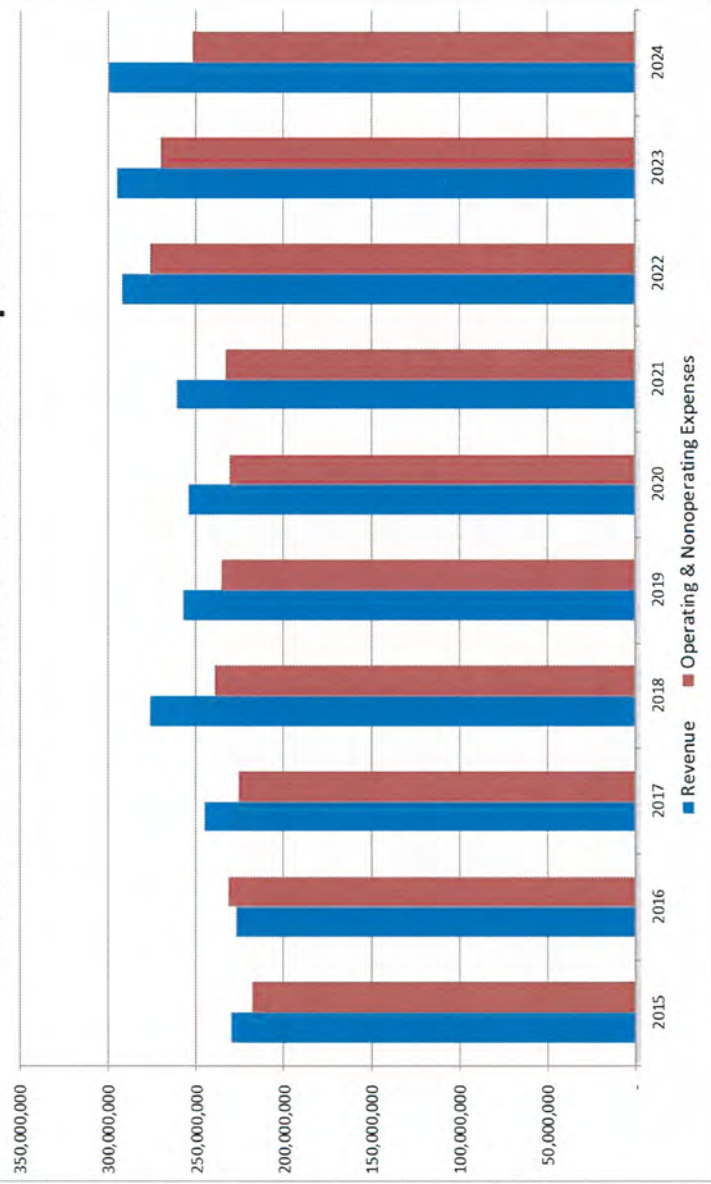
	(CY) 2024 YTD	(PY) 2023 YTD	Budget 2024 YTD	(CY) 2024 YTD
Electric	\$ 47.843	\$ 24.994	\$ 31.415	\$ 47.843
Water	14.447	10.069	7.448	14.447
Combined	\$ 62.290	\$ 35.063	\$ 38.863	\$ 62.290



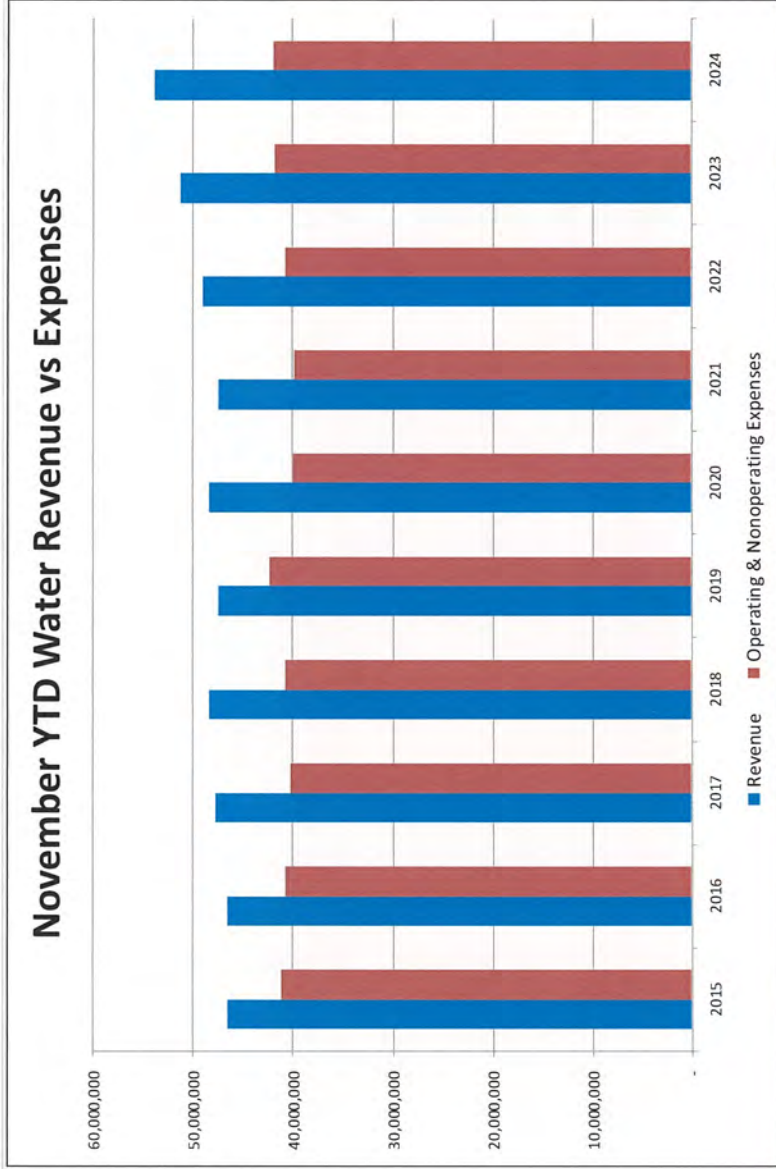
**Dollars in millions

Financial Results - 10 Year Trend

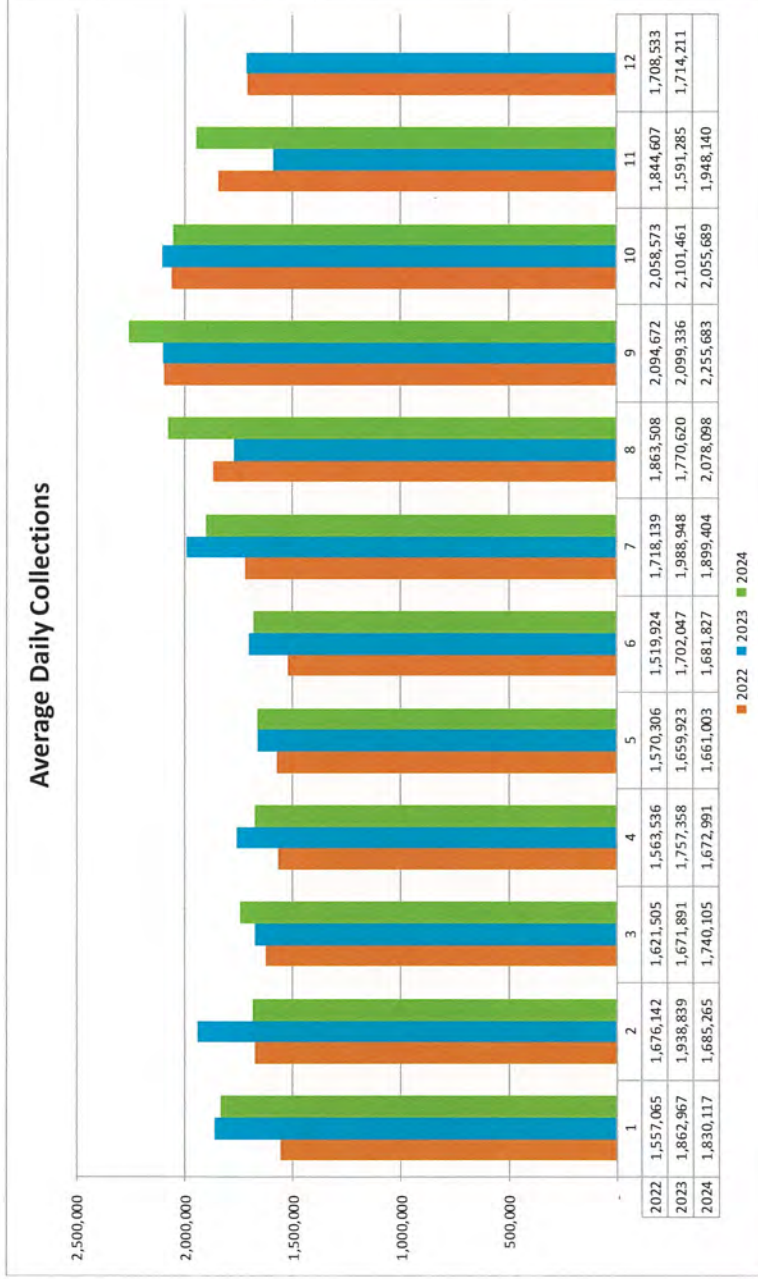
November YTD Electric Revenue vs Expenses



Financial Results – 10 Year Trend

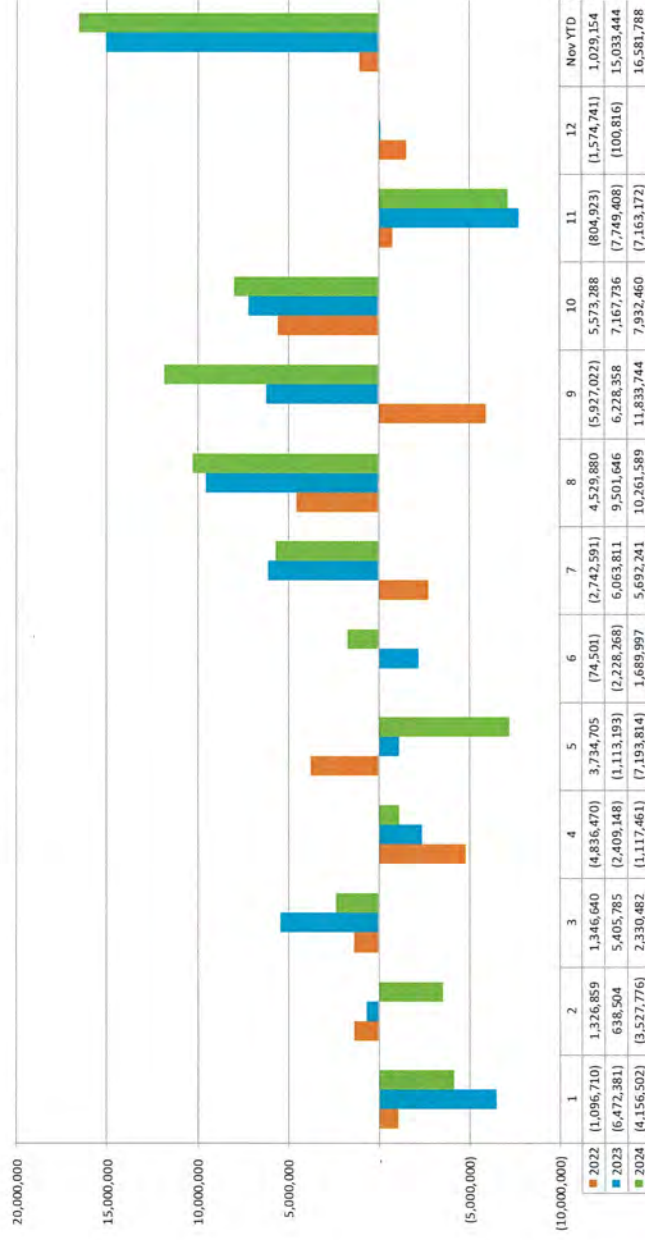


Financial Results



Financial Results

Historical Monthly Cash Comparison





Financial Results

Cash Position

Combined (E&W)
Days Cash-on-Hand

	(CY) 2024 November	(PY) 2023 November	2024 October
\$	73.02 123	\$ 58.56 96	81.76 136

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

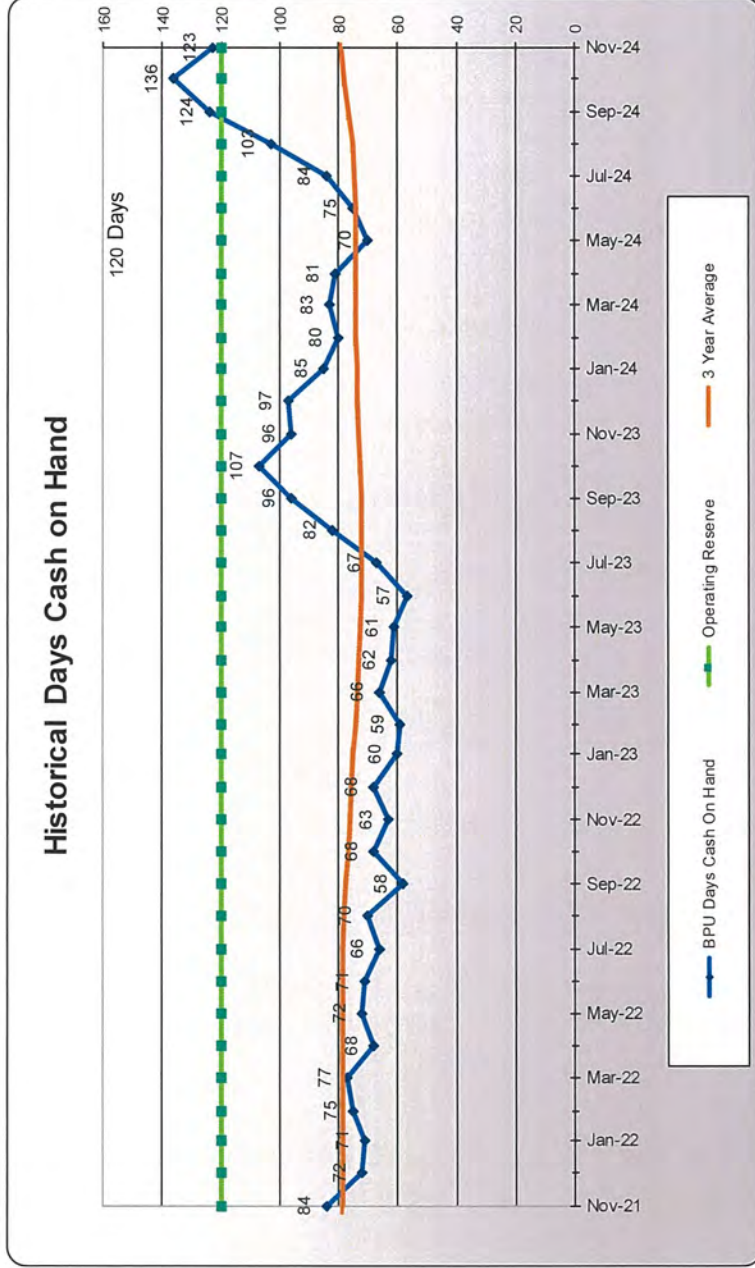
Balance Sheet: Notables

Fuel Inventory

	(CY) 2024 November	(PY) 2023 November
\$	11.168 \$	11.656 \$

**Dollars in millions

Financial Results





Financial Results

Capital Spending

	(CY) 2024 YTD	(PY) 2023 YTD	2024 Budget
Electric	\$ 22.40	\$ 23.29	\$ 35.64
Water	12.20	13.21	26.32
Common	4.06	3.48	5.13
Total YTD Capital	\$ 38.65	\$ 39.98	\$ 67.09
			Remaining
			42%

Major projects in 2024:

- Annual OH & UG Construction - \$3.8M
- Annual Meter Program - \$918K
- Distribution Pole Inspection - \$2.5M
- OH & UG Transformers - \$2.6M
- 98th St OH Feeder Relocation - \$823K
- Water Distribution - \$5.5M
- Water Production - \$616K
- Water Services - \$625K

**Dollars in millions

Financial Results

Debt Coverage

Debt Coverage with PILOT

	(CY) 2024 November	(PY) 2023 November
Electric	3.03	3.00
Water	3.00	2.29
Combined	3.15	3.08

Electric
Water
Combined

Financial Guideline Target
2.0 times with PILOT

Debt Coverage w/o PILOT

	(CY) 2024 November	(PY) 2023 November
Electric	2.31	2.27
Water	2.39	1.81
Combined	2.42	2.35

Electric
Water
Combined

Financial Guideline Target
1.6 times without PILOT



Water Infrastructure Investments

Feb 5th, 2025

EPA - Aged Water Main Replacement

- Design: Complete by BPU Engineering
- Bid Date: May 29, 2024
- Construction: July 2024 - Dec 2026
- Project Cost: \$10,000,000 (EPA Grant)
- Estimated Replacement : 9.51 miles

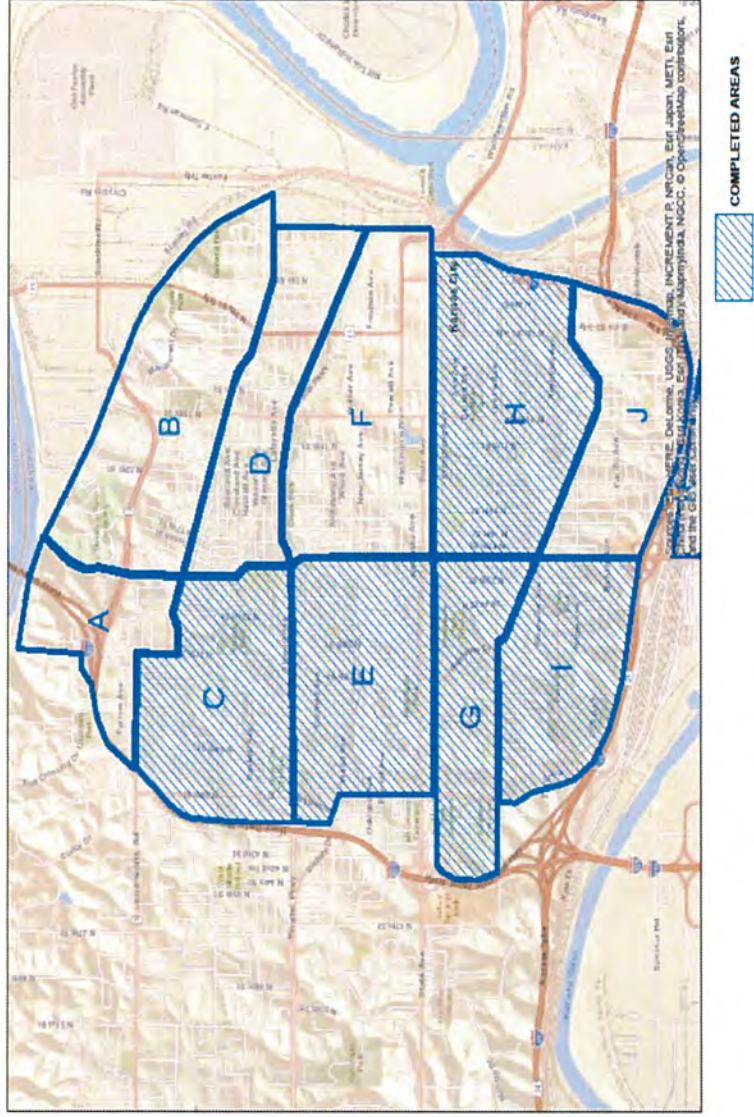
KDHE - Small Main Replacement

- Design: Complete by BPU Engineering
- Bid Date: May, 2025
- Construction: August 2025 - Dec 2026
- Project Cost: \$6,000,000 (KDHE Loan)
- Estimated Replacement: 5.55 miles

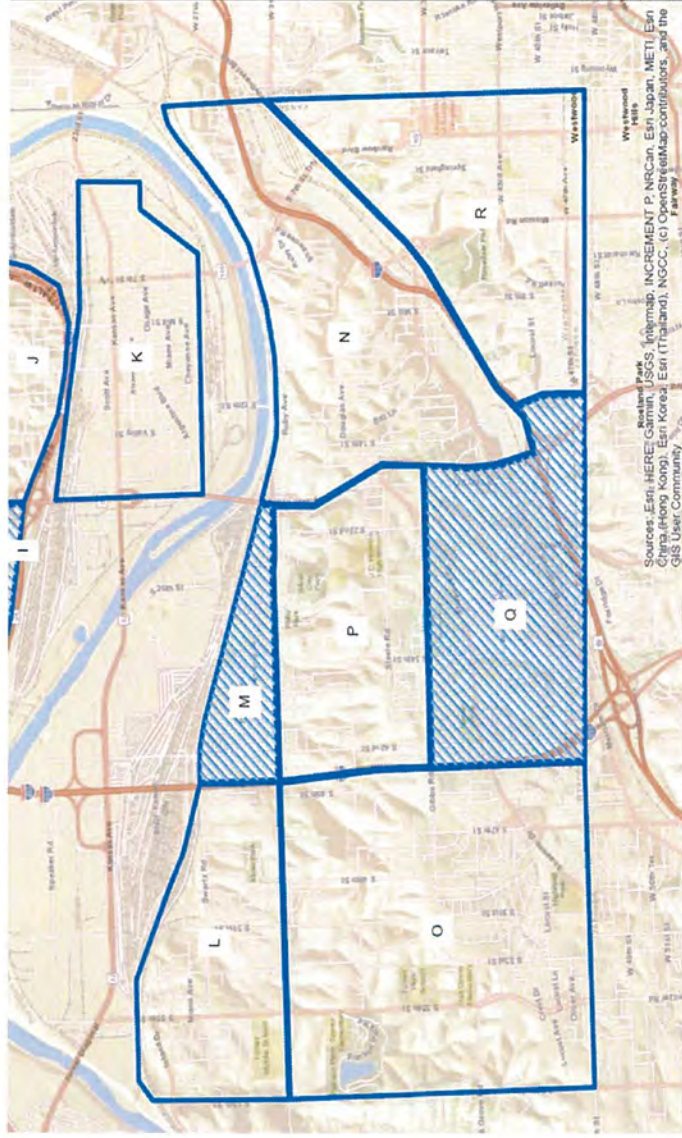
- Divided into 18 areas along major streets to manage workload
- Prioritized on the basis of historical number of leaks per mile
- Concentrated on Mains with Leak per mile per year > 2.0



Area Map North of I-70



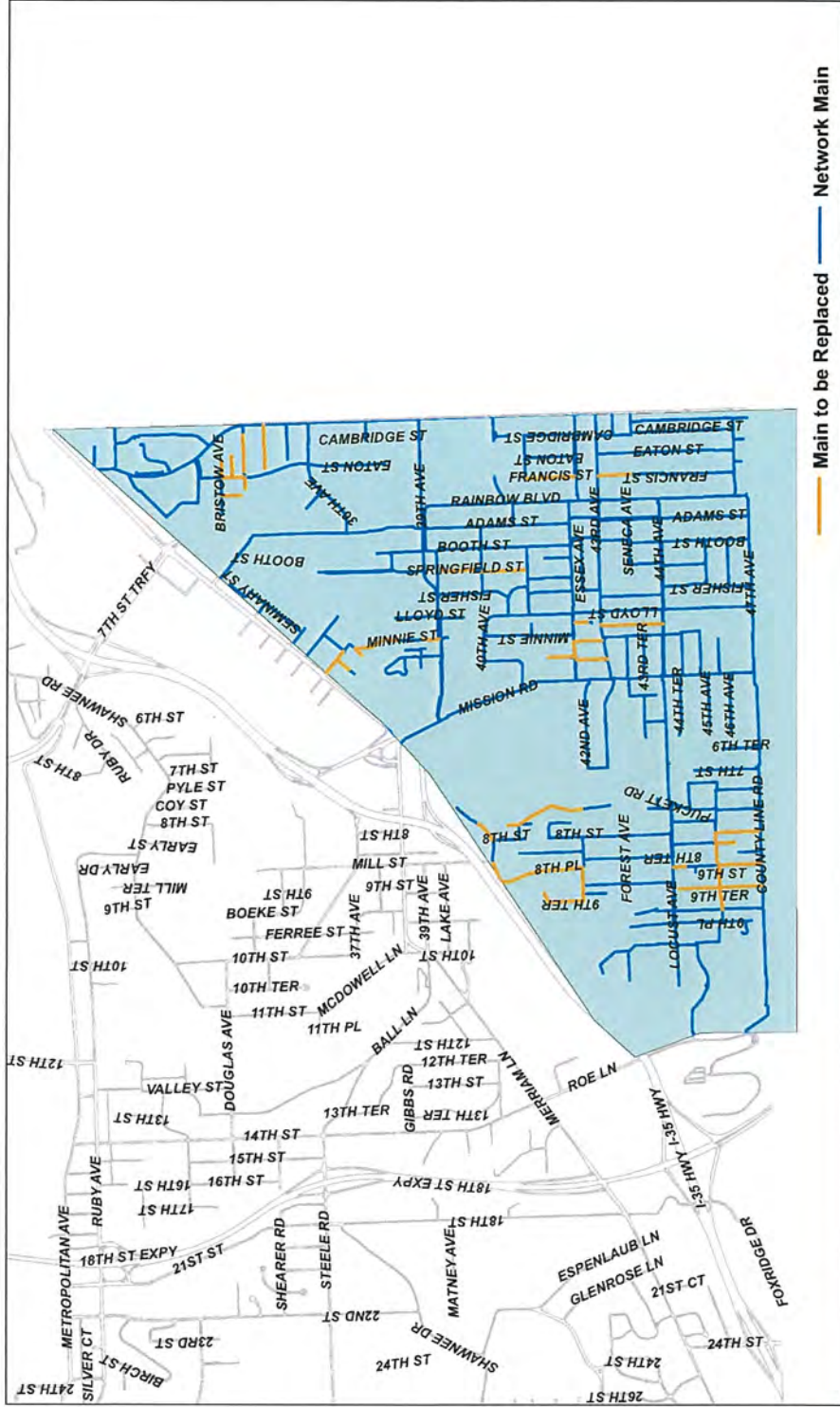
Area Map South of I-70



Legend
 PHASE I PARTIAL COMPLETION



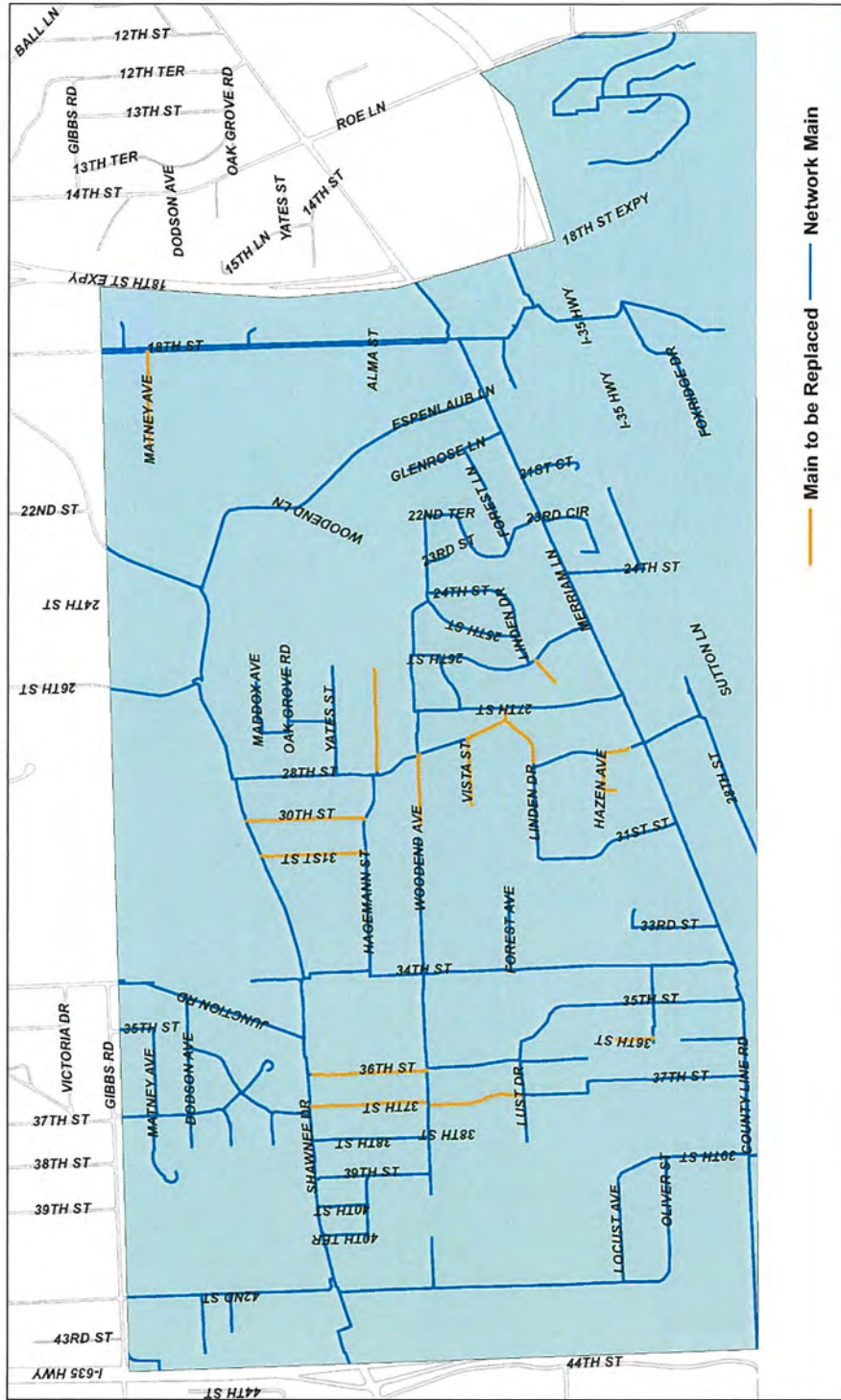
AREA R



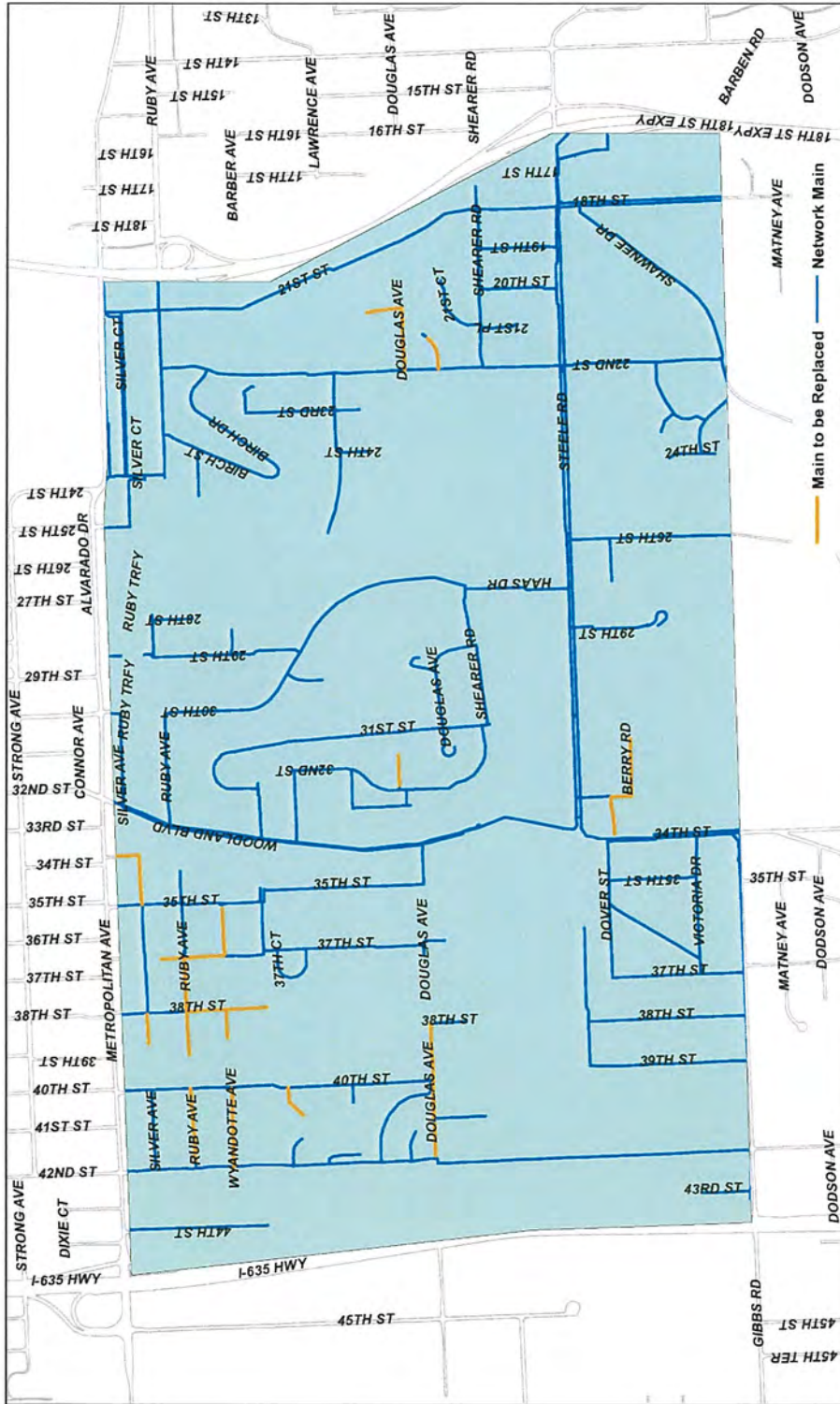
— Main to be Replaced — Network Main



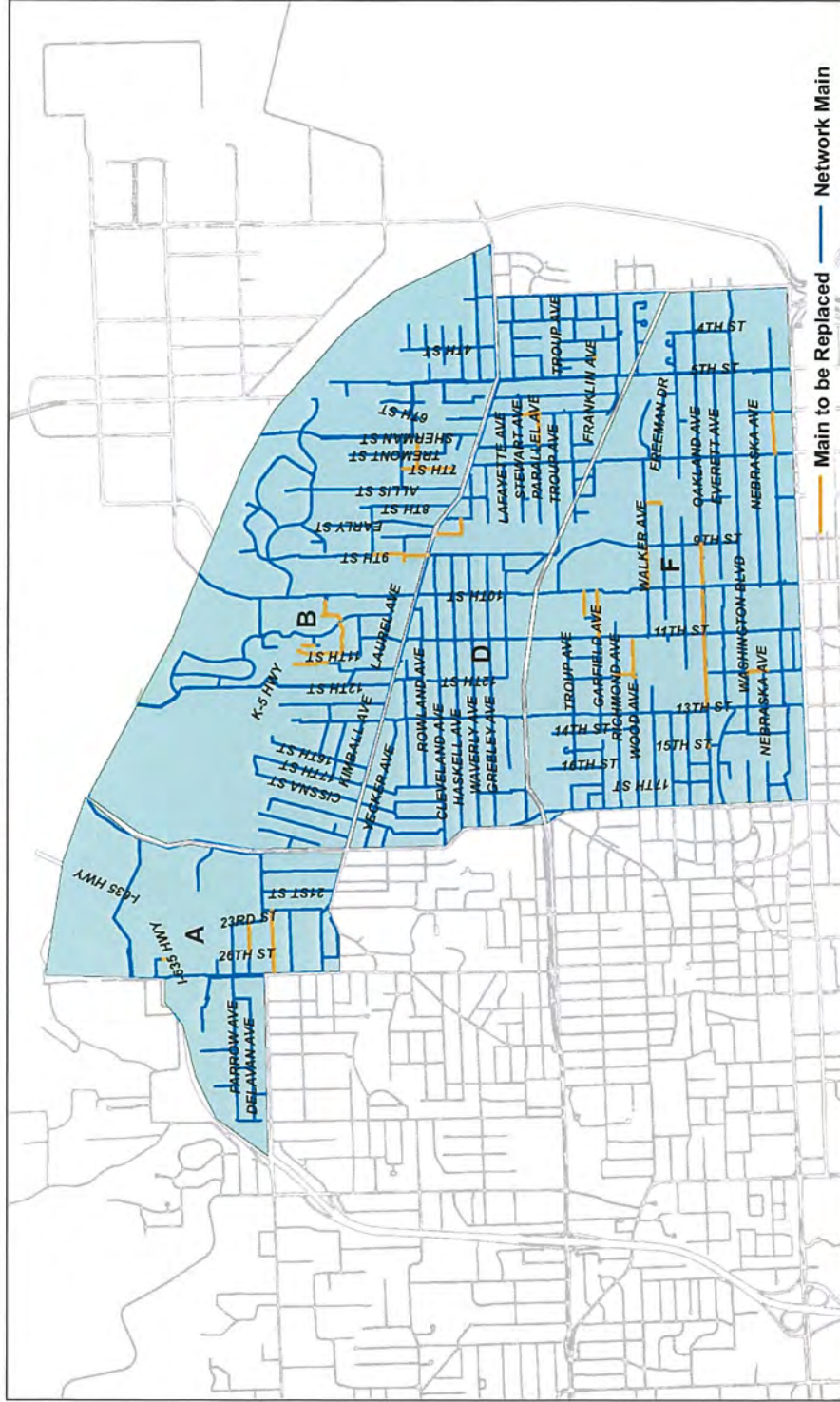
AREA Q



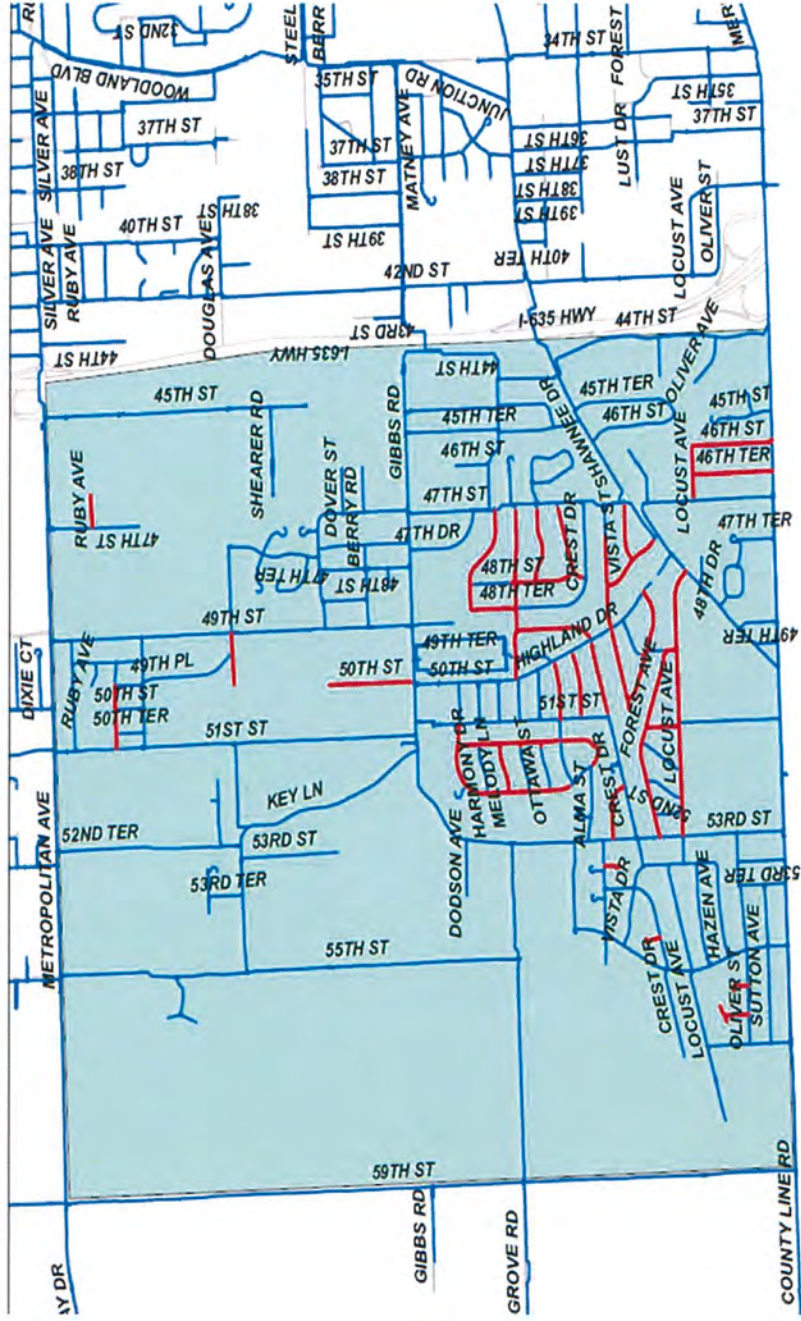
AREA P



AREAS A, B, D, & F






AREA O

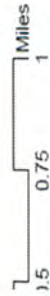


Area O Data

Number of Leaks: 555
 Length of Pipe: 34,250
 Leaks per Mile: 91
 Replacement Cost @ \$125 per foot: \$4,281,374.46

Legend

 4in Main with Leaks
 Network Main
 Area O



Aging Infrastructure - Small Diameter Mains

- Highland Crest Area



Project Schedule and Outcomes

Name	Timeline (approx.)
Area R	Summer 24 – Summer 25
Area A,B,D,F	Spring 25 – Winter 25
Area P, Q	Fall 25 – Spring 26
Area O	Spring 26 – Winter 26
Total	2 Years





AWWA Criteria for 4" and smaller water mains

Goal 0.3 leaks per mile per year

AREA	# OF LEAKS	LEAKS PER MILE PER YEAR
P	157	3.9
Q	145	3.2
R	200	2.5
A,B,D,F	163	2.1
O	544	3.9





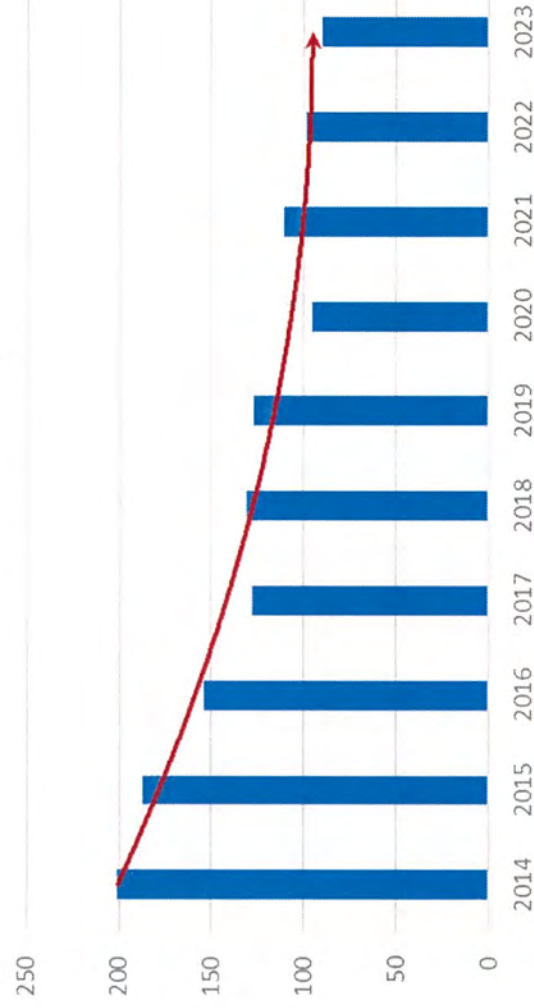
Data Analysis Phase I Improvements

- 2 Inch and smaller Main Breaks - 33% of total breaks in 2014
- 2 Inch and smaller Main Breaks - 26 % of total breaks in 2023
- 2017,2018,2019 trending with a reduction of 70 breaks per year
- Estimated Savings in Repair Cost - \$350,000 per year
- Improved Fire Protection
- PHASE II anticipated reduction of 50 breaks per year



Main Break
Total for
2-inch and
smaller

Main Break Totals





Cost Summary for Replacement - Area A,B,D,F,P,Q,R

- 4 inch > 0.3 Break / mile / year (54 miles) : \$ 50,800,000
- 4 inch > 1 Break /mile / year (28 miles): \$ 24,500,000
- 4 inch >1.5 Break/ mile/ year (19 miles): \$ 17,000,000
- 4 inch > 2.0 Break / mile / year (12 miles) : \$ 10,000,000
- AWWA Goal = 0.3 break per mile per year





Questions

Thank You



