

BOARD INFORMATION PACKET



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

Regular Meeting of

March 16, 2022



**Gold Award
for
Competitiveness
Achievement**



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Board of Public Utilities
Kansas City, Kansas

BOARD AGENDA

Regular Session
March 16, 2022 – 6:00 P.M.

- I. Call to Order
- II. Roll Call
 - _____ David Haley, At Large, Position 2
 - _____ Tom Groneman, District 2
 - _____ Robert L. Milan, Sr., District 1
 - _____ Jeff Bryant, District 3
 - _____ Mary L. Gonzales, At Large, Position 1
 - _____ Rose Mulvany Henry, At Large, Position 3
- III. Approval of Agenda
- IV. Approval of the Minutes of the Work Session of March 2, 2022
- V. Approval of the Minutes of the Regular Session of March 2, 2022
- VI. Public Comments
- VII. General Manager / Staff Reports
 - i. Inventory Management
 - ii. Revised EPA Lead & Copper Rule
 - iii. Board Compensation
 - iv. Miscellaneous Comments
- VIII. Board Comments
- IX. Adjourn

Approval of Minutes
Work Session 3-2-22
Agenda Item #IV

WORK SESSION MINUTES – WEDNESDAY, MARCH 2, 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 Work Session on Wednesday, March 2, 2022 at 5:00 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.

Ms. Gonzales called the Board meeting to order at 5:00 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. Members of the community who wished to speak to the Board during the public comment session must be logged in to the Zoom meeting through the internet using their browser or the Zoom application. Those wishing to offer comments during the public comments section could click on the raised hand feature at the bottom of the application or window or press Star 9 if connected by phone only. 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.

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; Jeremy Ash, Executive Director Electric Operations; Jerin Purtee, Executive Director Electric Supply; Steve Green, Executive Director Water Operations; Dong Quach, Executive Director Electric Production; Maurice Moss, Executive Director Corporate Compliance; Jerry Sullivan, Chief Information Officer; Robert Kamp, IT Project Manager; Dennis Dumovich, Director Human Resources; Brian Laverack, Director of Network Operations; and, Patrice Townsend, Director Utility Services.

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

Ms. Gonzales called the meeting to order at 5:00 P.M.

Roll call was taken, all Board Members were present, Mr. Milan had stepped out during roll call but returned at 5:01 P.M.

WORK SESSION MINUTES – WEDNESDAY, MARCH 2, 2022

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Item #3 – Approval of Agenda

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

Item #4 – Board Update/GM Update

Mr. Groneman reported on the Unified Government (UG) Standing Committee of Public Works and Safety meeting he had attended. Discussion in the meeting involved approval of the Mid-America Regional Council (MARC) grants which included approximately 15 projects they were wanting to move forward on. It was voted to send the top seven projects to the full commission. Mr. Groneman asked UG Director of Public Works, Mr. Jeff Fisher, to send him a copy of the list, which he would forward to Mr. Johnson.

Ms. Mulvany Henry reported that she had volunteered to sit on the UG Government Efficiency Committee.

Mr. Haley reported on pending legislation, that he had introduced, regarding the relationship to the charter for the UG and its ability to tax through our utility, Bill 477. He would report back at the next meeting. He would also request copies of the bill to pass along to the other Board members.

Ms. Angela Lawson, Deputy Chief Counsel, commented that discussion would need to be held in a Work Session.

Mr. Johnson said he asked staff to volunteer for the UG committees and that he had volunteered to sit on the Business and Economic Development Committee and the Efficiency Committee as well. He also said he would be reporting to the Board on his attendance at the American Public Power (APPA) CEO Roundtable and Legislative Rally conferences.

Item #5 – Audio/Video Streaming of Board Meetings

Mr. Jerry Sullivan, Chief Information Officer and Mr. Brian Laverack, Director of Network Operations, outlined and discussed options available in regards to providing Audio/Video streaming of Board meetings. (See attached PowerPoint.)

WORK SESSION MINUTES – WEDNESDAY, MARCH 2, 2022

STATE OF KANSAS)
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Topics discussed included:

- The amount of storage that could be required to have the videos on the BPU website.
- Visitor/staff privacy if there was a camera pointed at the lectern during public comments.
- Issues that dealt with not knowing what someone was going to possibly say, for example, if a customer came in and said something negative and untrue about a staff member.
- Security concerns were expressed about the possibility of:
 - Someone being able to clip a portion of a discussion.
 - Security around audio/visual files once on the website.
 - Security during the recording of a session in progress.
 - Opening up to possible sabotage.
- Possibly having the public register a couple of days before the meeting if they wished to be included in the Public Comment section.
- Cost would be around \$11-12K for the board room. The first-floor conference room would also have to be equipped.
- Having someone formally request information versus making it openly available.
- Thorough discussion is necessary.
- The continued necessity of having written minutes along with the audio.

Ms. Gonzales suggested that the streaming topic should be addressed again at the next meeting as well as options for the Public Comment section.

Ms. Lawson also suggested the topic about the unknowns during the public comment section; the possibility of putting perimeters around public comments, time limits, and stopping them from making personal attacks.

WORK SESSION MINUTES – WEDNESDAY, MARCH 2, 2022

STATE OF KANSAS)
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Mr. Johnson suggested that the agenda item regarding Audio/Video Streaming of Board Meetings be moved to the Regular Session. The Board agreed.

Item #6 – Adjourn

A motion was made to adjourn the Work Session at 5:56 P.M. by Mr. Bryant, seconded by Ms. Mulvany Henry and carried unanimously.

ATTEST:

APPROVED:

Secretary

President



Audio/Video Streaming of Board Meetings

Wednesday, March 2, 2022

Work Session
Jerry Sullivan
Brian Laverack



Topics

1. Current process (audio recording, minutes, presentations, BPU.com, etc.)
2. Options available



Current Process

1. **Before meeting:** Presentation filed on BPU.com web site.
2. **During meeting:** Audio and Presentation (Word / Power Point) recorded on Zoom.
3. **After meeting:** After Zoom audio is rendered, presentations sent to Admin staff for creating minutes. Minutes created, sent to Board members for review.
4. **At next meeting:** Approval is requested.

Assessment: Audio needs improvement, and video capability could enhance customer experience.



Streaming / Audio Options



(Details on following pages):



Option 1: Enhance *existing* audio quality and controls.



Option 2: Add *one camera* for video recording of Board Members in one group at the table.



Option 3: Add *two cameras* to capture the Board Members at the table as a group, and the speaker at the lectern.



Option 1

BPU Web Page

Highlights of Option 1

Post full audio recordings
on BPU.com
for community access

Includes:

- **Enhanced audio** quality in room in order to better pick up speakers within the meeting
- **Updated audio controls**

KANSAS CITY BPU
THE POWER OF COMMUNITY

OUTAGE: Electric 913.573.9522 | Water 913.573.9622
My Account | Español | Customer Service 913.573.9190

RESIDENTIAL CONSTRUCTION/RENOVATION BUSINESS VENDORS/SUPPLIERS ABOUT BPU RESOURCES

BPU BOARD MEETINGS MINUTES

ABOUT BPU > EVENTS > BPU BOARD MEETINGS MINUTES

BPU Board Meetings Minutes

Check out our meeting minutes archive:

2022
2021
2020

BPU Board Meeting Recordings

2022

BOARD OF PUBLIC



Option 2

- **Highlights of Option 2**

- Includes audio and controls updates from Option 1
- Mount a new camera on ceiling facing the board table
- Post full video recordings on BPU.com for community access



Option 2

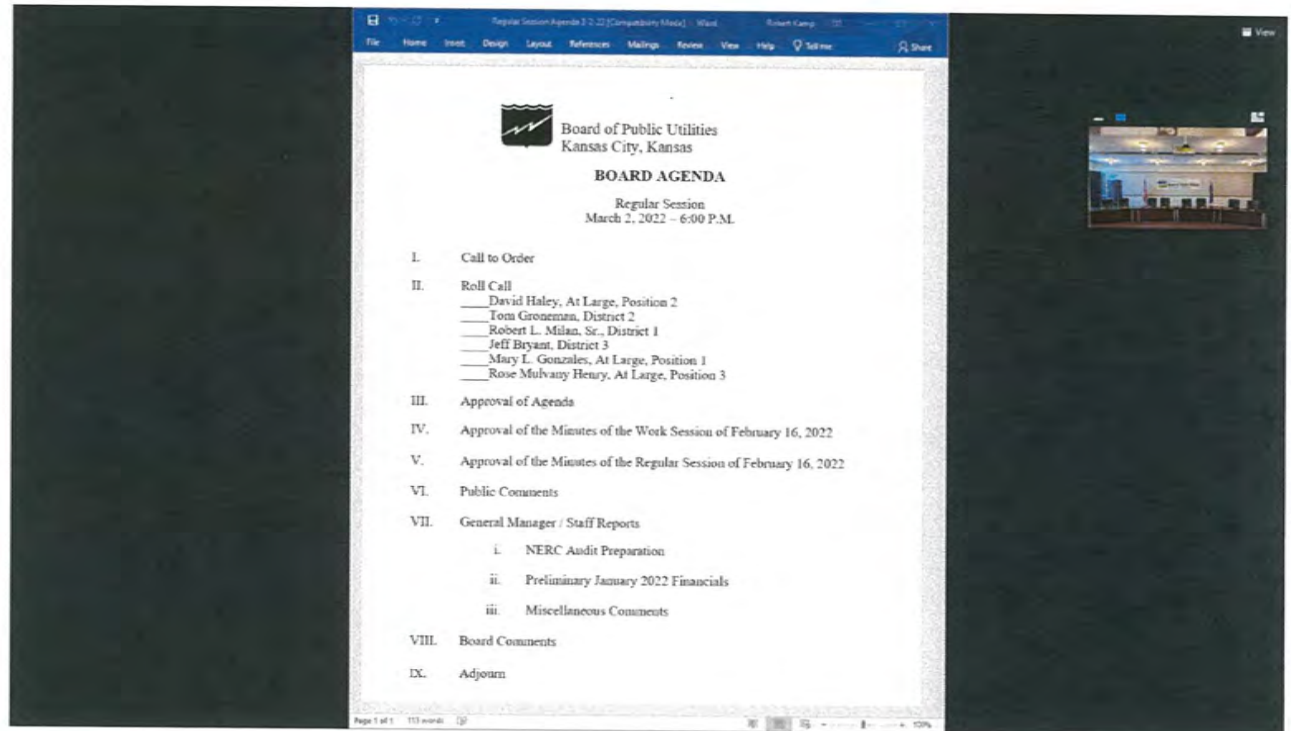




Option 2

- While sharing a presentation the video is minimized
- Video moves to top right corner

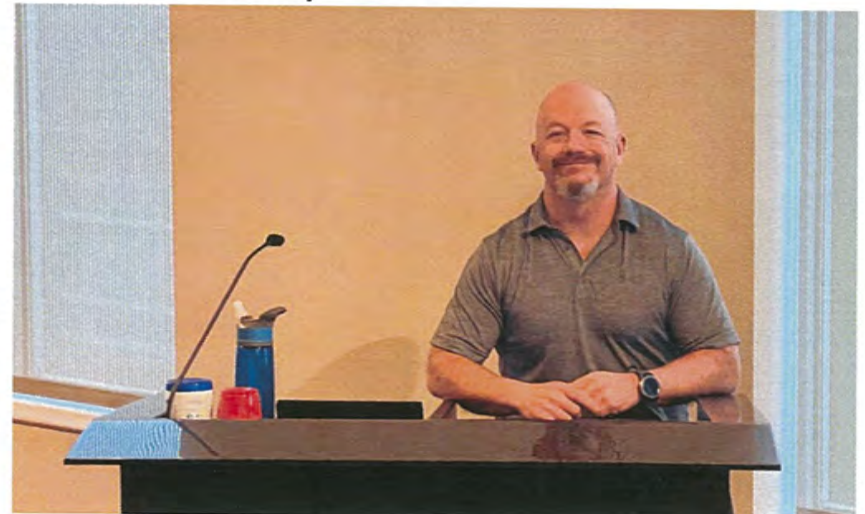
Note: Meeting facilitator controls how presented: either a full video or presentation with minimized video





Option 3

- Option 3
 - Includes Option 1 + Option 2
 - Adds ceiling mounted camera facing the lectern
 - Post full video recordings on BPU.com for community access

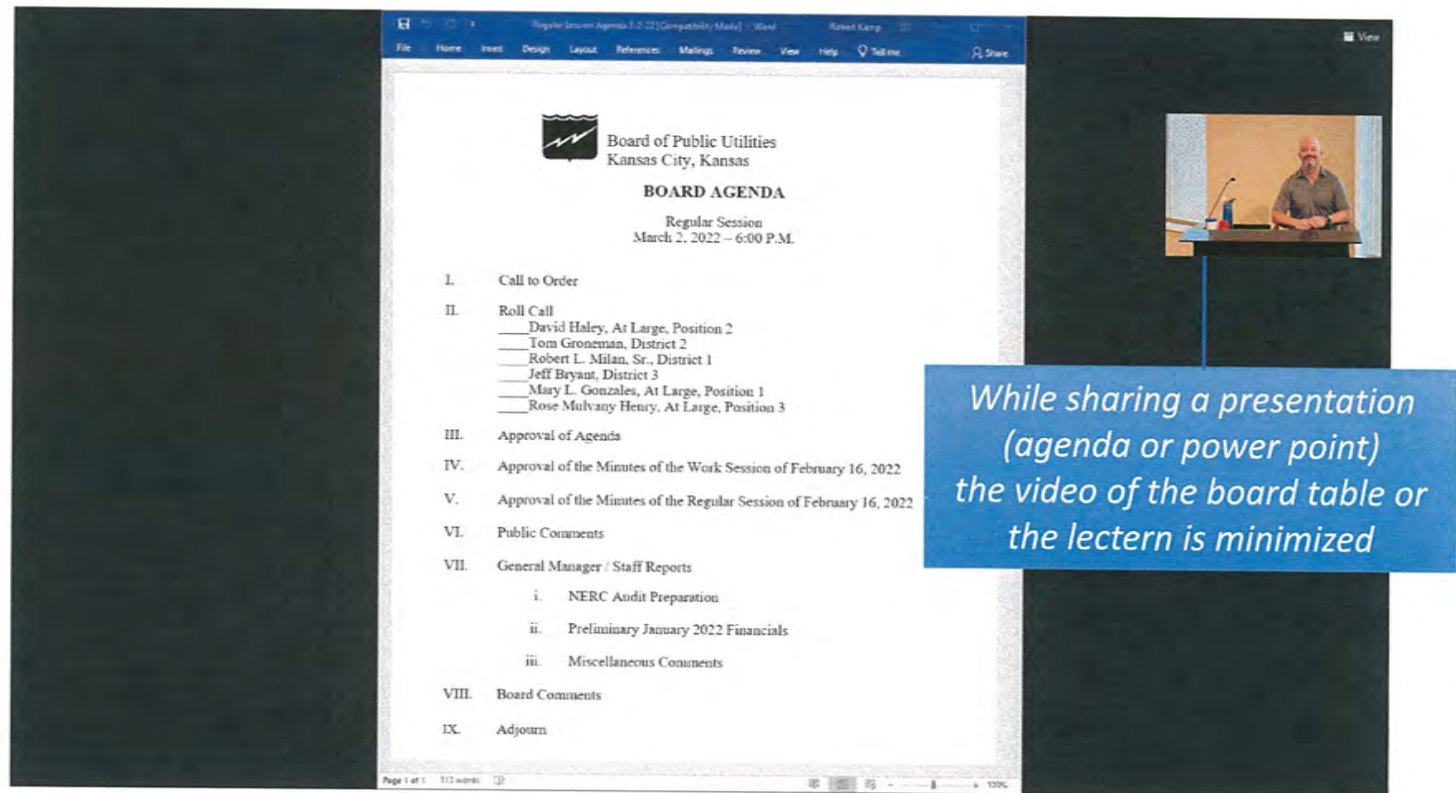




Option 3

Comments:

1. Only a single video feed is displayed at a time (board or lectern).
2. The full screen will either be the Board Members OR the presentation.



Board of Public Utilities
Kansas City, Kansas

BOARD AGENDA
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- Roll Call
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 - Tom Groneman, District 2
 - Robert L. Milan, Sr., District 1
 - Jeff Bryant, District 3
 - Mary L. Gonzales, At Large, Position 1
 - Rose Mulvany Henry, At Large, Position 3
- Approval of Agendas
- Approval of the Minutes of the Work Session of February 16, 2022
- Approval of the Minutes of the Regular Session of February 16, 2022
- Public Comments
- General Manager / Staff Reports
 - NERC Audit Preparation
 - Preliminary January 2022 Financials
 - Miscellaneous Comments
- Board Comments
- Adjourn

While sharing a presentation (agenda or power point) the video of the board table or the lectern is minimized

Comparing Options

	Current State	Option 1	Option 2	Option 3
Audio recorded today for meeting minutes creation	X	X	X	X
Meeting minutes and presented materials available on BPU.com	X	X	X	X
Enhance audio quality and controls		X	X	X
Posting full audio recording on BPU.com		X	X	X
Video camera focused on board table			X	X
Video camera focused on lectern				X
Posting full video recording on BPU.com			X	X



Questions

REGULAR SESSION –WEDNESDAY, MARCH 2, 2022

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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; Jeremy Ash, Executive Director Electric Operations; Jerin Purtee, Executive Director Electric Supply; Steve Green, Executive Director Water Operations; Dong Quach, Executive Director Electric Production; Maurice Moss, Executive Director Corporate Compliance; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Robert Kamp, IT Project Manager; Dennis Dumovich, Director Human Resources; Brian Laverack, Director of Network Operations and, Patrice Townsend, Director Utility Services.

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Ms. Gonzales called the Board meeting to order at 6:00 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. Members of the community who wished to speak to the Board during the public comment session must be logged in to the Zoom meeting through the internet using their browser or the Zoom application. Those wishing to offer comments during the public comments section could click on the raised hand feature at the bottom of the application or window or press Star 9 if connected by phone only. 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, MARCH 2, 2022

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

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

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

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

A motion was made to approve the minutes of the Regular Session of February 16, 2022, by Mr. Bryant, seconded by Ms. Mulvany Henry, and unanimously carried.

Item #6 – Public Comments

Mr. Jared Emmons, 12208 Pebble Beach Dr., inquired about the Cold Weather Rule plan of action.

Mr. Johnson said that it would be continued to be reviewed by staff and they would be coming back to the Board with any proposed changes and recommendations. A date to put it on the Agenda would be set a later time.

Ms. Mulvany Henry suggested setting a date.

Mr. Groneman suggested that an appointed committee meet and review the weather policies and come back possibly the June 1 meeting with recommendations.

Mr. Milan reminded that there was a Policy Committee already in place.

Ms. Gonzales confirmed that the Policy Committee included - Mr. Milan, Mr. Groneman, and Mr. Bryant.

Mr. Emmons inquired about supporting data from a slide regarding loss of revenue from the Cold Weather Rule presentation given at the last Work Session meeting.

Mr. Johnson said that he would not be able to furnish that information at this time but would be happy to report back.

Mr. Milan spoke about including the gas company policies when comparing other policies.

REGULAR SESSION –WEDNESDAY, MARCH 2, 2022

STATE OF KANSAS)
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Mr. Bryant requested that policies be pulled for review by the committee and that staff recommendations also be provided. He asked if the committee would be available to meet on April 6, for 45 minutes before the Work Session to discuss.

Mr. Groneman asked Ms. Angela Lawson, Deputy Chief Counsel, the best way to receive comments/suggestions from staff and other Board members before the policy discussion.

Ms. Lawson said that it would be best to forward them to the General Manager, Mr. Johnson, individually to be presented in the open meeting. She explained the Kansas Open Meetings Act.

Item #7 – General Manager / Staff Reports

- i. *NERC Audit Preparation:* Mr. Maurice Moss, Executive Director Corporate Compliance gave a PowerPoint presentation which provided an overview of the North American Electric Reliability Corporation (NERC), his department, which included Environmental Compliance, NERC Compliance and Risk Management, and explained the preparation for the upcoming NERC Audit. (See attached.)

Mr. Moss and Mr. Jerin Purtee, Executive Director Electric Supply, responded to questions and comments from the Board.

- ii. *Preliminary January 2022 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, gave a PowerPoint presentation reviewing the preliminary financials from January 2022 with the Board. (See attached.)

Ms. Austin answered questions from the Board.

- iii. *Miscellaneous Comments:* Mr. Johnson said that Ms. Gonzales, had forwarded him the Committee List. He also commented that he would be meeting with Ms. Gonzales in the upcoming week to discuss Agenda topics.

Item #8 – Board Comments

Mr. Haley thanked all for the information given in the evening's presentations and discussions. He said that he would forward the information to Mr. Johnson on Bill 477. He also suggested that maybe there could be a future policy review to look at back billing. He spoke about Board compensation. He would like for it to be an upcoming Agenda topic.

REGULAR SESSION –WEDNESDAY, MARCH 2, 2022

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Mr. Groneman had no comments.

Mr. Milan said that he appreciated the presentations and dialog of the evening.

Mr. Bryant thanked all for the important and educational presentations of the evening. He looked forward to the discussion regarding Board compensation. A precursor of his opinion was that if you increased compensation you could possibly have people run for the wrong reason.

Ms. Mulvany Henry thanked Mr. Sullivan and Mr. Laverack for the information presented at the Work Session. She really appreciated receiving it sooner than expected. She also thanked Mr. Moss for his presentation.

Ms. Mulvany Henry requested to attend the APPA National Conference, June 10-15. With June 15 being a meeting date, she requested to attend the meeting via Zoom if necessary.

Ms. Gonzales said that, in the past, if several members were attending a conference on a meeting date, they would consider changing the date of the meeting.

A motion was made to approve Ms. Mulvany Henry's attendance to the conference by Mr. Bryant, seconded by Mr. Groneman.

Roll call was taken:

Mr. Haley – yes

Mr. Groneman – yes

Mr. Milan – yes. He also included that the AWWA National Conference was scheduled to be held in June.

Mr. Bryant – yes

Ms. Gonzales – yes

Ms. Mulvany Henry – yes

The motion carried unanimously.

REGULAR SESSION –WEDNESDAY, MARCH 2, 2022

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Ms. Gonzales echoed the other Board member comments about the evening's presentations.

Mr. Johnson added that the AWWA National Conference was actually going to be held the very same week as the APPA National Conference.

Item #9 – Adjourn

A motion was made to adjourn the Regular Session at 7:04 P.M. by Mr. Bryant, seconded by Ms. Mulvany Henry, and unanimously carried.

ATTEST:

APPROVED:

Secretary

President

NERC Audit Preparation

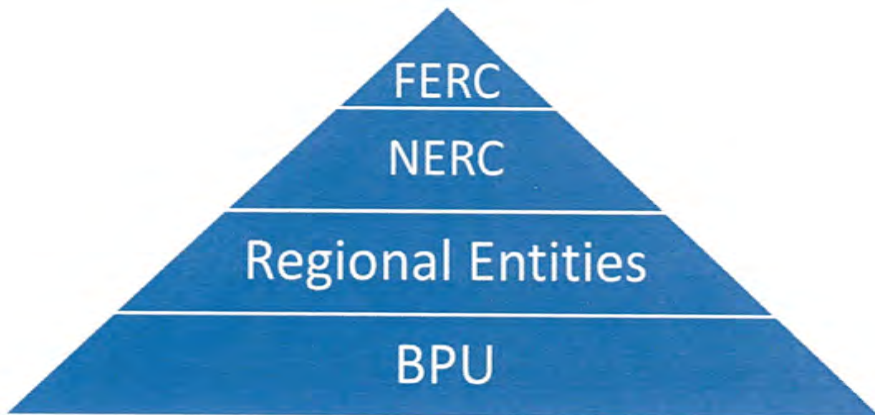
March 02, 2022

NERC AUDIT





NERC AUDIT



- Energy Policy Act of 2005
- Formed in 2006
- Authority
 - Develop
 - Monitor & Enforce Compliance
 - Qualify, Educate and Train
 - Investigate
- Regional Reliability Entities



Auditing is one of the primary tools used by MRO to monitor compliance with the standards.

- Minimum 90 days advance notice
- Scope of Audit
- Request for Information

The objective of a compliance audit is to provide reasonable assurance of compliance to the applicable standards.





NERC AUDIT

BPU NERC Audit

Notification Letter: November 8, 2021

Dates: March 7, 2022 - April 1, 2022

Audit Period: November 7, 2018 - November 8, 2021

- Review Evidence
- Interview Subject Matter Experts
- Organization Structure

NERC AUDIT

Audit Preparation

- Reviewed and Produced
- Conducted Training
- Collaborated
- Audit Guidance



Questions



January 2022 Preliminary Financial Results

March 2, 2022

Financial Results

2022 Billed kWh (YTD Jan)

Electric	(CY) 2022 YTD	(PY) 2021 YTD	
Residential	49,847,104	51,229,575	
Commercial	76,900,688	73,323,066	
Industrial	36,065,626	40,915,623	
	162,813,418	165,468,264	-1.6%

Industrial usage continues at lower levels due to production

Residential – Down 3% Commercial – Up 6% Industrial – Down 9%

Financial Results

2022 Billed CCF's (YTD Jan)

Water	(CY) 2022 YTD	(PY) 2021 YTD	
Residential	280,037	275,595	
Commercial	184,423	175,495	
Industrial	141,016	146,000	
	605,476	597,090	1.4%

Industrial usage continues at lower levels due to decrease business production

Residential – Up 2% Commercial – Up 2% Industrial - Down 5%

Financial Results

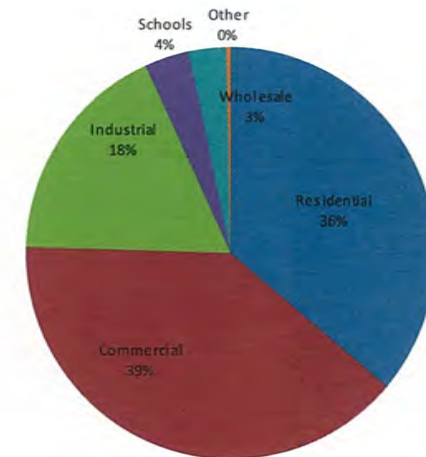
Revenues – 2022 YTD

	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 24.182	\$ 21.975		\$ 23.303	\$ 24.182	
Water	3.994	3.590		4.173	3.994	
Combined	\$ 28.176	\$ 25.565	10.2%	\$ 27.476	\$ 28.176	2.5%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2022

<u>Electric:</u>	<i>Up 4%</i>	<u>Water:</u>	<i>Down 4%</i>
Residential	(\$191K)	Residential	\$47K
Commercial	\$420K	Commercial	\$31K
Industrial	\$ 80K	Industrial	(\$24K)
Schools	(\$120K)	Wholesale	(\$14K)
Wholesale	\$128K		



Financial Results

Operating Expenses – 2022 YTD (Total)

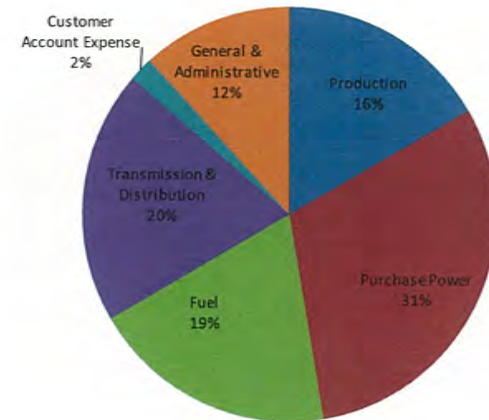
	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 18.877	\$ 13.980		\$ 17.620	\$ 18.877	
Water	2.928	2.676		3.344	2.928	
Combined	\$ 21.805	\$ 16.656	30.9%	\$ 20.964	\$ 21.805	4.0%

**Dollars in millions

Actual Compared to 2022 Budget

- Electric up 7%
- Water down 12%

Amortized 1/6th of the 2021 ERC Under Recovery in January 2022 - \$385,500



Financial Results

Operating Expenses – 2022 YTD less Depreciation

	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 16.338	\$ 11.435		\$ 14.750	\$ 16.338	
Water	2.242	1.981		2.642	2.242	
Combined	\$ 18.580	\$ 13.416	38.5%	\$ 17.392	\$ 18.580	6.8%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2022

Electric:

Purchased Power \$1.7M
 Fuel \$983K
 Production (\$288K)
 T&D (\$550K)
 G&A (\$515K)

Water:

Production (\$ 90K)
 T&D (\$108K)
 G&A (\$167K)

Financial Results

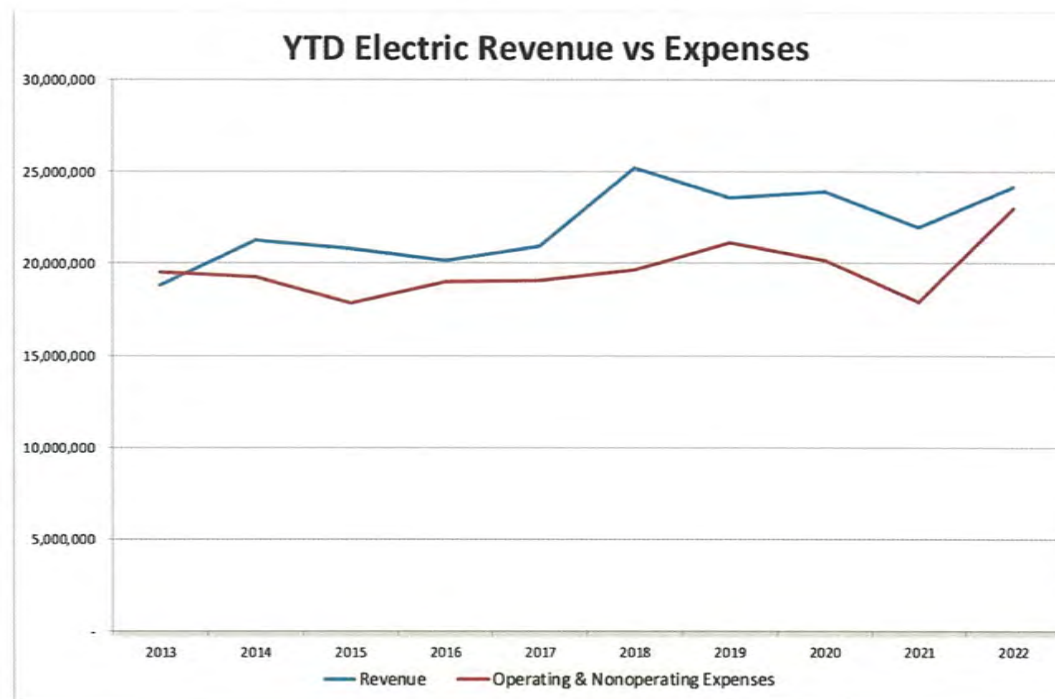
Change in Net Position – January 2022

	(CY) 2022 January	(PY) 2021 January
Electric	\$ 1.158	\$ 4.112
Water	0.950	(0.025)
Combined	\$ 2.108	\$ 4.087

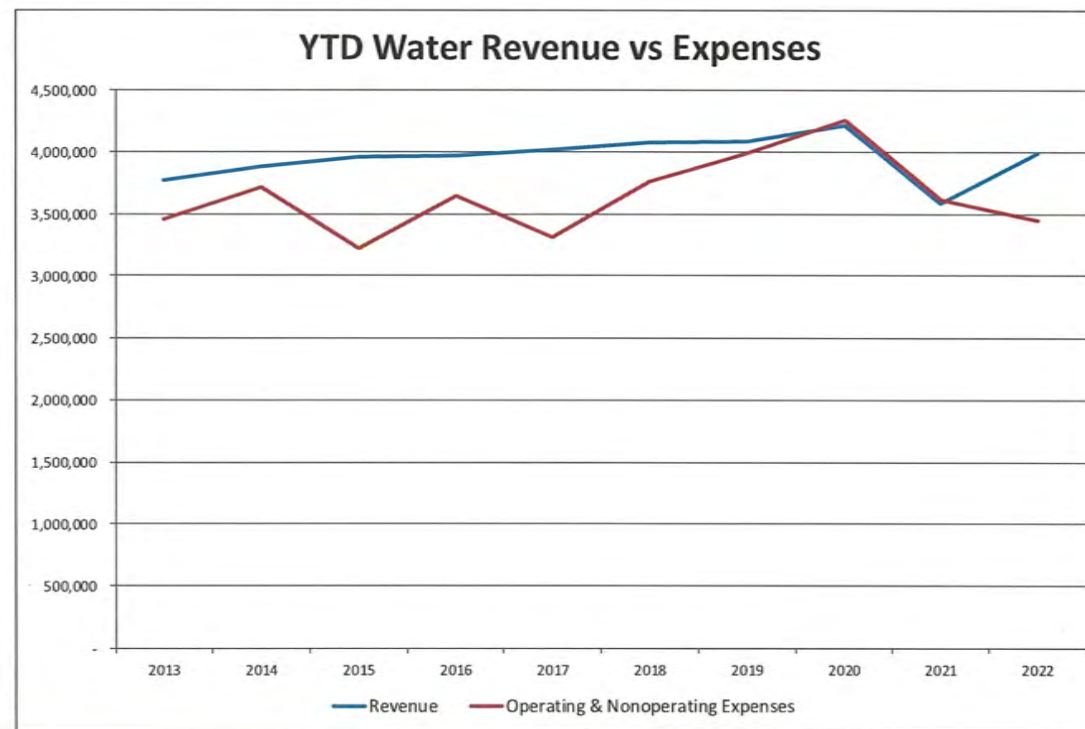
Budget 2022 January	(CY) 2022 January
\$ 1.611	\$ 1.158
0.235	0.950
\$ 1.846	\$ 2.108

**Dollars in millions

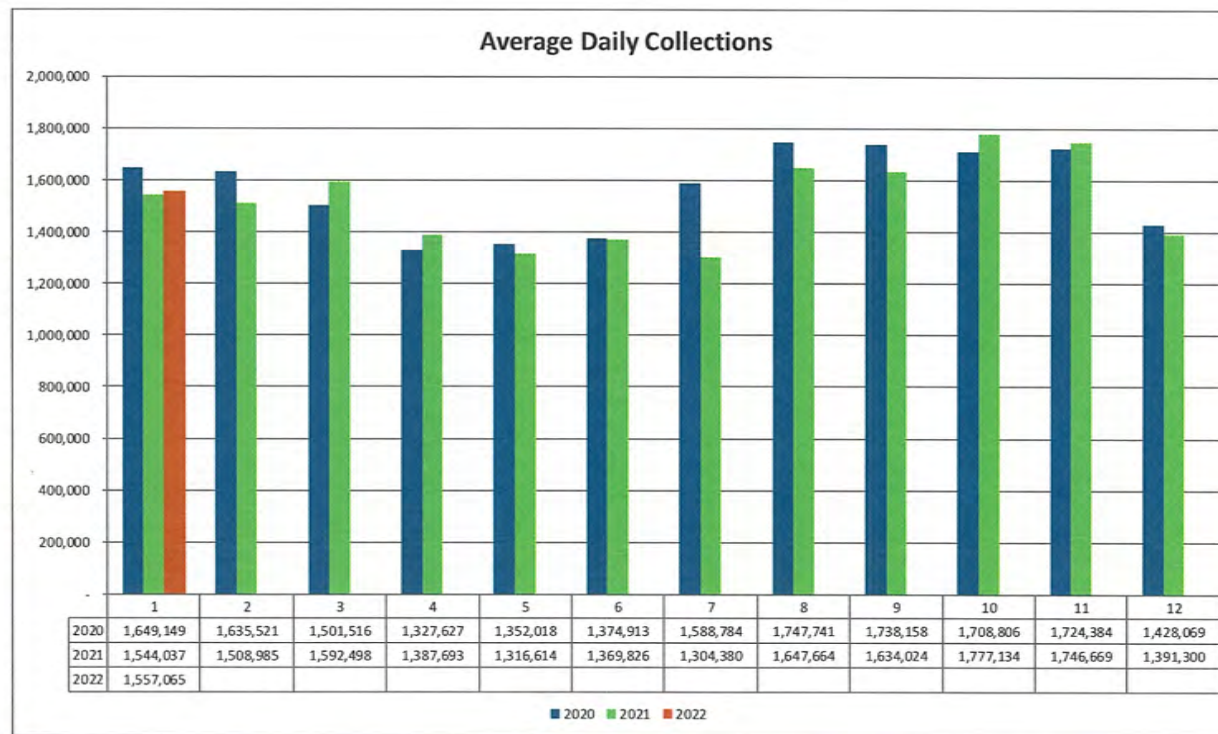
Financial Results – 10 Year Trend



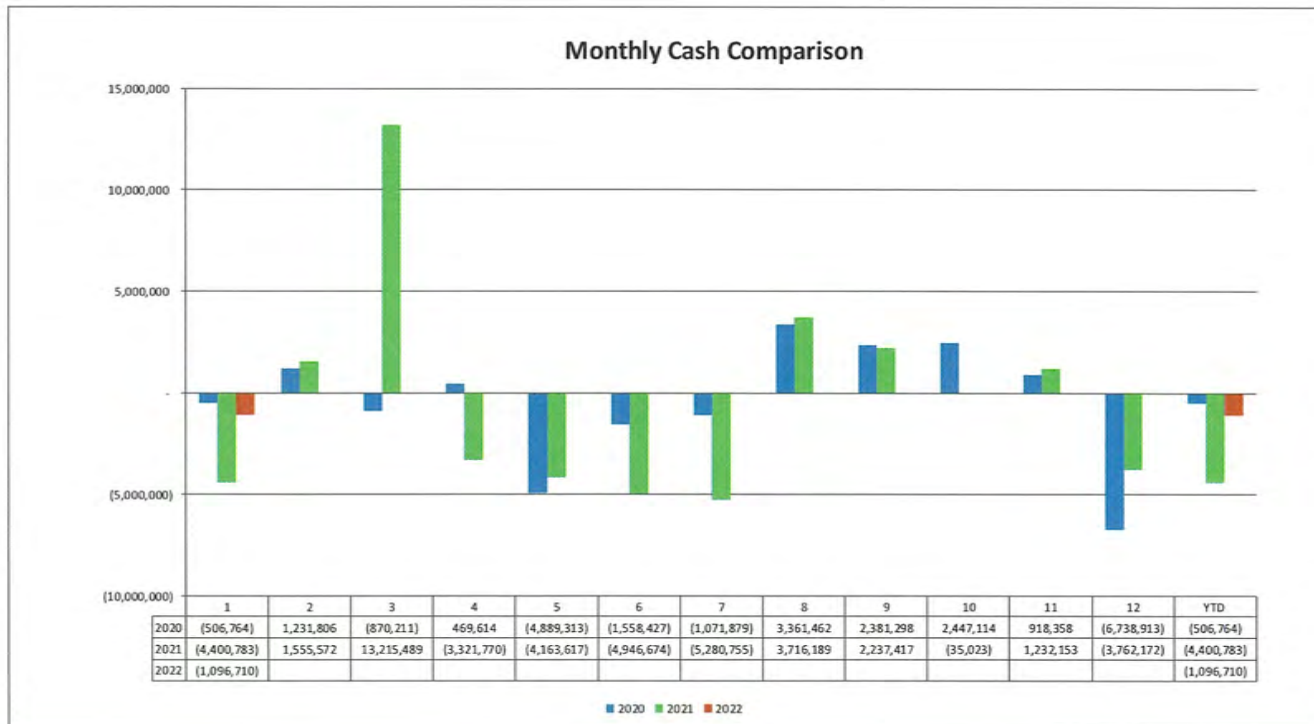
Financial Results – 10 Year Trend



Financial Results



Financial Results



Financial Results

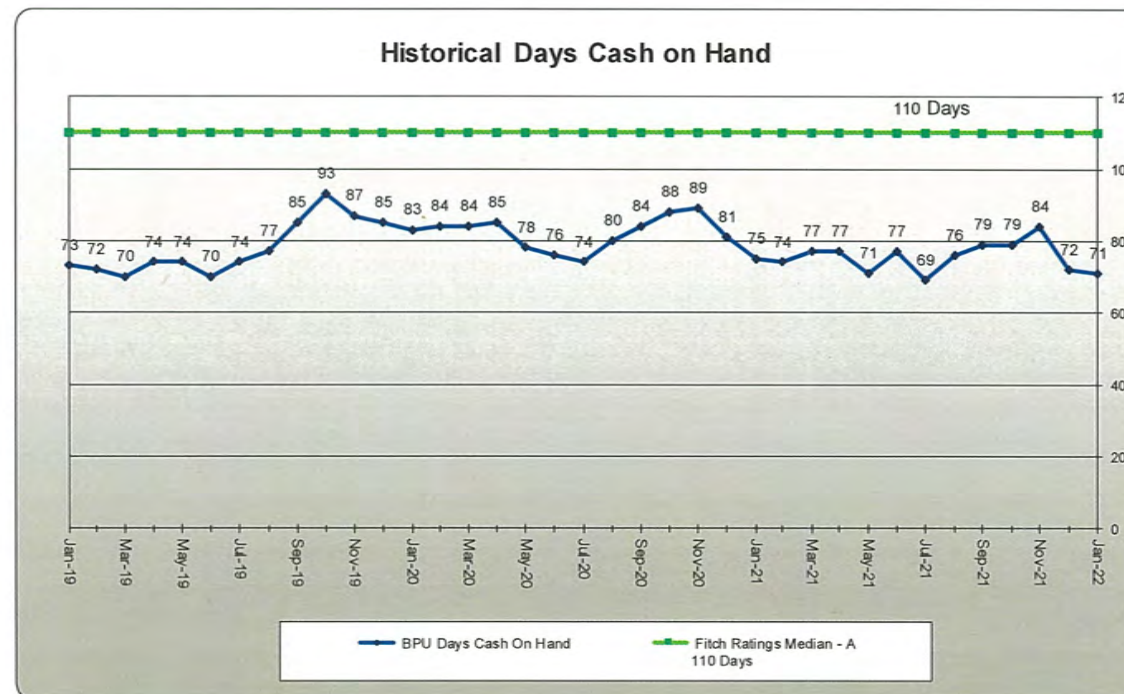
Cash Position

	(CY) 2022 January	(PY) 2021 January	2021 December
Combined (E&W) Days Cash-on-Hand	\$ 44.12 71	\$ 43.85 75	\$ 43.74 72

1 Day = Approximately \$550K-\$600K

**Dollars in millions

Financial Results



Balance Sheet: Notables

	(CY) 2022 January	(PY) 2021 January
Fuel Inventory	\$ 5.180	\$ 5.324
Bond Dollars 2016C (Elec T&D)	\$ 0.709	\$ 1.543
Bond Dollars 2020A (Elec)	\$ 6.205	\$ 10.000

**Dollars in millions

Financial Results

Capital Spending

	(CY) 2022 YTD	(PY) 2021 YTD	2022 Budget		
Electric	\$ 0.81	\$ 0.19	\$ 27.28		
Water	0.26	0.19	22.03		
Common	0.18	0.18	5.64		
Total YTD Capital	\$ 1.24	\$ 0.55	\$ 54.95	Remaining	98%

**Dollars in millions

Major projects in 2022:

Elect Ops Facility Improvements - \$145K
 Piper OH Feeders - \$335K
 Fisher UG Feeders - \$154K
 Water Leak, Valve, System Imp. - \$76K
 UG/CMIP Water Distribution - \$38K

Financial Results

Debt Coverage

Debt Coverage with PILOT

	(CY) 2022 January	(PY) 2021 January
Electric	2.27	1.95
Water	1.93	2.10
Combined	2.39	2.15

Debt Coverage w/o PILOT

	(CY) 2022 January	(PY) 2021 January
Electric	1.68	1.34
Water	1.47	1.64
Combined	1.78	1.53

Financial Guideline Target 1.6 to 2.1 times with PILOT

