

**REGULAR SESSION –WEDNESDAY, NOVEMBER 1, 2023**

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, November 1, 2023 at 6:00 PM. The following Board Members were present: Rose Mulvany Henry, President; Thomas Groneman, Vice President; Jeff Bryant, Mary Gonzales, and David Haley. Robert L. Milan, Secretary connected via Zoom at 6:23 PM.

Also present: William Johnson, General Manager; Angela Lawson, Acting Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Jeremy Ash, Chief Operating Officer; Jerry Sullivan, Chief Information Officer; Maurice Moss, Executive Director Corporate Compliance; Johnetta Hinson, Executive Director Customer Service; Darrin McNew, Executive Director Electric Operations; Dennis Dumovich, Director of Human Resources; Douglas Bowen, Director Electric Production Operations & Maintenance; Chris Stewart, Director Civil Engineering; Michael Oldehoeft, Superintendent Operations WO; Steve Hargis, Supervisor Water Distribution Meters; Phillip Brown, Senior Civil Engineer; Brandon Sisk, Project Engineer III; Aaron Moore, Project Engineer II; 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](http://www.bpu.com).

Ms. Mulvany Henry called the Board meeting to order at 6:01 PM. She welcomed all that were listening to or viewing the meeting. She informed all that the meeting was being recorded including video and audio. During the public comment section, those attending in person, wishing to speak, should use the sign-up sheet at the entry and provide their name and address. Public comments were limited to five 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 public comment section. 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. She informed that all participants were 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. Ms. Mulvany Henry introduced herself and the other Board Members along with the General Manager, and Legal Counsel.

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Roll call was taken and all Board members were present except for Mr. Milan, who joined via Zoom at 6:23 PM.

**Item #3 – Approval of Agenda**

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

**Item #4 – Approval of Work Session Minutes of October 18, 2023**

A motion was made to approve the minutes of the Work Session of October 18, 2023, by Ms. Gonzales, seconded by Mr. Groneman, and unanimously carried.

**Item #5 – Approval of Regular Session Minutes of October 18, 2023**

A motion was made to approve the minutes of the Regular Session of October 18, 2023, by Mr. Bryant, seconded by Ms. Gonzales, and unanimously carried.

**Item #6– Public Comments**

There were no visitors wishing to speak.

**Item #7– General Manager / Staff Reports**

- i. *2023 3<sup>rd</sup> Quarter Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, presented the 2023 Third Quarter Financials to the Board. (See attached PowerPoint.)

Ms. Austin and Mr. Johnson responded to questions and comments from the Board.

A motion was made to approve the 2023 Third Quarter Financials as presented, by Mr. Bryant, seconded by Ms. Gonzales, and unanimously carried.

- ii. *Water Projects Update:* Mr. Phillip Brown, Senior Civil Engineer, presented the Board an update on how federal grants were being used to improve the water system in our community. He showed the areas of focus for upcoming main replacement projects and gave a timeline for the Nearman Water Treatment Plant (NWTP) to complete the switchgear and generator project. (See attached PowerPoint.) He introduced Mr.

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Aaron Moore, Project Engineer II, and Mr. Brandon Sisk, Project Engineer III, both local high school graduates who returned to their community to work after college.

Mr. Brown responded to questions and comments from the Board.

Mr. Johnson commented that BPU would continue to seek federal funds for improvement projects in the community. He also applauded the engineers on both the electric and water side for their work.

- iii. *2023 Summer Internships:* Mr. Darrin McNew, Executive Director Electric Operations, presented information regarding the BPU Summer Internship Program. He gave an overview of the program, introduced the 2023 participants and gave a summary of some of their accomplishments during their time with BPU. As a result of the program, BPU had hired four engineers.

Mr. McNew responded to questions and comments from the Board.

Mr. Johnson added details regarding BPU’s internship program and recruiting opportunities. He also stated BPU was working on a scholarship program for Wyandotte County high school students. The hope was to assist students with their education and recruit them back into the community. He advised he would bring more details to the Board.

- iv. *Miscellaneous Comments:* Mr. Johnson updated the Board on a meeting he attended with Mayor Garner and Representative Sharice Davids regarding UG priorities which would include BPU funding requests. He spoke about a recent luncheon held for Key Accounts, which included top BPU industrial customers and commented on a meeting he attended with Mayor Garner and David Johnston, County Administrator, regarding working together on joint agreements and continued conversation on how to separate the Unified Government (UG) charges from the BPU bill.

**Item #8 – Board Comments**

Mr. Haley expressed his thoughts on the audio and video recordings of BPU’s public meetings, separation of the UG charges from the BPU bill, changes to the Cold Weather policy and his continued support for Customer Service improvements. He also added comments regarding the elected Board member’s compensation and stated that he wanted a fund that he could directly assist customer with.

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Mr. Groneman thanked staff for their presentations and said it was enlightening to hear local graduates being recruited back to work within the community. He also commented on the UG working with BPU to separate the billing.

Mr. Milan said he looked forward to being back at the next Board meeting.

Mr. Bryant thanked staff for the presentations and said he was glad to see federal dollars being used to help improve the aging water mains, especially those specific to his district.

Ms. Gonzales said she was thankful for the internship program that would allow young people the opportunity to see what they could do at a smaller utility. She also thanked staff for their presentations and said she was pleased to see more school districts represented at the Key Account luncheon.

Ms. Mulvany Henry echoed other elected Board members in thanking staff for their presentations. She welcomed Mr. Moore to BPU, and said she was happy to see the federal funds at work in the community. She also commended Mr. McNew and staff for their internship and recruiting efforts. She provided an update on the Community Engagement meeting and said she looked forward to working with the Community Ambassadors. She reminded the elected Board to complete three hours of continuing education by the end of the year, in the municipal energy or water sector, and advised that she would be attending the next Board meeting remotely.


**Item #9 – Adjourn**

At 7:24 PM a motion to adjourn was made by Mr. Bryant, seconded by Ms. Gonzales and unanimously carried.

ATTEST:

  
Secretary

APPROVED:

  
President

# **2023 Third Quarter Financial Results**

## **November 1, 2023**




## 2023 Billed kWh (YTD Jan - September)

Electric	(CY) 2023 YTD	(PY) 2022 YTD	
Residential	469,306,691	479,200,878	↓
Commercial	771,504,468	765,331,922	↑
Industrial	367,496,895	404,868,784	↓
	1,608,308,054	1,649,401,584	↓ -2.5%

Commercial usage was above 2022 levels and Residential, Industrial and Total were below 2022 levels

Residential – Down 2%    Commercial – Up 1%    Industrial – Down 9%

## 2023 Billed CCF's (YTD Jan - September)







Water	(CY) 2023 YTD	(PY) 2022 YTD	
Residential	2,690,612	2,630,342	 Residential and Commercial were above 2022 levels while  Industrial was slightly below 2022 levels
Commercial	2,103,913	2,030,558	
Industrial	1,409,985	1,433,846	
	<b>6,204,510</b>	<b>6,094,746</b>	 <b>1.8%</b>

Residential – Up 2%

Commercial – Up 4%

Industrial – Down 2%

## Revenues – Third Quarter 2023

	(CY) 2023 3rd Quarter	(PY) 2022 3rd Quarter		Budget 2023 3rd Quarter	(CY) 2023 3rd Quarter	
Electric	\$ 98.189	\$ 101.862		\$ 93.704	\$ 98.189	
Water	16.344	15.449		15.134	16.344	
Combined	\$ 114.533	\$ 117.311		\$ 108.838	\$ 114.533	
				-2.4%		5.2%

### ***Actual Compared to 2023 Budget***

- Electric – Up 5%
- Water – Up 8%
- Combined – Up 5%



# Financial Results

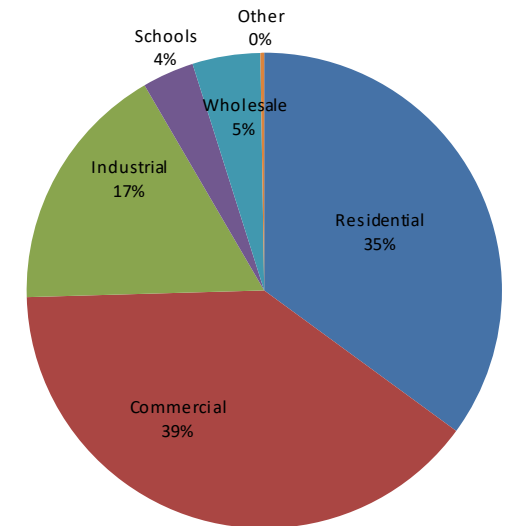
## Revenues – 2023 YTD

	(CY) 2023 YTD	(PY) 2022 YTD		Budget 2023 YTD	(CY) 2023 YTD	
Electric	\$ 252.622	\$ 245.813	↑	\$ 241.140	\$ 252.622	↑
Water	41.738	40.165		40.151	41.738	
<b>Combined</b>	<b>\$ 294.360</b>	<b>\$ 285.978</b>	<b>2.9%</b>	<b>\$ 281.291</b>	<b>\$ 294.360</b>	<b>4.6%</b>





\*\*Dollars in millions

### Variance – YTD comparing Budget to Actual for 2023

<u>Electric:</u>	<i>Up 5%</i>	<u>Water:</u>	<i>Up 4%</i>
Residential	\$ 3.8M	Residential	\$678K
Commercial	\$ 10.3M	Commercial	\$866K
Industrial	(\$ 531K)	Industrial	\$215K
Schools	\$872K	Wholesale	\$140K
Wholesale	(\$4.6M)		



## Operating Expenses – Third Quarter 2023

	(CY) 2023 3rd Quarter	(PY) 2022 3rd Quarter		Budget 2023 3rd Quarter	(CY) 2023 3rd Quarter	
Electric	\$ 59.929	\$ 72.597		\$ 58.061	\$ 59.929	
Water	9.099	9.253		10.066	9.099	
Combined	\$ 69.028	\$ 81.850	-15.7%	\$ 68.127	\$ 69.028	1.3% 

### *Actual Compared to 2023 Budget*

Electric – Up 3%

Water - Down 10%

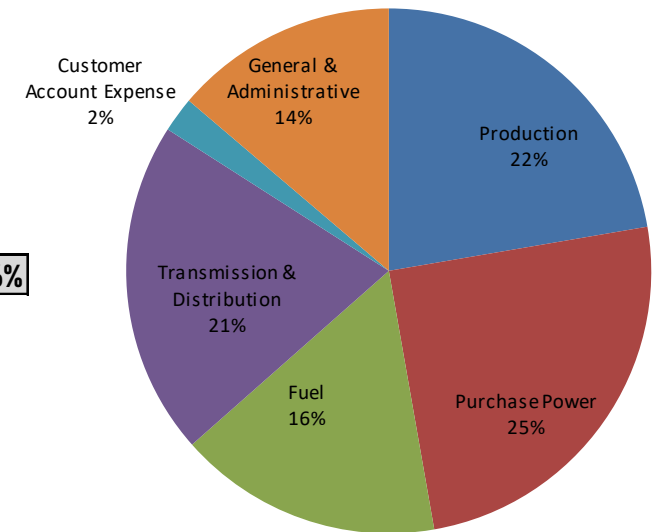
## Operating Expenses – 2023 YTD

	(CY) 2023 YTD	(PY) 2022 YTD		Budget 2023 YTD	(CY) 2023 YTD	
Electric	\$ 188.346	\$ 187.615		\$ 180.621	\$ 188.346	
Water	28.390	27.438		30.559	28.390	
Combined	\$ 216.736	\$ 215.053	0.8%	\$ 211.180	\$ 216.736	2.6%

\*\*Dollars in millions




### **Actual Compared to 2023 Budget**

- Electric – Up 4%
- Water - Down 7%
- Combined – Up 3%



2022 ERC Under Recovery of the ERC has been fully amortized as of June 2023 - \$14,781,274

## Operating Expenses – 2023 YTD less Depreciation

	(CY) 2023 YTD	(PY) 2022 YTD		Budget 2023 YTD	(CY) 2023 YTD	
Electric	\$ 161.799	\$ 163.437		\$ 154.676	\$ 161.799	
Water	22.081	21.240		24.289	22.081	
Combined	\$ 183.880	\$ 184.677	-0.4%	\$ 178.965	\$ 183.880	 2.7%

\*\*Dollars in millions

Variance – YTD comparing Budget to Actual 2023

### Electric:


Purchased Power	\$1.6M
Fuel	(\$5.6M)
Production	\$3.4M
T&D	(\$2.8M)
G&A	(\$1.6M)

### Water:

Production	(\$954K)
T&D	(\$472K)
G&A	(\$298K)

## Change in Net Position – Third Quarter 2023

	(CY) 2023 3rd Quarter	(PY) 2022 3rd Quarter	Budget 2023 3rd Quarter	(CY) 2023 3rd Quarter
Electric	\$ 25.135	\$ 15.174	\$ 22.294	\$ 25.135
Water	5.306	4.262	3.174	5.306
Combined	\$ 30.441	\$ 19.436	\$ 25.468	\$ 30.441



\*\*Dollars in millions

## Change in Net Position – 2023 YTD

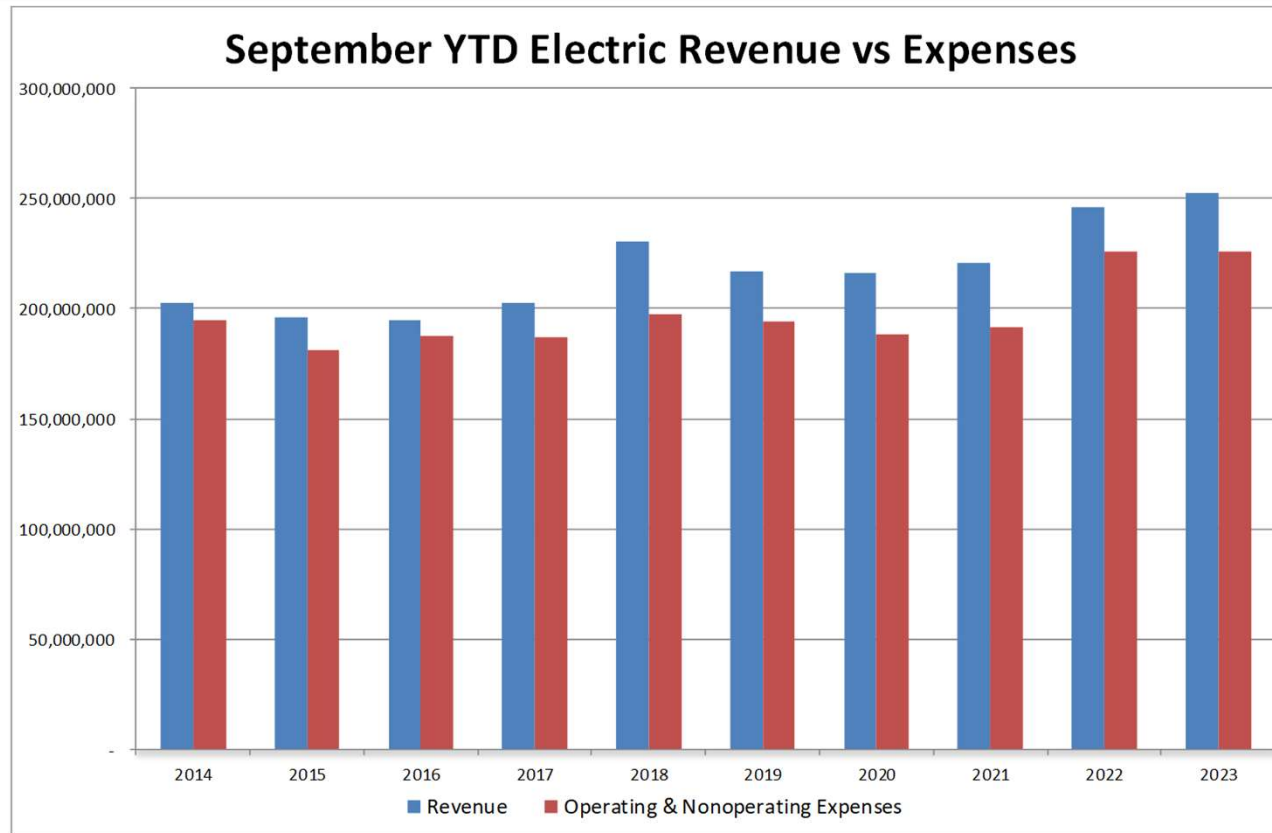
	(CY) 2023 YTD	(PY) 2022 YTD
Electric	\$ 26.959	\$ 19.757
Water	8.821	7.735
<b>Combined</b>	<b>\$ 35.780</b>	<b>\$ 27.492</b>

Budget 2023 YTD	(CY) 2023 YTD
\$ 23.713	\$ 26.959
4.660	8.821
<b>\$ 28.373</b>	<b>\$ 35.780</b>

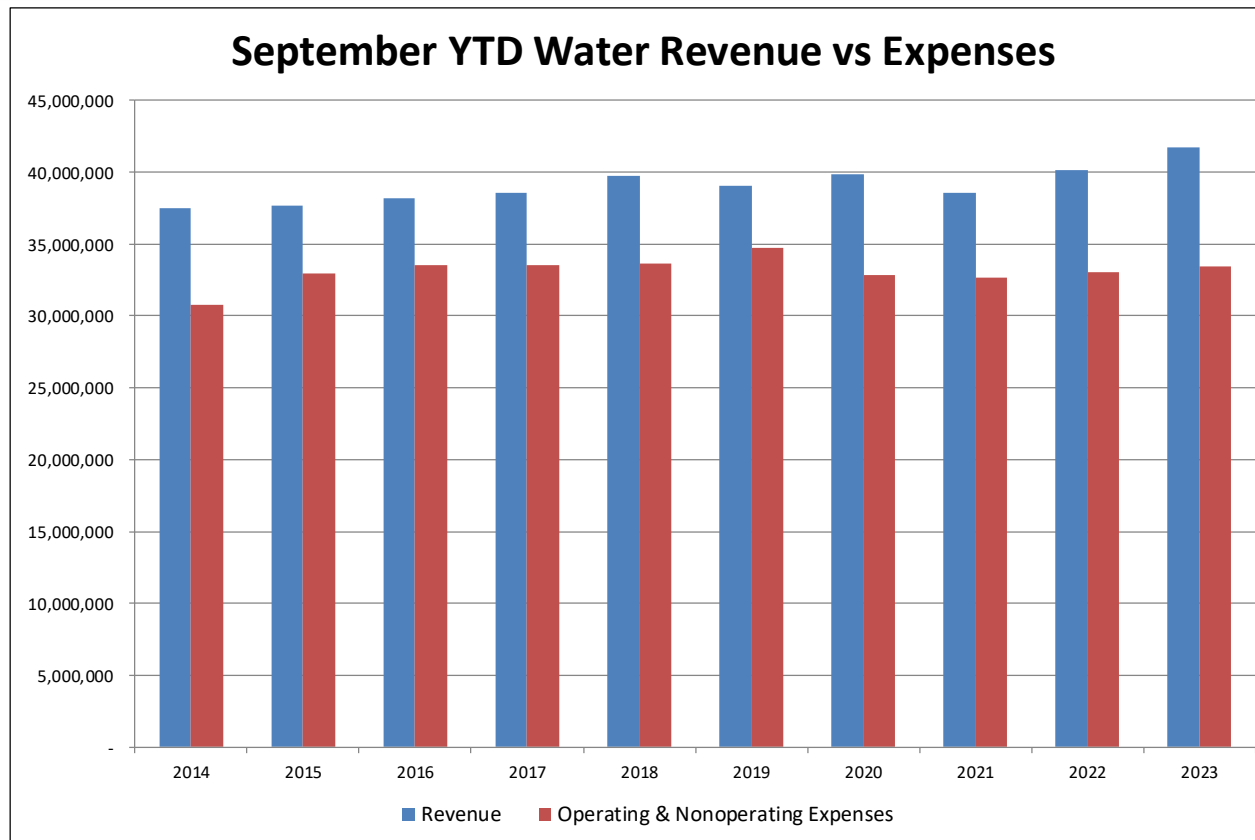


\*\*Dollars in millions

# Financial Results – 10 Year Trend

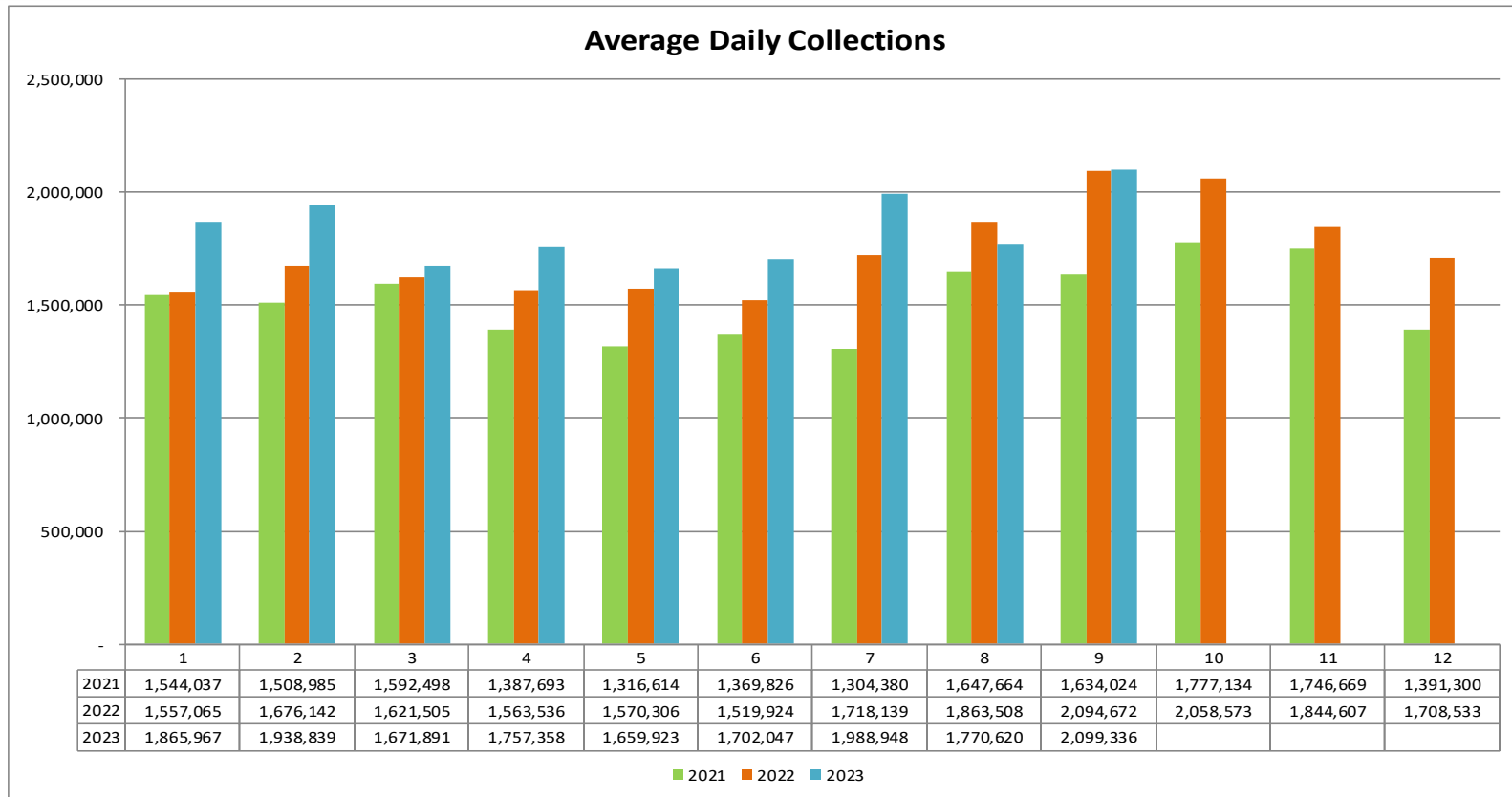


# Financial Results – 10 Year Trend



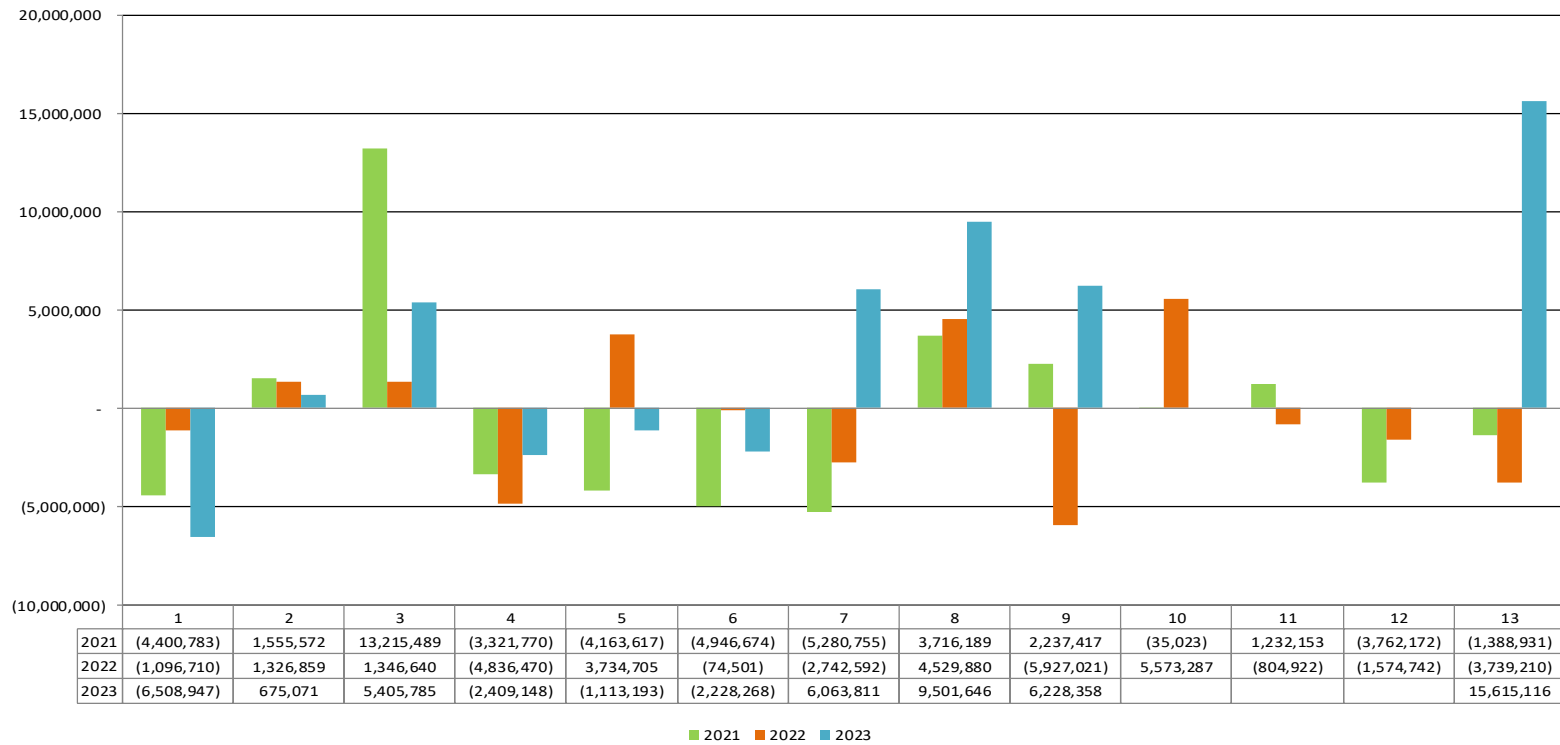


# Financial Results



# Financial Results

**Historical Monthly Cash Comparison**



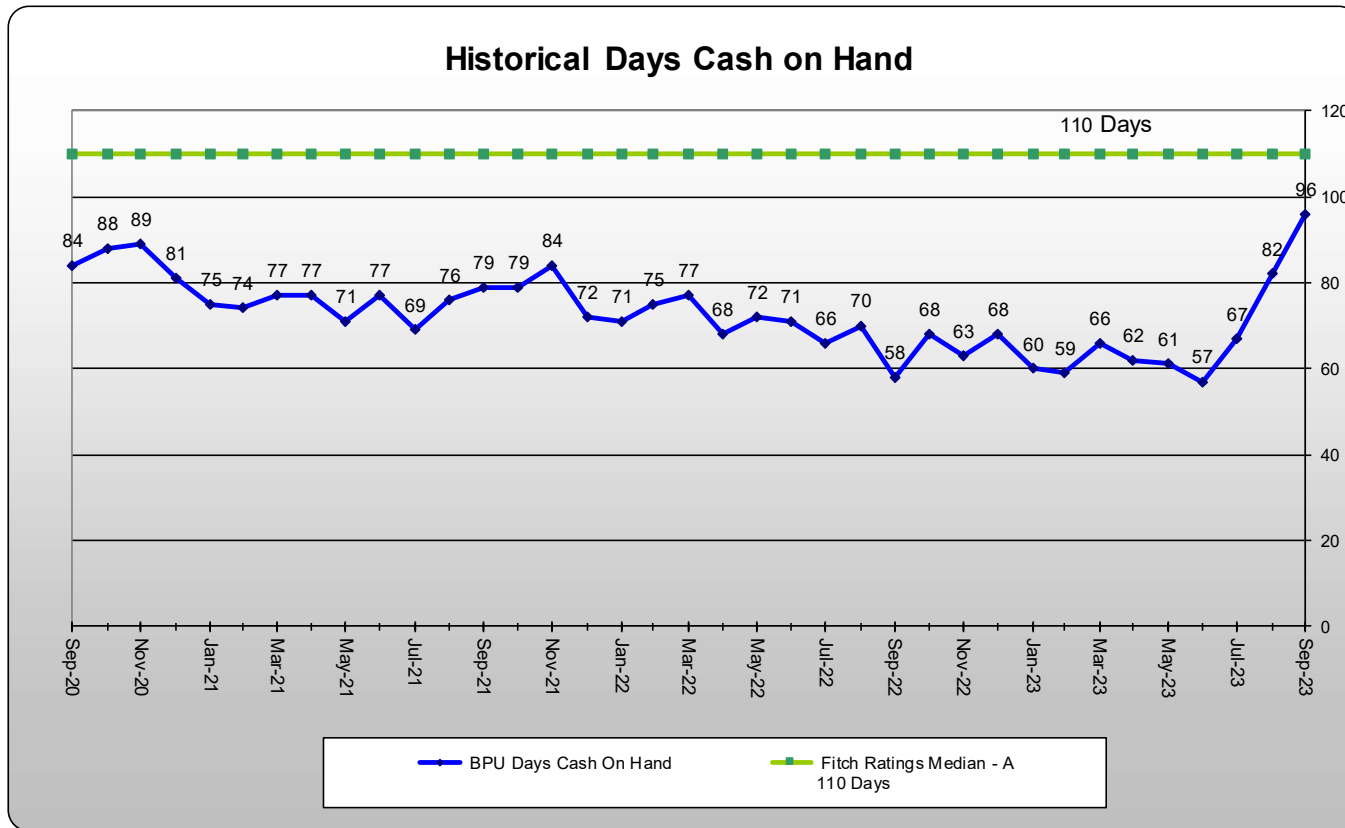
## Cash Position

	(CY) 2023 September	(PY) 2022 September	2023 August
Combined (E&W) Days Cash-on-Hand	\$ 59.12 96	\$ 40.19 58	\$ 52.50 82

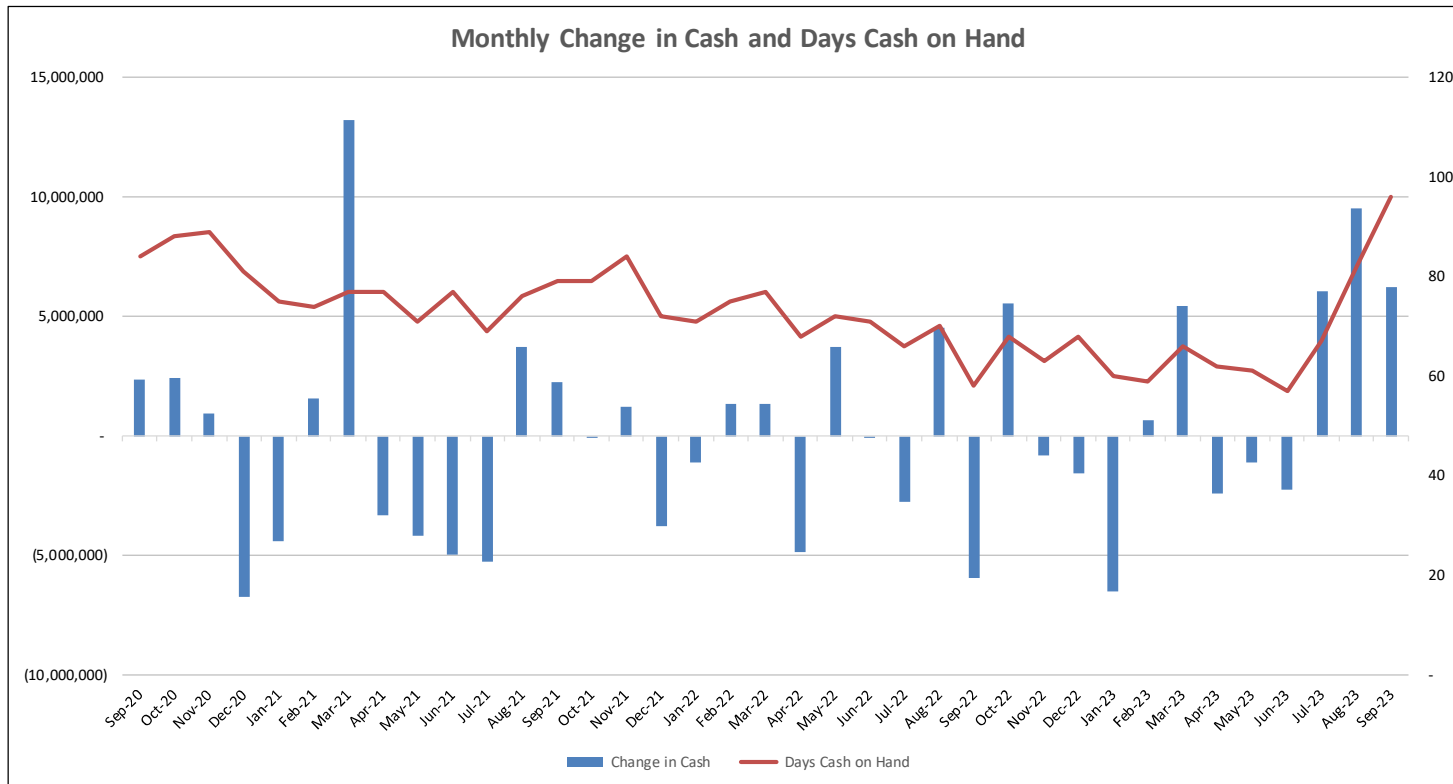
\*\*Dollars in millions

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

# Financial Results



# Financial Results



## Balance Sheet: Notables

	(CY) 2023 September	(PY) 2022 September
Fuel Inventory	\$ 5.929	\$ 6.666
Bond Dollars 2016C (Elec T&D)	\$ 0.230	\$ 0.712
Bond Dollars 2020A (Elec)	\$ 0.833	\$ 0.800

\*\*Dollars in millions

## Capital Spending

	(CY) 2023 YTD	(PY) 2022 YTD	2023 Budget	
Electric	\$ 19.14	\$ 15.55	\$ 30.67	
Water	10.62	6.40	24.71	
Common	2.64	2.67	5.20	
<b>Total YTD Capital</b>	<b>\$ 32.40</b>	<b>\$ 24.62</b>	<b>\$ 60.58</b>	<b>Remaining 47%</b>

### Major projects in 2023:

\*\*Dollars in millions

- Fisher UG Feeders - \$2.6M
- Annual Underground - \$1.4M
- Annual Overhead - \$1.2M
- Distribution Pole Inspect/Replace - \$1.0M
- IT Meter Data Management Upgrade – \$515K
- Water Sys Imp, Valves & Leaks - \$2.1M
- Argentine 7 MG Tank Replacement - \$5.2M

## Debt Coverage

### Debt Coverage with PILOT

	(CY) 2023 September	(PY) 2022 September
Electric	2.96	2.23
Water	2.29	1.83
Combined	3.05	2.34

### Debt Coverage w/o PILOT

	(CY) 2023 September	(PY) 2022 September
Electric	2.23	1.55
Water	1.81	1.37
Combined	2.31	1.65

Financial Guideline Target 1.6 to 2.1 times with PILOT



# How BPU Water is using Federal Opportunities to Improve the Water System

Nov 1, 2023

- \$10,000,000 Grant from EPA for replacing Aged Water Mains
  - 20% Cost Share Waiver Approved EJ40
  - Estimated Project Completion end of 2025
- \$3,700,000 Grant from FEMA for disaster preparedness
  - Estimated Project Completion end of 2026

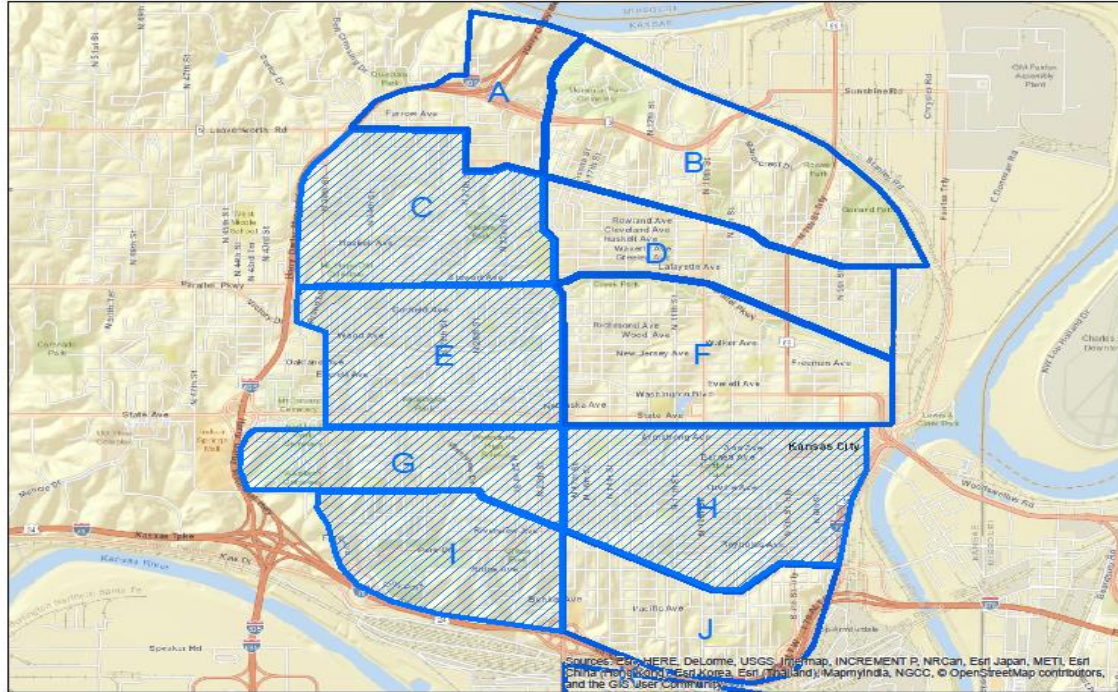
# Aged Water Main Replacement

# Aged Water Main Replacement

- Area East of I- 635
- 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
- Total of 10 miles of 4 inch and smaller in system

- Congress appropriates resources for specifically named community water infrastructure projects identified as Congressionally Directed Spending (CDS) and Community Project Funding (CPF) items (Community Grants) in Appropriations Acts.
- Primary Locations - Area P, Q, R, A, B, D, F

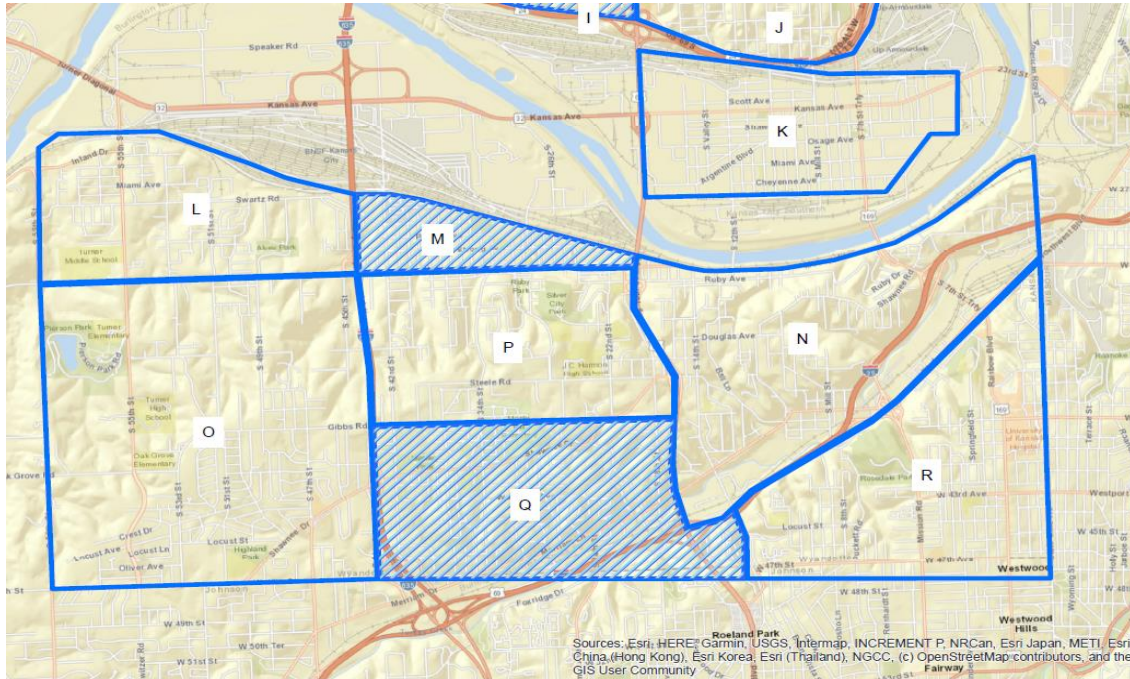
# Area Map North of I-70



SOURCE: HERE, DeLorme, USGS, Imagery, INCREMENT P, NRCan, Esri Japan, METI, Esri China (not a company), Esri Korea, Esri (UK), Swisstopo, MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community


**COMPLETED AREAS**

# Area Map South of I-70



## Legend

 PHASE I PARTIAL COMPLETION

## AWWA Criteria for 4" and smaller water mains Goal 0.3 leaks per mile per year

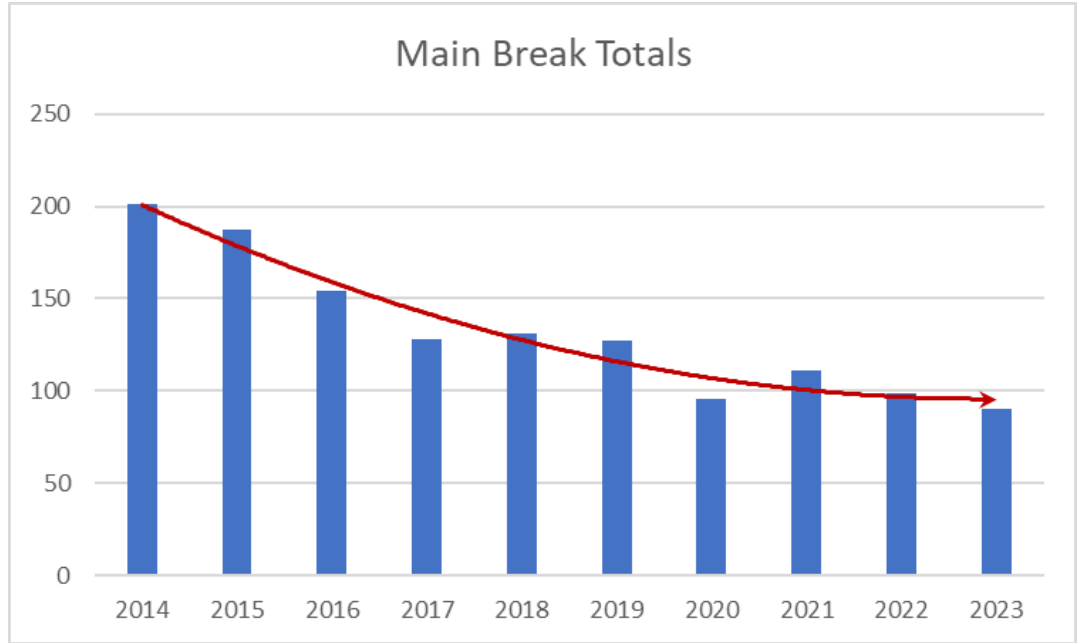
- Leaks
  - Area P: 157
  - Area Q: 145
  - Area R: 200
  - Area ABDF: 163
- Leaks Per Mile
  - Area P: 3.9 L/M/Y
  - Area Q: 3.2 L/M/Y
  - Area R: 2.5 L/M/Y
  - Area ABDF: 2.1 L/M/Y



## Data Analysis Phase I Improvements

- 4 Inch and smaller Main Breaks - 33% of total breaks in 2014.
- 4 Inch and smaller Main Breaks - 26 % of total breaks in 2023
- Anticipated a reduction of 70 breaks per year for 4 inch and smaller
- 2017,2018,2019 trending with a reduction of 70 breaks per year
- Savings in Repair Cost - \$200,000 per year
- Improved Fire Protection

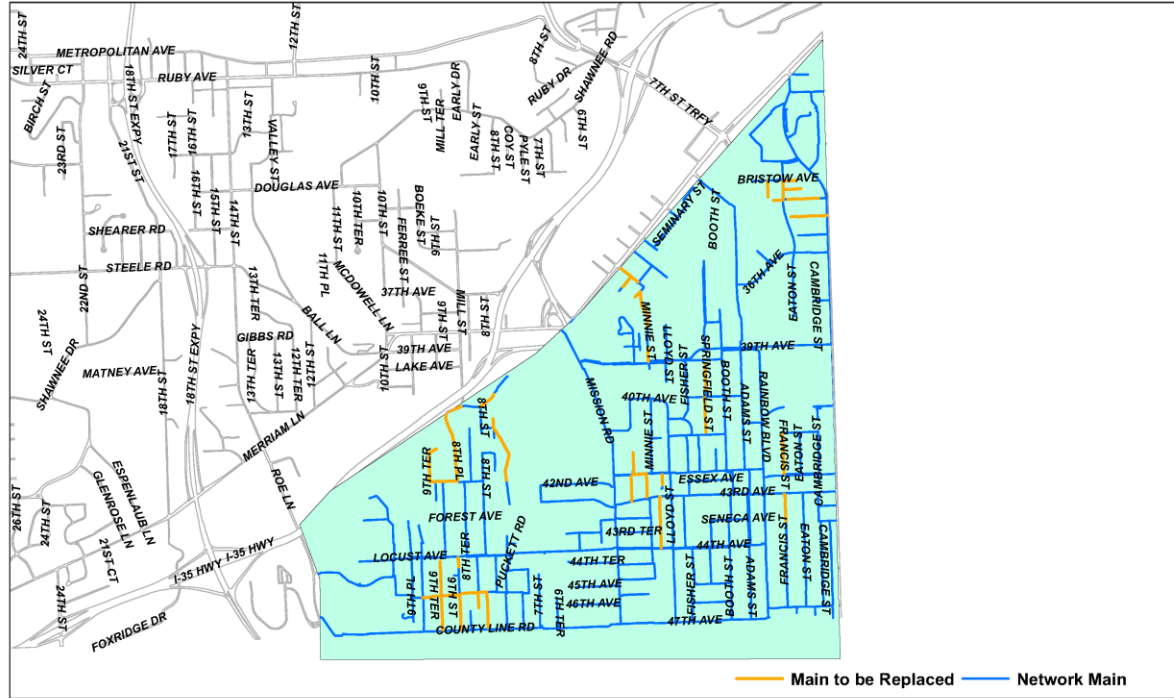
Main Break  
Total for  
4-inch and  
smaller



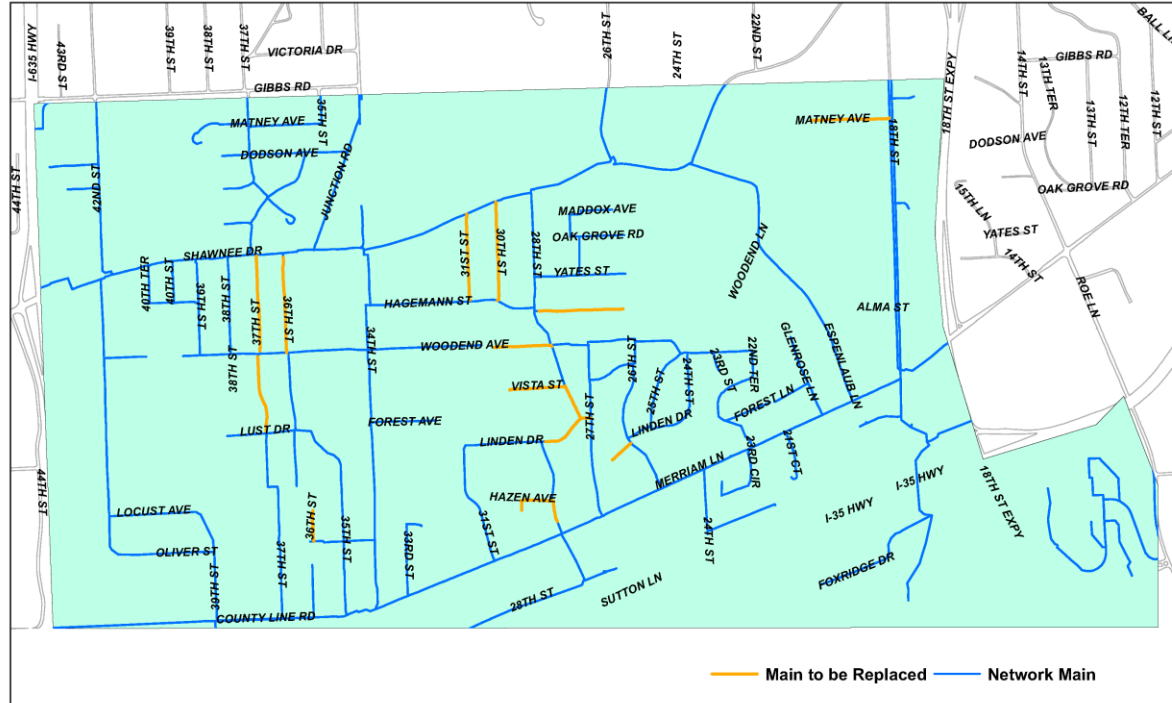
## Cost Summary for Replacement - Area A,B,D,F,P,Q,R

- 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

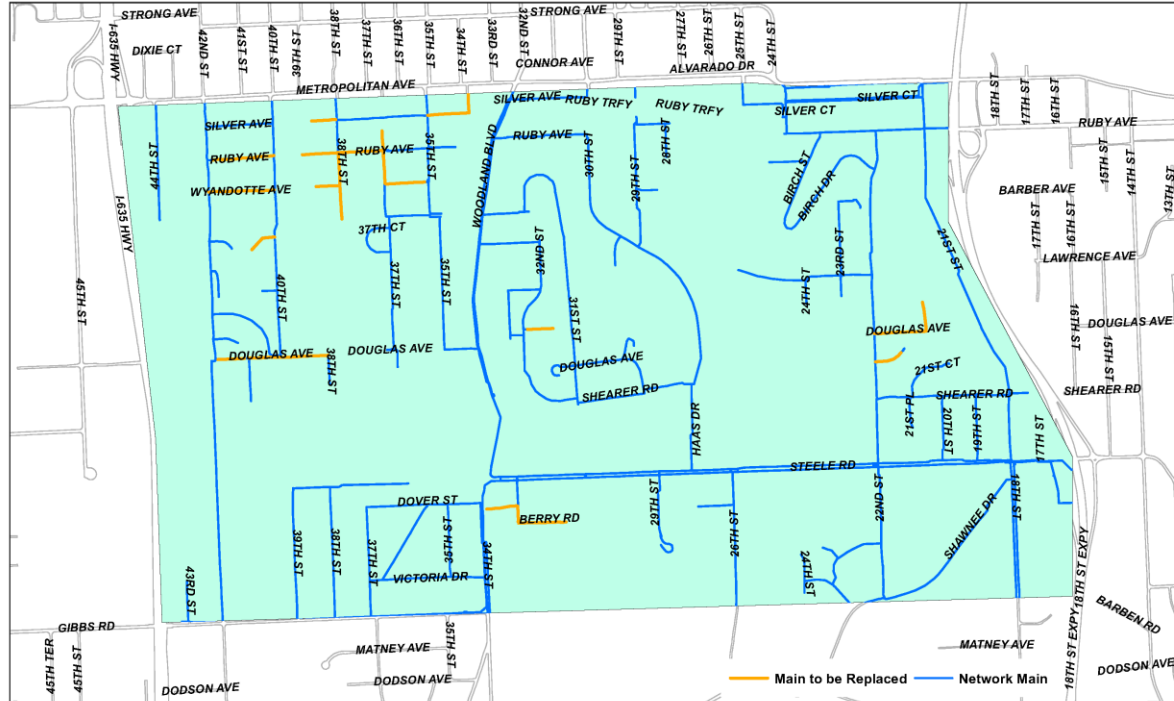
## AREA R



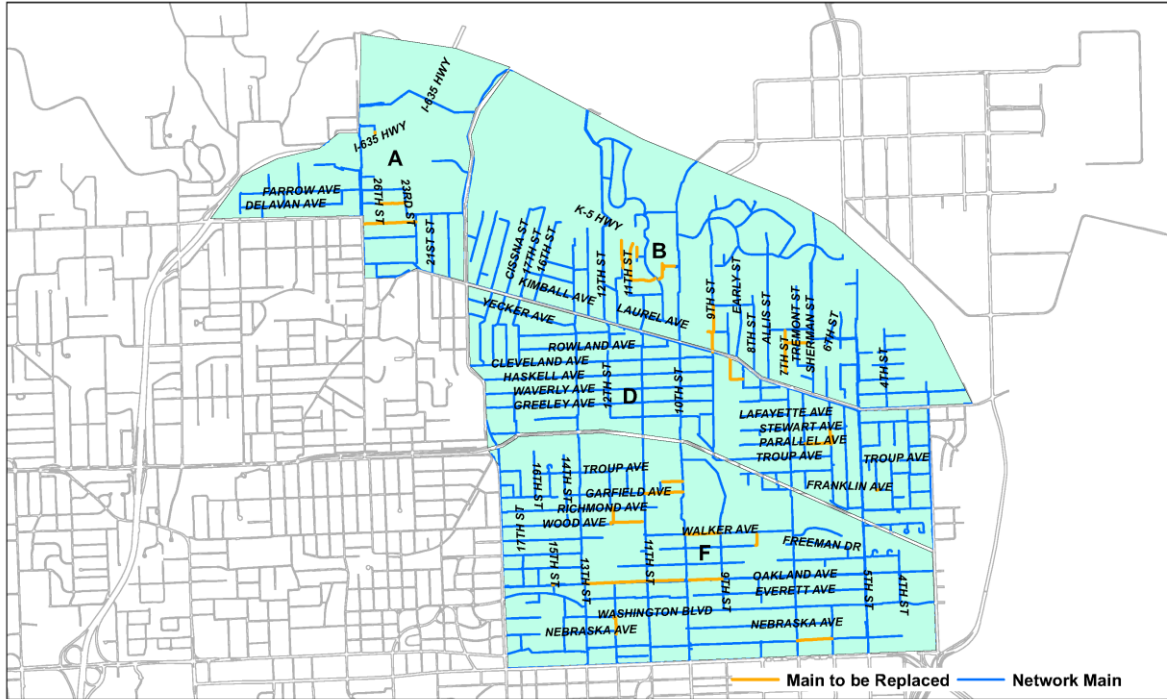
## AREA Q



## AREA P



## AREAS A, B, D, & F



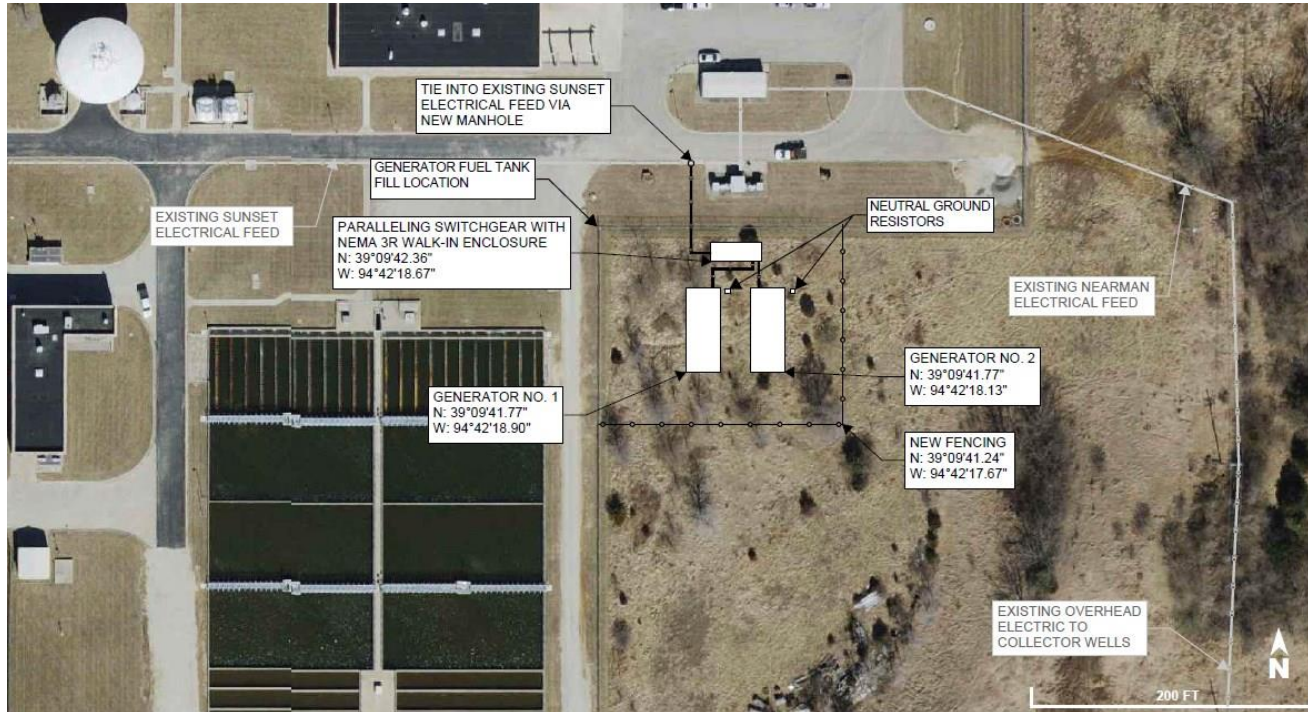
# Nearman Water Treatment Plant Switchgear and Generator



# NWTP Switchgear and Generator

- FEMA grant for Hazard Mitigation Assistance funds was approved and awarded to BPU on September 27, 2023.
- Current Project Schedule:
  - Equipment Procurement advertisement, November 2023
  - Award for Installation contract, September 2024
  - Equipment delivery, July 2026 (Generator lead time is 108 weeks)
  - Construction Final Completion, December 2026

# NWTP Switchgear and Generator



# QUESTIONS



# Kansas City Board of Public Utilities

Electric Operations  
Engineering Internship Program  
November 2023

# Engineering Internship Program

- Program Objectives
- Program Overview
- Recent Enhancements
- 2023 Internship
- Previous Internships
- Questions?

# Program Objectives

- Expose student to BPU and the public power industry
- Provide student with valuable electric utility experience
- Provide value to the utility with their contributions
- Possibility of full time position upon graduation

# Program Overview

- Work with Engineers during design and construction of projects
- Complete special projects under limited supervision
- Rotation between Transmission & Distribution Engineering and Substation Engineering & Operations departments
- Introductory training on departments
  - Transmission & Distribution
  - Substations & Relaying
  - System Planning
- Site visits to distribution facilities, substations, Energy Control Center, and Nearman Power Plant

# Program Enhancements

- Site visits to Energy Control Center and Nearman Power Plant
- Recruiting at Kansas State University Engineering Career Fair and on job application website
- Co-op opportunities
- APPA Demonstration of Energy & Efficiency Developments (DEED) program funding







- Work Order field verification
- Distributed Generation application review
- Facilities rating review and documentation
- Capacitor bank controller upgrade
- Transmission line relay upgrade project
- Substation troubleshooting and switching
- July storms

# Previous Internships

- 2015 and 2016 Intern, hired as Distribution Engineer 2017
- 2015 Intern, hired as Distribution Engineer 2022
- 2020 and 2022 Intern, hired as Substation Engineer 2022
- 2023 Intern, hired as Substation Engineer 2023

# Questions?

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