

**WORK SESSION MINUTES – WEDNESDAY, NOVEMBER 15, 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 Work Session on Wednesday, November 15, 2023 at 5:00 PM. The following Board Members were present: Thomas Groneman, Vice President; Robert L. Milan, Secretary; Jeff Bryant, Mary Gonzales and David Haley. Rose Mulvany Henry, President, attended via Zoom.

Also present: William Johnson, General Manager; Angela Lawson, Acting Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Jeremy Ash, Chief Operating Officer; Johnetta Hinson, Executive Director Customer Service; Steve Green, Executive Director Water Operations; Jerin Purtee, Executive Director Electric Supply; Jerry Sullivan, Chief Information Officer; Michael Fergus, Director of Electric Distribution & Service; Douglas Bowen, Director Electric Production Operations/Maintenance; Dennis Dumovich, Director of Human Resources; Randy Otting, Director Accounting; David Wilson, Supervisor T&D Engineering; 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 meeting to order at 5:03 PM.

Roll call was taken. All Members were present.

**Item #3 –Approval of Agenda**

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

**Item #4 –Board Update/GM Update**

Mr. Haley gave an update on the Unified Government (UG) Standing Committee – Economic Development & Finance meeting he attended regarding potential funds for future Economic Development and the status of a piece of land near the Speedway.

Ms. Angela Lawson, Acting Chief Counsel, clarified information regarding the allocation of funds and the property status to which Mr. Haley spoke about.

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**Item #5 – Board Rules of Procedure**

The Board made a clerical correction to the Board Rules of Procedure and further discussed verbiage in Section 1.3 regarding closed meetings or sessions. (See attached.) The Board decided to move the Board Rules of Procedure to the Regular session meeting for approval.

**Item #6 – 2024 Budget Update- Capital Improvement Plan**

Mr. Randy Otting, Director Accounting; Mr. Michael Fergus, Director of Electric Distribution & Service; Mr. Douglas Bowen, Director Electric Production Operations/Maintenance; Mr. Jeremy Ash, Chief Operating Officer, and Mr. Steve Green, Executive Director Water Operations, presented the 2024 Capital Improvement Plans and budget to the Board. The presentation included proposed capital projects for Electric Operations, Electric Production and Water departments. Mr. Fergus, Mr. Ash, Mr. Bowen and Mr. Green responded to questions and comments from the Board. Mr. Green was unable to finish the Water Projects presentation at this meeting. (See attached PowerPoint.)

**Item #7 – Adjourn**

A motion was made to adjourn the Work Session at 5:59 PM by Ms. Groneman seconded by Mr. Bryant and carried by Ms. Mulvany Henry, Mr. Bryant, Ms. Gonzales, Mr. Groneman and Mr. Haley.

ATTEST:

  
Secretary

APPROVED:

  
President

# 2024 CAPITAL BUDGET

NOVEMBER 15, 2023



# CRITERIA FOR BUDGET

Improve Customer Service

Improve Operational Efficiency

Improve System Reliability

Reduce Operating Costs

5 year CIP & recent rate study's are used to guide the capital budget process

# 2024 ELECTRIC OPERATIONS

## Electric Distribution - \$13,335,000

Major Projects:

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Annual Overhead Construction	\$ 2,125,000
Annual Underground Construction	\$ 2,000,000
Distribution Pole Inspection & Replacement	\$ 2,500,000
Piper Overhead Feeders	\$ 2,600,000
Yards II Project	\$ 735,000
Levee Rebuild Project	\$ 620,000

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# 2024 ELECTRIC OPERATIONS

## Electric Transformers - \$ 4,200,000

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Overhead Transformers	\$ 1,200,000
Underground Transformers	\$ 3,000,000

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# 2024 ELECTRIC OPERATIONS

## Electric Transmission - \$ 825,000

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Transmission Pole Inspection & Replacement	\$ 200,000
Transmission Improvements	\$ 250,000
Victory West to Quindaro Transmission Line	\$ 100,000
Victory West to Maywood Transmission Line	\$ 100,000

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# 2024 ELECTRIC OPERATIONS

## Electric Substations - \$ 2,890,000

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Mill Street 161kV Substation	\$ 1,725,000
Speaker Substation	\$ 800,000
Substation Improvements	\$ 200,000

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# 2024 ELECTRIC OPERATIONS

## Electric General Construction - \$2,167,000

### Major Projects:

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Automobiles	\$ 100,000
Work Equipment	\$ 700,000
Electric Facility Maintenance	\$ 150,000
Electric Meter Replacement	\$ 1,000,000
Electric Operations Radio	\$ 175,000

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# 2024 ELECTRIC OPERATIONS

## Sources of Funding - Electric Operations

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Cash	\$ 15,291,000
Future 2024 Bond Issue	7,325,000
EDA Grant	<u>2,000,000</u>
<b>Total</b>	<b>\$ 24,616,000</b>

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# 2024 ELECTRIC PRODUCTION

## Nearman Power Station – \$ 5,430,000

Major Projects:

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N1 CDS Reactor Vessel Liner Repair/Replacement	\$ 1,000,000
N1 Steam Drum Instrument Upgrade	\$ 150,000
N1 Cooling Tower Acid Pump Reconfiguration	\$ 75,000
N1 ID Fan Chiller Compressors	\$ 250,000
N1 PJFF Bags & Cages Replacement	\$ 500,000
N1 No. 5 FWH Replacement	\$ 550,000
N1 AQC Air Slide Blowers	\$ 300,000
N1 SCR 2 <sup>nd</sup> Catalyst Layers	\$ 600,000

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# 2024 ELECTRIC PRODUCTION

## Cont. Nearman Power Station – \$ 5,430,000

Major Projects:

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N1 MCC's and 480V Load Centers Replacement	\$ 200,000
N1 Economizer Ash Redirect to Bottom Ash Silo	\$ 250,000
N1 AQC Transformer to Normal Supply Tie	\$ 35,000
N1 Mill Air Control Damper Replacements	\$ 320,000
N1 Control Valve Replacements	\$ 250,000
Crusher/Dryer Replacement	\$ 100,000
Automation of SH Spray Isolation Valves	\$ 100,000

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# 2024 ELECTRIC PRODUCTION

## Cont. Nearman Power Station – \$ 5,430,000

Major Projects:

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N1 Steam Inert Piping Modification	\$ 450,000
N1 Turbine Sequential Tripping & Overspeed	\$ 450,000

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# 2024 ELECTRIC PRODUCTION

## Nearman Common – \$ 750,000

### Major Projects:

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NC Coal Conveyor Belt Replacement	\$ 125,000
NC Mechanic Shop Roof Replacement	\$ 150,000
NC Roads & Grounds Improvements	\$ 100,000
NC Quindaro Machine Shop Relocation to Nearman	\$ 75,000
NC Coal Handling Equipment & Structure Assessment/Repairs	\$ 300,000

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# 2024 ELECTRIC PRODUCTION

## Nearman CT4 – \$ 650,000

Major Projects:

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CT4 Primary & Secondary Spare Fuel Nozzles	\$ 600,000
CT4 Turbine Lube Oil Conditioning Skid	\$ 50,000

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# 2024 ELECTRIC PRODUCTION

## Quindaro CTs 2 & 3 – \$ 1,500,000

Major Projects:

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CT2 Controls Upgrade to Ovation	\$ 750,000
CT3 Controls Upgrade to Ovation	\$ 750,000

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# 2024 ELECTRIC PRODUCTION

## Other Electric Production Capital – \$ 1,718,000

Major Projects:

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QC Quindaro CT Fuel Oil Tank Modification	\$ 300,000
QC Quindaro CTs Perimeter Fence & Cameras	\$ 50,000
QC Levee Improvements per COE	\$ 340,000
Dogwood Cap Expense	\$ 206,000
Electric Production Auto	\$ 25,000
Electric Production Work Equipment	\$ 677,000
Electric Production Carry Deck Mobile Crane	\$ 120,000

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# 2024 ELECTRIC PRODUCTION

## Sources of Funding – Electric Production

Total Cash     \$10,013,000

# 2024 WATER CAPITAL

## Water Work Equipment – \$ 953,000

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- Water Automobiles
  - Trouble Truck to replace 528, 501 & 565 \$153,000
- Water Tools
  - Water Meter Test Station for Distribution \$200,000
  - Testing Residential & Commercial Meters
- Water Work Equipment
  - 2 Crew Trucks for Distribution 531 & 539
  - Skid Loader 556
  - Engineer Aide 378 & 369 \$600,000
  - Superintendent Trucks 568 & 534

# 2024 WATER CAPITAL

## Water Transmission & Storage - \$ 11,093,000

Major Projects:

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Argentine 7 MG Reservoir (KDHE)	\$ 2,000,000
Water Pump Station Electrical Upgrades (KDHE)	\$ 1,500,000
Water Transmission Main & Valve Improvements (Cash)	\$ 390,000
Paint 435 Elevated Tank (Cash)	\$ 400,000
Kansas River Crossing (KDHE)	\$ 4,000,000
Transmission Main 98 <sup>th</sup> and Parallel (KDHE)	\$ 2,000,000

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# 2024 WATER CAPITAL

## Water Distribution - \$ 10,157,000

Major Projects:

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UG/CMIP Water Dist. Projects	\$ 1,300,000
Aged Water Main Replacement (EPA Grant)	\$ 5,000,000
Water Dist. System Improvements	\$ 400,000
Water Dist. System Relocations	\$ 280,000
Water Dist. Valve Improvements	\$ 600,000
Water Service Replacement	\$ 702,000
Water Fire Hydrant Program	\$ 552,000
Water Master Plan	\$ 300,000

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## 2024 WATER CAPITAL

### Other Water Capital Projects - \$ 3,063,500

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Water Technology	\$ 35,000
Water Meters	\$ 428,000
Water Facility	\$ 1,031,500
Furnish & Equip	\$ 72,000
Water Grounds	\$ 297,000
Water Production Projects	
(KDHE) \$300,000 - VFD Upgrades	\$1,200,000
(Cash) \$500,000 – Raw Water Pump Rehab	
(KDHE) \$400,000 – Generator Switchgear	

# 2024 WATER CAPITAL

## Sources of Funding - Water

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Cash	\$ 10,180,600
KDHE Loan	11,200,000
EPA Grant	<u>5,000,000</u>
Total	<u>\$ 26,380,600</u>

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# 2024 ELECTRIC SUPPLY

## Electric Supply Capital - \$846,530

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### EMS System Upgrade Project

#### Computer Software:

SCADA Software Upgrade	\$846,530
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# 2024 ENTERPRISE TECHNOLOGY

## Enterprise Technology Projects - \$4,310,000

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IT ERP Technology Development	\$ 150,000
IT Desktop/Network Development	\$ 570,000
IT Security Improvements	\$ 100,000
IT Enterprise Service Bus Development	\$ 250,000
IT Enterprise Asset Management Development	\$ 225,000
IT BI/Analytics Development	\$ 300,000
IT EAM Mobility	\$ 250,000
IT AMI Development	\$ 25,000
IT HCM Enhancements	\$ 50,000
IT Customer Information System Development	\$ 325,000

# 2024 ENTERPRISE TECHNOLOGY

## Enterprise Technology Projects – Cont.

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IT Rollout Identity Management	\$ 80,000
IT DR Infrastructure	\$ 100,000
IT DR for Security	\$ 50,000
IT GIS Enhancements	\$ 680,000
IT Business Portal Development	\$ 25,000
IT Enterprise Wireless Mobility	\$ 40,000
IT Quality Assurance Automation	\$ 200,000
IT Electronic Document Management System	\$ 20,000
IT Utility Ops Technology Development	\$ 225,000

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# 2024 ENTERPRISE TECHNOLOGY

## Enterprise Technology Projects – Cont.

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IT Cloud Services Development	\$ 75,000
IT General Systems Enhancements	\$ 225,000
IT Project Management Applications	\$ 50,000
IT Analog to Digital Services	\$ 75,000
IT IVR Service Development	\$ 30,000
IT Mobile Device Management(MDM)	\$ 20,000
IT Server Additions	\$ 70,000
IT Meter Data Management System Upgrade	\$ 100,000

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## 2024 COMMON

### HR / Admin Services / Common- \$819,800

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Safety HR - Vehicle	\$ 50,000
540 Minn. – Facilities	\$ 190,000
540 Minn. - Grounds	\$ 115,000
Admin Services - Technology	\$ 389,800
Security Improvements	\$ 25,000
HR Security	\$ 50,000

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# 2024 CAPITAL FUNDING SOURCES

Division	Future 2024 Bond	EDA Grant	EPA Grant	KDHE (2950)	Cash	Project Total
Electric Operations	\$ 7,325,000	\$ 2,000,000	-	-	\$ 15,291,000	\$ 24,616,000
Electric Production	-	-	-	-	\$ 10,013,000	\$ 10,013,000
Electric Supply	-	-	-	-	\$ 846,530	\$ 846,530
General Management	-	-	-	-	\$ 719,800	\$ 719,800
Human Resources	-	-	-	-	\$ 100,000	\$ 100,000
Information Technology	-	-	-	-	\$ 4,310,000	\$ 4,310,000
Water	-	-	\$ 5,000,000	\$ 11,200,000	\$ 10,180,600	\$ 26,380,600
<b>Utility Summary Total</b>	<b>\$ 7,325,000</b>	<b>\$ 2,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 11,200,000</b>	<b>\$ 41,460,930</b>	<b>\$ 66,985,930</b>