

REGULAR SESSION –WEDNESDAY, OCTOBER 2, 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, October 2, 2024 at 6:00 PM. The following Board Members were present: Thomas Groneman, President; David Haley, Vice President; Stevie A. Wakes Sr., Secretary; Mary Gonzales, Rose Mulvany Henry, and Brett Parker.

Also present: William Johnson, General Manager; Angela Lawson, Acting Chief Counsel; Lori Austin, Chief Financial Officer; Jeremy Ash, Chief Operating Officer; Abbey Frye, Chief Administrative Officer; Leigh Mulholland, Chief Compliance Officer; Jerry Sullivan, Chief Information Officer; Johnetta Hinson, Executive Director Customer Service; Donald Stahl, Executive Director Electric Production; Steve Green, Executive Director Water Operations; Jerin Purtee, Executive Director Electric Supply; Randy Otting, Director Accounting; Andrew Ferris, Director Financial Planning; Amber Oetting, Director Communications & Marketing; Dennis Dumovich, Director of Human Resources; Steve Hargis, Supervisor Water Operations; Rick Hardman, 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 6:03 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 Ms. Gonzales, and unanimously carried.

Item #4– Approval of the Minutes of the Work Session of September 18, 2024

A motion was made to approve the minutes of the Work Session of September 18, 2024, by Mr. Wakes, seconded by Mr. Parker, and unanimously carried.

Item #5– Approval of the Minutes of the Regular Session of September 18, 2024

A motion was made to approve the minutes of the Regular Session of September 18, 2024, by Ms. Gonzales, seconded by Mr. Parker, and unanimously carried.

Item #6– Visitors Comments

There were no visitors wishing to speak.

Item #7– General Manager / Staff Reports

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

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

- ii. *Revenue Forecast:* Mr. Randy Otting, Director Accounting, presented the 2025 Revenue Forecast to the Board. He explained how the figures were generated and showed historical usage and revenue amounts for comparison. (See attached PowerPoint.)

Mr. Otting and Mr. Johnson responded to questions and comments from the Board.

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- iii. *Miscellaneous Comments:* Mr. Johnson spoke with the Board about future meetings regarding the Customer Service Policy and upcoming meeting topics. He also introduced Ms. Amber Oetting, Director of Communications and Marketing, to the Board.

Item #8– Public Comments on Agenda Items

Mr. Scott Harding, expressed comments regarding the PILOT fee and the cost to buy and sell power in the market.

Item #9– Board Comments

Ms. Mulvany Henry thanked staff for their presentations.

Ms. Gonzales welcomed Ms. Oetting and thanked staff for their information shared during both sessions.

Mr. Parker echoed Ms. Gonzales’ comments and said Go Royals.

Mr. Wakes echoed previous comments as well.

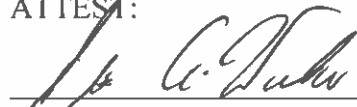
Mr. Haley thanked staff for their presentations.

Mr. Groneman welcomed Ms. Oetting and thanked staff for their information presented.

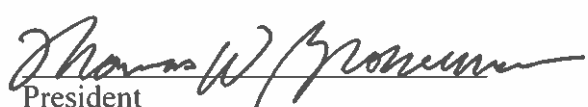
Item 10 – Adjourn

At 7:03 PM a motion to adjourn was made by Mr. Parker, seconded by Mr. Wakes, and unanimously carried.

ATTEST:


Secretary

APPROVED:





President

August 2024 Financial Results

October 2, 2024

Financial Results

2024 Billed kWh (YTD August)

Electric	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	395,384,188	402,918,386	  
Commercial	659,725,059	676,039,673	
Industrial	338,733,312	325,571,065	
	1,393,842,559	1,404,529,124	-0.8%

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

Residential – Down 2% Commercial – Down 2% Industrial – Up 4%

Financial Results

2024 Billed CCF's (YTD August)

Water	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	2,316,918	2,348,711	↓
Commercial	1,826,555	1,806,158	↑
Industrial	1,195,535	1,227,919	↓
	5,339,008	5,382,788	↓ -0.8%

Residential – Down 1%

Commercial – Up 1%

Industrial – Down 3%

Financial Results

Revenues – August 2024

	(CY) 2024 August	(PY) 2023 August		Budget 2024 August	(CY) 2024 August	
Electric	\$ 35.337	\$ 33.570	↑	\$ 30.875	\$ 35.337	↑
Water	5.757	5.332		5.493	5.757	
Combined	\$ 41.094	\$ 38.902	5.6%	\$ 36.368	\$ 41.094	13.0%

**Dollars in millions

Actual Compared to 2024 Budget

Electric – Up 14%

Water – Up 5%

Financial Results

Revenues – 2024 YTD

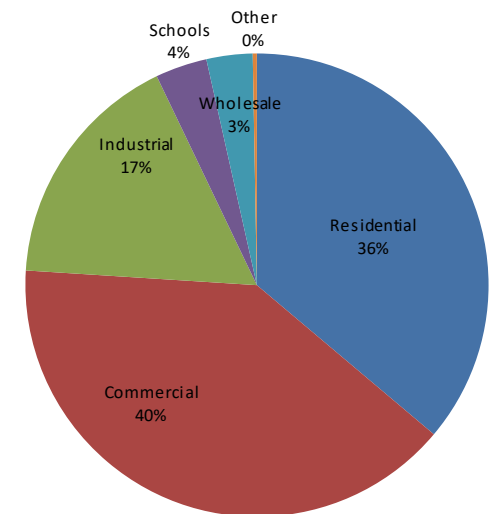
	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 221.542	\$ 220.725		\$ 210.728	\$ 221.542	
Water	38.420	36.069		37.500	38.420	
Combined	\$ 259.962	\$ 256.794	1.2%	\$ 248.228	\$ 259.962	4.7%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2024

Electric: Up 5%
 Residential \$ 2.5M
 Commercial \$ 6.9M
 Industrial (\$ 2.0M)
 Schools \$ 631K
 Wholesale (\$ 2.5M)

Water: Up 2%
 Residential \$ 44K
 Commercial \$ 1.0M
 Industrial \$ 41K
 Wholesale (\$ 36K)



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

Financial Results

Operating Expenses – August 2024

	(CY) 2024 August	(PY) 2023 August		Budget 2024 August	(CY) 2024 August	
Electric	\$ 16.951	\$ 22.017	↓	\$ 20.624	\$ 16.951	↓
Water	3.216	3.145	↑	3.692	3.216	
Combined	\$ 20.167	\$ 25.162	↓ -19.9%	\$ 24.316	\$ 20.167	↓ -17.1%

**Dollars in millions

Actual Compared to 2024 Budget

Electric – Down 18%

Water – Down 13%

Financial Results

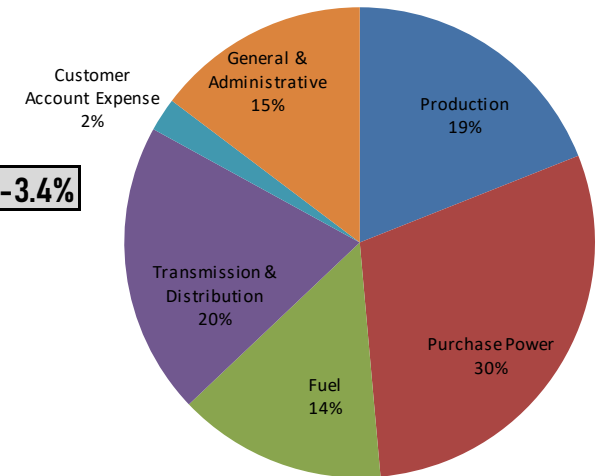
Operating Expenses – 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 155.474	\$ 170.690		\$ 158.574	\$ 155.474	
Water	25.424	25.503		28.763	25.424	
Combined	\$ 180.898	\$ 196.193	-7.8%	\$ 187.337	\$ 180.898	-3.4%

**Dollars in millions

Actual Compared to 2024 Budget

- Electric – Down 2%
- Water - Down 12%
- Combined – Down 3%



Financial Results

Operating Expenses – 2024 YTD less Depreciation

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 131.403	\$ 147.073		\$ 135.324	\$ 131.403	
Water	19.807	19.883		23.238	19.807	
Combined	\$ 151.210	\$ 166.956	-9.4%	\$ 158.562	\$ 151.210	-4.6%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2024

Electric:

Purchased Power \$ 8.2M
 Fuel (\$ 5.4M)
 Production (\$ 813K)
 T&D (\$ 3.0M)
 G&A (\$ 2.5M)

Water:

Production (\$785K)
 T&D (\$ 1.8M)
 G&A (\$692K)

Financial Results

Change in Net Position – August 2024

	(CY) 2024 August	(PY) 2023 August
Electric	\$ 14.091	\$ 7.040
Water	1.645	1.388
Combined	\$ 15.736	\$ 8.428

Budget 2024 August	(CY) 2024 August
\$ 5.775	\$ 14.091
0.957	1.645
\$ 6.732	\$ 15.736



**Dollars in millions

Financial Results

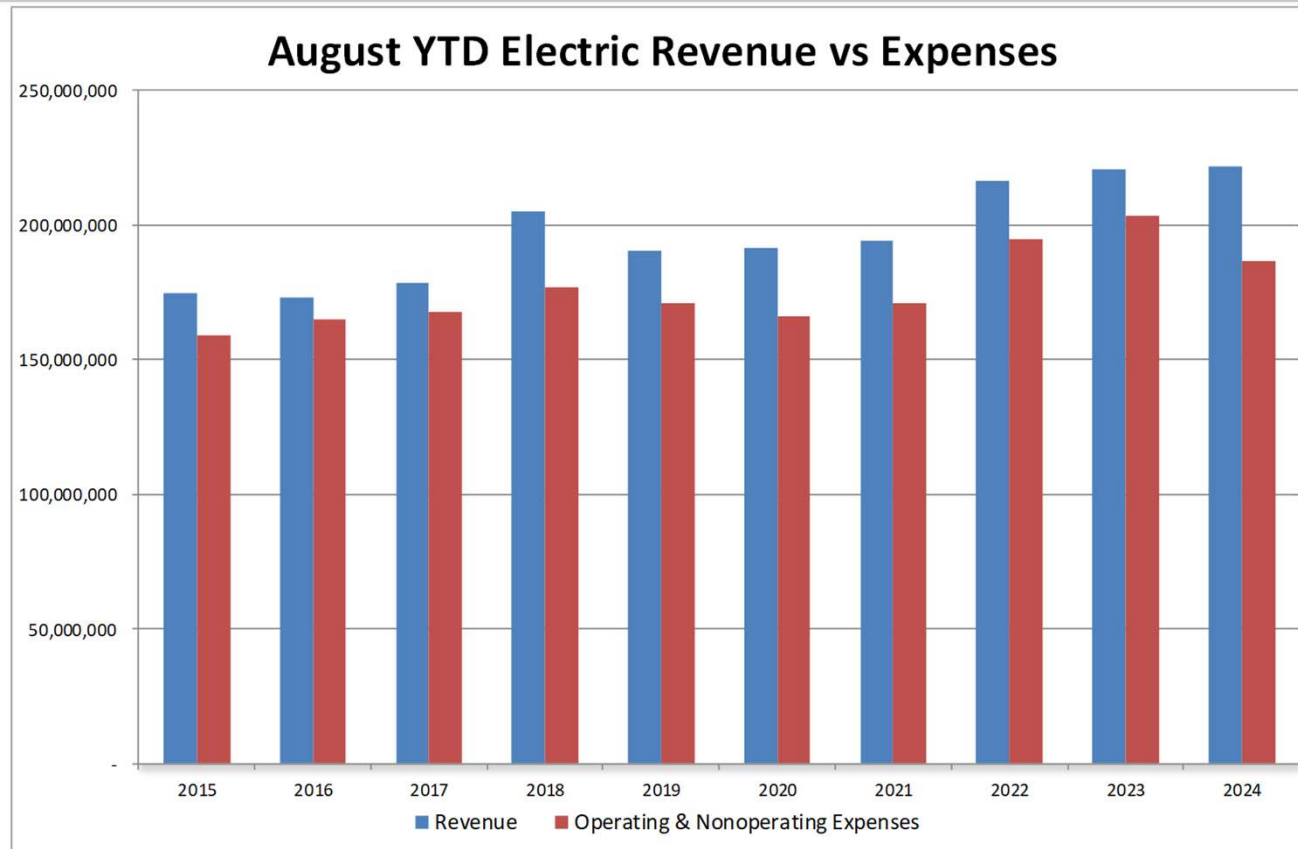
Change in Net Position – 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD	Budget 2024 YTD	(CY) 2024 YTD
Electric	\$ 34.935	\$ 17.170	\$ 20.431	\$ 34.935
Water	10.587	6.630	4.416	10.587
Combined	\$ 45.522	\$ 23.800	\$ 24.847	\$ 45.522

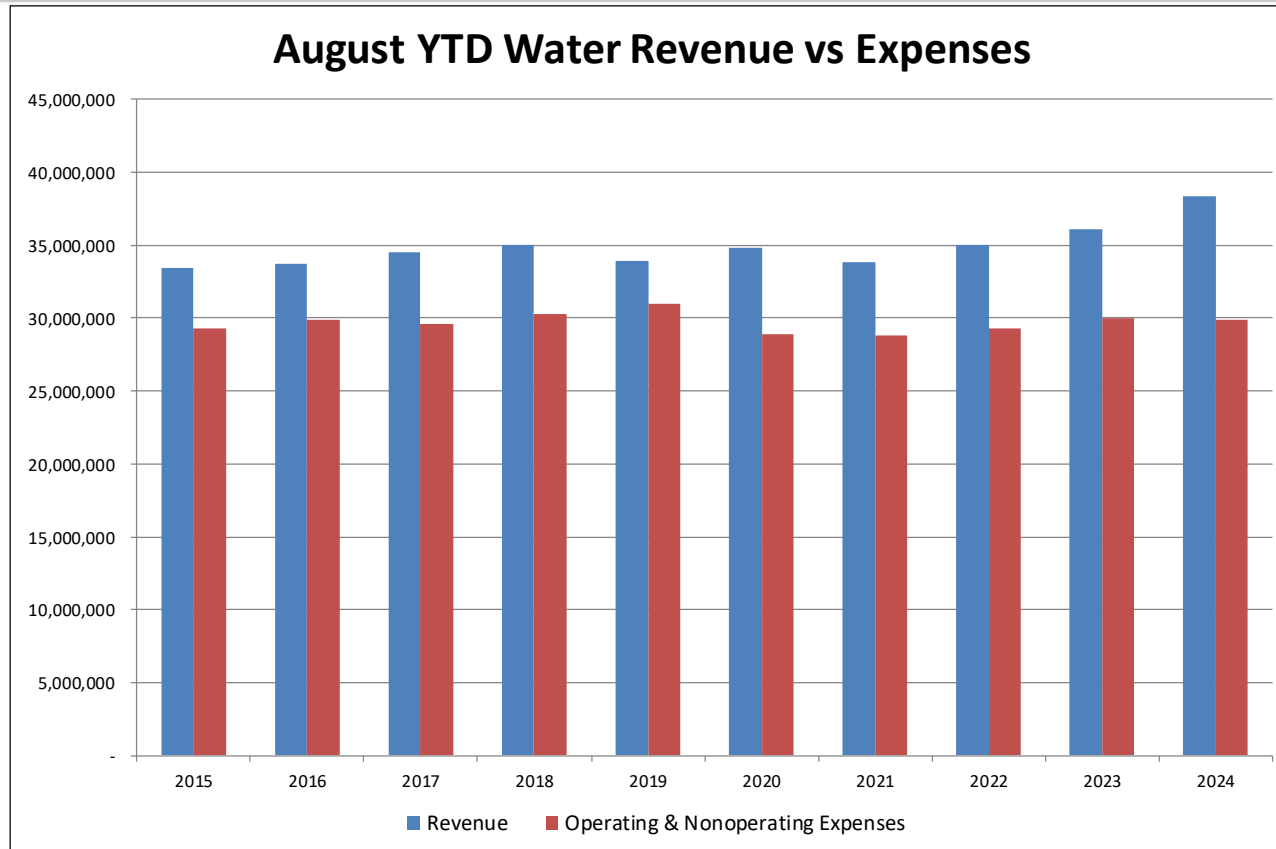


**Dollars in millions

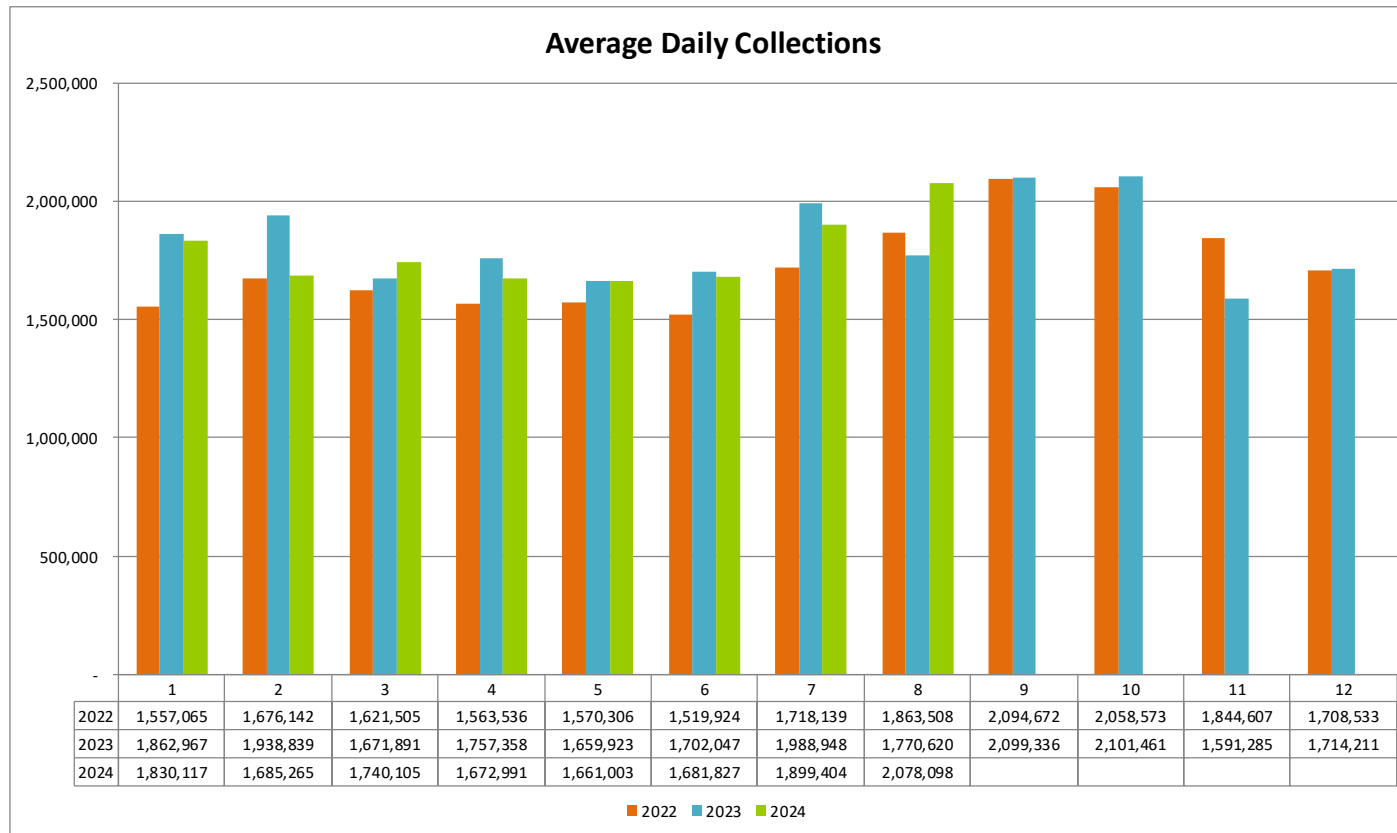
Financial Results – 10 Year Trend



Financial Results – 10 Year Trend

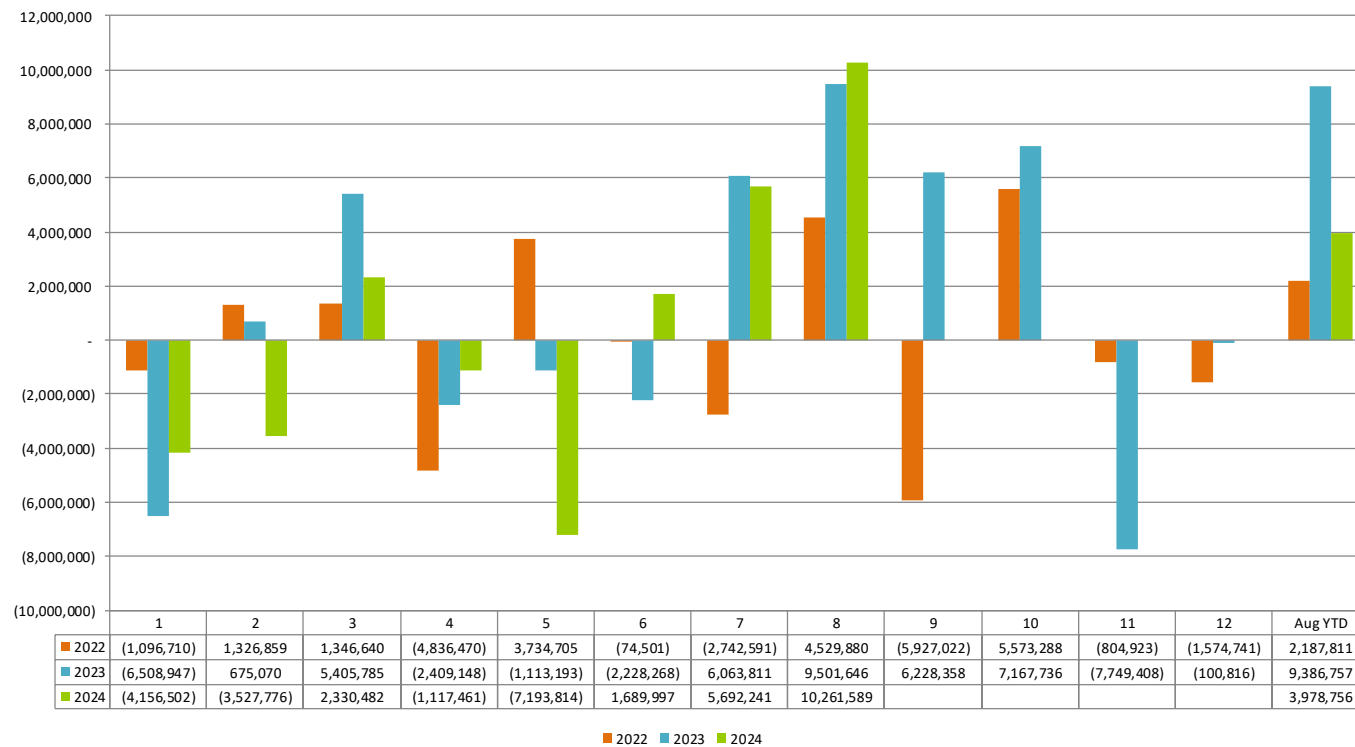


Financial Results



Financial Results

Historical Monthly Cash Comparison



Financial Results

Cash Position

	(CY) 2024 August	(PY) 2023 August	2024 July
Combined (E&W)	\$ 61.64	\$ 52.50	\$ 51.64
Days Cash-on-Hand	103	82	84

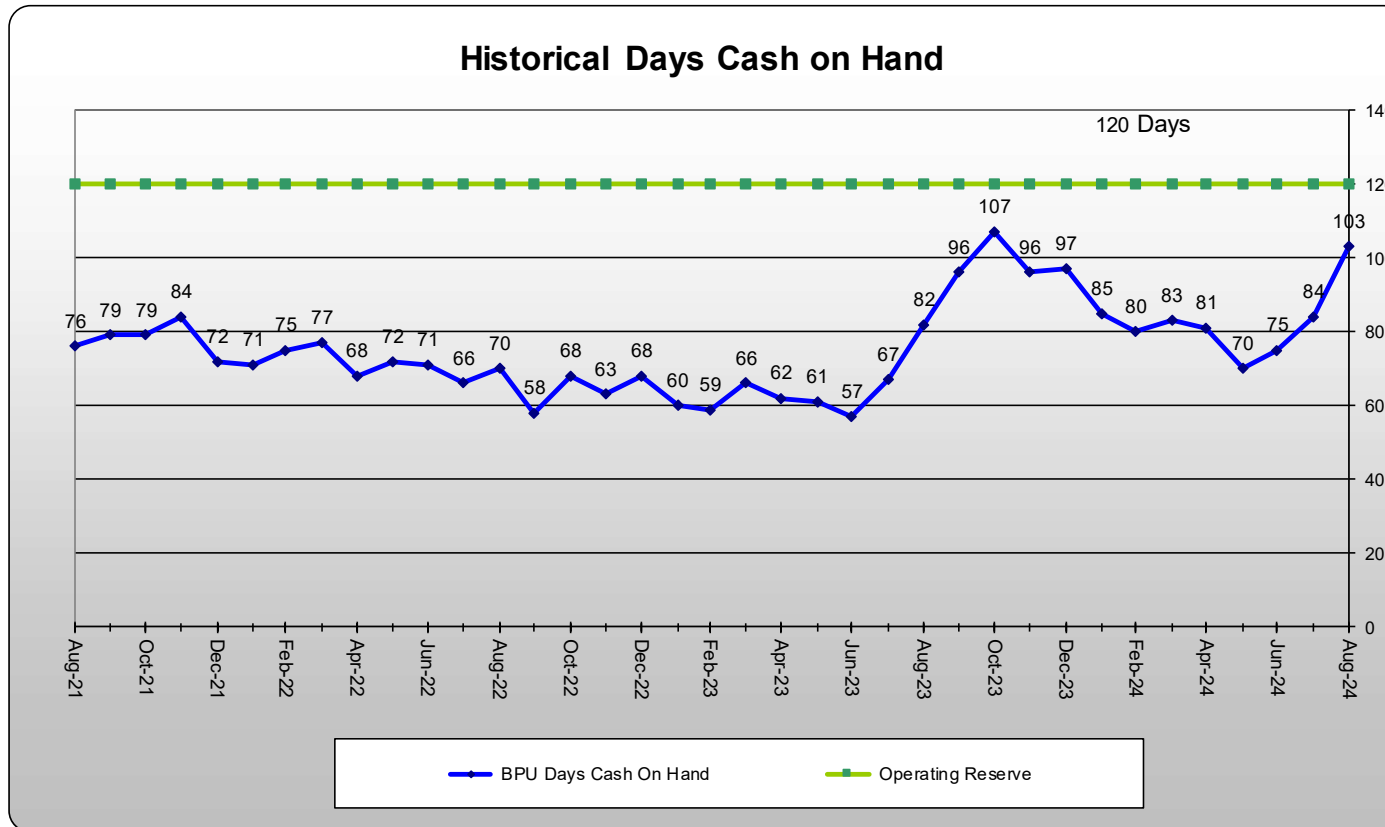
1 Day = Approximately \$600K-\$625K
(Based on 12 month rolling average of expenses)

Balance Sheet: Notables

	(CY) 2024 August	(PY) 2023 August
Fuel Inventory	\$ 7.677	\$ 7.127

**Dollars in millions

Financial Results



Financial Results

Capital Spending

	(CY) 2024 YTD	(PY) 2023 YTD	2024 Budget		
Electric	\$ 13.17	\$ 17.59	\$ 35.58		
Water	8.49	9.70	26.38		
Common	2.71	2.16	5.13		
Total YTD Capital	\$ 24.37	\$ 29.45	\$ 67.09	Remaining	64%

Major projects in 2024:

**Dollars in millions

Annual OH & UG Construction - \$1.3M
 Annual Meter Program - \$823K
 Distribution Pole Inspection - \$1.4M
 OH & UG Transformers - \$1.5M
 98th St OH Feeder Relocation - \$706K
 Water Distribution - \$4.1M
 Water Production - \$339K
 Water Services - \$470K

Financial Results

Debt Coverage

Debt Coverage with PILOT

Financial Guideline Target
2.0 times with PILOT

	(CY) 2024 August	(PY) 2023 August
Electric	2.91	2.70
Water	2.99	2.22
Combined	3.04	2.81

Debt Coverage w/o PILOT

Financial Guideline Target
1.6 times without PILOT

	(CY) 2024 August	(PY) 2023 August
Electric	2.19	1.97
Water	2.38	1.74
Combined	2.32	2.08