

REGULAR SESSION –WEDNESDAY, NOVEMBER 6, 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, November 6, 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; Abbey Frye, Chief Administrative Officer; Leigh Mulholland, Chief Compliance 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; Amber Oetting; Director Communications & Marketing; Dennis Dumovich, Director of Human Resources; Douglas Bowen, Director Electric Production Operations/Maintenance; 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 6:04 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.

REGULAR SESSION –WEDNESDAY, NOVEMBER 6, 2024

STATE OF KANSAS)
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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 Ms. Gonzales, seconded by Mr. Parker, and unanimously carried.

Item #4– Approval of the Minutes of the Work Session of October 16, 2024

A motion was made to approve the minutes of the Work Session of October 16, 2024, by Mr. Parker, seconded by Mr. Wakes, and unanimously carried.

Item #5– Approval of the Minutes of the Regular Session of October 16, 2024

A motion was made to approve the minutes of the Regular Session of October 16, 2024, by Mr. Parker, seconded by Mr. Wakes, and unanimously carried.

Item #6– Visitors Comments

Ms. Louise Lynch, Kansas City, KS, thanked the Board and Mr. Johnson for doing a great job during the joint Unified Government (UG)/BPU and said she looked forward to working with the Board to advocate for the community.

Dr. Alma Rosas-Hall, Kansas City, KS, expressed her thoughts about lowering costs for the community and spoke about BPU continuing to work with the UG for the community.

Item #7– RMI - IRP Presentation

Due to technical difficulties during the previous Board meeting, Mr. Tyler Fitch, Rocky Mountain Institute (via Zoom), was given the opportunity to complete his presentation to the Board regarding the Integrated Resource Plan (IRP). (See attached PowerPoint.)

Mr. Fitch, Mr. Chuck Poston and Mr. Gary Wilmes, Black and Veatch, responded to questions and comments from the Board regarding the IRP.

REGULAR SESSION –WEDNESDAY, NOVEMBER 6, 2024

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Item #8– General Manager / Staff Reports

- i. *2024 Third Quarter Financials:* Ms. Lori Austin, Chief Financial Officer, gave a presentation reviewing the 2024 Third Quarter Financials with the Board. (See attached PowerPoint.)

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

A motion was made to approve the 2024 Third Quarter Financials as presented by Ms. Gonzales, seconded by Mr. Parker, and unanimously carried.

- ii. *Customer Service Policy Approval – Resolution #5304:* Johnetta Hinson, Executive Director Customer Service, presented Resolution #5304, a resolution revising and replacing the Customer Service Policies and the Customer Service Adopted Fee and Deposit Schedule. (See attached.)

A motion was made to approve Resolution #5304 by Ms. Mulvany Henry, seconded by Mr. Parker, with the follow revisions to the Fee Schedule:

- Under 2 B and 2 C, the third bullet point should read ‘Electric and Water’.
- Formatting changes need to be made to ensure the amounts match up to the appropriate line items.

Prior to roll call there was Board discussion.

Roll call was taken and the motion unanimously carried.

- iii. *2024 Integrated Resource Plan (IRP) Approval – Resolution #5305:* Ms. Austin, presented Resolution #5305, a resolution authorizing the submittal of the IRP to the Western Area Power Administration (WAPA).

Ms. Mulvany Henry identified the following verbiage changes that were made to the resolution:

- In paragraph one of the resolution, the word ‘approved’ was changed to ‘authorized’.
- In paragraph two, the General Managers name was removed.

REGULAR SESSION –WEDNESDAY, NOVEMBER 6, 2024

STATE OF KANSAS)
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CITY OF KANSAS CITY)

- A third paragraph was added to capture that the Board had expressed its intent that the IRP be reviewed earlier than the five-year requirement.

A motion was made to approve Resolution #5305, by Ms. Gonzales, seconded by Mr. Parker, and unanimously carried.

Please note: The final 2024 Integrated Resource Plan can be located electronically at the following link: https://www.bpu.com/Portals/0/pdf/2024-BPU_IRP_Report-2024-FINAL.pdf. A hardcopy will be stored with the signed Resolution #5305.

- iv. *Miscellaneous Comments:* Ms. Austin confirmed the details of the upcoming Board Budget Retreat and when the Board could expect to have the budget documents. Mr. Johnson spoke about customer issues and said BPU would follow policy, but would work through any areas that may not be covered by the policy. He also thanked the Board for their work on the policy.

Item #9– Public Comments on Agenda Items

Mr. Ty Gorman, 2843 Parkwood Blvd, clarified that the Sierra Club partnered with the Rocky Mountain Institute (RMI) for them to provide their independent analysis with regards to the IRP. He spoke about community outreach, energy efficiency and federal tax funds.

Ms. Christina Nelson, 19 N. Ferree St., expressed her thoughts regarding Customer Service.

Dr. Hall, Kansas City, KS, spoke about Customer Service and working with the community.

Ms. Louise Lynch, Kansas City, KS, expressed her thoughts regarding comments that were made at the previous join UG/BPU meeting and spoke about continuing to help lower costs for the community.

Ms. Kerrie McCarthy, spoke regarding various budget items.

Item #10– Board Comments

Ms. Mulvany Henry thanked RMI for completing their presentation to the Board and expressed gratitude for completing that at no cost to the BPU.

REGULAR SESSION –WEDNESDAY, NOVEMBER 6, 2024

STATE OF KANSAS)
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CITY OF KANSAS CITY)

Ms. Gonzales had no comments.

Mr. Parker expressed appreciation for the discussion regarding the IRP and RMI for their presentation. He thanked the Board members and staff who worked to complete the Customer Service Policy updates.

Mr. Wakes thanked RMI, the Board Policy Committee, and Customer Service staff. He spoke about communicating the relationship between BPU and the UG to the community and thanked the Board for doing an excellent job at the UG/BPU joint meeting last Thursday.

Mr. Haley echoed previous comments regarding the evolution of the Customer Service Policy and the work put into it. He thanked all who assisted with the IRP and spoke about the Kaw and Quindaro Plants request for proposal statuses.

Mr. Groneman had no comments.

Item 11 – Adjourn

At 7:58 PM a motion to adjourn was made by Mr. Wakes, seconded by Mr. Haley, and unanimously carried.

ATTEST:


Secretary

APPROVED:


President

2024 Third Quarter Financial Results

November 6, 2024

2024 Billed kWh (YTD September)

Electric	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	439,792,870	469,306,691	↓
Commercial	744,727,242	771,504,468	↓
Industrial	384,348,504	367,496,895	↑
	1,568,868,616	1,608,308,054	↓ -2.5%

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

Residential – Down 6% Commercial – Down 3% Industrial – Up 5%

2024 Billed CCF's (YTD September)

Water	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	2,626,553	2,690,612	
Commercial	2,102,574	2,103,913	
Industrial	1,356,488	1,409,985	
	6,085,615	6,204,510	-1.9%

Residential – Down 2%

Commercial – Up <.5%

Industrial – Down 4%

Revenues – Third Quarter 2024

	(CY) 2024 3rd Quarter	(PY) 2023 3rd Quarter		Budget 2024 3rd Quarter	(CY) 2024 3rd Quarter	
Electric	\$ 101.640	\$ 98.189	↑	\$ 90.641	\$ 101.640	↑
Water	17.131	16.344		16.166	17.131	
Combined	\$ 118.771	\$ 114.533	3.7%	\$ 106.807	\$ 118.771	11.2%

**Dollars in millions

Actual Compared to 2024 Budget

Electric – Up 12%

Water – Up 6%

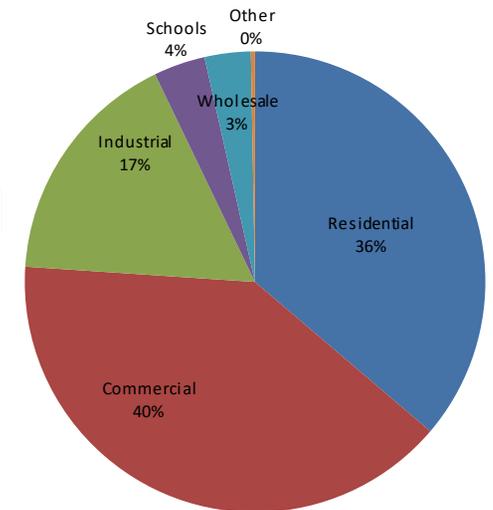
Revenues - 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 252.961	\$ 252.622		\$ 240.724	\$ 252.961	
Water	43.925	41.738		42.979	43.925	
Combined	\$ 296.886	\$ 294.360	0.9%	\$ 283.703	\$ 296.886	4.6%

**Dollars in millions

Variance - YTD comparing Budget to Actual for 2024

<u>Electric:</u> Up 5%		<u>Water:</u> Up 2%	
Residential	\$ 3.1M	Residential	\$ 75K
Commercial	\$ 8.2M	Commercial	\$ 1.2M
Industrial	(\$ 2.3M)	Industrial	(\$ 8K)
Schools	\$ 743K	Wholesale	(\$ 84K)
Wholesale	(\$ 2.7M)		



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

Operating Expenses – Third Quarter 2024

	(CY) 2024 3rd Quarter	(PY) 2023 3rd Quarter		Budget 2024 3rd Quarter	(CY) 2024 3rd Quarter	
Electric	\$ 53.820	\$ 59.929		\$ 59.717	\$ 53.820	
Water	10.056	9.099		10.622	10.056	
Combined	\$ 63.876	\$ 69.028	 -7.5%	\$ 70.339	\$ 63.876	 -9.2%

**Dollars in millions

Actual Compared to 2024 Budget

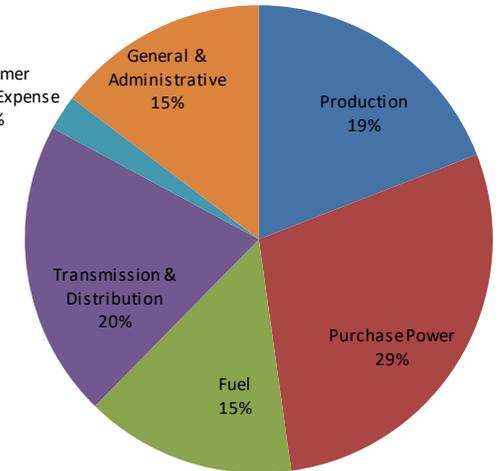
Electric – Down 10%

Water – Down 11%

Operating Expenses - 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 172.064	\$ 188.346	↓	\$ 177.644	\$ 172.064	↓
Water	28.731	28.390	↑	32.230	28.731	↓
Combined	\$ 200.795	\$ 216.736	↓	\$ 209.874	\$ 200.795	↓ -4.3%
			-7.4%			

Customer
Account Expense
2%



**Dollars in millions

Actual Compared to 2024 Budget

- Electric – Down 3%
- Water - Down 11%
- Combined – Down 4%

Operating Expenses – 2024 YTD less Depreciation

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 144.982	\$ 161.799	↓	\$ 151.488	\$ 144.982	
Water	22.414	22.081	↑	26.015	22.414	
Combined	\$ 167.396	\$ 183.880	↓	\$ 177.503	\$ 167.396	↓ -5.7%
						-9.0%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2024

Electric:

Purchased Power	\$ 7.6M
Fuel	(\$ 6.3M)
Production	(\$ 1.2M)
T&D	(\$ 3.2M)
G&A	(\$ 3.1M)

Water:

Production	(\$780K)
T&D	(\$ 1.9M)
G&A	(\$847K)

Change in Net Position – Third Quarter 2024

	(CY) 2024 3rd Quarter	(PY) 2023 3rd Quarter	Budget 2024 3rd Quarter	(CY) 2024 3rd Quarter
Electric	\$ 34.780	\$ 25.135	\$ 17.836	\$ 34.780
Water	5.071	5.306	3.614	5.071
Combined	\$ 39.851	\$ 30.441	\$ 21.450	\$ 39.851



**Dollars in millions

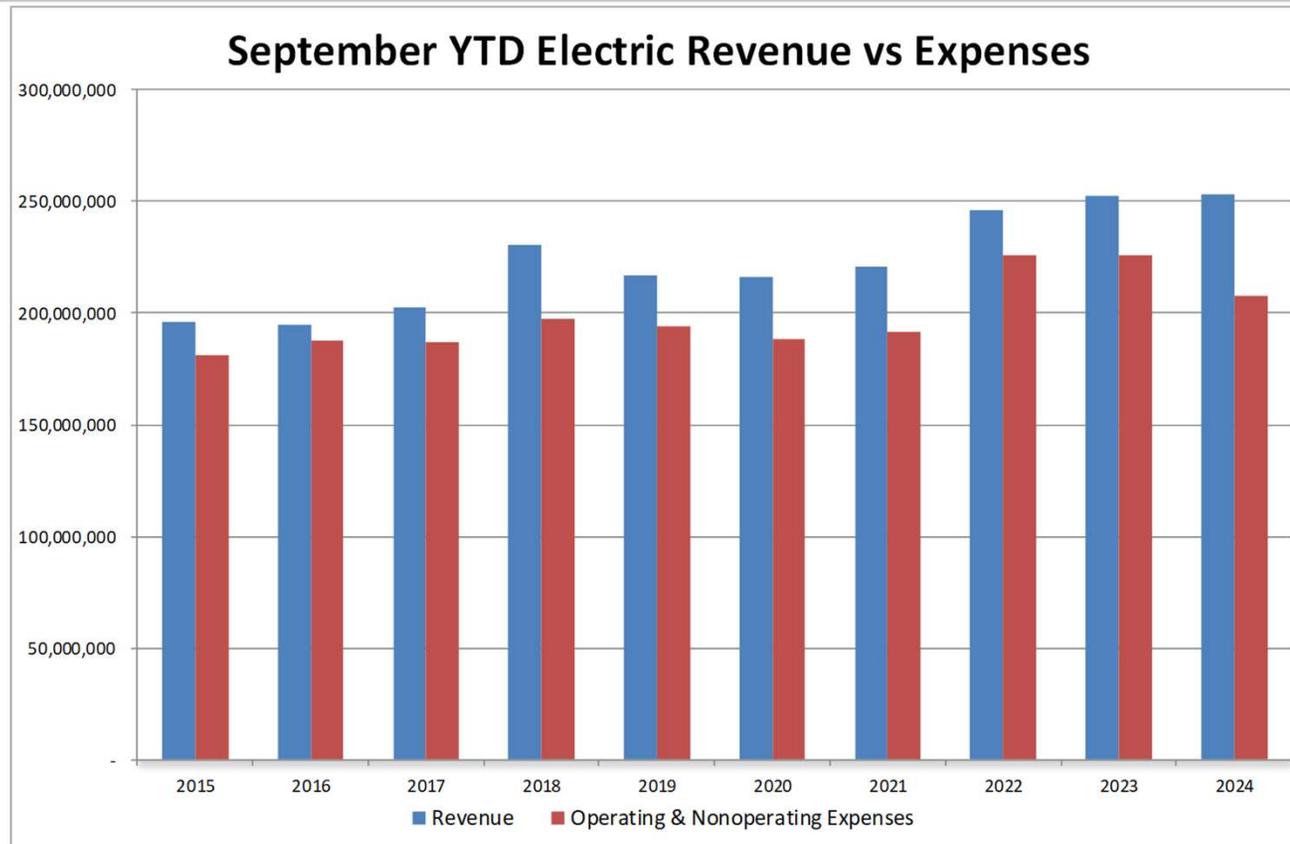
Change in Net Position – 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD	Budget 2024 YTD	(CY) 2024 YTD
Electric	\$ 45.449	\$ 26.959	\$ 27.035	\$ 45.449
Water	12.226	8.821	5.867	12.226
Combined	\$ 57.675	\$ 35.780	\$ 32.902	\$ 57.675

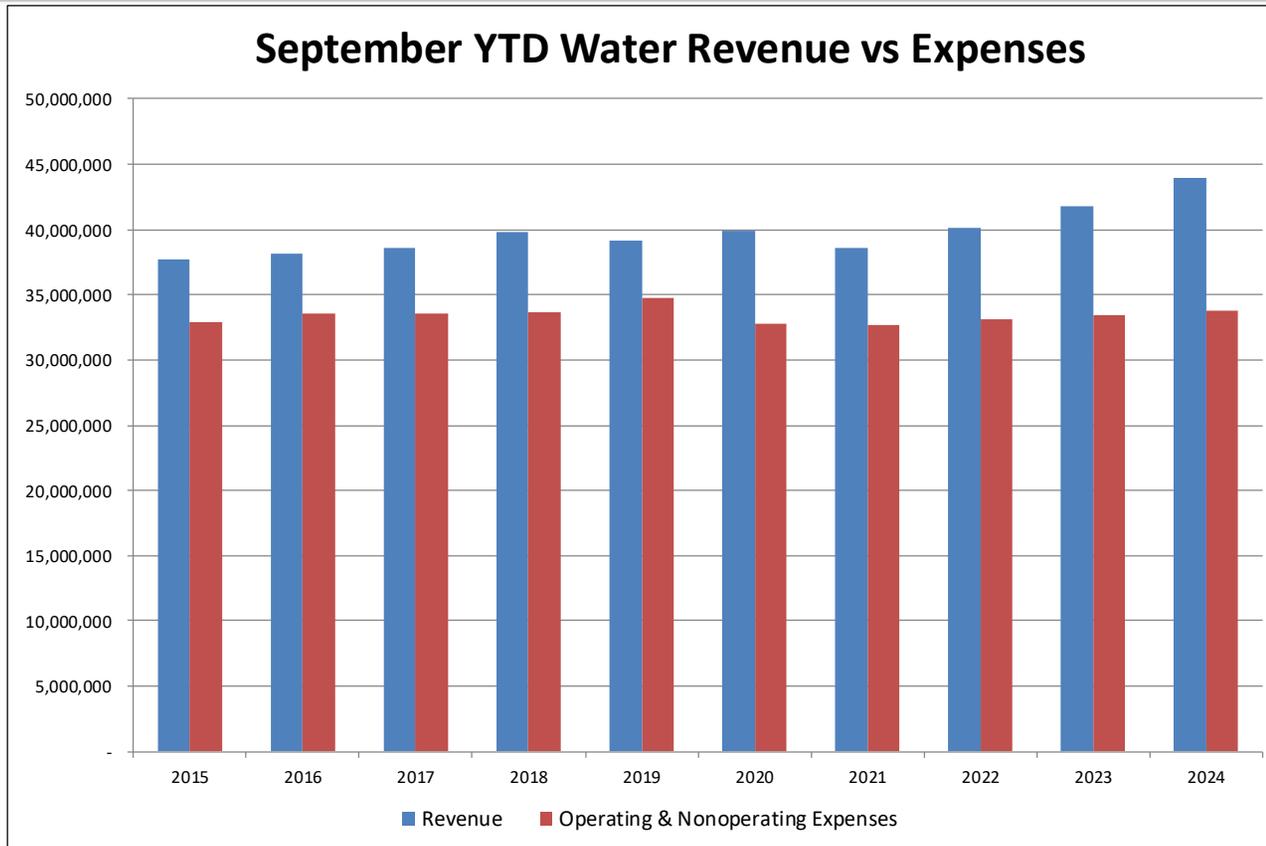


**Dollars in millions

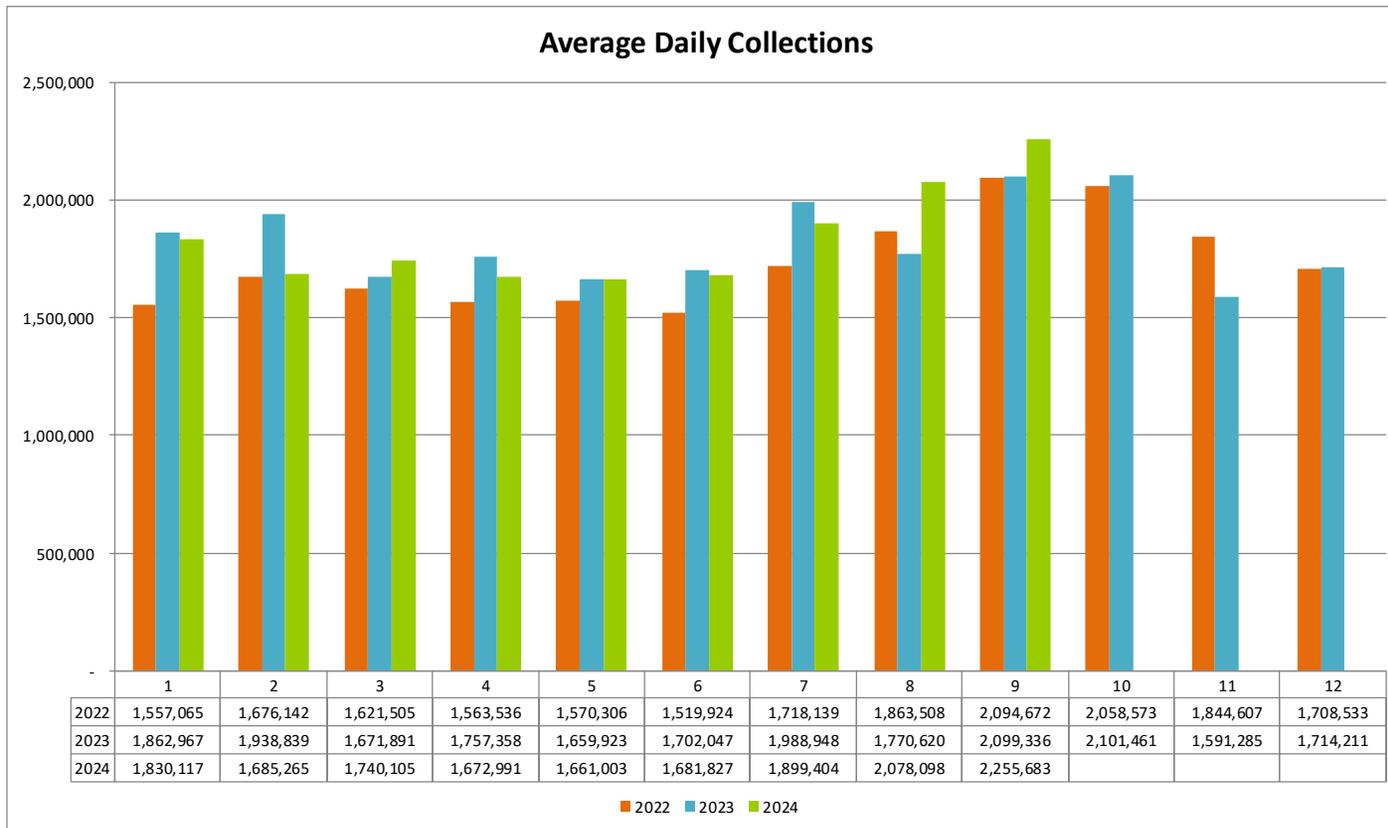
Financial Results - 10 Year Trend



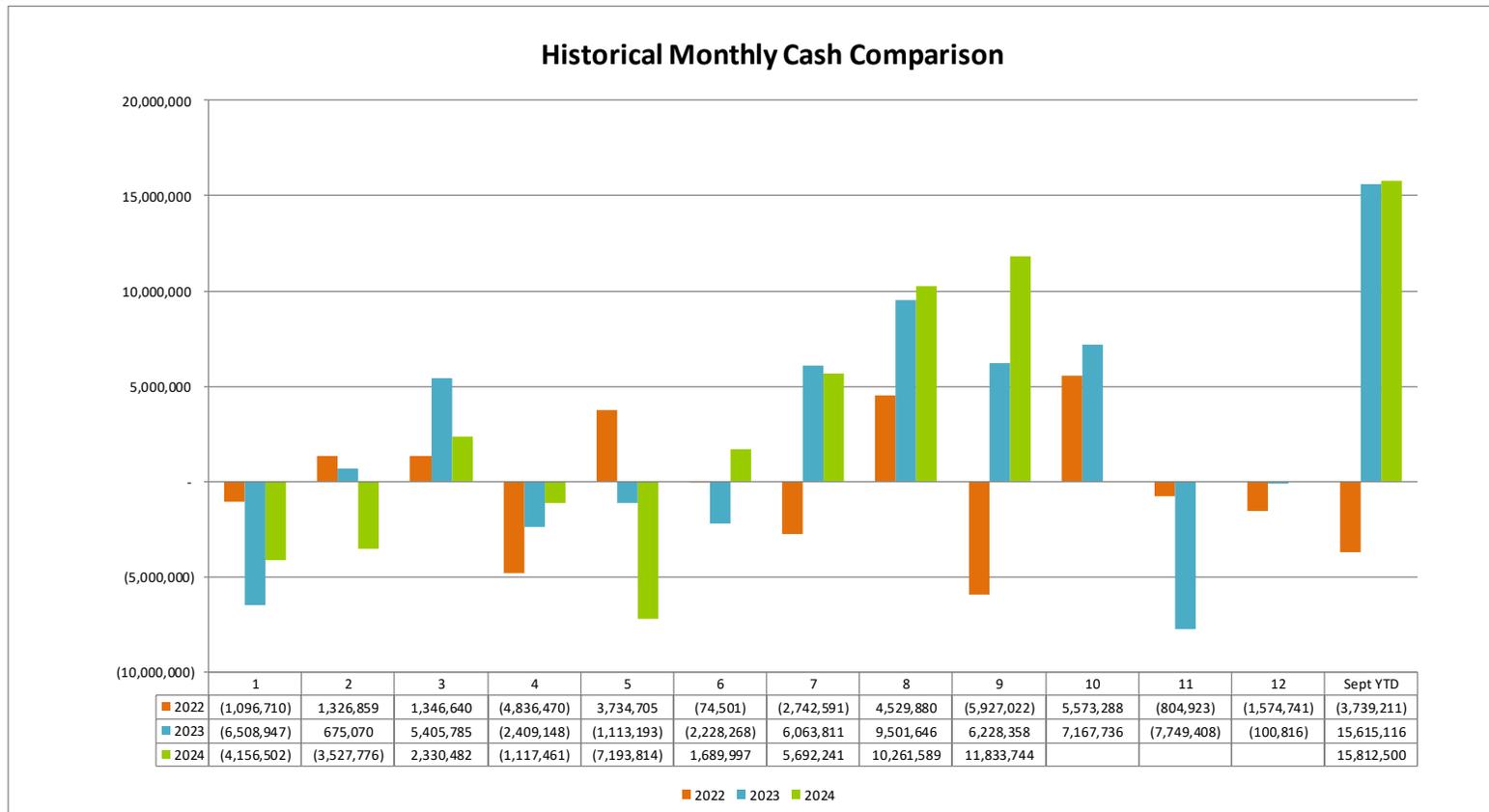
Financial Results - 10 Year Trend



Financial Results



Financial Results



Cash Position

	(CY) 2024 September	(PY) 2023 September	2024 August
Combined (E&W) Days Cash-on-Hand	\$ 73.94 124	\$ 59.12 96	\$ 61.64 103

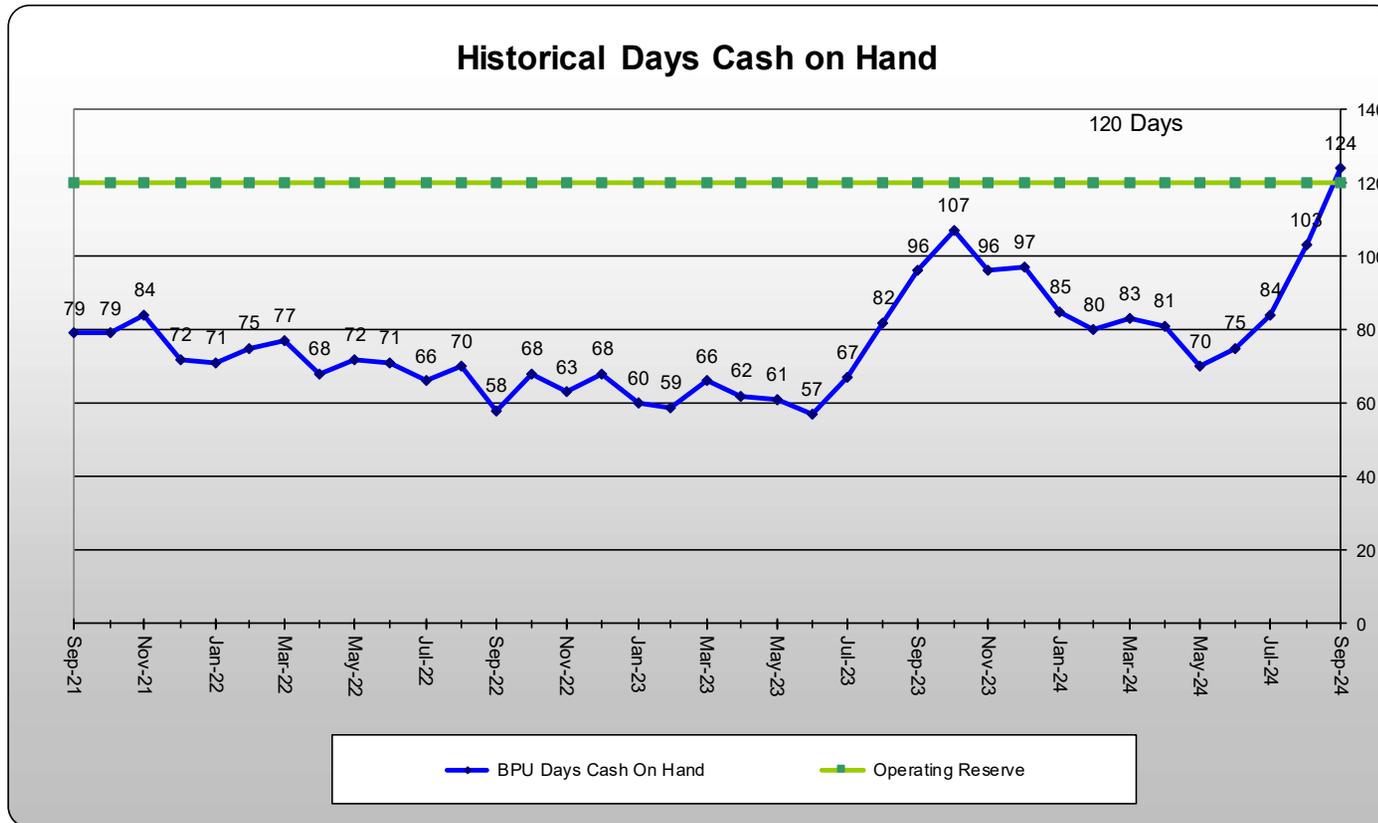
1 Day = Approximately \$600K-\$625K
(Based on 12 month rolling average of expenses)

Balance Sheet: Notables

	(CY) 2024 September	(PY) 2023 September
Fuel Inventory	\$ 8.806	\$ 5.929

**Dollars in millions

Financial Results



Capital Spending

	(CY) 2024 YTD	(PY) 2023 YTD	2024 Budget		
Electric	\$ 16.16	\$ 19.14	\$ 35.58		
Water	9.78	10.62	26.38		
Common	3.33	2.64	5.13		
Total YTD Capital	\$ 29.27	\$ 32.40	\$ 67.09	Remaining	56%

Major projects in 2024:

**Dollars in millions

- Annual OH & UG Construction - \$1.9M
- Annual Meter Program - \$841K
- Distribution Pole Inspection - \$1.8M
- OH & UG Transformers - \$1.7M
- 98th St OH Feeder Relocation - \$725K
- Water Distribution - \$4.6M
- Water Production - \$613K
- Water Services - \$510K

Debt Coverage

Debt Coverage with PILOT

Financial Guideline Target
2.0 times with PILOT

	(CY) 2024 September	(PY) 2023 September
Electric	2.93	2.96
Water	2.93	2.29
Combined	3.05	3.05

Debt Coverage w/o PILOT

Financial Guideline Target
1.6 times without PILOT

	(CY) 2024 September	(PY) 2023 September
Electric	2.21	2.23
Water	2.32	1.81
Combined	2.32	2.31