

REGULAR SESSION –WEDNESDAY, OCTOBER 4, 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, October 4, 2023 at 6:00 PM. The following Board Members were present: Rose Mulvany Henry, President; Thomas Groneman, Vice President; Robert L. Milan, Secretary; Mary Gonzales, Jeff Bryant, and David Haley.

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; Jerin Purtee, Executive Director Electric Supply; Steve Nirschl, Director Water Processing; Dennis Dumovich, Director of Human Resources; Patrice Townsend, Director Utility Services; Douglas Bowen, Director Electric Production Operations & Maintenance; Steve Hargis, Supervisor Water Distribution Meters; 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.

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.

Roll call was taken and all Board Members were present.

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Item #3 – Approval of Agenda

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

Item #4 – Approval of Regular Session Minutes of September 20, 2023

A motion was made to approve the minutes of the Regular Session of September 20, 2023, by Mr. Bryant, seconded by Mr. Groneman, and unanimously carried.

Item #5– Public Comments

There were no visitors wishing to speak.

Item #6– General Manager / Staff Reports

- i. *August 2023 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, presented the August 2023 Financials to the Board. (See attached PowerPoint.)

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

A motion was made to approve the August 2023 Financials as presented, by Mr. Groneman, seconded by Mr. Milan, and unanimously carried.

- ii. *My Meter Update:* Mr. Jerry Sullivan, Chief Information Officer, and Robert Kamp, IT Project Manager, provided the Board with an update and demonstration of MyMeter, which will replace the current Customer Self Service portal. They explained that MyMeter was created to improve the BPU customer experience by offering many new and enhanced features and that notifications will be sent out and resources will be available to assist customers with navigating the new program. MyMeter is expected to rollout in December 2023. (See attached PowerPoint.)

Mr. Sullivan and Mr. Kamp responded to questions and comments from the Board.

- iii. *Miscellaneous Comments:* Mr. Johnson notified the Board that BPU would be receiving an Award of Excellence, from the APPA, pertaining the BPU website and social media efforts. The award would be presented at the APPA Customer Connection Conference in November.

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Mr. Johnson also presented Ms. Patrice Townsend, Director of Utility Services, with a Resolution of Appreciation Award, from the APPA, for her time served on the Smart Energy Provider (SEP) program Review Panel (2018-2022). Ms. Townsend started as a committee member in 2018. She was elected to Vice Chair of the executive committee from 2020- 2021, then served as Chair in 2022.

Ms. Austin and Ms. Townsend gave the Board a brief update on the BPU Weatherization Program. BPU had engaged with Habitat KC to perform the energy audits and updates as part of our energy efficiency efforts. There are currently 60 homes that will get to utilize the program funds, each receiving a maximum of \$2,000.00. BPU was informed that the state of Kansas would not be applying for additional federal weatherization funds.

Item #7 – Board Comments

Mr. Haley thanked staff for the financial update as well as the MyMeter program presentation. He advised he would follow up with additional information as to why Kansas has not pushed for additional weatherization funds.

Mr. Groneman stated he was pleased with the results of the monthly cash on hand results. He also thanked Mr. Sullivan and Mr. Kamp for their presentation and looked forward to the ‘My Meter’ program.

Mr. Milan thanked staff for the informative presentations.

Mr. Bryant expressed his excitement for the MyMeter presentation and reiterated the importance of community education so that everyone can utilize this new tool.

Ms. Gonzales thanked staff for their presentations. She congratulated Ms. Townsend on her award and also thanked her for her community involvement.

Ms. Mulvany Henry echoed Ms. Gonzales in congratulating Ms. Townsend on her award and community outreach. She thanked Mr. Sullivan and Mr. Kamp for their presentation and looked forward to My Meter going live. She also thanked Ms. Austin and Mr. Townsend for the weatherization update they provided. She gave the Board notice that she would not be available, in-person, to attend the second meeting in November. She confirmed she could be in attendance via Zoom.

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Item #8 – Adjourn

At 7:22 PM a motion to adjourn was made by Mr. Milan, seconded by Ms. Gonzales and unanimously carried.

ATTEST:



Secretary

APPROVED:



President

August 2023 Financial Results

October 4, 2023




2023 Billed kWh (YTD Jan - August)

Electric	(CY) 2023 YTD	(PY) 2022 YTD	
Residential	402,918,386	417,185,099	↓
Commercial	676,039,673	667,921,474	↑
Industrial	325,571,065	355,426,356	↓
	1,404,529,124	1,440,532,929	↓ -2.5%

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

Residential – Down 3% Commercial – Up 1% Industrial – Down 8%

2023 Billed CCF's (YTD Jan - August)







Water	(CY) 2023 YTD	(PY) 2022 YTD	
Residential	2,348,711	2,293,916	 Residential and Commercial were above 2022 levels while  Industrial was slightly below 2022 levels
Commercial	1,806,158	1,741,481	
Industrial	1,227,919	1,245,862	
	5,382,788	5,281,259	 1.9%

Residential – Up 2%

Commercial – Up 4%

Industrial – Down 1%

Revenues – August 2023

	(CY) 2023 August	(PY) 2022 August		Budget 2023 August	(CY) 2023 August	
Electric	\$ 33.570	\$ 36.954		\$ 32.742	\$ 33.570	
Water	5.332	5.280		5.157	5.332	
Combined	\$ 38.902	\$ 42.234		\$ 37.899	\$ 38.902	
			-7.9%			2.6%

Actual Compared to 2023 Budget

Electric – Up 2.5%

Water – Up 3%

Combined – Up 3%

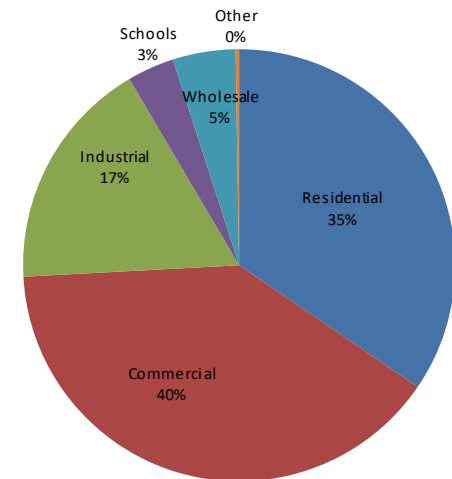
Revenues – 2023 YTD

	(CY) 2023 YTD	(PY) 2022 YTD		Budget 2023 YTD	(CY) 2023 YTD	
Electric	\$ 220.725	\$ 216.106	↑	\$ 211.928	\$ 220.725	↑
Water	36.069	35.051		35.072	36.069	
Combined	\$ 256.794	\$ 251.157	↑ 2.2%	\$ 247.000	\$ 256.794	↑ 4.0%






**Dollars in millions

Variance – YTD comparing Budget to Actual for 2023

<u>Electric:</u>	<i>Up 4%</i>	<u>Water:</u>	<i>Up 3%</i>
Residential	\$ 2.0M	Residential	\$518K
Commercial	\$ 8.9M	Commercial	\$662K
Industrial	\$ 150K	Industrial	\$106K
Schools	\$666K	Wholesale	\$159K
Wholesale	(\$4.9M)		



Operating Expenses – August 2023

	(CY) 2023 August	(PY) 2022 August		Budget 2023 August	(CY) 2023 August	
Electric	\$ 22.017	\$ 23.508		\$ 19.127	\$ 22.017	
Water	3.145	3.175		3.499	3.145	
Combined	\$ 25.162	\$ 26.683	 -5.7%	\$ 22.626	\$ 25.162	 11.2%

Actual Compared to 2023 Budget

Electric – Up 15%
Water - Down 10%

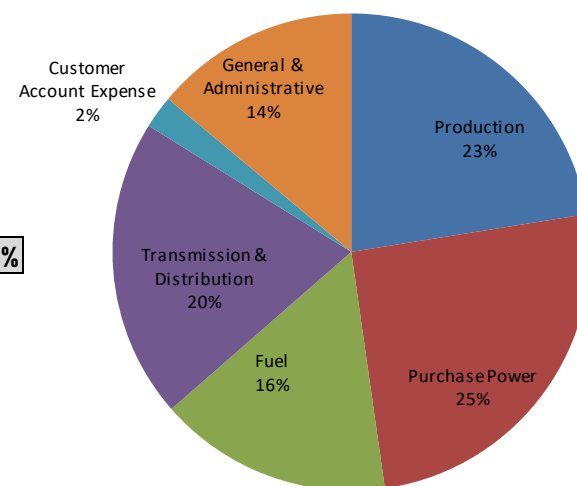
Operating Expenses – 2023 YTD

	(CY) 2023 YTD	(PY) 2022 YTD		Budget 2023 YTD	(CY) 2023 YTD	
Electric	\$ 170.690	\$ 160.777		\$ 160.812	\$ 170.690	
Water	25.503	24.280		27.288	25.503	
Combined	\$ 196.193	\$ 185.057	6.0%	\$ 188.100	\$ 196.193	4.3%

**Dollars in millions

Actual Compared to 2023 Budget

- Electric – Up 6%
- Water - Down 6.5%
- Combined – Up 11%



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	\$ 147.073	\$ 139.516		\$ 137.706	\$ 147.073	↑
Water	19.883	18.779		21.700	19.883	↓
Combined	\$ 166.956	\$ 158.295	5.5%	\$ 159.406	\$ 166.956	↑ 4.7%

**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)



Financial Results

Change in Net Position – August 2023

	(CY) 2023 August	(PY) 2022 August	Budget 2023 August	(CY) 2023 August
Electric	\$ 7.040	\$ 8.694	\$ 9.010	\$ 7.040
Water	1.388	1.467	0.848	1.388
Combined	\$ 8.428	\$ 10.161	\$ 9.858	\$ 8.428

**Dollars in millions

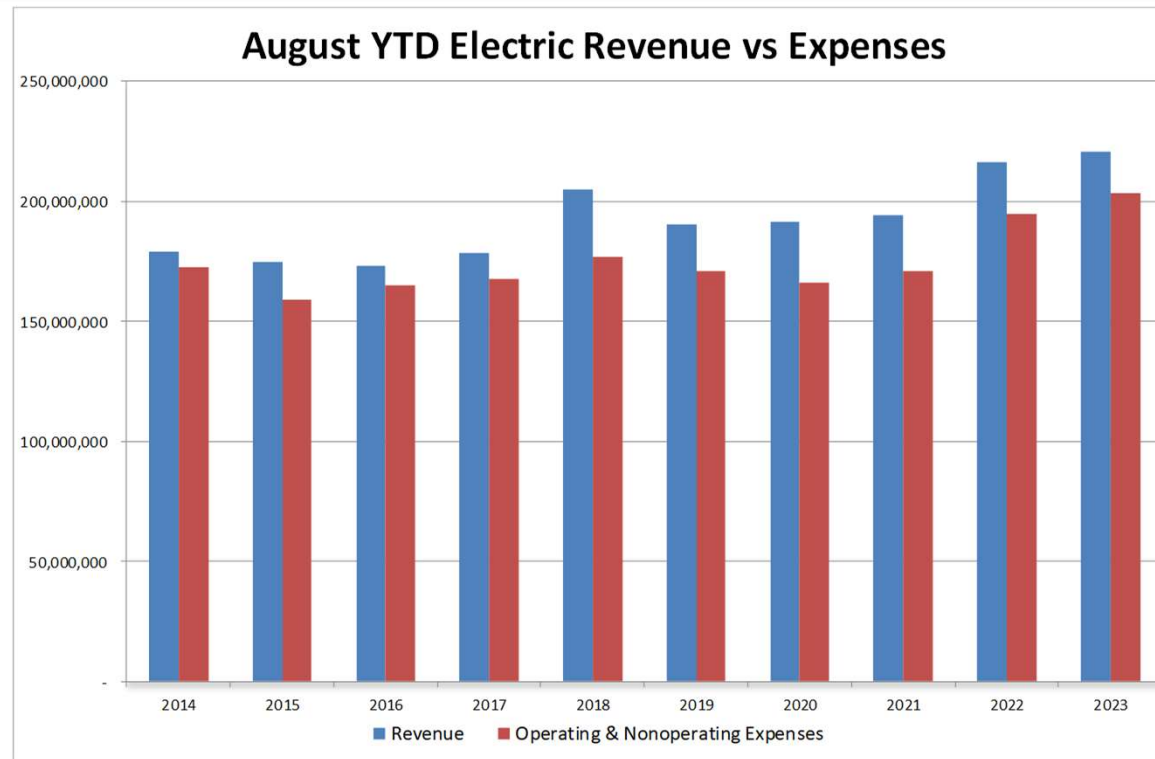
Change in Net Position – 2023 YTD

	(CY) 2023 YTD	(PY) 2022 YTD	Budget 2023 YTD	(CY) 2023 YTD
Electric	\$ 17.170	\$ 21.437	\$ 18.669	\$ 17.170
Water	6.631	6.172	3.394	6.631
Combined	\$ 23.801	\$ 27.609	\$ 22.063	\$ 23.801

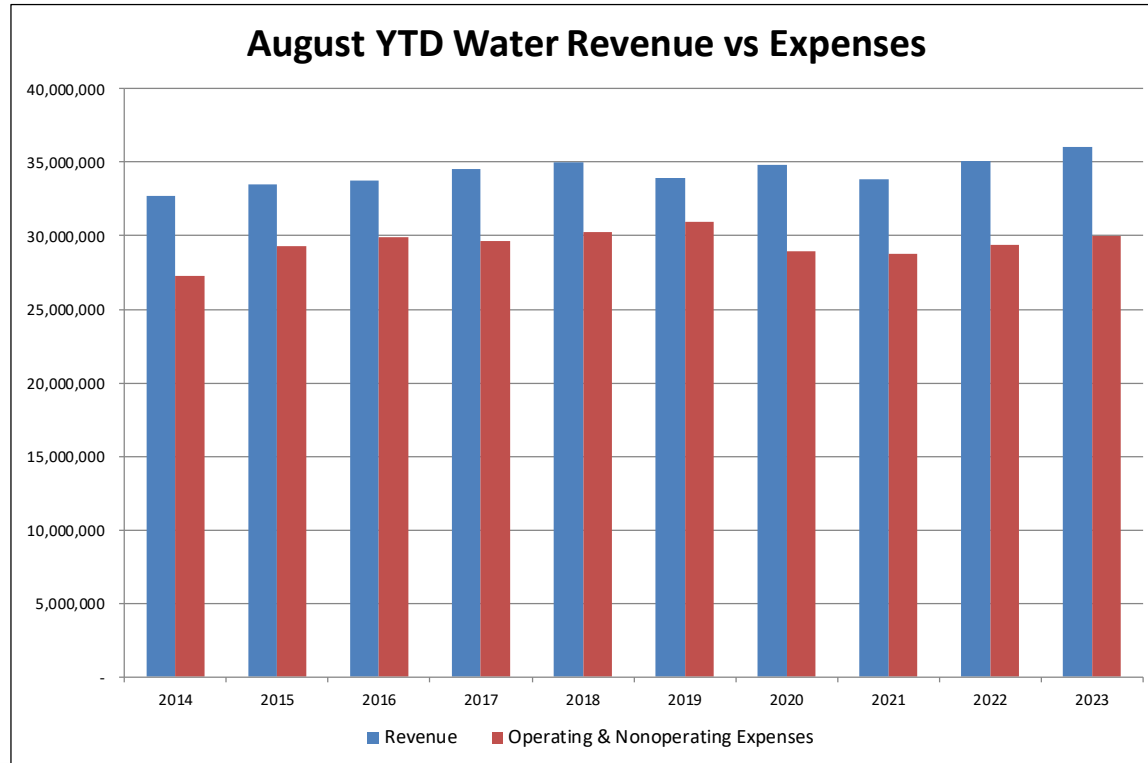


**Dollars in millions

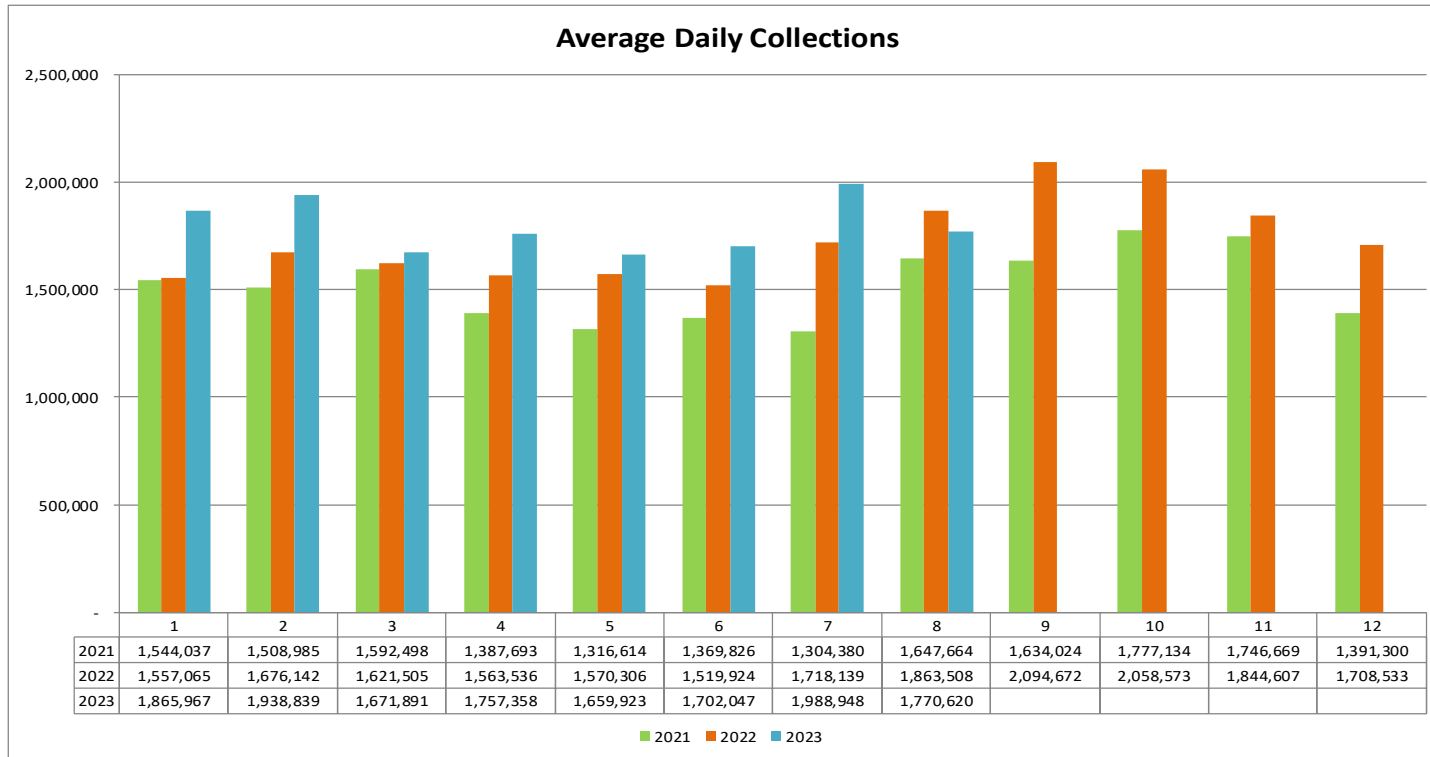
Financial Results – 10 Year Trend



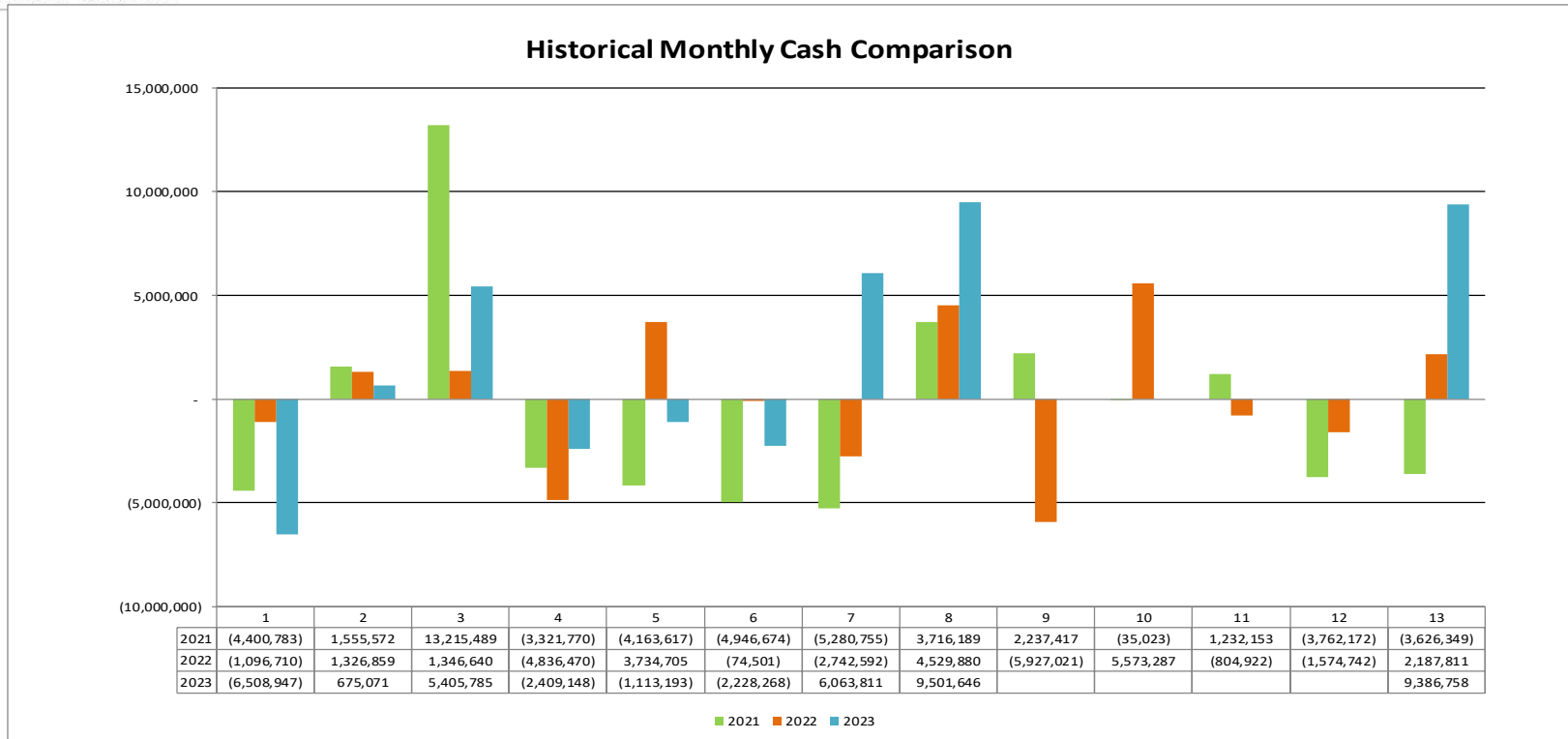
Financial Results – 10 Year Trend



Financial Results



Financial Results



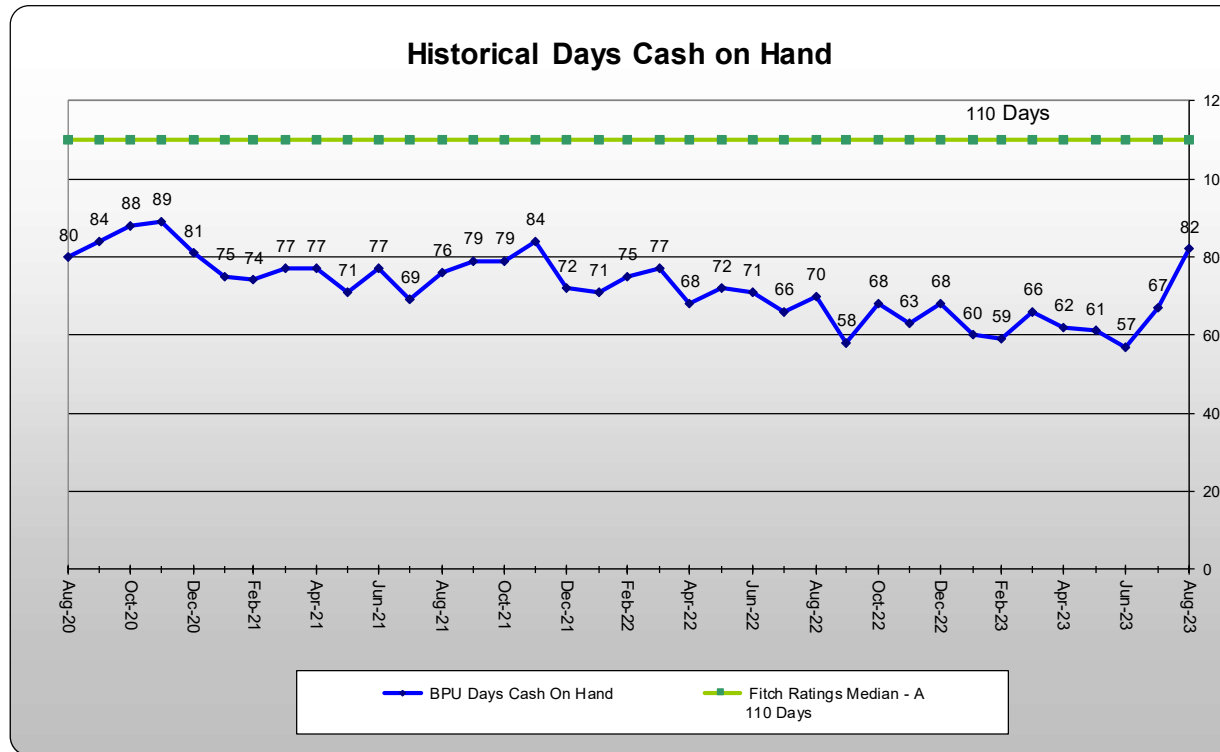
Cash Position

	(CY) 2023 August	(PY) 2022 August	2023 July
Combined (E&W) Days Cash-on-Hand	\$ 52.50 82	\$ 46.19 70	\$ 43.71 67

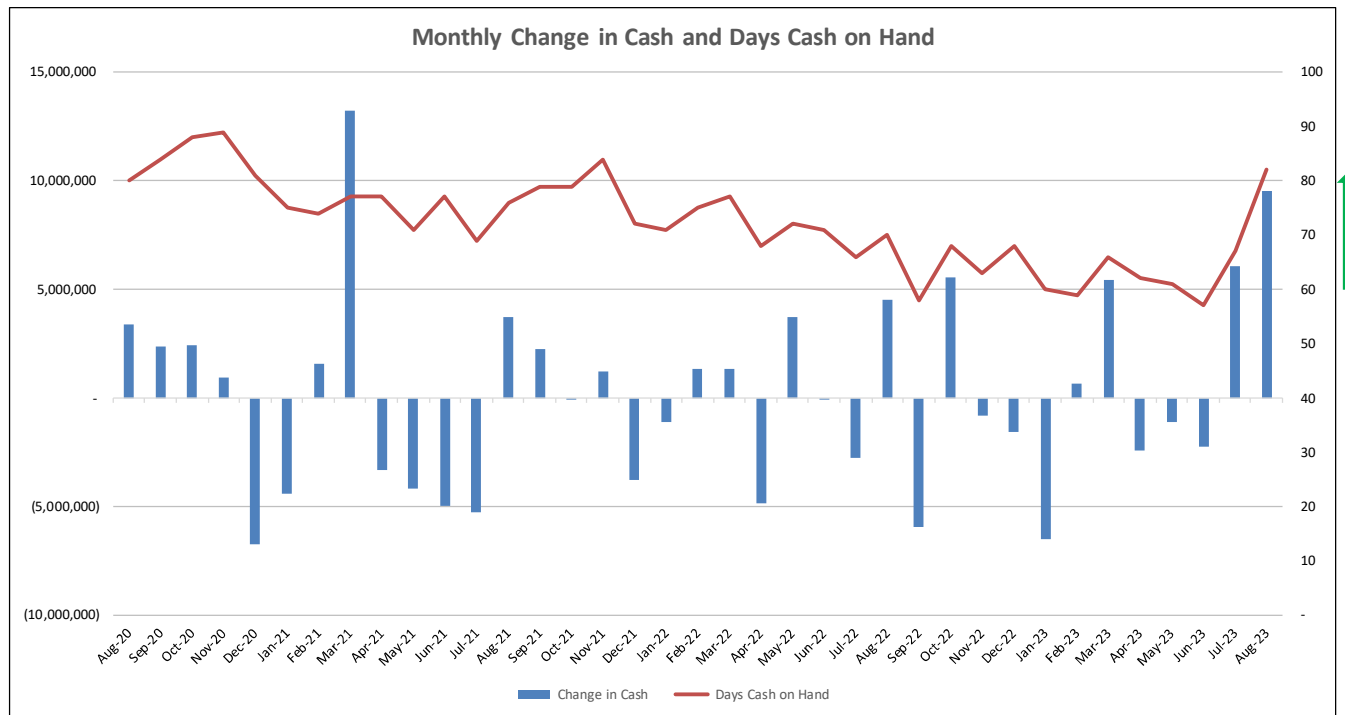
**Dollars in millions

1 Day = Approximately \$625K-\$675K
(Based on 12 month rolling average of expenses)

Financial Results



Financial Results



Balance Sheet: Notables

	(CY) 2023 August	(PY) 2022 August
Fuel Inventory	\$ 7.127	\$ 7.888
Bond Dollars 2016C (Elec T&D)	\$ 0.229	\$ 0.711
Bond Dollars 2020A (Elec)	\$ 0.829	\$ 0.799

**Dollars in millions

Capital Spending

	(CY) 2023 YTD	(PY) 2022 YTD	2023 Budget	
Electric	\$ 17.59	\$ 13.99	\$ 30.67	
Water	9.70	5.46	24.71	
Common	2.16	2.41	5.20	
Total YTD Capital	\$ 29.45	\$ 21.86	\$ 60.58	Remaining

51%

Major projects in 2023:

**Dollars in millions

- Fisher UG Feeders - \$2.5M
- Annual Underground - \$1.3M
- Annual Overhead - \$957K
- Distribution Pole Inspect/Replace - \$957K
- N1 Burner Coal Nozzle Replacement – \$2.5M
- Water Sys Imp, Valves & Leaks - \$1.9M
- Argentine 7 MG Tank Replacement - \$5.1M

Debt Coverage

Debt Coverage with PILOT

	(CY) 2023 August	(PY) 2022 August
Electric	2.70	2.39
Water	2.22	1.97
Combined	2.81	2.51

Debt Coverage w/o PILOT

	(CY) 2023 August	(PY) 2022 August
Electric	1.97	1.72
Water	1.74	1.51
Combined	2.08	1.83

Financial Guideline Target 1.6 to 2.1 times with PILOT