

REGULAR SESSION –WEDNESDAY, JULY 3, 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, July 3, 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; Jeremy Ash, Chief Operating Officer; Lori Austin, Chief Financial Officer; Abbey Frye, Chief Administrative Officer; Darrin McNew, Executive Director Electric Operations; Steve Green, Executive Director Water Operations; Andrew Ferris, Director Financial Planning; Douglas Bowen, Director Electric Production Operations/Maintenance; Patrice Townsend, Director Utility Services; Ingrid Setzler, Director Environmental Services; Dustin Miller, Director of Applications; Steve Hargis, Supervisor Water Operations; Gabriela Freeman, Supervisor Customer Services; Nicholas Moreno, Communications Coordinator; 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 6:03 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 speak, 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 Ms. Gonzales, seconded by Mr. Wakes, and unanimously carried.

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

A motion was made to approve the minutes of the Work Session of June 18, 2024, by Ms. Mulvany Henry, seconded by Mr. Wakes, and unanimously carried.

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

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

Item #6– Visitors Comments

There were no visitors wishing to speak.

Item #7– Legislative Update – Kimberly Svaty

Ms. Kimberly Svaty, Gencur Svaty Public Affairs, gave an update on various bills that were introduced through the Kansas Legislature in 2024. There were 3,416 bills introduced and of those, BPU was directly involved with 90. Some key topics included; net metering, parallel generation, the process for gaining a water certificate, and weatherization funding. The incentive package, offered to one or more area sports teams, would also be monitored closely over the next year.

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

Item #8– General Manager / Staff Reports

- i. *May 2024 Financials:* Ms. Lori Austin, Chief Financial Officer.

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The Board discussed the option for creating a consent agenda and waiving the verbal May 2024 Financial presentation for this meeting.

A motion was made to waive the verbal presentation of the May 2024 Financials and adopt them, subject to any questions by the Board, by Ms. Mulvany Henry, seconded by Mr. Wakes.

Ms. Austin confirmed the presentation was published on BPU’s website. Roll call was taken:

Ms. Gonzales: Yes

Mr. Groneman: Yes

Mr. Haley: No

Mr. Wakes: Yes

Ms. Mulvany Henry: Yes

Mr. Parker: Yes

The motion carried.

- ii. *Electric Project Update:* Mr. Darrin McNew, Executive Director Electric Operations, gave the Board an update on his department’s capital projects, many of which are ongoing. He presented details about the pole inspection program and shared photos from the transmission line drone inspection. (See attached PowerPoint.)

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

- iii. *Miscellaneous Comments:* Mr. Johnson told the Board that Ty Gorman would be meeting with BPU staff on July 10th to discuss various topics. He also gave an update on the General Manager (GM) search process and next steps.

Item #7– Public Comments on Agenda Items

Mr. Johnson asked if there were any visitors who wished to address the Board on the agenda items presented.

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Mr. Ty Gorman, 2843 Parkwood Blvd., commented on the upcoming meeting with Mr. Johnson and BPU staff, the Integrated Resource Plan (IRP) planning process, and community outreach topics.

Ms. Alama Rosas-Hall, Kansas City, KS, expressed her thoughts on various matters.

Item #8– Board Comments

Ms. Mulvany Henry wished everyone a safe Independence Day.

Ms. Gonzales had no comments.

Mr. Parker had no comments.

Mr. Wakes thanked the presenters, spoke about his upcoming birthday, on July 10th, and said he looked forward to further discussion regarding the GM search.

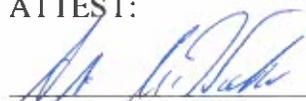
Mr. Haley wished Mr. Wakes a Happy Birthday and thanked Ms. Svaty and staff for updates presented. He thanked Mr. Johnson and BPU staff for reliable services during weather events and wished everyone a Happy Fourth of July.

Mr. Groneman thanked Mr. and Ms. Svaty for the items presented and wished everyone a happy and safe Fourth of July.

Item 9 – Adjourn

At 7:30 PM a motion to adjourn was made by Mr. Wakes, seconded by Ms. Mulvany Henry, and unanimously carried.

ATTEST:



Secretary

APPROVED:



President

May 2024 Financial Results

July 3, 2024

2024 Billed kWh (YTD May)

Electric	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	205,794,745	215,713,835	 <p>All customer classes are below 2023 levels</p>
Commercial	383,974,975	388,561,443	
Industrial	206,950,066	212,128,515	
	796,719,786	816,403,793	

Residential – Down 5% Commercial – Down 1% Industrial – Down 2.5%

2024 Billed CCF's (YTD May)

Water	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	1,348,410	1,369,946	↓
Commercial	1,017,806	974,778	↑
Industrial	723,992	720,311	
	3,090,208	3,065,035	↑ 0.8%

Residential – Down 1.5%

Commercial – Up 4%

Industrial – Up .5%



Financial Results

Revenues – May 2024

	(CY) 2024 May	(PY) 2023 May		Budget 2024 May	(CY) 2024 May	
Electric	\$ 23.755	\$ 24.677		\$ 23.479	\$ 23.755	
Water	4.470	4.473		4.473	4.470	
Combined	\$ 28.225	\$ 29.150	-3.2%	\$ 27.952	\$ 28.225	1.0%

**Dollars in millions

Actual Compared to 2024 Budget

- Electric – Up 1%
- Water – Within budget
- Combined – Down 1%

Financial Results

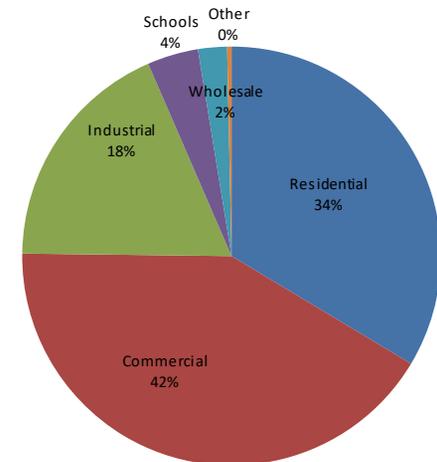
Revenues – 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 122.527	\$ 126.732	↓	\$ 124.265	\$ 122.527	↓
Water	22.053	20.730	↑	22.043	22.053	↑
Combined	\$ 144.580	\$ 147.462	↓	\$ 146.308	\$ 144.580	↓ -1.2%
			-2.0%			

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2024

<u>Electric:</u>	Down 1%	<u>Water:</u>	<i>Within Budget</i>
Residential	(\$ 2.8M)	Residential	(\$222K)
Commercial	\$ 1.7M	Commercial	\$440K
Industrial	(\$ 1.5M)	Industrial	\$ 32K
Schools	\$ 55K	Wholesale	(\$ 82K)
Wholesale	(\$ 3.1M)		



Recognized 5 months of 6 of the 2023 ERC Over Recovery of the ERC - \$3,406,274



Financial Results

Operating Expenses – May 2024

	(CY) 2024 May	(PY) 2023 May		Budget 2024 May	(CY) 2024 May	
Electric	\$ 18.131	\$ 23.086		\$ 20.820	\$ 18.131	
Water	3.271	3.366		4.055	3.271	
Combined	\$ 21.402	\$ 26.452	-19.1%	\$ 24.875	\$ 21.402	-14.0%

**Dollars in millions

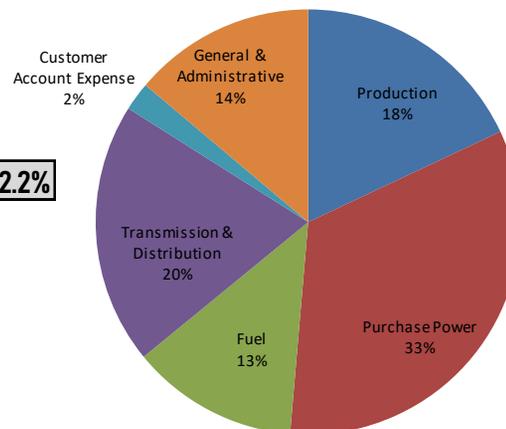
Actual Compared to 2024 Budget

Electric – Down 13%

Water – Down 19%

Operating Expenses – 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 100.824	\$ 105.133	↓	\$ 96.138	\$ 100.824	↑
Water	15.955	15.797	↑	18.138	15.955	↓
Combined	\$ 116.779	\$ 120.930	↓	\$ 114.276	\$ 116.779	↑
			-3.4%			2.2%



**Dollars in millions

Actual Compared to 2024 Budget

- Electric – Up 5%
- Water - Down 12%
- Combined – Up 2%

Operating Expenses – 2024 YTD less Depreciation

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 85.785	\$ 90.439	↓	\$ 81.607	\$ 85.785	↑
Water	12.439	12.296	↑	14.685	12.439	↓
Combined	\$ 98.224	\$ 102.735	↓	\$ 96.292	\$ 98.224	↑ 2.0%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2024

Electric:

Purchased Power \$8.0M
 Fuel \$930K
 Production (\$837K)
 T&D (\$1.6M)
 G&A (\$2.0M)

Water:

Production (\$560K)
 T&D (\$1.0M)
 G&A (\$565K)



Financial Results

Change in Net Position – May 2024

	(CY) 2024 May	(PY) 2023 May
Electric	\$ 2.082	\$ (2.230)
Water	1.511	0.697
Combined	\$ 3.593	\$ (1.533)

Budget 2024 May	(CY) 2024 May
\$ (0.990)	\$ 2.082
(0.036)	1.511
\$ (1.026)	\$ 3.593



**Dollars in millions



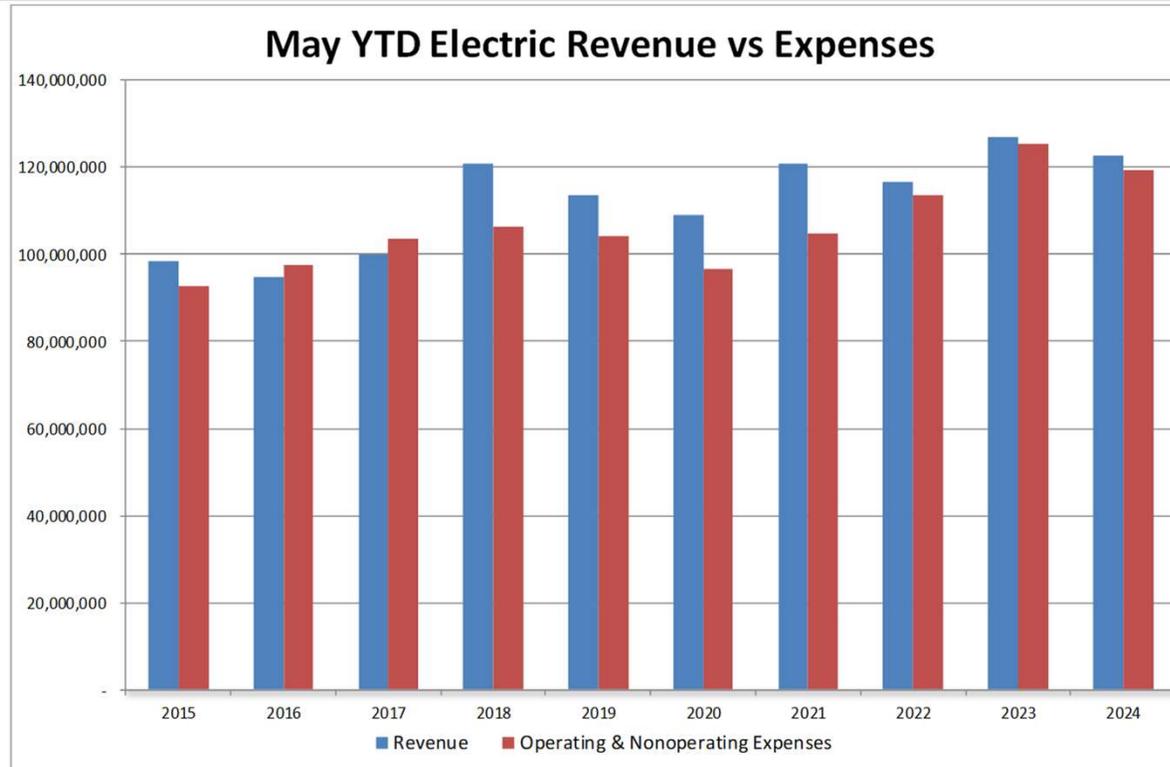
Financial Results

Change in Net Position – 2024 YTD

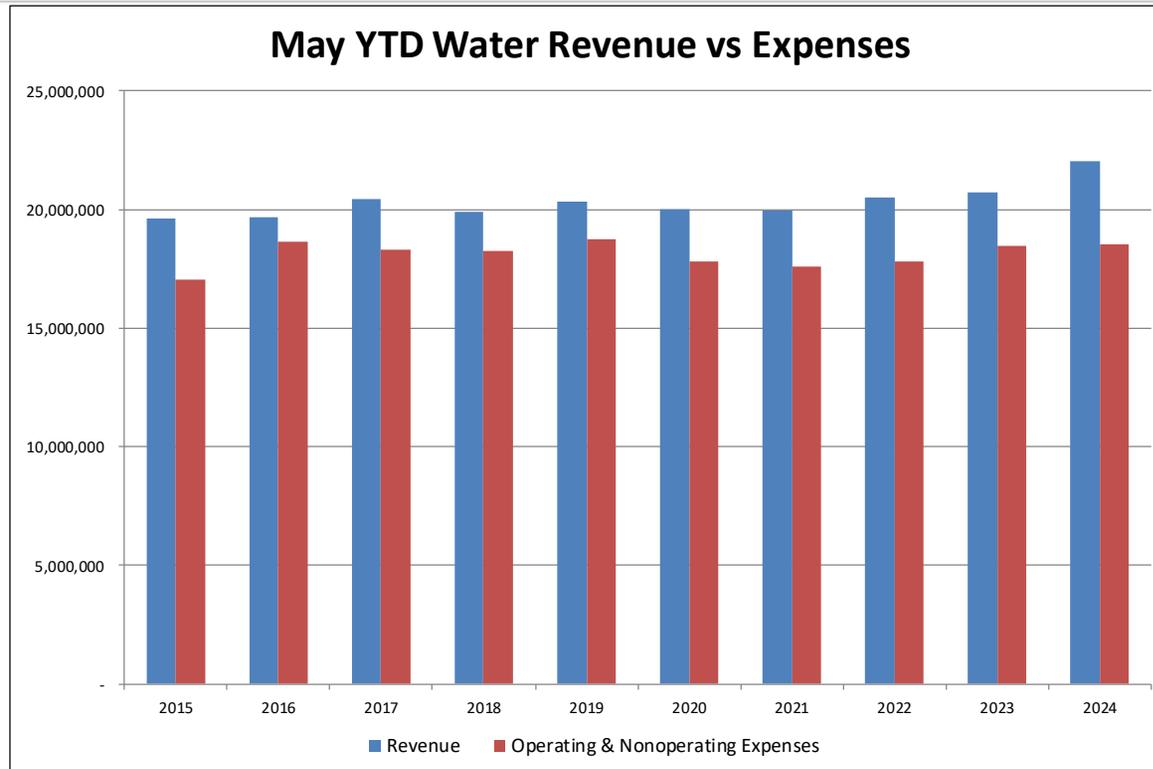
	(CY) 2024 YTD	(PY) 2023 YTD	Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 3.278	\$ 1.474	\$ 9.057	\$ 3.278	↓
Water	5.653	2.652	1.435	5.653	↑
Combined	\$ 8.931	\$ 4.126	\$ 10.492	\$ 8.931	↓

**Dollars in millions

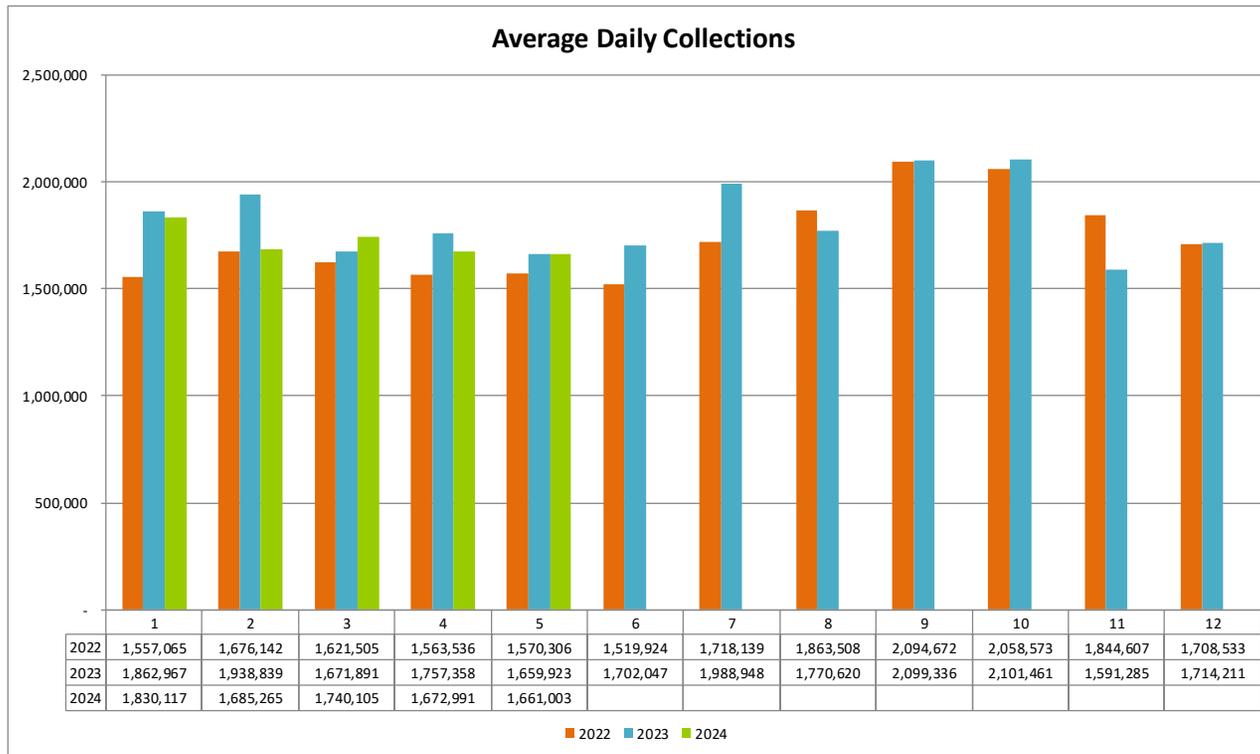
Financial Results – 10 Year Trend



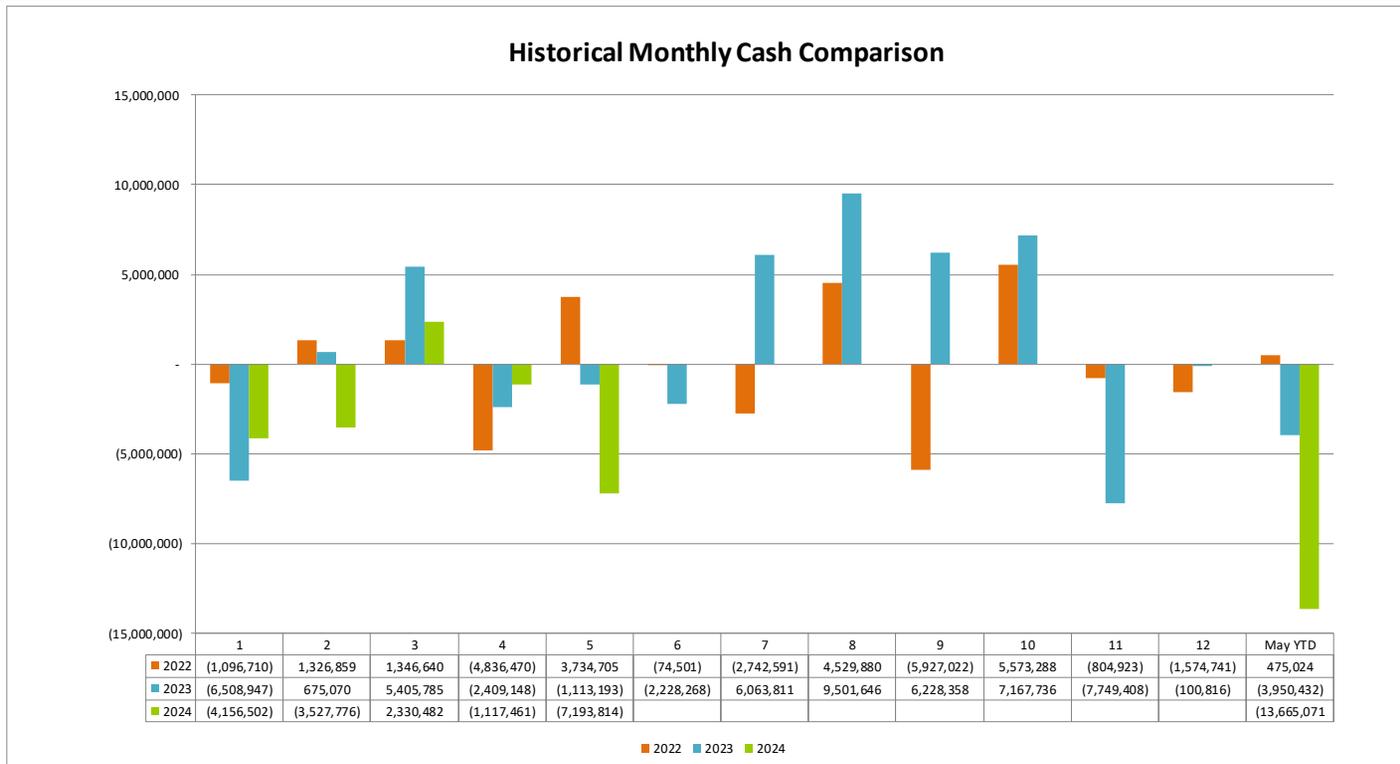
Financial Results – 10 Year Trend



Financial Results



Financial Results





Financial Results

Cash Position

	(CY) 2024 May	(PY) 2023 May	2024 April
Combined (E&W)	\$ 43.63	\$ 40.28	\$ 50.81
Days Cash-on-Hand	70	61	81

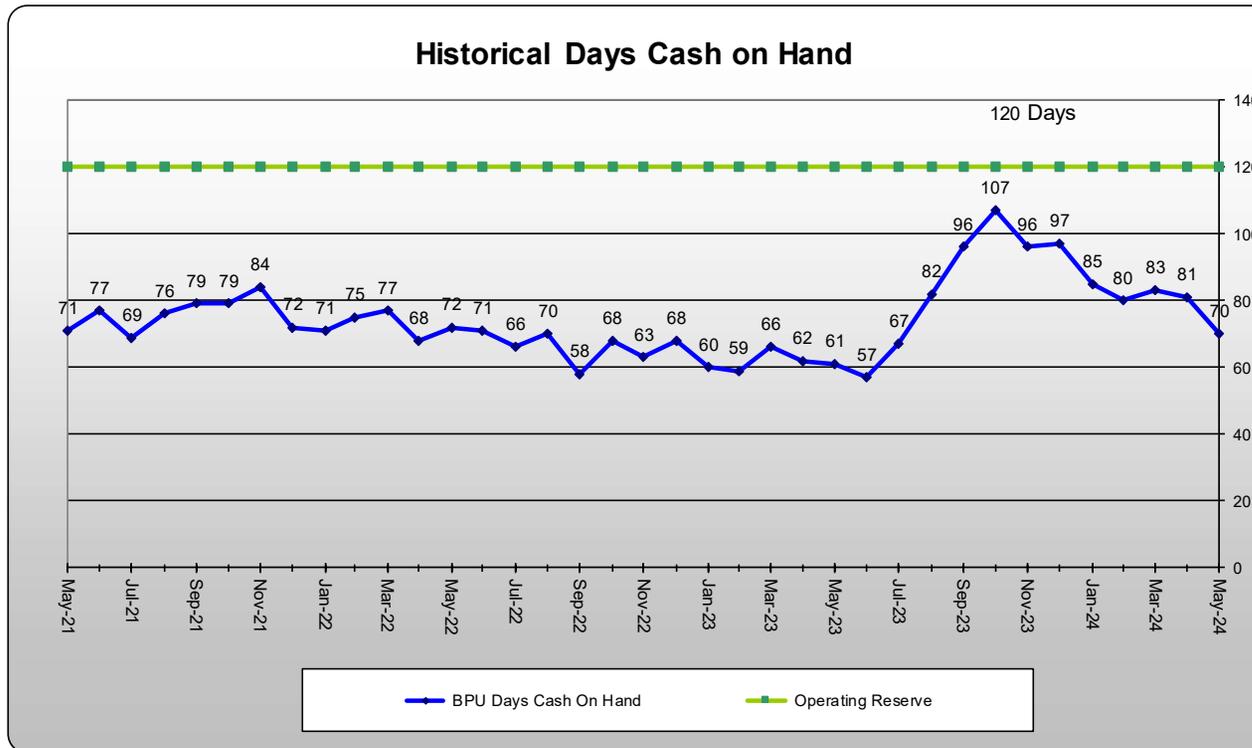
1 Day = Approximately \$600K-\$625K
 (Based on 12 month rolling average of expenses)

Balance Sheet: Notables

	(CY) 2024 May	(PY) 2023 May
Fuel Inventory	\$ 13.196	\$ 12.041

**Dollars in millions

Financial Results



Capital Spending

	(CY) 2024 YTD	(PY) 2023 YTD	2024 Budget	
Electric	\$ 8.41	\$ 8.62	\$ 35.58	
Water	4.95	3.83	26.38	
Common	1.75	1.14	5.13	
Total YTD Capital	\$ 15.10	\$ 13.60	\$ 67.09	Remaining 77%

Major projects in 2024:

**Dollars in millions

- Annual OH & UG Construction - \$1.0M
- Annual Meter Program - \$800K
- Distribution Pole Inspection - \$1.1M
- OH & UG Transformers - \$1.4M
- 98th St OH Feeder Relocation - \$690K
- Water Distribution - \$2.5M
- Water Production - \$300K
- Water Services - \$335K

Debt Coverage

Debt Coverage with PILOT

Financial Guideline Target
2.0 times with PILOT

	(CY) 2024 May	(PY) 2023 May
Electric	2.55	2.75
Water	2.86	2.15
Combined	2.71	2.84

Debt Coverage w/o PILOT

Financial Guideline Target
1.6 times without PILOT

	(CY) 2024 May	(PY) 2023 May
Electric	1.84	2.02
Water	2.26	1.68
Combined	1.99	2.11



Kansas City Board of Public Utilities

Electric Operations
July 3, 2024

Capital Project Update

- New Development Projects
- 98th Street Pole Relocation
- Levee Project
- Pole Inspection & Replacement Program
- Transmission Line Inspection & Rebuild Projects
- Mill Street Substation
- Piper Overhead Feeder Project

New Development Projects

- Rock Island Bridge - Summer 2024
- Holiday Sand and Gravel - Late 2024
- Yards II Apartments - Spring 2025
- American Royal Campus - Spring 2025
- Homefields Development - Spring 2025
- Marvin - 2025

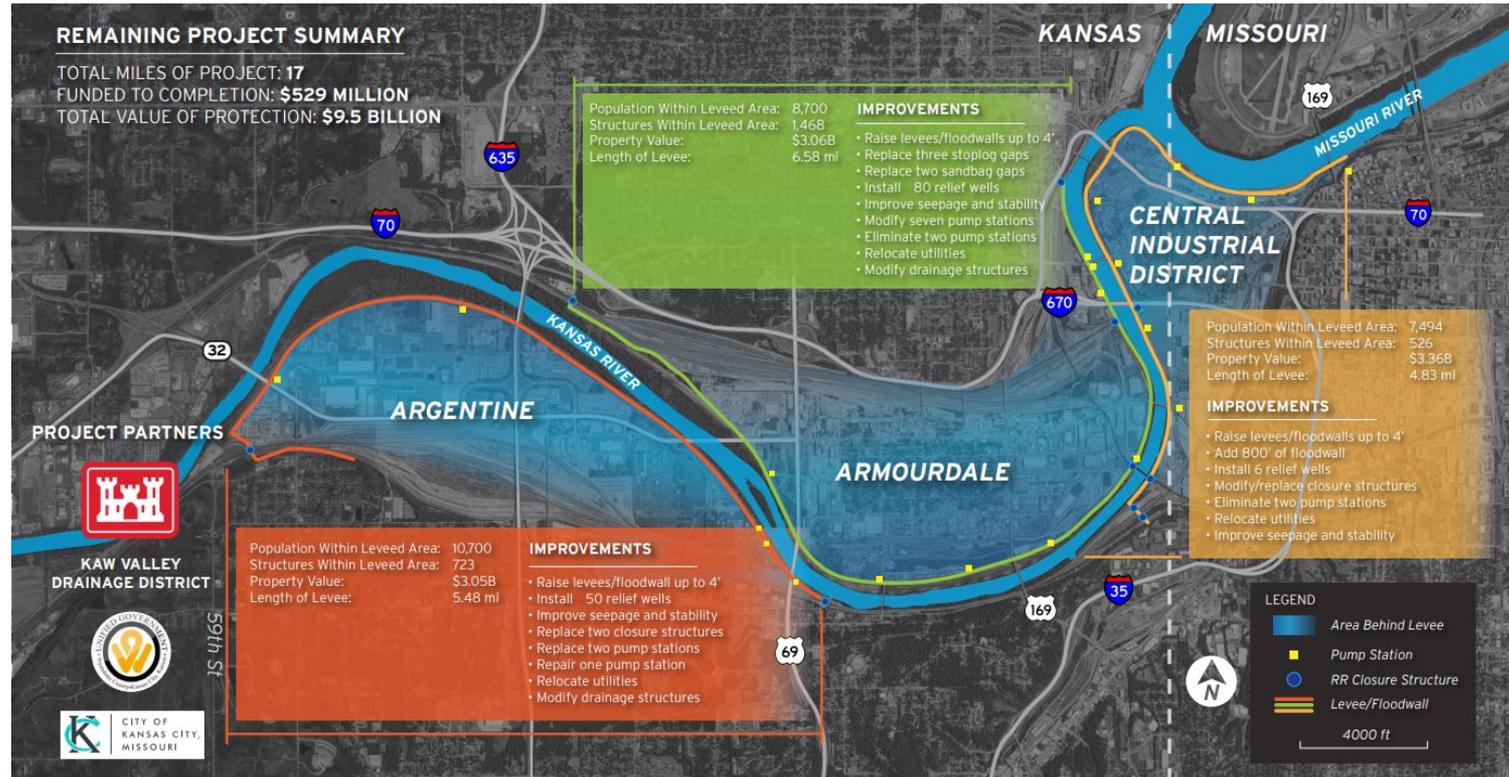
98th Street Pole Relocation

- KDOT/ City of Edwardsville road improvement project between Kansas Ave and I-70
- Full road replacement, road widening, addition of sidewalks and traffic control
- Installed nearly 1.5 miles of new overhead distribution line and removed existing circuit
- Required crossings over I-435 and I-70/I-435 interchange

Levee Project

- USACE project to raise Levee and replace existing pump stations in Argentine, Armourdale, and Central Industrial District
- Relocation of BPU infrastructure in conflict with the project and new infrastructure for new pump stations
- Requires construction of three new river crossings
- Project is ongoing and work will continue into 2025

Levee Project



Pole Inspection Program

- Inspect all wood poles on the system
- 10 year inspection cycle, currently in fourth year
- Inspect overall pole condition and structural integrity
- Improve system reliability and public safety
- Extend the life of existing wood poles

Pole Inspection Program

- Total Number of Poles: 57,464
- Number of Poles Inspected: 18,918
- Number of Poles Replaced through May 2024: 154
- Total Poles Replaced: 1,274

Transmission Line Rebuild Projects

- Replace aging transmission infrastructure and increase the reliability of the 161kV and 69kV transmission systems
- Currently working on replacing 11 transmission poles along Speaker Road between S 55th Street and I-635
- 161kV tie line rebuild project in conjunction with project to install OPGW fiber optic on line
- Aerial drone inspections of transmission lines

Transmission Line Inspection

- Create field dashboard to track assets
- Drone inspection imagery is collected
- Asset information is relayed to field dashboard during inspection
- Comprehensive assessment is performed

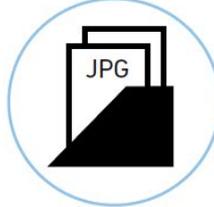
Actionable data and reports are delivered:



Excel Report



[Results Dashboard](#)



Archived Image Files



Esri File Geodatabase



Summary Report

Transmission Line Inspection



Transmission Line Inspection



Transmission Line Inspection



Mill Street Substation

- Replace existing 69kV Mill Street Substation with new 161kV substation
- Retire 69kV Muncie Substation
- Project is being done in conjunction with customer facility expansion
- Civil and Physical Design - Burns & McDonnell
- Electrical Design - BPU
- Material Specification and Procurement - BPU
- Construction July through September 30th 2024

Mill Street Substation



Piper OH Feeder Project

- Meet electric demand of new economic development in the area and add redundancy for existing loads
- Rebuild of existing circuits along 118th Street and construction of new overhead circuits from 118th Street & Parallel Pkwy back to Piper Substation
- BPU received a \$2,000,000 EDA grant to partially fund the project
- Phase 1 material delivery and construction start October 2024

Questions?