

REGULAR SESSION –WEDNESDAY, SEPTEMBER 6, 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, September 6, 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, and David Haley. Jeff Bryant was absent.

Also present: William Johnson, General Manager; Angela Lawson, Acting Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Jeremy Ash, Chief Operating Officer; Maurice Moss, Executive Director Corporate Compliance; Steve Green, Executive Director Water Operations; Johnetta Hinson, Executive Director Customer Service; Darrin McNew, Executive Director Electric Operations; Dennis Dumovich, Director of Human Resources; Dustin Miller, Director of Applications; Ingrid Setzler, Director Environmental Services; Douglas Bowen, Superintendent Maintenance-Nearman; 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 6:04 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, except Jeff Bryant.

REGULAR SESSION –WEDNESDAY, SEPTEMBER 6, 2023

STATE OF KANSAS)
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Item #3 – Approval of Agenda

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

Item #4 – Approval of Work Session Minutes of August 16, 2023

A motion was made to approve the minutes of the Work Session of August 16, 2023, by Ms. Gonzales, seconded by Mr. Milan, and unanimously carried.

Item #5 – Approval of Regular Session Minutes of August 16, 2023

A motion was made to approve the minutes of the Regular Session of August 16, 2023, by Mr. Groneman, seconded by Ms. Gonzales, and unanimously carried.

Item #6– Public Comments

Ms. Beth Ciperson, 4535 Cambridge St., inquired if BPU would be increasing rates in the future to support Panasonic Energy, the battery manufacturing facility located in De Soto, KS.

Ms. Mulvany Henry responded and stated BPU had just completed a rate hearing. Panasonic was not part of that hearing.

Item #7– 20/20 Leadership

Ms. Marnie Morgan, Executive Director of 20/20 Leadership, along with participating students of 20/20 Leadership spoke to the Board about the program. The students talked about the impact the program had on their academic growth as well as other areas such as; confidence, real-world opportunities and networking. They also spoke about various projects they had completed in their schools as a result of their participation in 20/20 Leadership.

Ms. Morgan and students responded to questions and comments from the Board and Mr. Johnson.

Item #8– General Manager / Staff Reports

- i. *July 2023 Financials*: Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, reviewed the July 2023 Financials with the Board. (See attached PowerPoint.)

REGULAR SESSION –WEDNESDAY, SEPTEMBER 6, 2023

STATE OF KANSAS)
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A motion was made to approve the July 2023 Financials as presented, by Mr. Groneman, seconded by Mr. Milan, and unanimously carried.

- ii. *RFP for Power Plant Properties:* Maurice Moss, Executive Director Corporate Compliance, explained the current impact and mitigation measures taken at the Kaw and Quindaro Power Plants. As part of the mitigation effort, he introduced a Request for Proposal (RFP) option to the Board and outlined the process. (See attached PowerPoint.)

Mr. Moss, Ms. Ingrid Setzler, Director Environmental Services, Mr. Darrin McNew, Executive Director Electric Operations, and Mr. Johnson responded to questions and comments from the Board.

Ms. Mulvany Henry confirmed with Mr. Johnson that a Memorandum of Understanding would be put in place between BPU and the Unified Government (UG) regarding the revenue that may come from the properties.

- iii. *Miscellaneous Comments:* Mr. Johnson reminded the Board of the groundbreaking ceremony of the Kansas City Kansas Community Education, Health and Wellness Center, September 8, 2023 at 10:00 AM.

Mr. Johnson notified the Board he would be sending out a revised Budget calendar to allow more discussion on Staffing.

Mr. Johnson also commented on an email from Commissioner Bynum in regards to interest in moving forward with PILOT relief. He, Ms. Lawson and Ms. Austin responded to questions and comments from the Board on this topic.

Item #9 – Board Comments

Mr. Haley looked forward to the RFP’s for BPU facilities and was pleased to get updated on the financials.

Mr. Groneman had no comments.

Mr. Milan wanted to recognize the importance of 20/20 Leadership and the impact it has had on the youth in our community.

REGULAR SESSION –WEDNESDAY, SEPTEMBER 6, 2023

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Ms. Gonzales echoed Mr. Milan about the importance of 20/20 Leadership and added the Board’s continued support of the program was paramount. She thanked Mr. Moss and his team for their presentation and commended him on his leadership.

Ms. Mulvany had no comments.

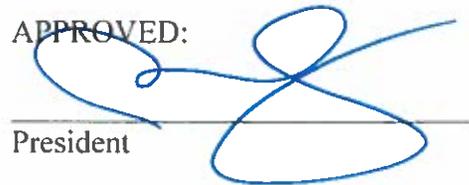
Item #10 – Adjourn

At 7:32 PM a motion to adjourn was made by Mr. Milan, seconded by Mr. Haley and unanimously carried.

ATTEST:


Secretary

APPROVED:


President

July 2023 Financial Results

September 6, 2023

2023 Billed kWh (YTD Jan - July)

Electric	(CY) 2023 YTD	(PY) 2022 YTD	
Residential	327,497,687	342,041,284	↓
Commercial	568,023,680	566,449,357	↑
Industrial	299,529,834	305,518,283	↓
	1,195,051,201	1,214,008,924	↓ -1.6%

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

Residential – Down 4% Commercial – Up <1% Industrial – Down 2%

2023 Billed CCF's (YTD Jan - July)

Water	(CY) 2023 YTD	(PY) 2022 YTD	
Residential	2,044,983	1,943,510	 Residential and Commercial were above 2022 levels while  Industrial was slightly below 2022 levels
Commercial	1,503,536	1,439,877	
Industrial	1,046,732	1,064,772	
	4,595,251	4,448,159	3.3%

Residential – Up 5%

Commercial – Up 5%

Industrial – Down 2%

Revenues – July 2023

	(CY) 2023 July	(PY) 2022 July		Budget 2023 July	(CY) 2023 July	
Electric	\$ 32.722	\$ 35.201		\$ 31.750	\$ 32.722	
Water	5.343	5.055		4.899	5.343	
Combined	\$ 38.065	\$ 40.256	-5.4%	\$ 36.649	\$ 38.065	3.9%

Actual Compared to 2023 Budget

Electric – Up 3%

Water – Up 9%

Combined – Up 4%

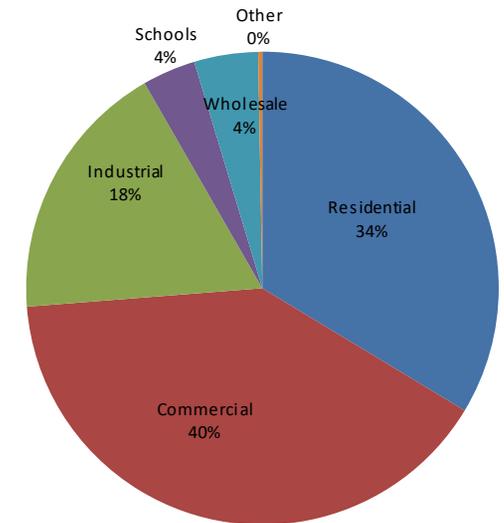
Revenues – 2023 YTD

	(CY) 2023 YTD	(PY) 2022 YTD		Budget 2023 YTD	(CY) 2023 YTD	
Electric	\$ 187.155	\$ 179.152	↑	\$ 179.186	\$ 187.155	↑↑
Water	30.737	29.771		29.915	30.737	↑↑
Combined	\$ 217.892	\$ 208.923	↑ 4.3%	\$ 209.101	\$ 217.892	↑ 4.2%

**Dollars in millions

Variance - YTD comparing Budget to Actual for 2023

<u>Electric:</u>	<i>Up 5%</i>	<u>Water:</u>	<i>Up 3%</i>
Residential	\$384K	Residential	\$502K
Commercial	\$ 7.7M	Commercial	\$586K
Industrial	\$ 746K	Industrial	(\$ 78K)
Schools	\$647K	Wholesale	\$173K
Wholesale	(\$3.4M)		



Operating Expenses – July 2023

	(CY) 2023 July	(PY) 2022 July		Budget 2023 July	(CY) 2023 July	
Electric	\$ 20.257	\$ 22.251		\$ 19.124	\$ 20.257	↑
Water	3.067	2.920		3.297	3.067	↓
Combined	\$ 23.324	\$ 25.171	-7.3%	\$ 22.421	\$ 23.324	↑ 4.0%

Actual Compared to 2023 Budget

Electric – Up 6%

Water - Down 7%

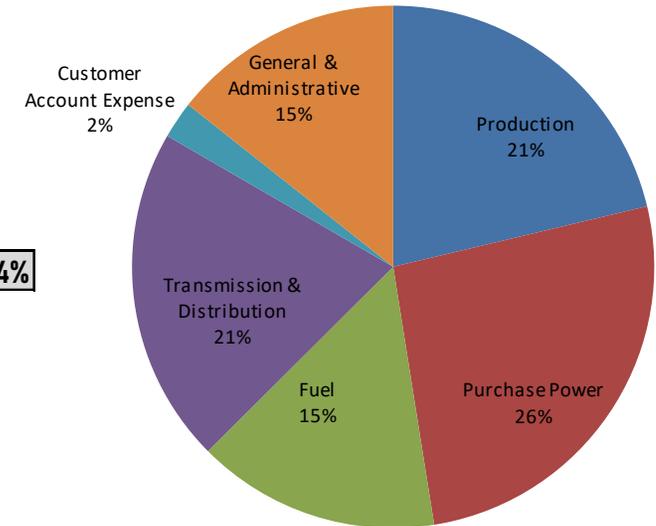
Operating Expenses – 2023 YTD

	(CY) 2023 YTD	(PY) 2022 YTD		Budget 2023 YTD	(CY) 2023 YTD	
Electric	\$ 148.673	\$ 137.268		\$ 141.685	\$ 148.673	
Water	22.358	21.106		23.789	22.358	
Combined	\$ 171.031	\$ 158.374	8.0%	\$ 165.474	\$ 171.031	3.4%

**Dollars in millions

Actual Compared to 2023 Budget

- Electric – Up 5%
- Water - Down 6%
- Combined – Up 4%



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	\$ 128.036	\$ 118.918		\$ 121.467	\$ 128.036	↑
Water	17.444	16.300		18.900	17.444	↓
Combined	\$ 145.480	\$ 135.218	7.6%	\$ 140.367	\$ 145.480	↑ 3.6%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2023

Electric:

Purchased Power	\$837K
Fuel	(\$6.3M)
Production	\$854K
T&D	(\$2.0M)
G&A	(\$1.3M)

Water:

Production	(\$772K)
T&D	(\$393K)
G&A	(\$233K)

Change in Net Position – July 2023

	(CY) 2023 July	(PY) 2022 July
Electric	\$ 8.305	\$ 8.160
Water	1.728	1.232
Combined	\$ 10.033	\$ 9.392

Budget 2023 July	(CY) 2023 July
\$ 8.239	\$ 8.305
1.061	1.728
\$ 9.300	\$ 10.033

**Dollars in millions

Change in Net Position – 2023 YTD

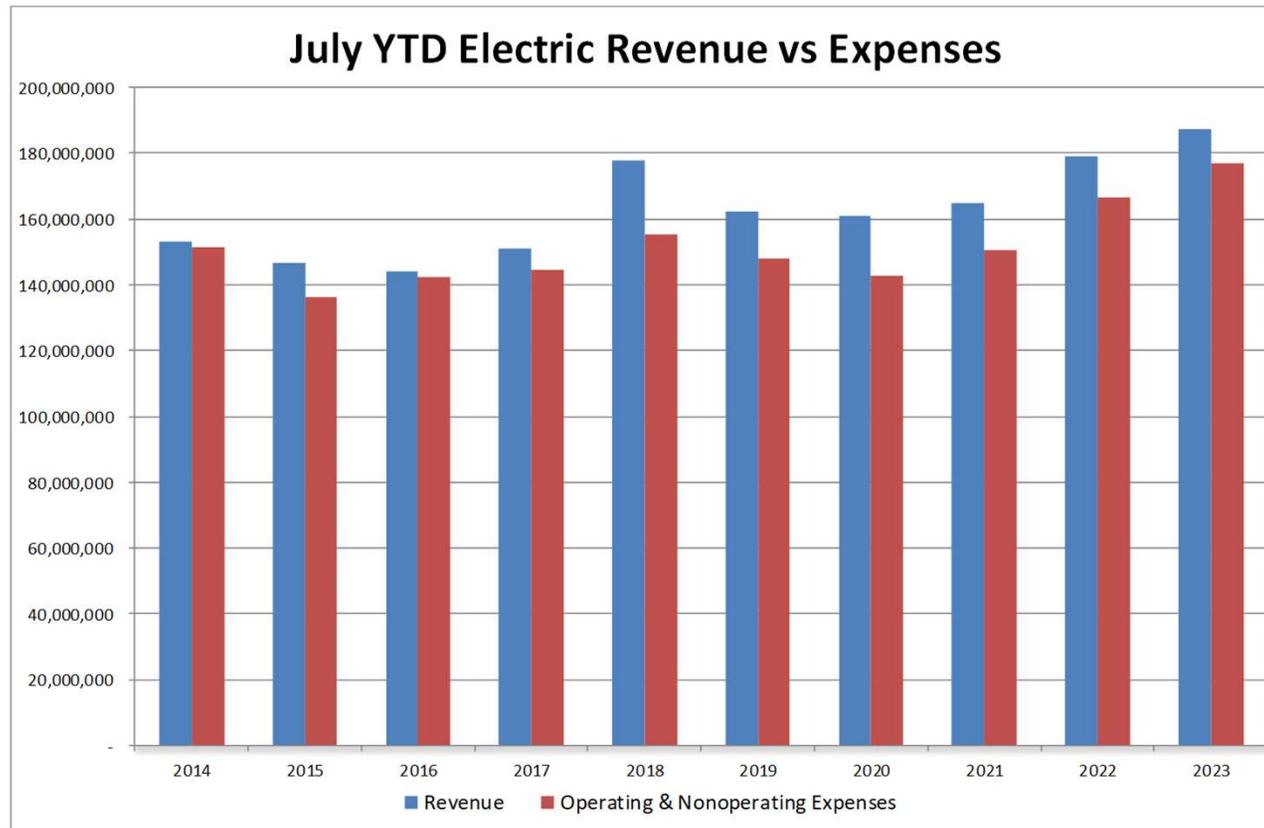
	(CY) 2023 YTD	(PY) 2022 YTD
Electric	\$ 10.130	\$ 12.744
Water	5.243	4.704
Combined	\$ 15.373	\$ 17.448

Budget 2023 YTD	(CY) 2023 YTD
\$ 9.658	\$ 10.130
2.547	5.243
\$ 12.205	\$ 15.373

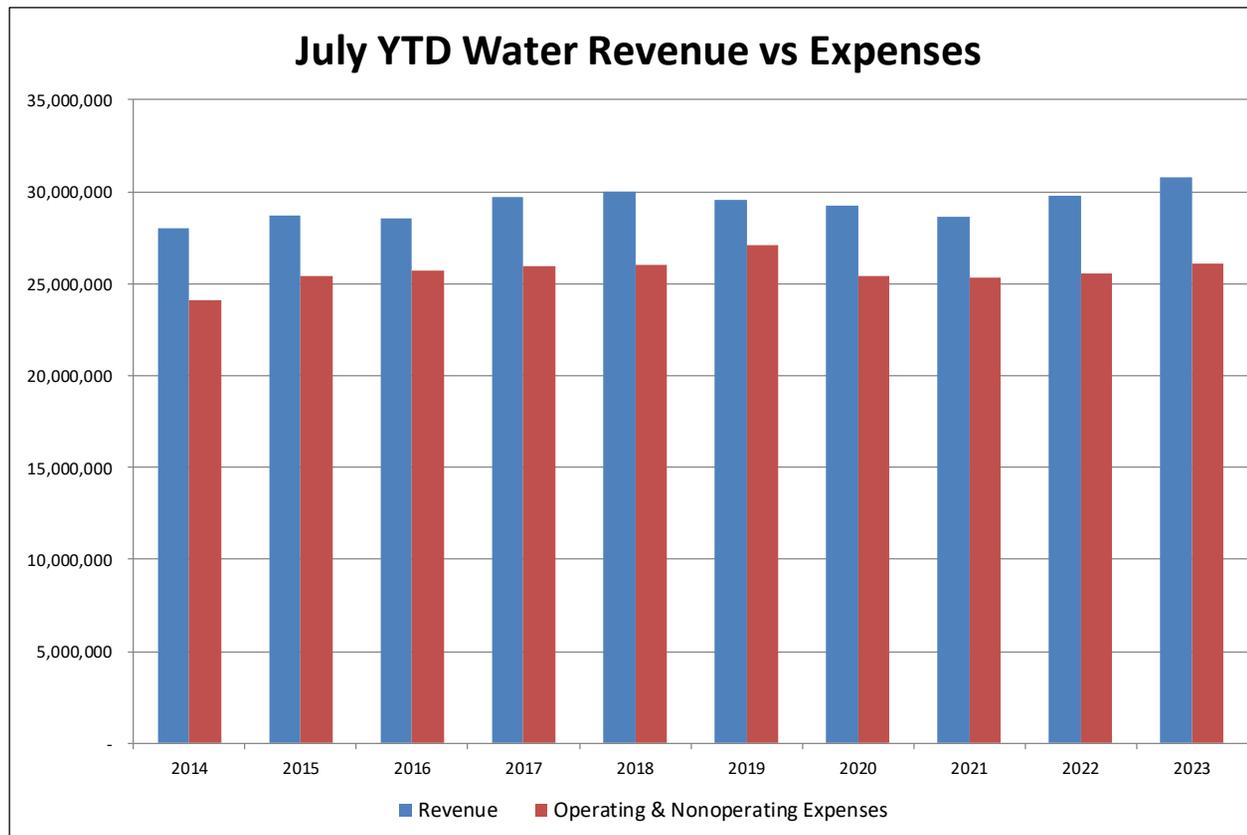


**Dollars in millions

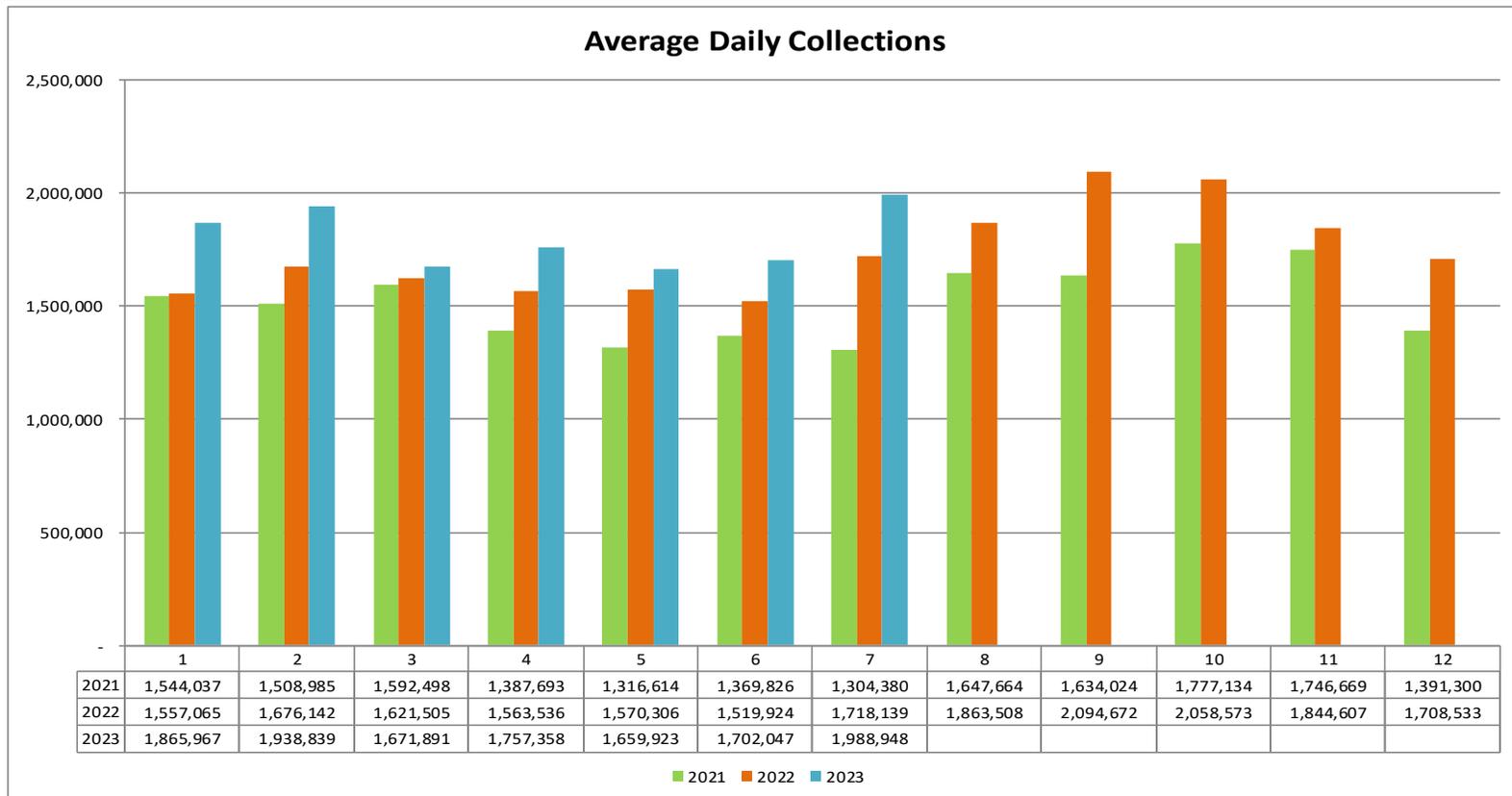
Financial Results – 10 Year Trend



Financial Results – 10 Year Trend



Financial Results



Financial Results

Historical Monthly Cash Comparison



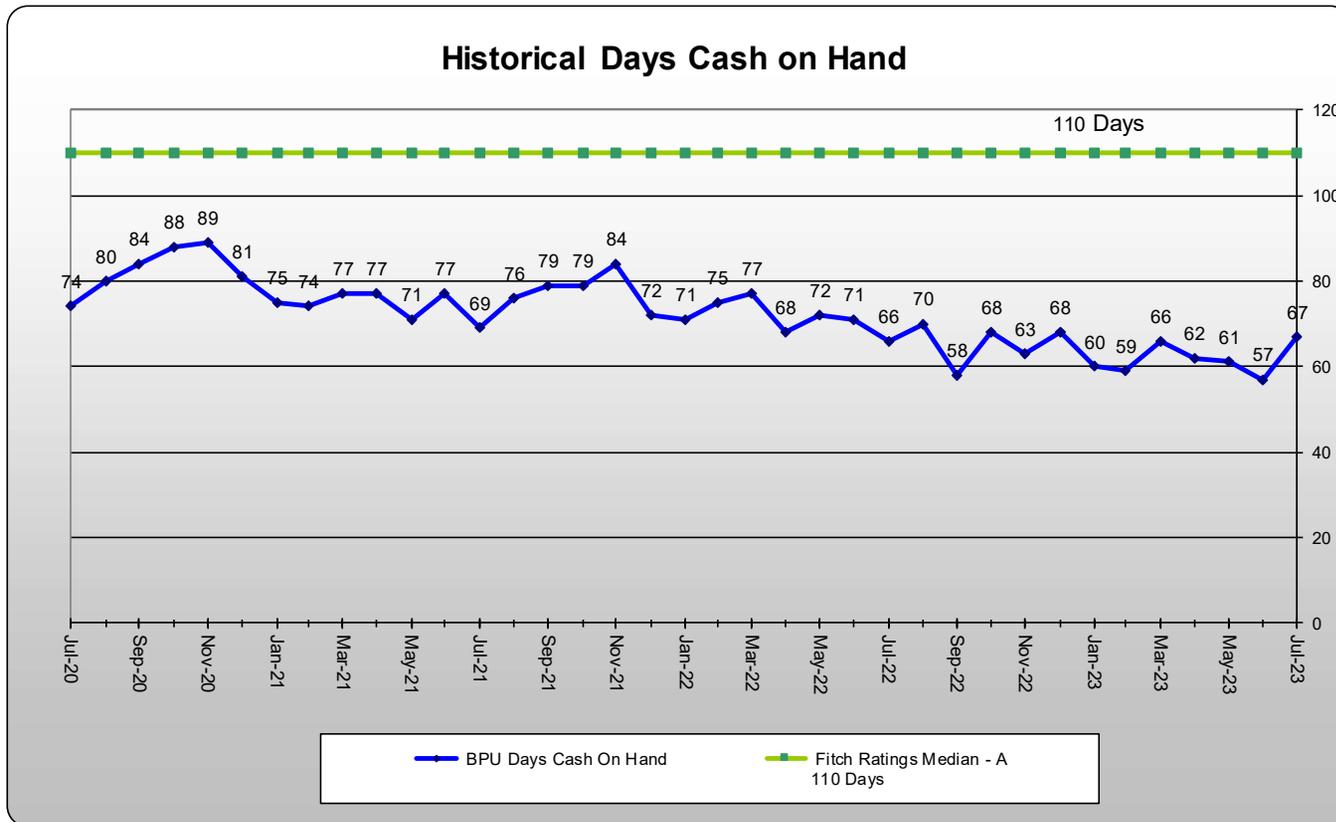
Cash Position

	(CY) 2023 July	(PY) 2022 July	2023 June
Combined (E&W) Days Cash-on-Hand	\$ 43.71 67	\$ 41.93 66	\$ 37.42 57

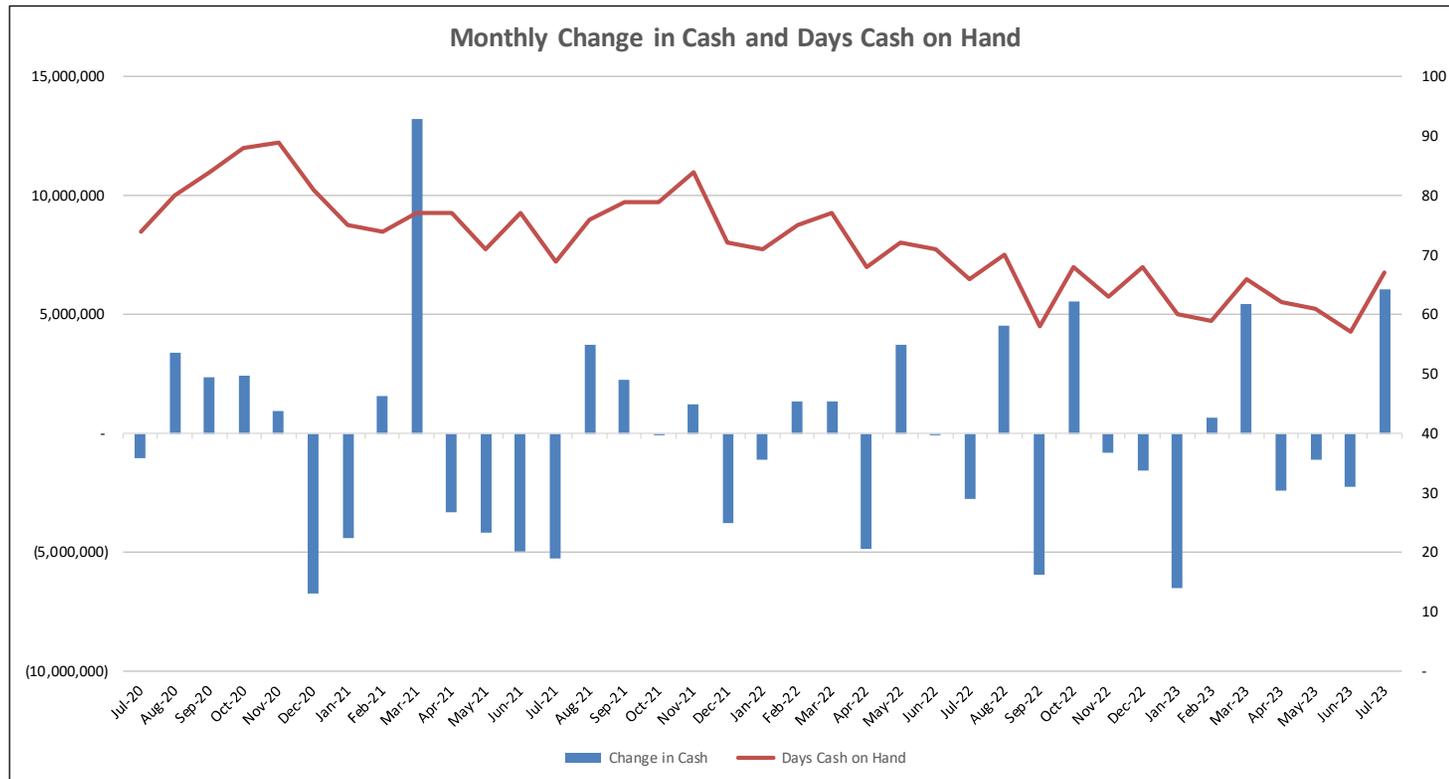
**Dollars in millions

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

Financial Results



Financial Results



Balance Sheet: Notables

	(CY) 2023 July	(PY) 2022 July
Fuel Inventory	\$ 10.404	\$ 3.361
Bond Dollars 2016C (Elec T&D)	\$ 0.734	\$ 0.710
Bond Dollars 2020A (Elec)	\$ 0.826	\$ 0.798

**Dollars in millions

Capital Spending

	(CY) 2023 YTD	(PY) 2022 YTD	2023 Budget		
Electric	\$ 14.06	\$ 12.71	\$ 30.67		
Water	7.31	4.55	24.71		
Common	1.78	1.91	5.20		
Total YTD Capital	\$ 23.15	\$ 19.17	\$ 60.58	Remaining	62%

Major projects in 2023:

**Dollars in millions

- Fisher UG Feeders - \$2.3M
- Annual Underground - \$1.0M
- Annual Overhead - \$1.1M
- Distribution Pole Inspect/Replace - \$934K
- N1 Burner Coal Nozzle Replacement – \$2.5M
- Water Sys Imp, Valves & Leaks - \$1.9M
- Argentine 7 MG Tank Replacement - \$3.1M

Debt Coverage

Debt Coverage with PILOT

	(CY) 2023 July	(PY) 2022 July
Electric	2.75	2.38
Water	2.23	1.99
Combined	2.85	2.50

Debt Coverage w/o PILOT

	(CY) 2023 July	(PY) 2022 July
Electric	2.01	1.72
Water	1.75	1.54
Combined	2.12	1.83

Financial Guideline Target 1.6 to 2.1 times with PILOT

Generating Facilities Plan

September 06, 2023

Key Topics

Power Plant Properties:

- Kaw Power Plant
- Quindaro Power Plant

Current Impact:

- Liability Risks
- Neighborhood stabilization and revitalization

Mitigation Measures:

- Security Enhancements
- Asbestos Remediation
- Request for Proposals



Generating Facilities

Kaw Generating Facilities

Commissioned 1955 and 1962

3 coal/gas fired steam generation units



Quindaro Generating Facilities

Commissioned 1966 and 1971

Coal fired steam (Unit 1) and coal/gas (Unit 2)



Current & Future Impact

- Maintenance Requirements
- Attractive Nuisance
- Environmental Risk
- Safety Risk

Mitigation Efforts

- Security Enhancements
- Asbestos Remediation
- Request for Proposals

Request for Proposals

- Demand Star
 - Automatic Notifications
 - Two-Week Minimum
 - Wyandotte Echo
 - Media Push

- Site Visits

- Target Date

Questions?

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