Board of Public Utilities

2025 Summary Annual Budget

KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

Board of Directors

Tom Groneman
President

David Haley
Vice President

Stevie Wakes, Sr.
Secretary

Brett Parker
Member

Mary Gonzales
Member

Rose Mulvany Henry
Member

William A. Johnson
General Manager

Angela Lawson
Legal Counsel

Management Staff

Jeremy Ash
Chief
Operating Officer

Lori C. Austin
Chief
Financial Officer

Abbey Frye
Chief
Administrative Officer

Leigh Mulholland
Chief
Compliance Officer

Jerrold T. Sullivan
Chief
Information Officer

Stephen E. Green
Executive Director
Water Operations

Johnetta M. Hinson
Executive Director
Customer Services

Darrin McNew
Executive Director
Electric Operations

Jerin Purtee
Executive Director
Electric Supply

Don Stahl
Executive Director
Electric Production

Becky Aldinger
Director
Purchasing & Supply Chain

Douglas C. Bowen
Director
Electric Production Ops & Maint

Andrew Coffelt
NERC Compliance
Officer

Dennis Dumovich
Director
Human Resources

Mike Fergus
Director
Electric Distribution & Services

Jody Franchett
Director
Administrative Services

Brian D. Laverack
Director
Network Operations

Dustin Miller
Director
Applications

Patrick J. Morrill
Director
Electric Engineering

Steve Nirschl
Director
Water Processing

Amber Oetting
Director
Communications & Marketing

Randy J. Otting
Director
Accounting

Marshall Robinett
Director
Water Distribution

Ingrid Setzler
Director
Environmental Services

Chris J. Stewart
Director
Civil Engineering

Table of Contents

General Manager's Budget Message 1

Highlights of 2025 Budget

BPU Resources 3
BPU Uses 4
Statement of Cash Flows 6
Net Income Statements 8
Highlights of the 2025 Revenue Projections 12
Funds and Reserves Guidelines 16
Personnel Costs 18
Fuel and Purchased Power 19
Customer Sales Information 21
Debt Service 23
Contributions to the Community 29

Overview of the 2025 Capital Imrovements Plan 30

Staffing Summary 31

Glossary of Terms 32

KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

READER'S GUIDE TO THE ANNUAL BUDGET

The reader's guide is intended to give the reader an understandable and comprehensive overview of the Annual Budget. This publication is composed of the following sections as follows:

General Manager's Budget Message

The purpose of the General Manager's budget message is to give the reader an overview of the major spending priorities in the Annual Budget and the goals and objectives for the coming year.

Highlights of the Budget

This section is designed to give the financial picture of the BPU by demonstrating the financial requirements through statements of cash flows and net income. Also included are schedules showing the assumptions used in the development of revenues. This is followed by a summary of the major spending areas in the Annual Budget.

Goals and Objectives

This section is a summary of the major spending priorities in the Annual Budget and the goals and objectives for the coming year.

Capital Projects and Five-Year Capital Plan

This section includes major capital improvement projects, capital equipment purchases and capital leases for all divisions of the BPU. The capital types are described to give the reader an understanding of the kinds of capital projects being proposed. Also included in the Annual Budget is the Five-Year Capital Budget Projections with Financing Plan.

Other Information

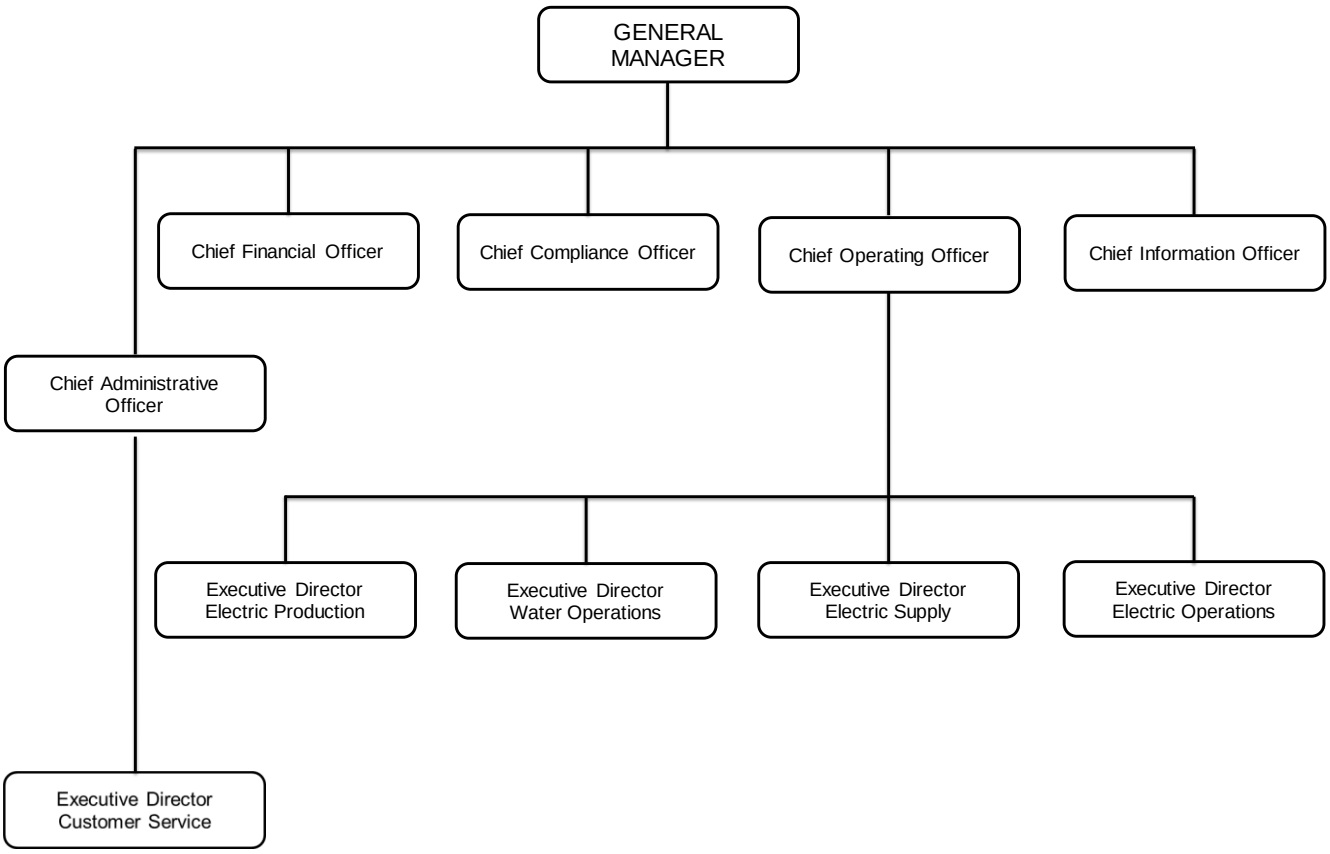
The next section is Other Information. Included in this section are the Staffing Authorization, Overview of the Annual Budgeting Process, Glossary of Terms, and a Department Table Listing.

Operating Budget Detail

The final section is the Budget Detail. Included in this section is the detail operating expenditures by account for each division.

Kansas City Board of Public Utilities

Organizational Chart



KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

Embracing the Power of Community

Pursuant to the Unified Government Charter Ordinance, the Kansas City Board of Public Utilities (BPU) is required to prepare an Annual Operating Budget each year for consideration by the BPU Board of Directors. Approval of the FY 2025 Annual Budget establishes the total estimated amount of revenue and expenditures for the year.

This comprehensive budget outlines priorities and objectives for the electric and water utility, as well as operating and capital spending requirements beginning January 1, 2025. It has been developed under the principles and guidance of sound budgeting practices. This budget ensures that revenues are realistically estimated to cover the cost of providing essential utility services while leaving a judicious amount of working capital for addressing emergency or unforeseen circumstances.

As a municipal utility, BPU conducts business consistent with its customer-focused principles of delivering financial accountability, reliable services, customer engagement, innovative technologies, and responsible communication for its customers. The utility's primary objective is to deliver best-in-class utility services to the community while maintaining the lowest rates possible. To ensure the utility maintains this standard, it utilizes the services of third-party consultants and periodically benchmarks itself against other peer utilities in industry.

BPU's primary focus is to ensure quality, dependable, and accessible utility services for the entire community. To implement and achieve cost saving measures in this budget, the utility works to ensure the following budget criteria:

- Improve the overall customer service experience across all utility sectors.
- Improve electric and water system reliability.
- Reduce ongoing capital construction and operating costs.
- Improve public outreach and communication efforts.
- Continue to focus on utility wide process improvement objectives.

When looking to 2025, BPU's major goals and priorities will include the following:

- Provide cost effective, safe, and reliable utility services. Ensure that our production and delivery systems are adaptable and sustainable to support changes in future supply sources, while operating and maintaining utility assets in a safe, dependable, and cost-efficient manner.

- Ensure continued fiscal sustainability by effectively managing debt service coverage, cash-on-hand, and credit ratings through open and transparent fiscal and budget policies. Remain committed to cutting costs and improving efficiencies to remain competitive.

- Update and maintain policies and operating procedures that meet the requirements of a broad customer base ensuring best-in-class utility service including customer satisfaction, issue response and resolution, etc. Identify initiatives to make information and services readily available and accessible, ensuring the use of benchmarking and surveys in achieving these goals and objectives.

- Meet and comply with all federal and state regulatory requirements, including environmental, safe drinking water, and all other regulations – while working to monitor, evaluate, and address changes when needed. Identify and address on-going risk management issues and priorities as necessary.

- Remain a champion of renewable energy (i.e., wind, community solar, hydro, etc.) while evaluating future generation mix opportunities to ensure sustainable energy usage opportunities for the community.

- Focus on ensuring that all customers have ease-of-access to the services, information, and utility programs – while promoting the use of technologies to assist them with personal and self-service utility interactions

- Promote energy and water efficiency and conservation efforts and initiatives through education, community outreach services, and targeted communications.

- Utilize innovative technologies, implement utility-wide reliability standards, and maintain a safety-focused workplace that ensures continuous reliable and high-quality utility services.

- Remain focused on corporate reporting including data analytics and operational performance metrics and benchmarking, ensuring BPU is competitive and/or exceeding other peer utilities.

- Improve utility recruiting efforts to attract qualified and diversified talent, while simultaneously prioritizing employee training and development. Remain focused on employee safety and retention.

- Continue on-going improvements to key account programs by remaining focused on the needs of the utility's top consumers.

- Continue expanding BPU supply chain operations to improve the supplier diversity program through vendor preference for local businesses.

- Champion strategic alliances and partnerships that benefit the utility and the community. Continue to support economic development initiatives, business retention, and expanded customer growth throughout the BPU service area to capture future revenue enhancements.

- Seek to obtain federal and state funding for infrastructure improvements that will assist with easing any financial burden on our local community.

For nearly 115 years, the award-winning municipal utility has remained committed to providing safe, reliable, and affordable electric and water services to Wyandotte County. Simultaneously, BPU will remain focused on improving the quality of life for the customers and the community it serves.

Sincerely,

William A. Johnson
General Manager

KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

Highlights of the 2025 Annual Budget

The Kansas City, Kansas Board of Public Utilities (BPU) is comprised of electric and water utility services sections. There are eleven divisions within the organizational structure of the Utility to serve the needs of each service section as follows: Accounting/Finance, Corporate Compliance, Customer Services, Electric Operations, Electric Production, Electric Supply, General Management, Human Resources, Information Technology, Utility-Wide and Water Operations.

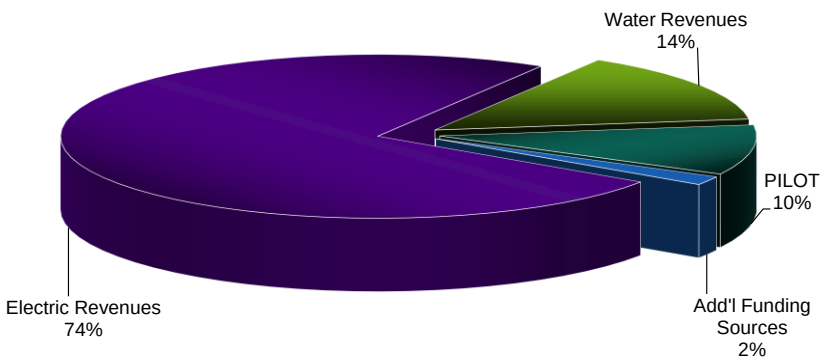
BPU Resources (Where Funds Come From)

The resources for the BPU include any incomes, revenues and reserves to fund the planned expenditures for the coming budget year. The resources will always be equal to the sum of all planned outlays. The 2025 Annual Budget provides $378,398,480 in resources for the Utility. The resources by function are depicted below.

SUMMARY OF FUNDING BY RESOURCE CATEGORY						
Revenue by Category	Approved Budget 2025	Adopted Budget 2024	More/(Less) Than 2024 Adopted $	More/(Less) Than 2024 Adopted %	% of Grand Total 2025	% of Grand Total 2024
Electric Revenues	$ 280,714,691	$ 285,908,648	$ (5,193,957)	-1.82%	74.18%	73.87%
Water Revenues	53,811,060	52,025,128	1,785,932	3.43%	14.22%	13.44%
PILOT	37,331,861	38,314,998	(983,137)	-2.57%	9.87%	9.90%
Add'l Funding Sources	6,540,868	10,791,604	(4,250,736)	-39.39%	1.73%	2.79%
Grand Total	$ 378,398,480	$ 387,040,378	(8,641,898)	-2.23%	100.00%	100.00%

The highlights of the revenue stream for 2025 are as follows;

- Electric revenues, which includes non-operating income, total $280,714,691 or 74 percent of the total funding of the Utility.
- Water revenues, which includes non-operating income, total $53,811,060 or 14 percent of the total funding of the Utility.
- Payment-in-lieu-of-taxes (PILOT) total $37,331,861 and represents 10 percent of the total funding of the Utility.
- Additional Funding Sources total $6,540,868 or 2 percent of the total funding of the Utility.



KANSAS CITY BOARD OF PUBLIC UTILITIES

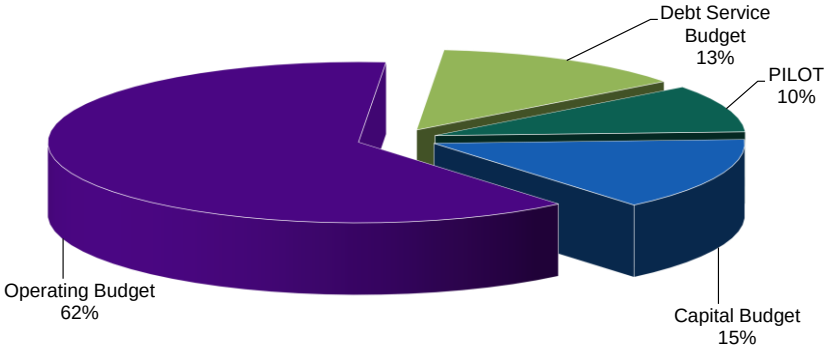
2025 ANNUAL BUDGET

Highlights of the 2025 Annual Budget

BPU Uses (Where Funds Go)

The uses for the BPU include all planned operating and maintenance expenses, capital expenditures, payments on long-term debt and PILOT requirements. The 2025 Annual Budget provides $390,397,710 in funding uses. The uses by function are depicted below. These funding uses are further broken down in detail later in the budget book. The 2025 Annual Budget includes four major spending areas; the Operating Budget, Debt Service Budget, Payment In Lieu of Taxes (PILOT) Requirement and the Capital Budget.

BPU ANNUAL BUDGET						
Uses of Funds	Approved Budget 2025	Adopted Budget 2024	More/(Less) Than 2024 Adopted $	More/(Less) Than 2024 Adopted %	% of Grand Total 2025	% of Grand Total 2024
Operating Budget	$ 244,097,807	$ 234,208,818	$ 9,888,989	4.22%	62.53%	60.51%
Debt Service Budget	51,822,360	52,424,286	(601,926)	-1.15%	13.27%	13.54%
PILOT	37,331,861	38,314,998	(983,137)	-2.57%	9.56%	9.90%
Capital Budget	57,145,682	67,814,404	(10,668,722)	-15.73%	14.64%	17.52%
Grand Total	$ 390,397,710	$ 392,762,506	(2,364,796)	-0.60%	100.00%	101.48%



KANSAS CITY BOARD OF PUBLIC UTILITIES

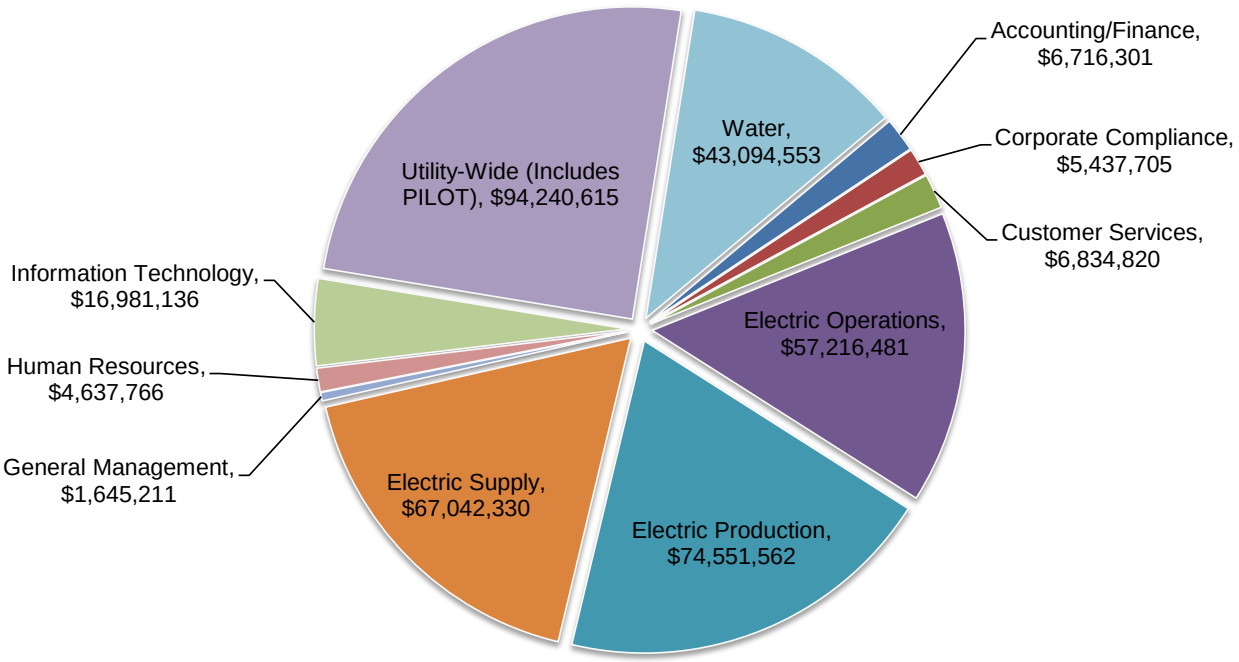
2025 ANNUAL BUDGET

Highlights of the 2025 Annual Budget

SUMMARY OF SPENDING BY FUNCTION CATEGORY						
Expenditures by Division	Approved Budget 2025	Adopted Budget 2024	More/(Less) Than 2024 Adopted $	More/(Less) Than 2024 Adopted %	% of Grand Total 2025	% of Grand Total 2024
Accounting/Finance	$ 6,716,301	$ 6,814,770	$ (98,469)	-1.44%	1.77%	1.76%
Corporate Compliance	5,437,705	5,210,804	226,901	4.35%	1.44%	1.35%
Customer Services	6,834,820	6,241,025	593,795	9.51%	1.81%	1.61%
Electric Operations	57,216,481	59,901,159	(2,684,678)	-4.48%	15.12%	15.48%
Electric Production	74,551,562	79,034,225	(4,482,663)	-5.67%	19.70%	20.42%
Electric Supply	67,042,330	60,467,788	6,574,542	10.87%	17.72%	15.62%
General Management	1,645,211	1,836,618	(191,407)	-10.42%	0.43%	0.47%
Human Resources	4,637,766	4,426,944	210,822	4.76%	1.23%	1.14%
Information Technology	16,981,136	17,691,067	(709,931)	-4.01%	4.49%	4.57%
Utility-Wide (Includes PILOT)	94,240,615	96,562,854	(2,322,239)	-2.40%	24.91%	24.95%
Water	43,094,553	48,853,124	(5,758,571)	-11.79%	11.39%	12.62%
Sub Total	$ 378,398,480	$ 387,040,378	$ (8,641,898)	-2.23%	100.00%	100.00%
Less PILOT	37,331,861	38,314,998	(983,137)	-2.57%		
Grand Total	341,066,619	348,725,380	(7,658,761)	-2.20%		

*PILOT is Payment-in-lieu-of-taxes

Spending Summary by Division



Highlights of the 2025 Annual Budget

Statement of Cash Flow

In accordance with the financial responsibility statements of the Board, the electric and water utilities must adhere to the debt service ratio requirement and both utilities are expected to produce a moderate net income. The income statements are used in the development of the budget.

The debt service ratio is expressed as net revenue divided by the maximum annual debt service payment per financial policy. Net revenue is expressed as the sum of all sales revenues, other revenues and income and the payment-in-lieu-of-tax funds to be collected, less net operating expenses.

The debt service coverage for 2025 with PILOT exceeds the 1.2 times requirement as outlined in the bond indenture and 2.0 times per the BPU's Financial Guidelines for both the electric and water utilities. The debt service coverage for 2025 without PILOT exceeds the 1.6 times requirement per the BPU's Financial Guidelines for both the electric and water utilities. The schedule on the following page illustrates the cash flow statement for the 2025 Annual Budget. The purpose of the cash flow statement is to illustrate the relationship of the 2025 Budget to the Board's financial policies. At the bottom of this schedule is the projected debt service coverage for 2025.

KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

2025 Budget Cash Flow	Electric 2025	Water 2025	Combined 2025
Estimated Cash Available for Funding @ 12-31-2024	**$ 69,536,273**	**$ 24,410,000**	**$ 93,946,273**
Total Revenues	**$ 311,922,652**	**$ 60,714,960**	**$ 372,637,612**
Total Cash Operating Expenses less Depreciation & Non Cash items	**$ 205,881,354**	**$ 36,601,460**	**$ 242,482,814**
Total Cash Generated from Operations	**$ 106,041,298**	**$ 24,113,500**	**$ 130,154,798**
Existing Debt Service Requirement - Parity Debt	42,398,320	5,590,107	47,988,427
KDHE Loan Annual Service Fee	-	498,310	498,310
Existing Non Parity Debt Service Requirement - (Other & KDHE Loans)	322,441	3,511,492	3,833,933
Total Debt Service Requirements for FY2025	**42,720,761**	**9,599,909**	**52,320,670**
Cash Available from Operations after Debt Service	**$ 63,320,537**	**$ 14,513,591**	**$ 77,834,128**
Payment in Lieu of Taxes (PILOT)	(31,207,961)	(6,123,900)	(37,331,861)
Cash Available from Operations after PILOT	**$ 32,112,576**	**$ 8,389,691**	**$ 40,502,267**
Other Funding Sources			
KDHE Loans	-	20,000,000	20,000,000
EDA, EPA, FEMA Grants	2,000,000	8,700,000	10,700,000
Total Other Funding Sources	**2,000,000**	**28,700,000**	**30,700,000**
Cash Available before Restrictions	**$ 103,648,849**	**$ 61,499,691**	**$ 165,148,540**
Restrictions on Cash			
Customer Deposits	6,000,000	1,300,000	7,300,000
Reserve - Workers' Comp	880,000	220,000	1,100,000
Reserve - Liability Insurance	800,000	200,000	1,000,000
System Development Reserve	-	12,400,000	12,400,000
Debt Reduction Fund	-	6,290,000	6,290,000
Rate Stabilization Fund	9,156,273	-	9,156,273
Improvement & Emergency Fund	1,350,000	150,000	1,500,000
ERC Reserve Requirement	7,500,000	-	7,500,000
O&M Reserve Requirement	34,988,394	2,024,464	37,012,857
Ongoing Construction Reserve per Bond Indenture	4,425,000	679,000	5,104,000
Estimated Remaining Grants & KDHE Bonds at fiscal year end	750,000	16,720,000	17,470,000
Total Restrictions on Cash	**$ 65,849,667**	**$ 39,983,464**	**$ 105,833,130**
Unrestricted Cash Available for Construction	**$ 37,799,182**	**$ 21,516,228**	**$ 59,315,409**
Economic Development Grants Capitalized	175,000	75,000	250,000
Energy Efficiency & Econ Dev Capitalized	225,000	-	225,000
Construction Requirement	35,532,727	21,137,960	56,670,687
Reimbursed Construction Projects	(200,000)	(370,500)	(570,500)
Total Construction (Net of Reimbursed Projects)	**$ 35,732,727**	**$ 20,842,460**	**$ 56,575,187**
Estimated Net Unrestricted Cash Available	**$ 2,066,455**	**$ 673,768**	**$ 2,740,222**
Financial Policy Ratios with PILOT			
Debt Service Requirement (MADS) - All Debt	44,880,036	9,111,438	51,836,047
Debt Service Coverage Ratio - All Debt	2.33	2.61	2.48
Debt Service Requirement (MADS) - Parity Debt	44,668,378	5,590,107	47,988,427
Debt Service Coverage Ratio - Parity Debt	2.35	4.25	2.68
Financial Policy Ratios without PILOT			
Debt Service Requirement (MADS) - All Debt	44,880,036	9,111,438	51,836,047
Debt Service Coverage Ratio - All Debt	1.64	1.94	1.76
Debt Service Requirement (MADS) - Parity Debt	44,668,378	5,590,107	47,988,427
Debt Service Coverage Ratio - Parity Debt	1.65	3.16	1.90

Highlights of the 2025 Annual Budget

Net Income Statements

All financial ratios used in the Annual Budget were derived from the income statements provided on the following three pages. These income statements are prepared in accordance with guidelines established by the Board.

- The operating revenues are projected on all known and projected rate changes and expected growth factors. These revenues are developed by customer class so that an accurate forecast can be made for the budget year.

- Operating expenses are developed in detail by the submitting divisions on an account basis. These detailed accounts are broken into class types to identify the individual makeup of expenditures.

- Operating income is expressed as the operating revenues less the operating expenses. This amount generally represents the funds provided to make the payments for debt service, PILOT and capital outlays.

- Depreciation is based on the scheduled rate as determined by the estimated life of the asset categories.

The net income statements should be used to evaluate the economic plan being proposed with the related cash flow statement provided on the previous page to determine the overall financial operations of the Utility.

KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

Total KCBPU - INCOME STATEMENT

Description	2023 Actuals	2024 Budget	2025 Approved
OPERATING REVENUES			
Residential Sales	112,688,308	115,839,000	120,166,000
Commercial Sales	131,762,550	122,268,000	123,645,000
Industrial Sales	56,993,332	59,890,000	54,962,000
Schools	11,974,866	11,117,960	11,500,700
Fire Protection	577,313	600,000	595,500
Highway Lighting	362,525	366,700	374,000
Public Authorities	28,000	28,000	28,000
Total Sales of Energy and Water	**314,386,893**	**310,109,660**	**311,271,200**
Borderline Electric Sales	1,255,643	1,246,000	1,247,500
Wholesale Market Sales	12,656,777	13,463,000	7,295,000
Total Other Utility Sales	**13,912,420**	**14,709,000**	**8,542,500**
Forfeited Discounts	2,898,749	2,958,500	2,937,000
Connect/Disconnect Fees	3,529,095	2,792,900	3,087,800
Diversion Fines	22,210	31,800	28,800
Tower/Pole Attachment Rentals	1,414,853	1,879,000	2,218,000
Other Miscellaneous Revenues	(1,149,117)	184,090	188,593
Deferred Revenue-Fuel/PP-Recog	(4,087,528)	-	-
Service Fees	1,003,635	940,620	1,021,060
Total Other Revenues	**3,631,896**	**8,786,910**	**9,481,253**
Payment in Lieu of Taxes	38,197,843	38,314,998	37,331,861
Total Payment in Lieu of Taxes	**38,197,843**	**38,314,998**	**37,331,861**
TOTAL OPERATING REVENUES	**370,129,053**	**371,920,567**	**366,626,814**
OPERATING EXPENSES			
Production	46,727,402	45,609,096	51,119,791
Purchased Power	55,620,242	53,106,638	59,793,870
Fuel	32,678,912	38,502,401	29,109,671
Transmission and Distribution	45,403,709	52,912,589	56,622,547
Customer Account Expense	4,585,210	5,980,527	6,592,347
General and Administrative	34,782,190	38,097,563	40,859,588
Depreciation and Amortization	44,245,899	43,162,164	43,062,165
Dfrd Fuel & Purch Power-Amort	14,781,274	-	-
TOTAL OPERATING EXPENSES	**278,824,837**	**277,370,978**	**287,159,978**
OPERATING INCOME	**91,304,216**	**94,549,589**	**79,466,836**
NON OPERATING INCOME/EXPENSE			
Investment Interest	4,099,145	3,809,490	4,690,200
Interest - Long Term Debt	(20,813,086)	(19,769,727)	(18,789,451)
Interest - Other	(331,697)	(334,800)	(330,666)
Payment in Lieu of Taxes	(38,197,843)	(38,314,998)	(37,331,861)
Other Income	141,822	518,716	540,598
TOTAL NONOPERATING INCOME/EXPENSES	**(55,101,660)**	**(54,091,319)**	**(51,221,181)**
INCOME BEFORE TRANSFER & CONTRIB	36,202,556	40,458,270	28,245,655
Water Non Exchange	574,408	500,000	780,000
TOTAL CHANGE IN NET POSITION	**36,776,964**	**40,958,270**	**29,025,655**

KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

Electric OU - INCOME STATEMENT

Description	2023 Actuals	2024 Budget	2025 Approved
OPERATING REVENUES			
Residential Sales	86,932,769	88,846,000	91,870,000
Commercial Sales	119,268,737	109,558,000	109,270,000
Industrial Sales	50,745,888	53,140,000	49,380,000
Schools	11,324,414	10,451,000	10,780,000
Highway Lighting	362,525	366,700	374,000
Total Sales of Energy and Water	**268,634,333**	**262,361,700**	**261,674,000**
Borderline Electric Sales	1,255,643	1,246,000	1,247,500
Wholesale Market Sales	11,168,812	12,000,000	6,120,000
Total Other Utility Sales	**12,424,455**	**13,246,000**	**7,367,500**
Forfeited Discounts	2,318,999	2,365,000	2,360,000
Connect/Disconnect Fees	3,219,293	2,511,000	2,775,800
Diversion Fines	17,903	22,800	22,800
Tower/Pole Attachment Rentals	1,119,865	1,600,000	1,830,000
Other Miscellaneous Revenues	(1,046,524)	172,090	174,193
Deferred Revenue-Fuel/PP-Recog	(4,087,528)	-	-
Service Fees	23,078	21,000	17,100
Total Other Revenues	**1,565,085**	**6,691,890**	**7,179,893**
Payment in Lieu of Taxes	32,471,745	32,151,514	31,207,961
Total Payment in Lieu of Taxes	**32,471,745**	**32,151,514**	**31,207,961**
TOTAL OPERATING REVENUES	**315,095,618**	**314,451,104**	**307,429,354**
OPERATING EXPENSES			
Production	40,894,606	38,055,738	43,132,904
Purchased Power	55,620,242	53,106,638	59,793,870
Fuel	32,678,912	38,502,401	29,109,671
Transmission and Distribution	31,206,641	35,914,097	38,656,157
Customer Account Expense	2,637,638	3,662,304	4,065,991
General and Administrative	27,478,252	30,087,185	32,392,761
Depreciation and Amortization	35,796,198	34,874,787	34,874,787
Dfrd Fuel & Purch Power-Amort	14,781,274	-	-
TOTAL OPERATING EXPENSES	**241,093,763**	**234,203,151**	**242,026,141**
OPERATING INCOME	**74,001,855**	**80,247,953**	**65,403,213**
NON OPERATING INCOME/EXPENSE			
Investment Interest	3,321,988	3,107,742	3,968,400
Interest - Long Term Debt	(19,217,070)	(18,422,386)	(17,682,222)
Interest - Other	(272,571)	(272,400)	(272,400)
Payment in Lieu of Taxes	(32,471,745)	(32,151,514)	(31,207,961)
Other Income	170,268	501,316	524,898
TOTAL NONOPERATING INCOME/EXPENSES	**(48,469,130)**	**(47,237,242)**	**(44,669,286)**
INCOME BEFORE TRANSFER & CONTRIB	25,532,725	33,010,711	20,733,927
TOTAL CHANGE IN NET POSITION	**25,532,725**	**33,010,711**	**20,733,927**

KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

Water OU - INCOME STATEMENT

Description	2023 Actuals	2024 Budget	2025 Approved
OPERATING REVENUES			
Residential Sales	25,755,539	26,993,000	28,296,000
Commercial Sales	12,493,812	12,710,000	14,375,000
Industrial Sales	6,247,444	6,750,000	5,582,000
Schools	650,451	666,960	720,700
Fire Protection	577,313	600,000	595,500
Public Authorities	28,000	28,000	28,000
Total Sales of Energy and Water	**45,752,560**	**47,747,960**	**49,597,200**
Wholesale Market Sales	1,487,965	1,463,000	1,175,000
Total Other Utility Sales	**1,487,965**	**1,463,000**	**1,175,000**
Forfeited Discounts	579,750	593,500	577,000
Connect/Disconnect Fees	309,802	281,900	312,000
Diversion Fines	4,307	9,000	6,000
Tower/Pole Attachment Rentals	294,988	279,000	388,000
Other Miscellaneous Revenues	(102,592)	12,000	14,400
Service Fees	980,557	919,620	1,003,960
Total Other Revenues	**2,066,811**	**2,095,020**	**2,301,360**
Payment in Lieu of Taxes	5,726,098	6,163,484	6,123,900
Total Payment in Lieu of Taxes	**5,726,098**	**6,163,484**	**6,123,900**
TOTAL OPERATING REVENUES	**55,033,435**	**57,469,464**	**59,197,460**
OPERATING EXPENSES			
Production	5,832,796	7,553,357	7,986,887
Transmission and Distribution	14,197,068	16,998,492	17,966,390
Customer Account Expense	1,947,572	2,318,223	2,526,356
General and Administrative	7,303,937	8,010,377	8,466,827
Depreciation and Amortization	8,449,701	8,287,378	8,187,378
TOTAL OPERATING EXPENSES	**37,731,074**	**43,167,827**	**45,133,838**
OPERATING INCOME	**17,302,361**	**14,301,636**	**14,063,622**
NON OPERATING INCOME/EXPENSE			
Investment Interest	777,157	701,748	721,800
Interest - Long Term Debt	(1,596,016)	(1,347,341)	(1,107,229)
Interest - Other	(59,126)	(62,400)	(58,266)
Payment in Lieu of Taxes	(5,726,098)	(6,163,484)	(6,123,900)
Other Income	(28,445)	17,400	15,700
TOTAL NONOPERATING INCOME/EXPENSES	**(6,632,529)**	**(6,854,076)**	**(6,551,895)**
INCOME BEFORE TRANSFER & CONTRIB	10,669,831	7,447,560	7,511,727
Water Non Exchange	574,408	500,000	780,000
TOTAL CHANGE IN NET POSITION	**11,244,239**	**7,947,560**	**8,291,727**

Highlights of the 2025 Annual Budget

Revenue Projections

Electric Utility

Assumption 1: For fiscal year 2025, retail electric revenues are projected as follows:

- Revenues are based on the rate schedules approved by the KCBPU Board in July 2023.
- The average projected rate for the ERC (fuel and purchase power rider) is estimated to be 4.30 cents per kilowatt-hour.
- The Environmental Surcharge (ESC) is designed to recover principal and interest on debt service related to government-mandated environmental projects, along with an additional 0.30% for debt service coverage requirements. Rates will vary by customer class. The ESC debt schedule for 2025 is approximately $310,000 higher than the previous year, but individual customer rates for the ESC are expected to remain flat during the budget period.

Assumption 2: Retail customer energy usage is based on the following factors:

Residential – Approximately 300 net new residential accounts in the forecasted year. Average customer usage resulting from energy efficiency measures being utilized at the residential level are expected to continue. Growth and usage assumptions remain conservative and are based on a ten-year trending forecast. The average annual monthly kilo-watt hour usage per customer is estimated at 808 kWh per customer.

Commercial – Overall projections reflect 47 net new Commercial accounts and flat customer usage levels. Losses in older parts of the service territory are expected to be offset by the new growth near the Village West/I-435 development area. Assumptions are based on a seven-year trending forecast. Total Commercial load is projected to be 2 percent below the seven-year average.

Industrial – Overall projections reflect no change in the annual number of customer accounts. Revenue assumptions are based on an eight-year trending forecast. Load growth is projected to drop 7.8 percent below the eight-year average period and 7.1 percent below 2023 & 2024 levels. In 2025, the GM Fairfax plant will temporarily go offline to facilitate significant model changes and updates to the facilities, enabling the transition to electric vehicle production.

Other Retail Classes – Overall projections reflect no new net customers for 2025. The overall consumption for this class is expected to increase 1.7 percent over 2023 & 2024 levels due to additional square footage added in the school class. Also, the Unified Government and the BPU interdepartmental consumption are expected to remain constant during the forecast period. There is no monetary payment from the Unified Government for electric consumption.

Assumption 3: Wholesale Purchases and Sales are based on the following assumptions:

Wholesale Market– KCBPU is a Market Participant in the Southwest Power Pool (SPP). The SPP Integrated Market Sales & Purchases reflect energy purchases from and sold to the SPP. Within the current Integrated Market, Market Participants such as KCBPU purchase their entire load through the Integrated Marketplace**.** Also, energy produced by KCBPU or contracted through existing purchase power agreements (PPA) are sold to the SPP Integrated Marketplace**.**

Borderline Sales – Reflect sales of wholesale energy to neighboring utilities to serve customers in their service territory that are interconnected to BPU's distribution system due to geographic boundaries. There is no forecasted load growth or contract rate adjustment in the forecast period. The last negotiated contract rate for Borderline Sales was effective January 1, 2019. Rates are expected to remain constant at 6.98 cents per kilo-watt hour in forecast period.

Assumption 4: Payment in-lieu-of-taxes (PILOT) calculation is based on the following:

- 10.9 percent for residential electric sales.
- 11.9 percent for non-residential electric sales.

Highlights of the 2025 Annual Budget

Revenue Projections

Water Utility - Fiscal year 2025 retail water revenues are based on the following:

- Revenue forecast is based on approved retail water rates as of July 1, 2025.
- Approximately 54,783 retail accounts
- Five-year trend for metered CCF's water sales

Residential

- Projections reflect approximately 50,774 residential accounts
- Approximately 3.5 million CCF of water sales during the forecast period.

Commercial:

- Projections reflect approximately 3,919 commercial accounts
- Approximately 2.6 million CCF of water sales during the forecast period.

Industrial:

- Projections are based on an average of 78 customer accounts
- Approximately 1.9 million CCF of water sales during the forecast period.

Other Retail Classes:

- Sales for the other customer classes, including Schools, Fire Protection and Local Government.
- Approximately 104 retail accounts
- The in-kind accounts for the Unified Government and the BPU interdepartmental are expected to remain constant during the forecast period.

Wholesale:

- Five wholesale customers
- Based on prior 12-month usage patterns for customer's class
- Approved Wholesale rates as of July 2025.

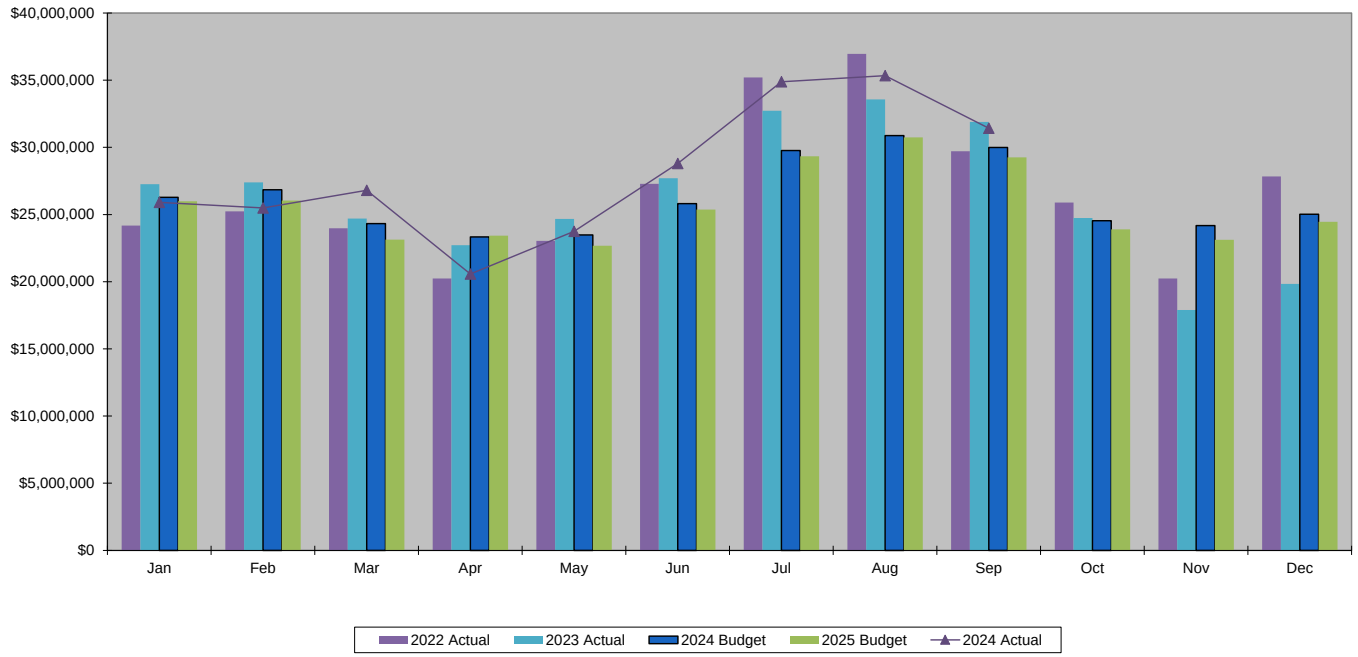
Payment in-lieu-of-taxes (PILOT) calculation is based on the following:

- 10.9 percent for residential water sales.
- 11.9 percent for non-residential water sales.

KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

BPU Electric Revenues



BPU Water Revenues

Funds and Reserves Guidelines

The following Fund and Reserve account guidelines have been used in the planning and development of the Annual Budget.

Construction Reserve:
The BPU normally provides a cash reserve equal to one-half of the next year's normal, on-going construction budget.

Debt Reduction Fund:
It is the policy of the BPU that the Board of Directors must approve any expenditure of restricted cash from the debt reduction fund.

Debt Service Coverage Ratios:
The Board of Public Utilities debt ratio will be consistent with the current provisions in the bond indenture document. The BPU must maintain a debt coverage ratio of 1.2. The BPU must meet the coverage requirement imposed by the bond indenture that net revenues be at least 120 percent of the maximum annual debt service.

However, if net revenues are ever less than 130 percent of the annual debt service for the twelve month period ending on the date on which the calculation of net revenues is made, the utility is required to fund a debt service reserve fund. The current bond documents provide for a detailed formula that stipulates at different coverage ratios how the debt service fund needs to be funded.

This debt service ratio is a measure of the adequacy of cash to pay debt service and is the minimum amount necessary to prevent bond default. It should not be considered a target for revenues needed by the utility for its funding purposes in any given year. The financial policy approved by the Board is to maintain a debt coverage ratio including PILOT of 2.0 times and 1.6 times excluding PILOT for both the electric and water utilities.

Economic Development Funds:
This Budget reserves $250,000 for economic development grant initiatives as defined in the Board's Economic Development Policy and is identified within the Capital Budget.

Economic Development Program:
The BPU provides funding for economic development research in order to attract, retain and grow businesses within the BPU's service territory.

Electric Operating and Maintenance (O&M) Reserve:
To target and maintain a cash reserve for Electric O&M expenses, excluding fuel and purchased power of one hundred twenty (120) days or better of annual O&M expenditures.

Electric Operating Reserve:
This cash reserve is equal to the sum of the Operating and Maintenance (O&M) Reserve and the Energy Rate Component (ERC) Reserve and shall target and maintain one hundred twenty (120) days or better.

Energy Efficiency Program:
BPU will provide rebate incentives for customers who install all-electric or heat pump equipment. The rebates paid out will be amortized over a three (3) year period.

Energy Rate Component (ERC) Reserve:
A cash reserve established to stabilize working capital targets related to volatile power supply costs. The ERC Reserve shall target to be equal to one hundred twenty (120) days of annual expenditures recovered through the ERC.

Funds and Reserves Guidelines

Improvement and Emergency Fund:
The Budget includes a combined utility budget reserve of $1.5 million to fund emergency related capital improvement costs. This can be used in cases of major replacement needs or emergency disasters. However, the fund cannot fall below a funding level of $1.0 million, which would require monthly reallocations to the fund.

It is utility policy that the Board of Directors must approve any expenditure of the Improvement and Emergency Fund. If funds are expended from the Improvement and Emergency Fund, the utility is required to transfer monies back into the Improvement and Emergency Fund, in each month, not less than one twenty-fourth (1/24th) of the difference between the then current balance of the Fund and the required funding level amount until the amount reserved in the Fund equals the established funding threshold of $1.5 million.

Payment In Lieu Of Tax:
The BPU will transfer to the Unified Government of Wyandotte County/Kansas City, Kansas a Payment in Lieu of Taxes (PILOT). The PILOT is established by Charter Ordinance CO-5-01, and is based on gross retail customer sales of the utility. Wholesale electric sales are exempt from PILOT while wholesale water sales are billed the PILOT fee. The Unified Government has set the PILOT for this budget year at a rate of 10.9% for residential sales and 11.9% for all other sales.

Rate Stabilization Fund:
The Rate Stabilization Fund is designed to offset major changes in revenues and expenses, including unanticipated spending requirements.

Reserve for Principal and Interest Payments:
The BPU is required by its bond indenture to set-aside each month one-sixth (1/6th) of the interest and one-twelfth (1/12th) of the principal to be paid on each year's outstanding bonded indebtedness to the Bond Trustee of the Utility System Revenue Bonds.

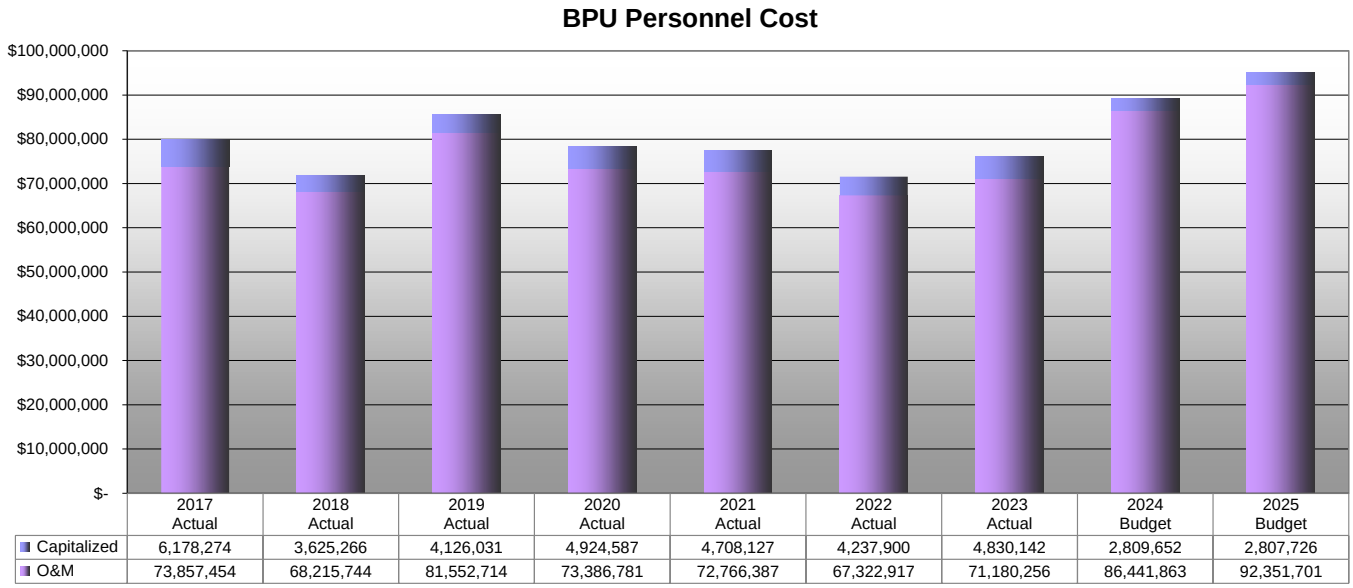
Self-Insurance Reserve Funds:
The BPU has established the following reserve funds for self-funded insurance liabilities. The insurance reserves include workers' compensation and public liability. The monies for these funds are set aside as restricted cash funds of the utility. Any expenditure of these insurance reserve funds other than for the designated purposes must have the approval of the Board of Directors.

System Development Reserve:
The BPU collects a service fee for all new service connections based on meter size. This fee is designed to provide for the applicable costs required for the additional development of water supply, treatment, transmission, and storage facilities.

Water Operating Reserve:
To maintain a cash reserve for water operation and maintenance (O&M) expenses for one hundred (100) days or better of annual O&M expenditures.

Annual Budget - Personnel Costs

The 2025 Annual Budget includes $95,159,427 in total personnel costs. Of this amount, $92,351,701 is in the operating budget and $2,807,726 is reflected in the capital improvement budget for internal personnel costs that are directly charged to projects. This amount is in line with the funding of authorized staffing for 545 positions.



	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget
Capitalized	6,178,274	3,625,266	4,126,031	4,924,587	4,708,127	4,237,900	4,830,142	2,809,652	2,807,726
O&M	73,857,454	68,215,744	81,552,714	73,386,781	72,766,387	67,322,917	71,180,256	86,441,863	92,351,701

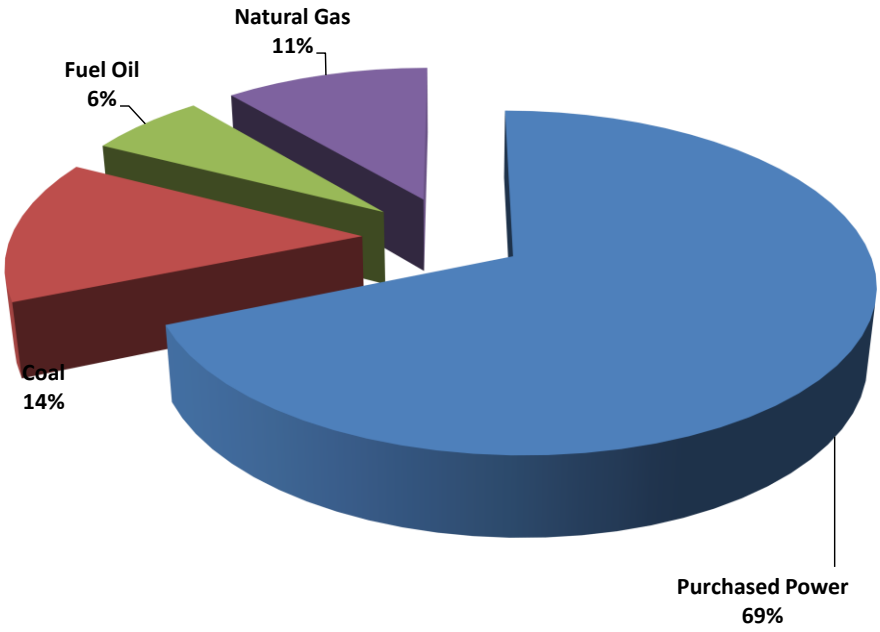
The wage costs in the 2025 Annual budget are based on 545 staff positions and the following assumptions:

- 2080 regular hours for each budgeted position
- Vacant positions are budgeted as To-Be-Hired employees and wages are calculated for the full year. Calculated attrition percentages based on historical head counts for each department are used to reduce budgeted labor dollars to account for vacancies.
- Overtime hours are budgeted separate from regular wages under class 1020.
- Budget reflects a wage increase for all positions.

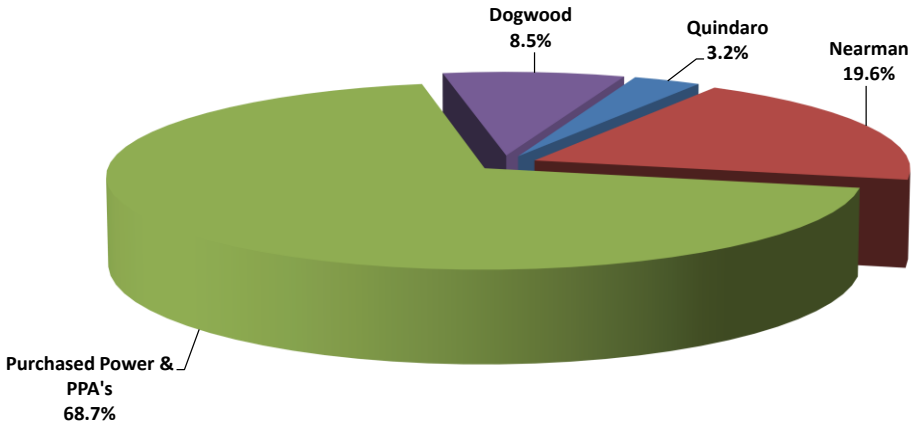
Fuel and Purchased Power Costs

A large component of the Annual Budget is the fuel and purchased power expense. The fuel and purchased power totals $91,478,942. Of this amount, $87,455,942 is used to either produce electricity at BPU power plants or purchase power through the Southwest Power Pool wholesale power market. The remaining fuel component relates to fuel for transportation and fleet vehicles and ash handling costs.

Fuel & Purchase Power by Type



Fuel & Purchased Power by Source



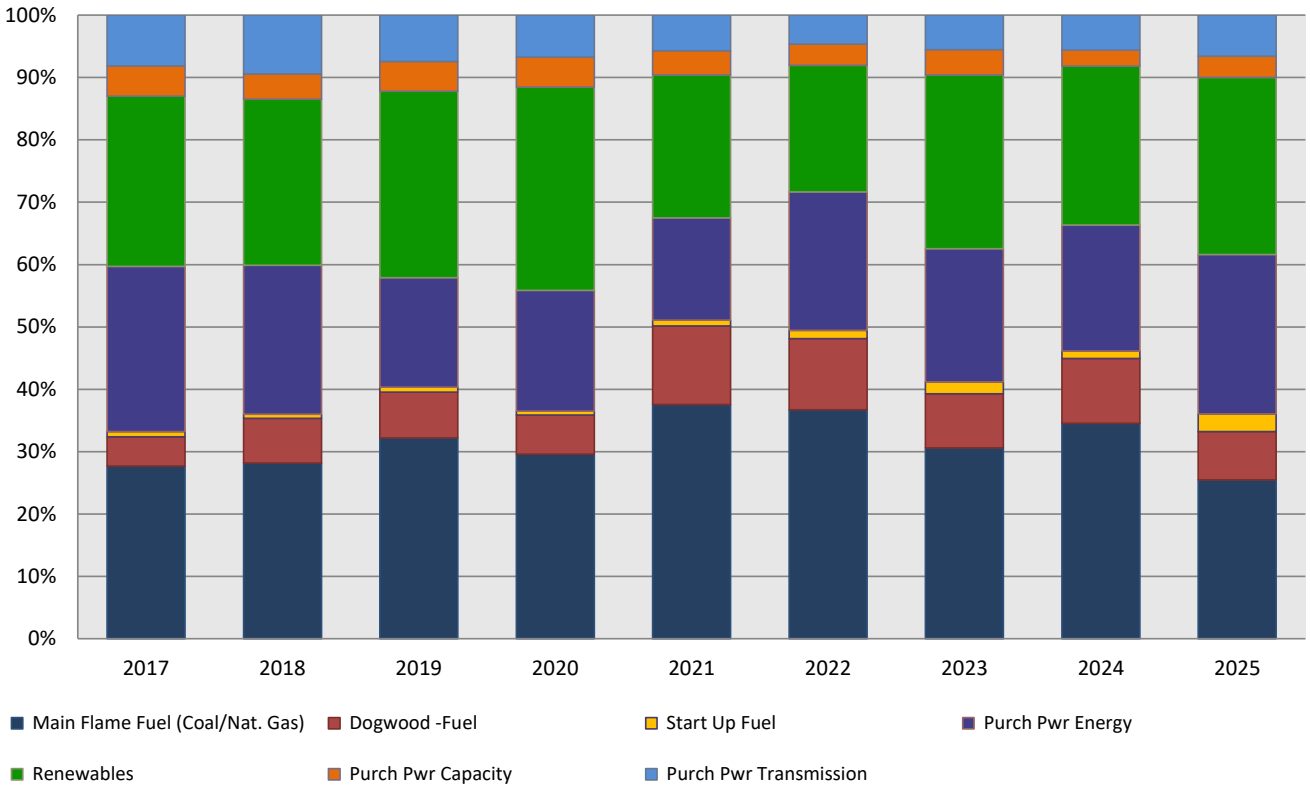
KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

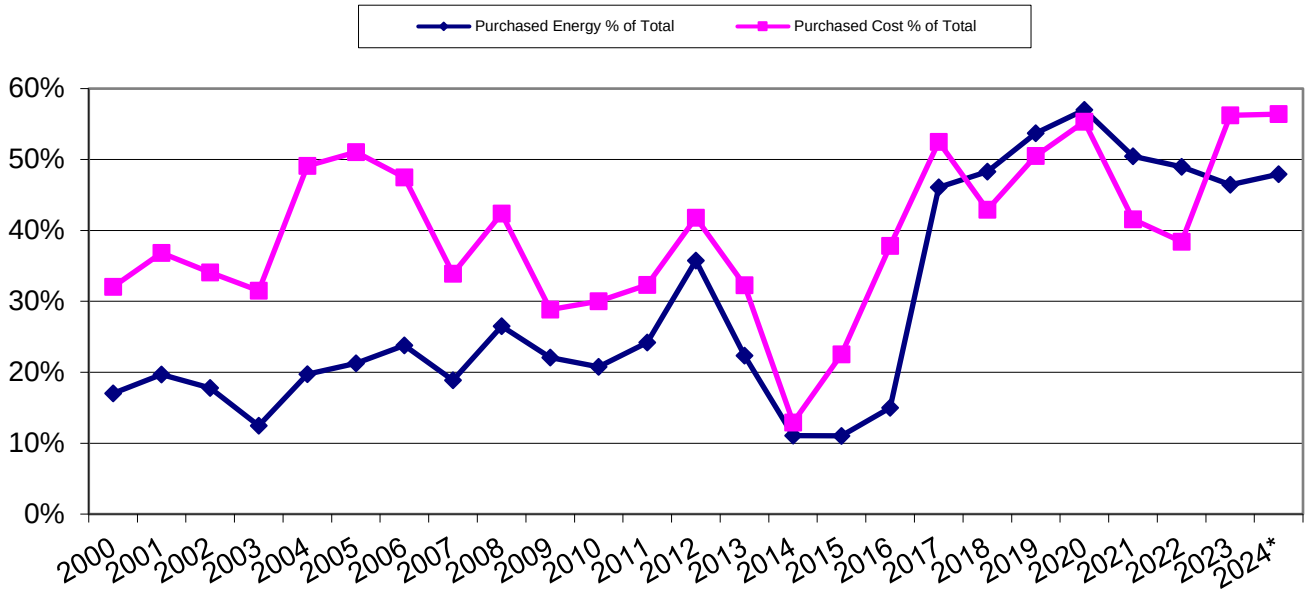
Fuel and Purchased Power Costs

	Coal	Natural Gas	Fuel Oil	Total
Quindaro Power Plant	$ -	$ -	$ 2,780,154	$ 2,780,154
Nearman Power Plant	12,102,194	2,250,818	2,777,506	17,130,518
Dogwood	-	7,439,000	-	7,439,000
Total	**$ 12,102,194**	**$ 9,689,818**	**$ 5,557,660**	**$ 27,349,672**

Purchase Power Energy	$ 24,719,795
Purch Pwr Capacity NonEconomic	3,280,000
Purchased Power - Renewables	27,428,265
Purchased Power Transmission	6,345,810
Other Purchased Power	(1,667,600)
Total Purchased Power	**$ 60,106,270**
Total Fuel & Purchased Power	**$ 87,455,942**
Ash Handling Costs	$ 1,530,000
AQC Reagents	1,760,000
Bulk Fuel for Transportation/Fleet Vehicles	733,000
Total Other Fuels/Costs	**$ 4,023,000**
Total of all Fuels & Power	**$ 91,478,942**

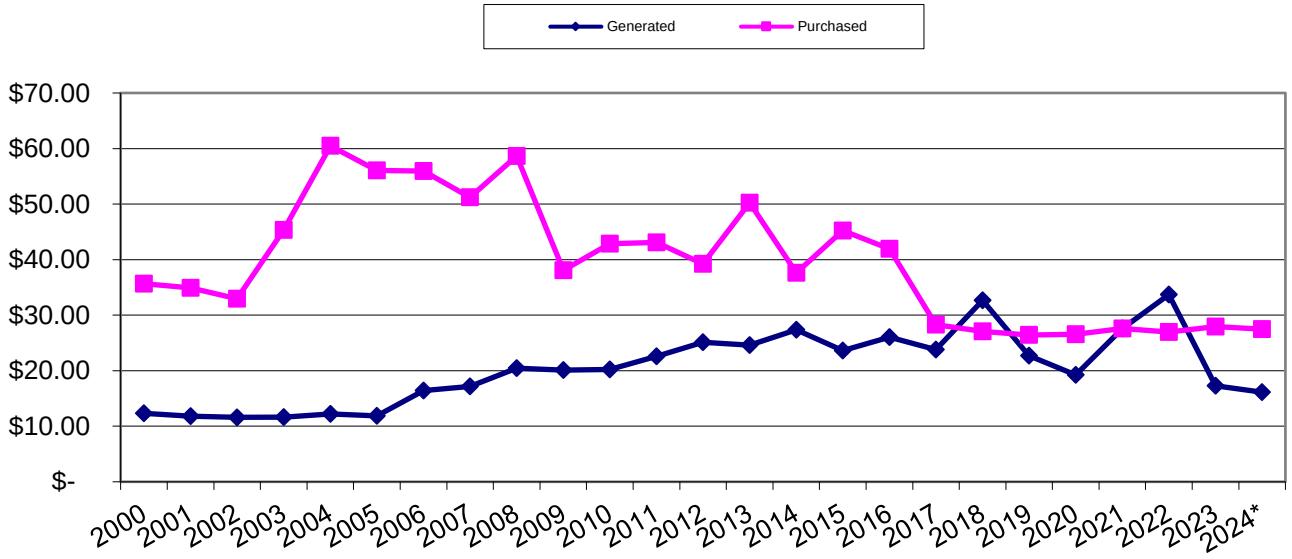


Purchase Power Percent of Total By Energy & Expense Historical



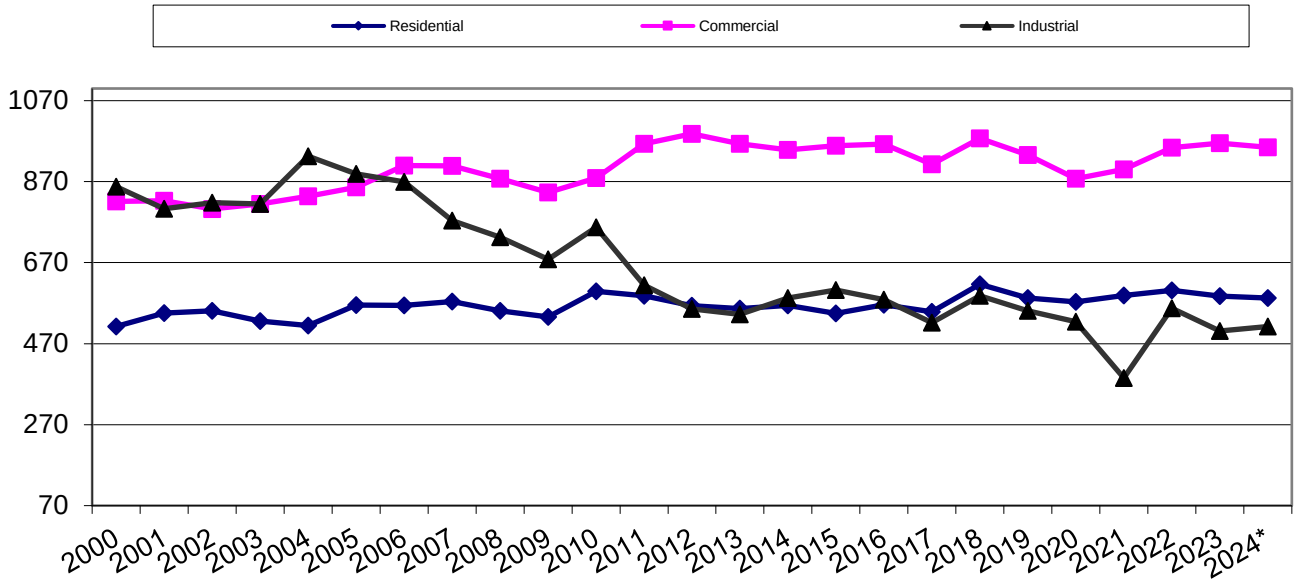
2024* Data includes 9 months of actuals and 3 months of estimated.
Note: SPP Integrated Market purchases are not included in the results.

Generated & Purchased Power Unit Cost ($/MWh)



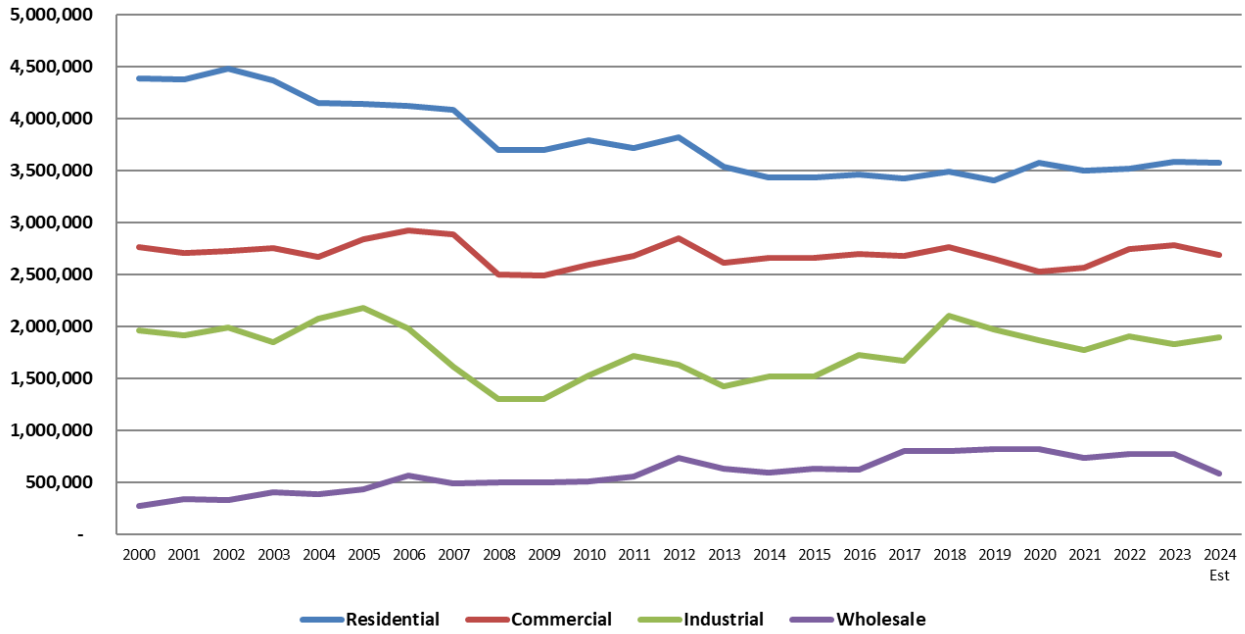
2024* Data includes 9 months of actuals and 3 months of estimated.
Note: SPP Integrated Market purchase are not included in the results.

Electric Consumption by Type (GWh)



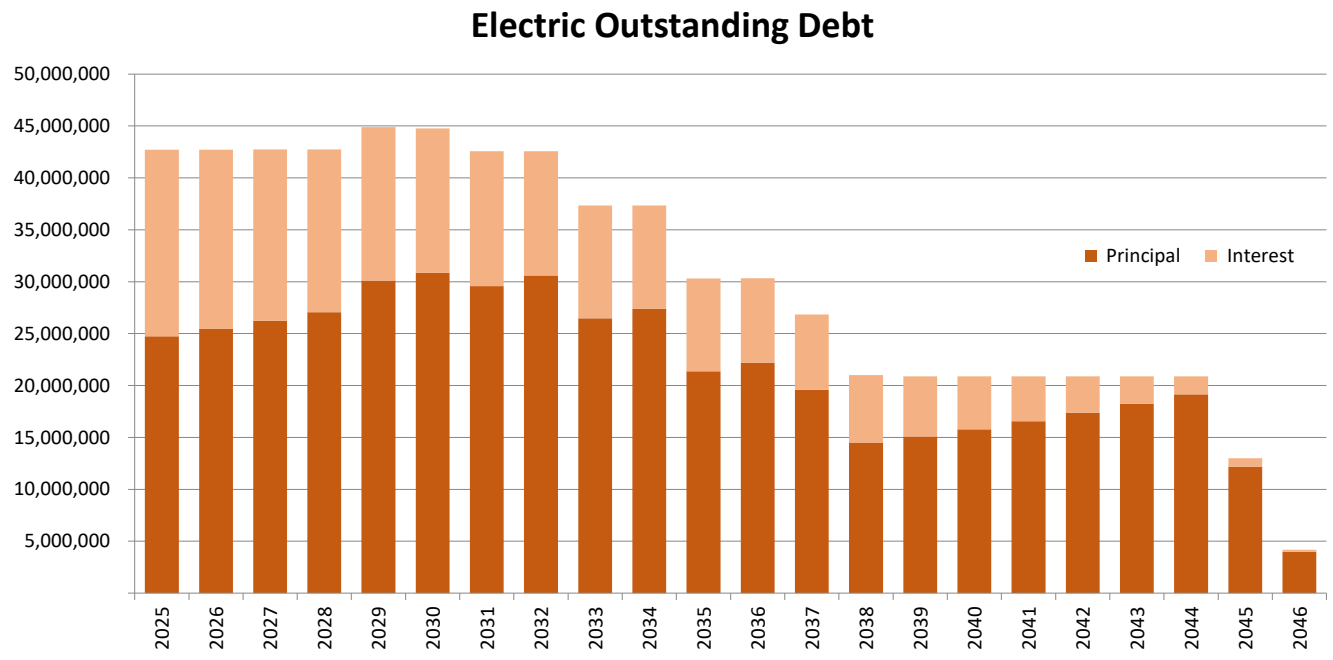
2024* Data includes 9 months of actuals and 3 months of estimated.

Water Units (Ccf's) Sold by Year

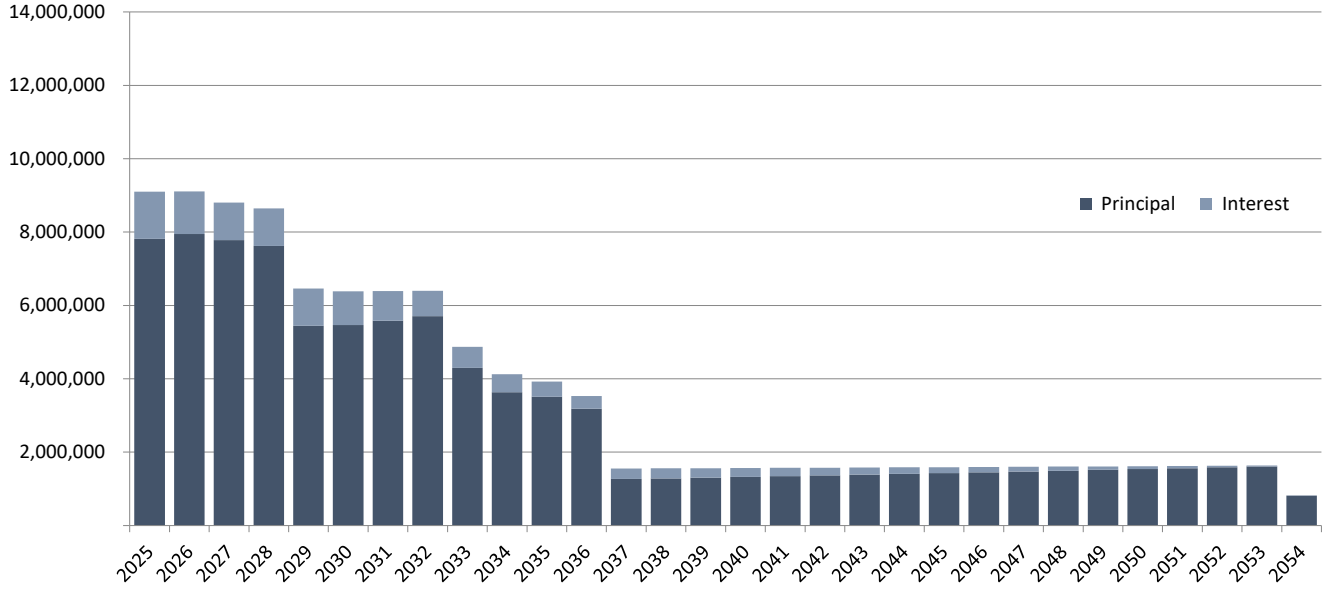


Debt Service

BPU typically issues revenue bonds to fund the construction of new long-term assets. The utility system bonds for both electric and water are rated A from Fitch Ratings, A from S&P, and A2 from Moody's Investors Service. The BPU must meet the coverage requirement imposed by the bond indenture, that net revenues be at least 120 percent of the maximum annual debt service. If net revenues are ever less than 130 percent of the maximum annual debt service for the twelve-month period ending on the date on which the calculation of net revenues is made, the utility is required to fund a debt service reserve. The financial policy approved by the Board is to maintain a debt coverage ratio including PILOT of 2.0 times and 1.6 times excluding PILOT for both the electric and water utilities. Parity debt is debt outstanding from Utility System Revenue Bonds and Utility System Refunding Bonds. Non-parity debt includes debt through loans from the Public Water Supply Loan Fund through the Kansas Department of Health and Environment and Unified Government General Obligation Bonds, which are subordinate to the debt outstanding through Utility System Revenue and Refunding Bonds.



Water Outstanding Debt



KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

Debt Service Payment Schedule by Year

Total Revenue Bonds, UG General Obligation Bonds and KDHE Loans

	Principal			Interest			Service	Total		
Year	Electric	Water	Total	Electric	Water	Total	Fee	Electric	Water	Total
2025	24,733,716	7,812,439	32,546,155	17,987,045	1,289,160	19,276,205	498,310	42,720,761	9,101,599	51,822,360
2026	25,449,415	7,949,821	33,399,236	17,275,194	1,161,617	18,436,811	479,700	42,724,609	**9,111,438**	**51,836,047**
2027	26,241,622	7,784,516	34,026,138	16,492,296	1,018,166	17,510,462	460,725	42,733,918	8,802,682	51,536,600
2028	27,070,603	7,623,692	34,694,295	15,664,485	1,023,714	16,688,199	302,254	42,735,088	8,647,406	51,382,494
2029	30,104,336	5,446,041	35,550,377	14,775,700	1,016,019	15,791,719	150,715	**44,880,036**	6,462,060	51,342,096
2030	30,840,500	5,467,952	36,308,452	13,932,731	913,291	14,846,022	142,006	44,773,231	6,381,243	51,154,474
2031	29,587,500	5,584,535	35,172,035	12,972,689	808,473	13,781,162	133,120	42,560,189	6,393,008	48,953,197
2032	30,611,500	5,705,211	36,316,711	11,945,929	694,906	12,640,835	124,055	42,557,429	6,400,117	48,957,546
2033	26,470,000	4,297,503	30,767,503	10,872,049	574,909	11,446,958	114,807	37,342,049	4,872,412	42,214,461
2034	27,405,000	3,634,475	31,039,475	9,932,223	491,605	10,423,828	106,036	37,337,223	4,126,080	41,463,303
2035	21,372,500	3,510,115	24,882,615	8,932,920	415,860	9,348,780	99,101	30,305,420	3,925,975	34,231,395
2036	22,200,000	3,181,175	25,381,175	8,125,002	345,730	8,470,732	92,032	30,325,002	3,526,905	33,851,907
2037	19,582,500	1,267,269	20,849,769	7,271,689	285,692	7,557,381	86,950	26,854,189	1,552,961	28,407,150
2038	14,522,500	1,286,349	15,808,849	6,476,150	271,064	6,747,214	82,498	20,998,650	1,557,413	22,556,063
2039	15,090,000	1,305,716	16,395,716	5,803,412	256,215	6,059,627	77,978	20,893,412	1,561,931	22,455,343
2040	15,790,000	1,325,376	17,115,376	5,102,800	241,143	5,343,943	73,391	20,892,800	1,566,519	22,459,319
2041	16,565,000	1,345,331	17,910,331	4,322,900	225,844	4,548,744	68,735	20,887,900	1,571,175	22,459,075
2042	17,390,000	1,365,587	18,755,587	3,504,550	210,315	3,714,865	64,009	20,894,550	1,575,902	22,470,452
2043	18,240,000	1,386,147	19,626,147	2,645,250	194,552	2,839,802	59,211	20,885,250	1,580,699	22,465,949
2044	19,150,000	1,407,017	20,557,017	1,743,750	178,551	1,922,301	54,342	20,893,750	1,585,568	22,479,318
2045	12,190,000	1,428,202	13,618,202	797,050	162,310	959,360	49,399	12,987,050	1,590,512	14,577,562
2046	3,975,000	1,449,705	5,424,705	198,750	145,824	344,574	44,381	4,173,750	1,595,529	5,769,279
2047		1,471,532	1,471,532		129,090	129,090	39,288		1,600,622	1,600,622
2048		1,493,688	1,493,688		112,104	112,104	34,118		1,605,792	1,605,792
2049		1,516,177	1,516,177		94,862	94,862	28,871		1,611,039	1,611,039
2050		1,539,005	1,539,005		77,360	77,360	23,544		1,616,365	1,616,365
2051		1,562,177	1,562,177		59,595	59,595	18,138		1,621,772	1,621,772
2052		1,585,697	1,585,697		41,563	41,563	12,650		1,627,260	1,627,260
2053		1,609,572	1,609,572		23,259	23,259	7,079		1,632,831	1,632,831
2054		813,851	813,851		4,680	4,680	1,424		818,531	818,531
Total	**474,581,692**	**93,155,873**	**567,737,565**	**196,774,564**	**12,467,473**	**209,242,037**	**3,528,867**	**671,356,256**	**105,623,346**	**776,979,602**

Bold and border font indicates Maximum Annual Debt Service (MADS) for the debt coverage calculation purposes.

Debt Service Payment Schedule

Parity Debt by Year

	Principal			Interest			Total		
Year	**Electric**	**Water**	**Total**	**Electric**	**Water**	**Total**	**Electric**	**Water**	**Total**
2025	24,481,750	4,793,250	29,275,000	17,916,570	796,857	18,713,427	42,398,320	**5,590,107**	**47,988,427**
2026	25,190,250	4,859,750	30,050,000	17,213,528	722,360	17,935,888	42,403,778	5,582,110	47,985,888
2027	25,973,250	4,936,750	30,910,000	16,439,705	633,450	17,073,155	42,412,955	5,570,200	47,983,155
2028	26,791,000	5,034,000	31,825,000	15,621,385	538,876	16,160,261	42,412,385	5,572,876	47,985,261
2029	29,923,250	2,886,750	32,810,000	14,742,624	433,639	15,176,263	44,665,874	3,320,389	47,986,263
2030	30,763,000	2,942,000	33,705,000	13,905,378	374,945	14,280,323	**44,668,378**	3,316,945	47,985,323
2031	29,507,500	3,007,500	32,515,000	12,947,661	312,325	13,259,986	42,455,161	3,319,825	45,774,986
2032	30,529,000	3,076,000	33,605,000	11,924,101	241,868	12,165,969	42,453,101	3,317,868	45,770,969
2033	26,385,000	1,615,000	28,000,000	10,852,799	165,915	11,018,714	37,237,799	1,780,915	39,018,714
2034	27,317,500	1,662,500	28,980,000	9,915,629	123,958	10,039,587	37,233,129	1,786,458	39,019,587
2035	21,280,000	1,500,000	22,780,000	8,919,826	79,418	8,999,244	30,199,826	1,579,418	31,779,244
2036	22,105,000	1,535,000	23,640,000	8,114,914	41,153	8,156,067	30,219,914	1,576,153	31,796,067
2037	19,485,000		19,485,000	7,264,689		7,264,689	26,749,689		26,749,689
2038	14,420,000		14,420,000	6,472,562		6,472,562	20,892,562		20,892,562
2039	15,090,000		15,090,000	5,803,412		5,803,412	20,893,412		20,893,412
2040	15,790,000		15,790,000	5,102,800		5,102,800	20,892,800		20,892,800
2041	16,565,000		16,565,000	4,322,900		4,322,900	20,887,900		20,887,900
2042	17,390,000		17,390,000	3,504,550		3,504,550	20,894,550		20,894,550
2043	18,240,000		18,240,000	2,645,250		2,645,250	20,885,250		20,885,250
2044	19,150,000		19,150,000	1,743,750		1,743,750	20,893,750		20,893,750
2045	12,190,000		12,190,000	797,050		797,050	12,987,050		12,987,050
2046	3,975,000		3,975,000	198,750		198,750	4,173,750		4,173,750
Total	**472,541,500**	**37,848,500**	**510,390,000**	**196,369,833**	**4,464,764**	**200,834,597**	**668,911,333**	**42,313,264**	**711,224,597**

Bold and border font indicates Maximum Annual Debt Service (MADS) for the debt coverage calculation purposes.

KANSAS CITY BOARD OF PUBLIC UTILITIES

2025 ANNUAL BUDGET

Debt Service Payment Schedule

Non-Parity Debt by Year

	Principal			Interest			Service	Total		
Year	Electric	Water	Total	Electric	Water	Total	Fee	Electric	Water	Total
2025	251,966	3,019,189	3,271,155	70,475	492,303	562,778	498,310	322,441	3,511,492	3,833,933
2026	259,165	3,090,071	3,349,236	61,666	439,257	500,923	479,700	320,831	**3,529,328**	**3,850,159**
2027	268,372	2,847,766	3,116,138	52,591	384,716	437,307	460,725	320,963	3,232,482	3,553,445
2028	279,603	2,589,692	2,869,295	43,100	484,838	527,938	302,254	**322,703**	3,074,530	3,397,233
2029	181,086	2,559,291	2,740,377	33,076	582,380	615,456	150,715	214,162	3,141,671	3,355,833
2030	77,500	2,525,952	2,603,452	27,353	538,346	565,699	142,006	104,853	3,064,298	3,169,151
2031	80,000	2,577,035	2,657,035	25,028	496,148	521,176	133,120	105,028	3,073,183	3,178,211
2032	82,500	2,629,211	2,711,711	21,828	453,038	474,866	124,055	104,328	3,082,249	3,186,577
2033	85,000	2,682,503	2,767,503	19,250	408,994	428,244	114,807	104,250	3,091,497	3,195,747
2034	87,500	1,971,975	2,059,475	16,594	367,647	384,241	106,036	104,094	2,339,622	2,443,716
2035	92,500	2,010,115	2,102,615	13,094	336,442	349,536	99,101	105,594	2,346,557	2,452,151
2036	95,000	1,646,175	1,741,175	10,088	304,577	314,665	92,032	105,088	1,950,752	2,055,840
2037	97,500	1,267,269	1,364,769	7,000	285,692	292,692	86,950	104,500	1,552,961	1,657,461
2038	102,500	1,286,349	1,388,849	3,588	271,064	274,652	82,498	106,088	1,557,413	1,663,501
2039		1,305,716	1,305,716		256,215	256,215	77,978		1,561,931	1,561,931
2040		1,325,376	1,325,376		241,143	241,143	73,391		1,566,519	1,566,519
2041		1,345,331	1,345,331		225,844	225,844	68,735		1,571,175	1,571,175
2042		1,365,587	1,365,587		210,315	210,315	64,009		1,575,902	1,575,902
2043		1,386,147	1,386,147		194,552	194,552	59,211		1,580,699	1,580,699
2044		1,407,017	1,407,017		178,551	178,551	54,342		1,585,568	1,585,568
2045		1,428,202	1,428,202		162,310	162,310	49,399		1,590,512	1,590,512
2046		1,449,705	1,449,705		145,824	145,824	44,381		1,595,529	1,595,529
2047		1,471,532	1,471,532		129,090	129,090	39,288		1,600,622	1,600,622
2048		1,493,688	1,493,688		112,104	112,104	34,118		1,605,792	1,605,792
2049		1,516,177	1,516,177		94,862	94,862	28,871		1,611,039	1,611,039
2050		1,539,005	1,539,005		77,360	77,360	23,544		1,616,365	1,616,365
2051		1,562,177	1,562,177		59,595	59,595	18,138		1,621,772	1,621,772
2052		1,585,697	1,585,697		41,563	41,563	12,650		1,627,260	1,627,260
2053		1,609,572	1,609,572		23,259	23,259	7,079		1,632,831	1,632,831
2054		813,851	813,851		4,680	4,680	1,424		818,531	818,531
Total	**2,040,192**	**55,307,373**	**57,347,565**	**404,731**	**8,002,709**	**8,407,440**	**3,528,867**	**2,444,923**	**63,310,082**	**65,755,005**

Bold and border font indicates Maximum Annual Debt Service (MADS).

KANSAS CITY BOARD OF PUBLIC UTILITIES

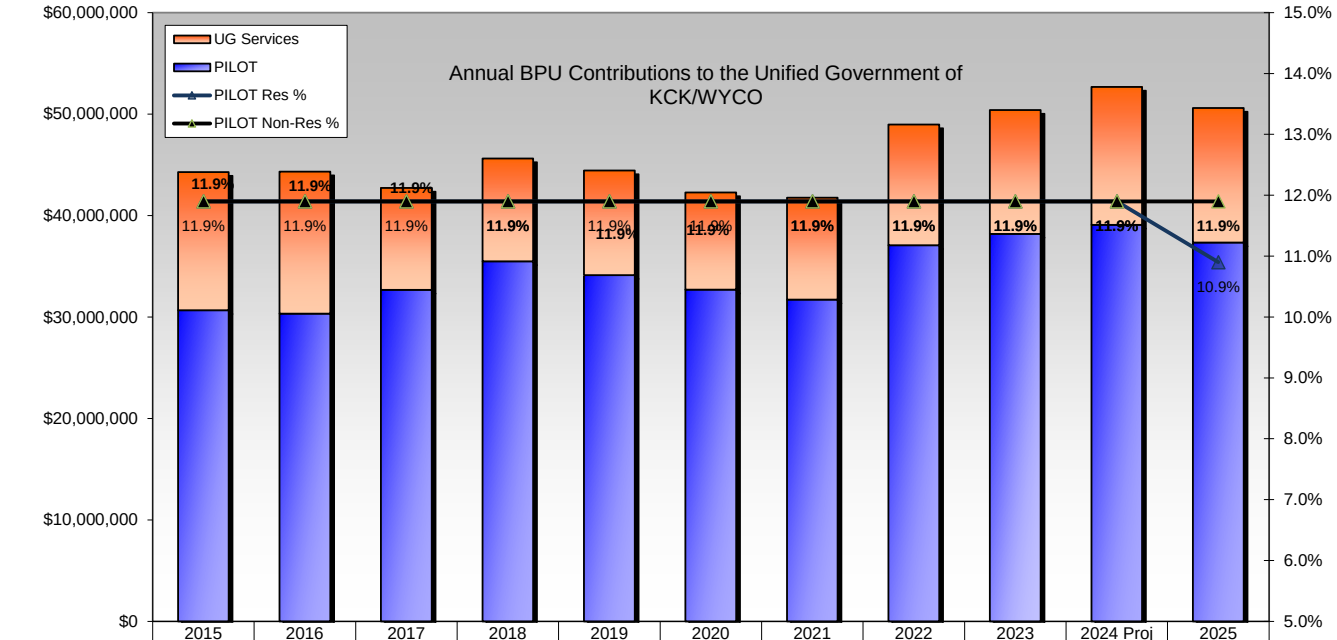
2025 ANNUAL BUDGET

Contributions to the Unified Government

The 2025 Budget includes a non-operating item of $37,331,861 for the collection and payment of the Payment in Lieu of Tax (PILOT) to the Unified Government of Wyandotte County/Kansas City, Kansas. The rate set by the Unified Government for 2025 is 10.9 percent of electric and water residential sales and 11.9 percent of all other utility sales. The 2025 amount includes $31,207,961 from electric system utility funds and $6,123,900 from water system utility funds. The PILOT is charged to BPU customers as an additional line item on their monthly billing statements.

Major financial contributions to the Kansas City, Kansas community and the percent of operating revenues are shown in the box below. In addition to these items, the utility is involved in the community by sponsoring non-profit community events, supporting community organizations, and contributing to the United Way fundraising campaign.

	2022 Actual	2023 Actual	2024 YTD (1)	2025 Budget
DIRECT PAYMENTS AND EXPENSES				
Payment-in-lieu-of Tax	$ 37,073,894	$ 38,197,843	$ 29,309,740	$ 37,331,861
Street Lighting & Signals	1,430,160	2,042,037	1,496,840	1,822,661
Fire Hydrant services	608,943	387,223	383,099	502,322
TOTAL - DIRECT PAYMENTS AND EXPENSES	$ 39,112,997	$ 40,627,103	$ 31,189,679	$ 39,656,844
OTHER UG SERVICES				
UG Facility Energy & Water Charges	$ 8,836,573	$ 8,758,041	$ 6,761,315	8,869,900
Billing Services	1,021,487	1,019,548	1,550,110	2,066,813
TOTAL - OTHER UG SERVICES	$ 9,858,060	$ 9,777,589	$ 8,311,425	$ 10,936,714
TOTAL PAYMENTS AND CONTRIBUTIONS	$ 48,971,057	$ 50,404,692	$ 39,501,104	$ 50,593,557
PERCENT OF TOTAL ANNUAL OPERATING REVENUE	14.59%	15.19%	14.76%	15.36%
PERCENT OF TOTAL ANNUAL OPERATING REVENUE (Less PILOT)	3.55%	3.68%	3.81%	4.03%
(1) Year-to-date reflects expenses through September 30, 2024				
Total annual operating revenue less PILOT	$ 335,537,378	$ 331,931,208	$ 267,575,805	$ 329,294,953



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Proj	2025
UG Services	13,631,035	13,987,151	10,040,300	10,134,369	10,318,291	9,579,578	10,039,263	11,897,163	12,206,849	13,588,485	13,261,696
PILOT	30,658,852	30,336,724	32,673,555	35,490,480	34,116,534	32,687,316	31,715,220	37,073,894	38,197,843	39,079,653	37,331,861
PILOT Res %	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	10.9%
PILOT Non-Res %	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%

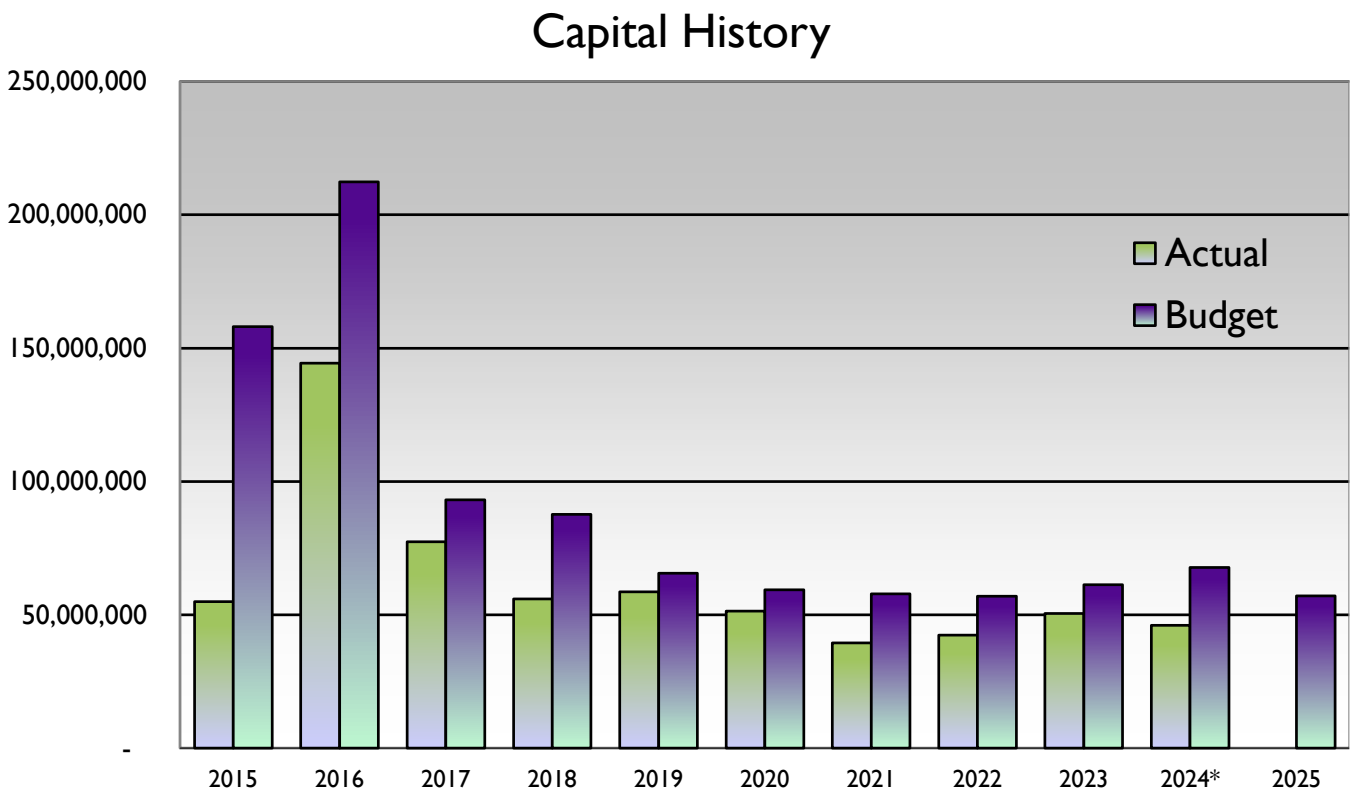
CAPITAL IMPROVEMENTS PLAN

The 2025 Budget presents a Capital Improvement Plan for major infrastructure projects over $20,000 and major capital equipment purchases over $5,000 in value. A capital improvement or capital project is defined as the purchase or improvement of assets, including the construction or rehabilitation of an asset. Capital improvements are made to improve the value of BPU assets, which represent a significant commitment of BPU resources.

Major capital improvements should have a useful life of at least five years, compared to operating budget items, which are consumed in the daily delivery of utility services. The nature of the capital improvements lends itself to long-term planning and a combination of financing mechanisms.

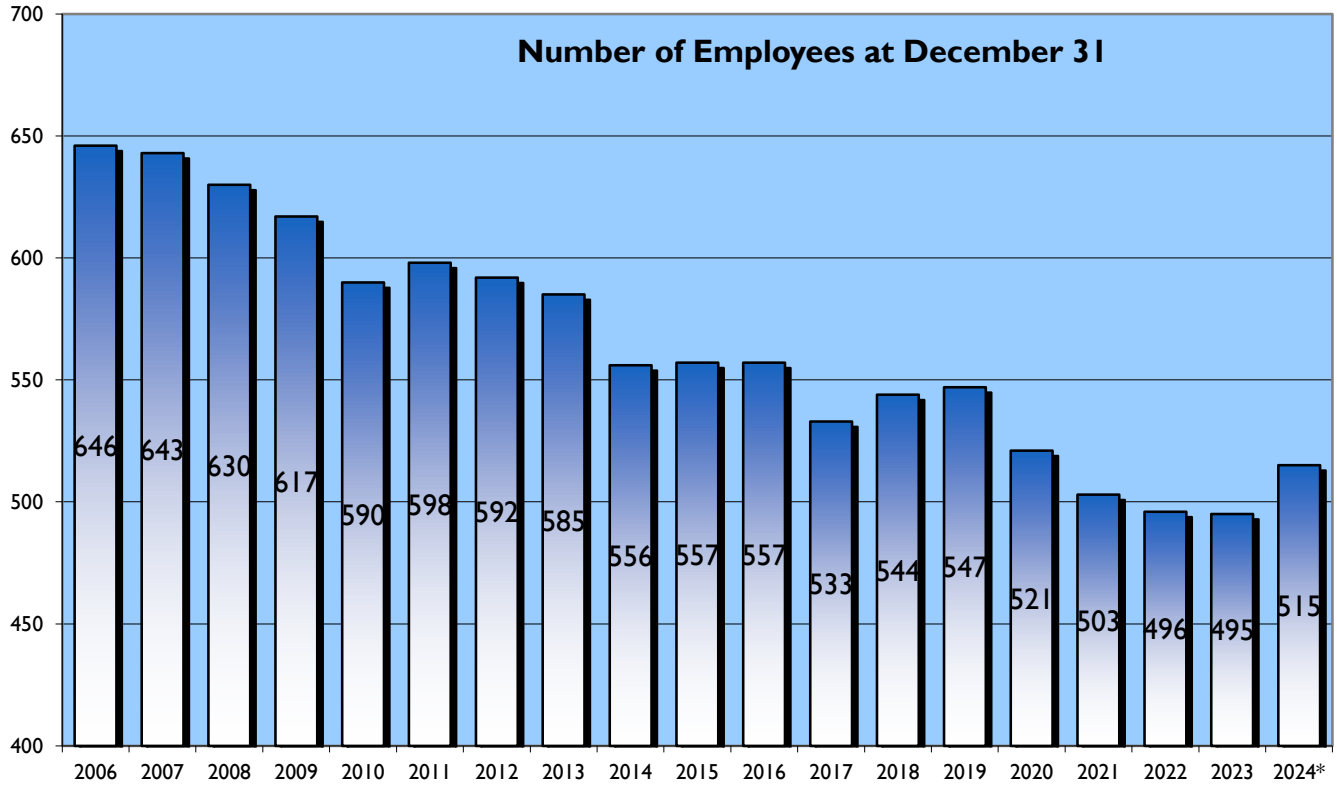
Electric and water system revenues primarily fund capital improvements. Other sources of funding the BPU's capital improvements may be from State of Kansas loans, federal grants, and issuance of long-term debt.

The 2025 budget includes an Economic Development Administration (EDA) grant, an Environmental Protection Agency (EPA) grant and a Kansas State Revolving Fund (SRF) loan that provides funding for Electric and Water Transmission & Distribution improvements.



* Estimate as of fiscal year ending December 31, 2024

Staffing Summary



*As of September 30 2024

Glossary of Terms

Accounts Payable
A liability account reflecting amounts owed to persons/organizations for goods and services received.

Accounts Receivable
An asset account reflecting amounts owing from persons/organizations for goods and services provided.

Accrual Basis of Accounting
A method of accounting for revenues and expenses when earned or incurred instead of when cash is received or spent.

ACFR (Annual Comprehensive Financial Report)
The official annual financial report of BPU. The ACFR is prepared in conformity with Generally Accepted Accounting Principles (GAAP) and includes an accounting opinion by an outside auditor.

Actuals
Monies which have already been used or received as opposed to budgeted monies which are estimates of funds that may be spent or received.

Adopted Budget
A budget that has been prepared and reviewed in accordance with State law and has been duly adopted by the Board.

Annual Budget
A budget covering a single fiscal year (January 1 to December 31).

Audit
An examination to determine the accuracy and validity of records and reports by an agency whose duty it is to make the BPU conform to established procedures and policies.

Base Rate
A fixed monthly utility charge that includes customer charges and usage charges that are independent of other charges and/or adjustments such as riders.

Basis of Accounting
A term used to describe when revenues, expenditures, expenses, and transfers are recognized in the accounts and reported on the financial statements, specifically relating to the timing of measurements.

Board of Public Utilities
The Board of Public Utilities (BPU) of Kansas City, Kansas consists of the municipal electric and water utility, which provide services to approximately 65,000 electric and 51,000 water customers as well as wholesale power and water to area local governments and utility agencies. The BPU is an administrative agency of the Unified Government of Wyandotte County/Kansas City, Kansas. The BPU's operational and administrative control is under a six-member elected board of directors.

Bond
A written promise to pay a specified sum of money (called the face value or principal amount) at a specified date(s) in the future called maturity date(s), together with periodic interest at a specified rate.

Budget
A plan of financial operation comprised of an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budget Coordinator
This role is the central budget office coordinator for an organization. This individual determines budget parameters and guidelines, builds the planning model, coordinates the overall budget process for the organization, and performs high-level forecasting and analysis.

Budget Preparer
This role is the lowest level of budget preparation for a department. This individual provides line-item, asset, and position budget amounts and justifications to higher-level users.

Capital Assets
Items that are tangible, have an economic life greater than one year, and maintain their identities throughout their useful lives. Also known as fixed assets.

Capital Improvement Plan (CIP)
A plan for capital expenditures to be incurred each year over a fixed period of years, identifying the expected beginning and ending date, and the amount to be expended in each year and the method of financing those expenditures

Capital Improvements
The payments for major infrastructure improvement projects, including major annual system maintenance initiatives, which improve the physical assets of the BPU.

Cash Basis
A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CCF
"CCF" is the measurement of the amount of water used. One "CCF" equals 100 cubic feet or approximately 750 gallons of water.

Class Code
As used in expenditure classifications, this term is applied to the identifying number assigned to an article purchased or services obtained.

Glossary of Terms

Commitment
A commitment of monies related to the unperformed but anticipated contract for goods and services.

Commodities
An expenditure category that includes supplies and materials that are consumed as they are used. Some examples of commodities are chemicals, office supplies, cleaning supplies, and the supplies to maintain equipment.

Cost of Service
A rate-making concept used for the design and development of rate schedules to ensure that the filed rate schedules recover only the cost of providing the electric and water service at issue. This concept attempts to correlate the utility's costs and revenue with the service provided to each of the various customer classes.

Days Cash
Number of days of cash on hand (working capital) available to meet daily Utility operations. Excludes restricted funds. (1 Day of Cash = Operating Expense divided by 365 days)

Debt Service
Debt services include principal and interest payments.

Debit Service Coverage
The net revenues divided by the maximum scheduled debt service requirement.

DEM
"DEM" stands for the measurement of demand or reserved electric capacity which is the maximum amount of power used in a 30-minute period. It is measured in "KILOWATTS" (kW).

Department
A major unit of organization which are subunits of divisions.

Department ID
A numerical designator for a department used for the reporting entity for budget and accounting purposes.

Depreciation
Reduction in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. Depreciation is determined by allocating the cost of capital assets over the estimated useful lives of the assets on a straight-line basis.

Distribution System
The portion of the transmission and facilities of an electric system that is dedicated to delivering electric energy to an end-user.

Division
The unit in the organization to which departments report.

Earnings Code
Defines compensation associated with an employee that is paid. These earnings can be defined in the Human Resource Management System.

Equal Payment Plan (EPP)
A convenient budget payment plan that evens out seasonal differences in utility service and tends to average out monthly payments. This plan is available to all BPU residential customers with good payment history.

Expenditures
Cash payments for goods received, services rendered, or debt obligations.

Fees for Service
Charges paid to the Board of Public Utilities by users of a service to help support the costs of providing that service.

Fiscal Year
A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The fiscal year for BPU begins on January 1 and ends on December 31.

Generally Accepted Accounting Principles (GAAP)
Rules and procedures that serve as the norm for the fair presentation of financial statements.

Governmental Accounting Standards Board (GASB)
Government Accounting Standards Board regulates the rules and standards for all governmental units.

General Fund
The main operating fund of the BPU where monies are deposited and expended on an ongoing basis.

Government Finance Officers Association (GFOA)
An organization that supports the advancement of governmental accounting, auditing, and financial reporting.

Infrastructure
The physical assets of the BPU (water mains, processing plants, power stations, buildings, transmission and distribution systems).

Integrated Market (IM)
Southwest Power Pool (SPP) is responsible for the IM that includes a consolidated balancing authority, a day-ahead energy market, a real-time energy market, an operating reserve market, and a market for Transmission Congestion Rights.

Glossary of Terms

Inter-Fund Transfers
Amounts transferred from one fund to another.

Itemization
Detailed information of operating expenses.

Kansas Water Plan Tax
A state water protection fee based on gallons of water sold.

Kilowatt Hour (kWh)
"kWh" is the mathematical equivalent of 1,000 watts of electric energy used for one hour.

Labor Costs
The cost of wages, salaries, and other employer paid fringe benefits such as retirement contributions, social security, health care, worker's compensation, unemployment benefits and various employee stipends and overtime payments.

Late Payment Charges (LPC)
A late fee applicable to the unpaid portion of the current charge and may affect deposit requirements and/or refunds.

Line Items
The classification of objects of expenditures by major expense category. Lowest level of detail in the budgeting process.

Load Factor
The ratio of the average load to peak load during a specified time interval.

Long-Term Debt
Debt with a maturity of more than one year after the date of issuance.

Megawatt Hour (mWh)
Equivalent to 1 million watts used over one hour.

Meter Reading Dates
The date the meter is read or recorded.

Minimum Bill
There is a minimum charge for any active meter. This charge covers the cost of availability of service.

Multi Budget Year Projects
Capital Improvement Projects which span more than one year. These are budgeted for in the CIP for a five-year period, which shows the expected level of expenditures for the current and future years.

Net Operating Expenses
Total operation and maintenance expenses, excluding (net of) transfers between utilities and transfers to capital.

Operating Budget
The annual appropriation to maintain and operate the BPU's services.

Operating Expenses
Day-to-day expenses necessary for the maintenance of the BPU. Operating expenses include payroll, employee benefits, services, depreciation, repairs, etc. These operating expenses are costs which are incurred from operating activities and exclude income and expenses such as interest, gain or loss on investments, extraordinary items and miscellaneous items not directly related to business operations.

Operating Income
The amount realized from a business's operations after taking out operating expenses and depreciation.

Operating Revenue
Revenue or funds received as income to pay for ongoing day-to-day operations.

Payment in Lieu of Taxes (PILOT)
Payments made from the general fund revenues of the BPU to the Unified Government of Wyandotte County/Kansas City, Kansas in lieu of taxes. As of January 1, 2018, the BPU is required to transfer 10.9 percent of gross electric and water residential sales and 11.9 percent of all other gross utility sales to the Unified Government, with the exception of wholesale energy sales.

Peak Demand
The maximum (electric) load during a specified period of time.

Proposed Budget
The recommended and unapproved budget submitted to the Board of Directors and public in December of each year.

Prorated Bill (PRO)
A billing for more or less days than a normal billing period. This typically occurs with the first or last bill.

Reserve
An account used to set aside a portion of a fund balance as segregated for a specific future use.

Revenue
Income received by the BPU to support utilities and services to the community. It includes such items as utility billings, fees, user charges, fines, interest income and miscellaneous revenue.

Glossary of Terms

Revenue Bonds
Bonds that are repaid exclusively from the earnings of the BPU.

Revised Budget
The Current Budget adjusted to reflect revised expenditure needs. The Board of Directors must approve any revisions.

Services
Payments for services other than internal personnel, including professional employee training, employee travel, maintenance service agreements.

Staffing Authorization
The listing of authorized positions within the BPU's Annual Budget.

Statement of Net Position (formerly the Balance Sheet) A financial statement that presents the assets, liabilities, reserves and balances of specific funds as of a specific date.

Statement of Revenues, Expenses and Changes in Net Position (formerly the Income Statement)
A financial statement displaying the revenues less expenses of the organization for a given period of time, usually a month, quarter or year.

Substation
Facility equipment that switches, changes, or regulates electric voltage.

Summer/Winter Rates
Summer Rates are effective for four consecutive months beginning with meter reads June 1st. Winter Rates are effective for eight consecutive months beginning with meter reads October 1st.

Supplies
Payments for consumable tangible materials, supplies, sundry purchases and parts.

Unified Government of Wyandotte County/Kansas City, Kansas
The government serves as the entire local government of Kansas City, Kansas while continuing to provide county services for the cities of Bonner Springs and Edwardsville.

User Fees
The payment of fees for receipt of a service by the party benefiting from the service.