

REGULAR SESSION –WEDNESDAY, FEBRUARY 19, 2025

STATE OF KANSAS)
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CITY OF KANSAS CITY)

The Board of Public Utilities of Kansas City, Kansas (aka BPU, We, Us, Our) met in Regular Session on Wednesday, February 19, 2025 at 6:00 PM. The following Board Members were present: Rose Mulvany Henry, Vice President; Brett Parker, Secretary; Mary Gonzales, Stevie A. Wakes Sr., and Thomas Groneman. David Haley, President, attended via Zoom. Mr. Haley asked that Ms. Mulvany Henry conduct the meeting.

Also present: Jeremy Ash, General Manager; Angela Lawson, Acting Chief Counsel; Lori Austin, Chief Financial Officer; Andrew Ferris, Chief Financial Officer; Abbey Frye, Chief Administrative Officer; Leigh Mulholland, Chief Compliance Officer; Jerry Sullivan, Chief Information Officer; Darrin McNew, Executive Director Electric Operations; Donald Stahl, Executive Director Electric Production; Steve Green, Executive Director Water Operations; Amber Oetting; Director Communications & Marketing; Dennis Dumovich, Director of Human Resources; Jeremiah Waldeck, Superintendent Distribution-Underground EO Transmission; Steve Hargis, Supervisor Water Operations; 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 6:03 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 visitor comments section, those who attended in person, wishing to comment, should use the sign-up sheet at the entry and provide their name and address. In addition, there would be a public comments section after the General Manager/Staff Reports. During this section, the public could comment on the items presented in the General Manager/Staff Reports section that evening. Both visitor and public comments were limited to three minutes and should be addressed to the Board. Members of the public who wished to speak to the Board using Zoom needed to use the raise hand feature at the bottom of the application or window to signal that they wish to address the board during the public comment section. Members of the public connected by phone only, needed to press *9 to indicate they wished to address the Board in the visitor and public comment sections. No confidential information should be shared, including, account information. Staff would not provide individual account information during an open meeting. As always, the public could also email or call the BPU with any concerns. She informed all participants to act respectfully to each other; personal attacks or accusations would not be tolerated. All concerns would be directed to the Board only, they would then determine staff involvement. If side discussion was necessary, it was to be conducted outside of the Board room to avoid interfering with presenters or other attendees. If any rules are breached during this meeting, the attendee was subject to removal.

REGULAR SESSION –WEDNESDAY, FEBRUARY 19, 2025

STATE OF KANSAS)
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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.

Item #3 – Approval of Agenda

A motion was made to amend and approve the Agenda to include an Executive Session, after Board Comments, to discuss non-elected personnel matters, by Ms. Mulvany Henry, seconded by Mr. Parker, and unanimously carried.

Item #4– Approval of the Minutes of the Work Session of February 5, 2025

A motion was made to approve the minutes of the Work Session of February 5, 2025, by Mr. Parker, seconded by Ms. Gonzales, and unanimously carried.

Item #5– Approval of the Minutes of the Regular Session of February 5, 2025

A motion was made to approve the minutes of the Regular Session of February 5, 2025, by Ms. Gonzales, seconded by Mr. Parker, and unanimously carried.

Item #6– Visitors Comments

There were no visitors wishing to speak.

Item #7– General Manager / Staff Reports

- i. *Preliminary December 2024 Financials:* Ms. Lori Austin, Chief Financial Officer, presented the preliminary December 2024 Financials to the Board. (See attached PowerPoint.)

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

- ii. *Infrastructure Investment – Pole Replacement Update:* Mr. Darrin McNew, Executive Director Electric Operations, gave an update on the pole inspection replacement program which included, the process of inspecting and preserving wood poles, the number of poles projected to be replaced 2025, and the phases of replacement. (See attached PowerPoint.)

REGULAR SESSION –WEDNESDAY, FEBRUARY 19, 2025

STATE OF KANSAS)
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- iii. *Miscellaneous Comments:* Mr. Ash spoke about the Community Engagement meeting held on February 17th. He acknowledged the Electric Operations team that responded to a broken transmission line over the weekend and acknowledged Mr. Robert Kamp, IT Project Manager, for ensuring meetings were broadcasted and available to BPU and the community. He recognized Ms. Lori Austin, Chief Financial Officer, for her 40 years of service to BPU and said he was fortunate to work with her in many capacities and appreciated her mentorship over the years.

Ms. Austin shared experiences over her 40-year career and said that BPU was like family. She was grateful for the opportunities she was given in Accounting and other areas within the utility, as each helped her gain a broader knowledge of the utility. In her role as Chief Financial Officer, she had to deliver both good and bad news to the Board, but she was pleased to be leaving with a good report. She was also proud that BPU had received the Government Finance Officers Award (GFOA) Certificate of Achievement in Financial Reporting for 43 consecutive years and expressed appreciation for the Board and BPU for a great career.

Item #8– Public Comments on Agenda Items

There were no visitors wishing to speak.

Item #9– Board Comments

Mr. Haley expressed appreciation to Ms. Austin for her insight and professionalism and wished her well in retirement. He thanked her and Mr. McNew for their presentations, gave an update on Senate activity, and thanked Ms. Mulvany Henry for conducting the meeting.

Mr. Wakes thanked staff for their presentations and expressed appreciation to Ms. Austin for her service to BPU.

Mr. Parker echoed previous comments and thanked the presenters. He thanked Ms. Austin for her service to the BPU and wished her well in her upcoming retirement.

Ms. Gonzales thanked Mr. Kamp for his IT expertise, said she was grateful to Ms. Austin for always answering her questions, and thanked Mr. McNew for his presentation.

REGULAR SESSION –WEDNESDAY, FEBRUARY 19, 2025

STATE OF KANSAS)
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CITY OF KANSAS CITY)

Mr. Groneman thanked staff for their presentations and thanked Ms. Austin for her time at BPU. He said he was on the Board when she had to present bad news and acknowledged the battle it took to get to where BPU is today. He thanked Ms. Austin, along with BPU staff for working together to keep BPU running smoothly.

Ms. Mulvany Henry echoed previous comments and thanked the BPU team as a whole for their collective efforts in delivering safe and reliable power and water at an affordable rate to the community. She thanked Ms. Austin for her dedication to BPU and the community, congratulated her on 40 years of service, and wished her the best in retirement. She spoke about the Community Engagement Ambassadors having the opportunity to tour BPU facilities and conducting a quarterly meeting at Nearman Water Treatment Plant.

Item #10 – Executive Session

Ms. Angela Lawson, Acting Chief Counsel, proposed a motion for adoption as followed:

“I move that the Board go into Executive Session while suspending the portion of Rule 1.1 that requires in person attendance and after taking a 10 minutes recess, we move into executive session in the first floor conference room to discuss confidential matters related to the general manager as justified under the personnel matters of a non-elected employee exception in the Kansas Open Meetings Act, and that the General Manager, Jeremy Ash, and Acting Chief Counsel, Angela Lawson, be present to participate in the discussion, and that we reconvene in open session at 7:25 PM in the Board room to either take action in an open session or to adjourn.”

Mr. Haley asked if the motion included the suspension of the rule to allow him to participate remotely, and it was clarified that it was.

A motion was made to move into Executive Session, by Ms. Mulvany Henry, seconded by Mr. Groneman, and unanimously carried.

At 7:26 PM the meeting returned to Open Session.

Item 11 – Adjourn

At 7:26 PM a motion to adjourn was made by Mr. Parker, seconded by Mr. Wakes, and unanimously carried.

REGULAR SESSION –WEDNESDAY, FEBRUARY 19, 2025

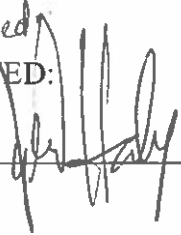
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ATTEST:



Secretary

As Amended
APPROVED:



President

December 2024 Preliminary Financial Results

February 19, 2025

2024 Billed kWh (YTD December)

Electric	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	565,762,035	604,322,700	↓
Commercial	981,605,710	1,008,455,871	↓
Industrial	504,119,609	484,415,775	↑
	2,051,487,354	2,097,194,346	↓ -2.2%

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

Residential – Down 6% Commercial – Down 3% Industrial – Up 4%

2024 Billed CCF's (YTD December)

Water	(CY) 2024 YTD	(PY) 2023 YTD	
Residential	3,515,203	3,549,655	↓
Commercial	2,785,060	2,781,262	↑
Industrial	1,780,444	1,835,540	↓
	8,080,707	8,166,457	-1.1%

Residential – Down 1%

Commercial – Up <1%

Industrial – Down 3%

Revenues – December 2024

	(CY) 2024 December	(PY) 2023 December		Budget 2024 December	(CY) 2024 December	
Electric	\$ 14.817	\$ 19.838		\$ 25.019	\$ 14.817	
Water	3.841	3.709		4.388	3.841	
Combined	\$ 18.658	\$ 23.547	-20.8%	\$ 29.407	\$ 18.658	-36.6%

**Dollars in millions

Actual Compared to 2024 Budget

Electric – Down 41%

Water – Down 12%

Recorded an Over Collection of the ERC for the 3rd & 4th Quarter of 2024 - \$9,358,600
(To be amortized January through June 2025)

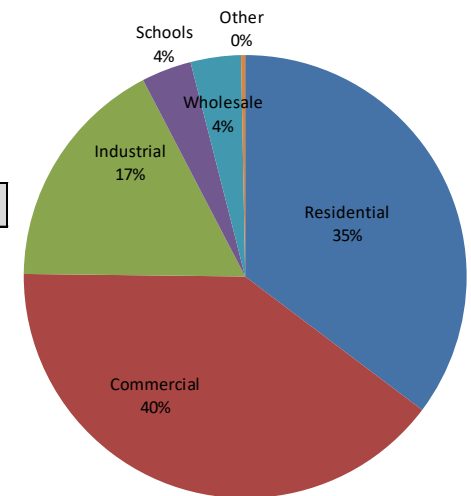
Revenues - 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 314.687	\$ 315.096	↓	\$ 314.451	\$ 314.687	↑
Water	57.783	55.033	↑	57.469	57.783	↑
Combined	\$ 372.470	\$ 370.129	0.6%	\$ 371.920	\$ 372.470	0.1%

**Dollars in millions

Variance - YTD comparing Budget to Actual for 2024

<u>Electric:</u>	Up >1%	<u>Water:</u>	Up >1%
Residential	\$ 410K	Residential	\$ 7K
Commercial	\$ 8.2M	Commercial	\$ 1.0M
Industrial	(\$ 3.3M)	Industrial	(\$ 72K)
Schools	\$ 783K	Wholesale	(\$ 97K)
Wholesale	(\$ 2.5M)		



Operating Expenses – December 2024

	(CY) 2024 December	(PY) 2023 December		Budget 2024 December	(CY) 2024 December	
Electric	\$ 13.115	\$ 15.542		\$ 19.654	\$ 13.115	
Water	1.546	2.043		3.446	1.546	
Combined	\$ 14.661	\$ 17.585	-16.6%	\$ 23.100	\$ 14.661	-36.5%

**Dollars in millions

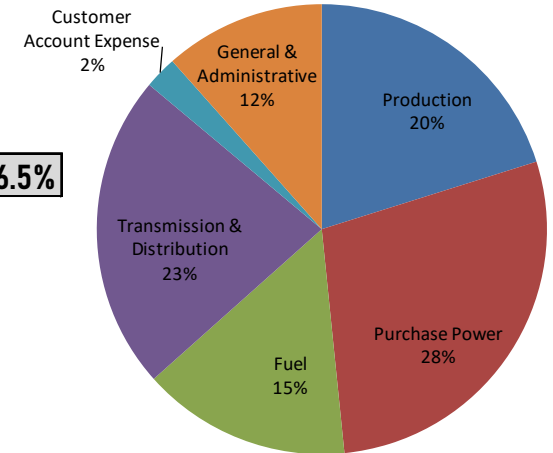
Actual Compared to 2024 Budget

Electric – Down 33%

Water – Down 55%

Operating Expenses – 2024 YTD

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 222.059	\$ 241.094	↓	\$ 234.203	\$ 222.059	
Water	37.356	37.731		43.168	37.356	
Combined	\$ 259.415	\$ 278.825	↓ -7.0%	\$ 277.371	\$ 259.415	↓ -6.5%



**Dollars in millions

Actual Compared to 2024 Budget

- Electric – Down 5%
- Water - Down 13%

Operating Expenses – 2024 YTD less Depreciation

	(CY) 2024 YTD	(PY) 2023 YTD		Budget 2024 YTD	(CY) 2024 YTD	
Electric	\$ 185.885	\$ 205.298	↓	\$ 199.328	\$ 185.885	↓
Water	28.952	29.281		34.881	28.952	
Combined	\$ 214.837	\$ 234.579	↓ -8.4%	\$ 234.209	\$ 214.837	↓ -8.3%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2024

Electric:




Purchased Power	\$ 7.6M
Fuel	(\$ 6.3M)
Production	(\$ 1.5M)
T&D	(\$ 1.9M)
G&A	(\$10.6M)

Water:

Production	(\$ 855K)
T&D	(\$2.2M)
G&A	(\$2.6M)

Change in Net Position – December 2024

	(CY) 2024 December	(PY) 2023 December
Electric	\$ (1.537)	\$ 0.539
Water	1.825	1.175
Combined	\$ 0.288	\$ 1.714

Budget 2024 December	(CY) 2024 December
\$ 1.596	\$ (1.537) 
0.499	1.825 
\$ 2.095	\$ 0.288 

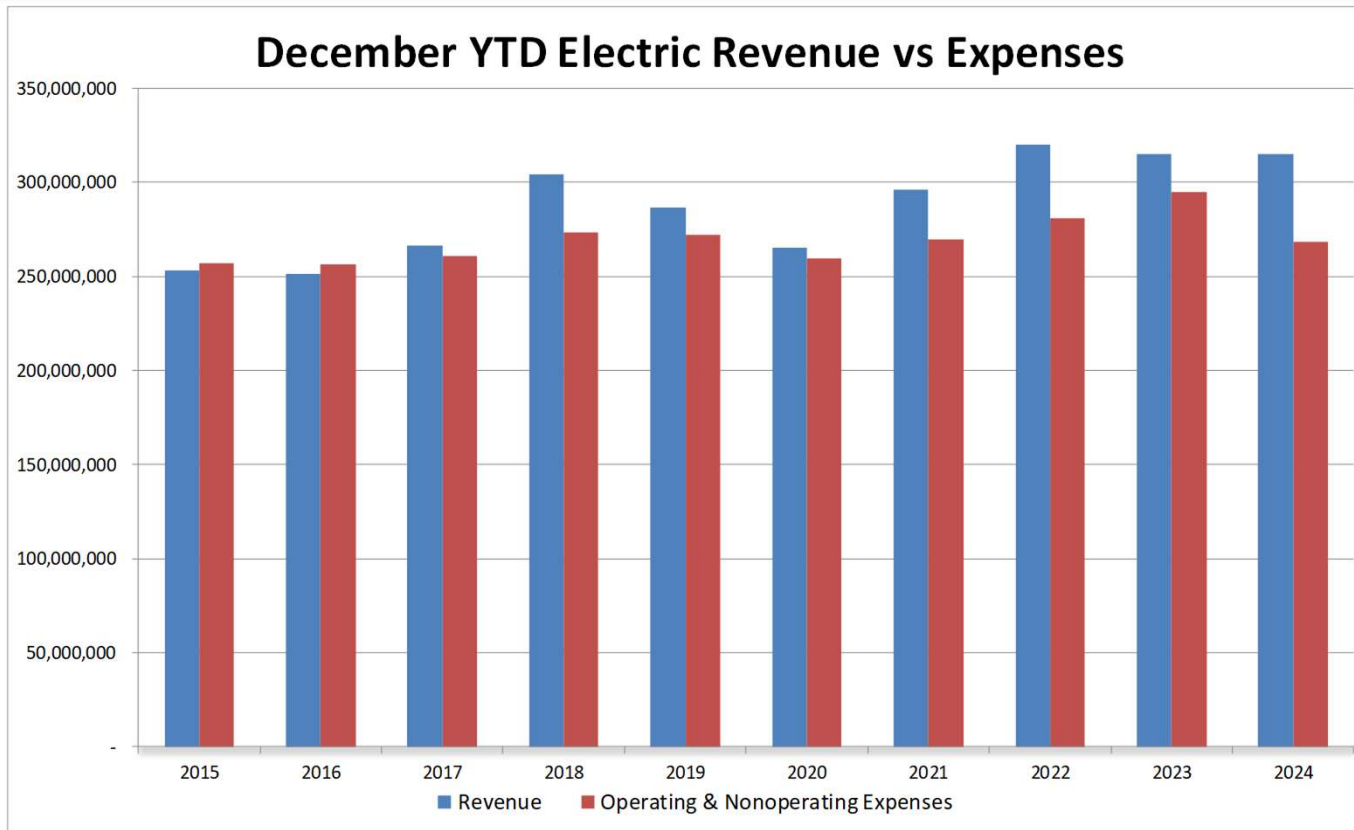
**Dollars in millions

Change in Net Position – 2024 YTD

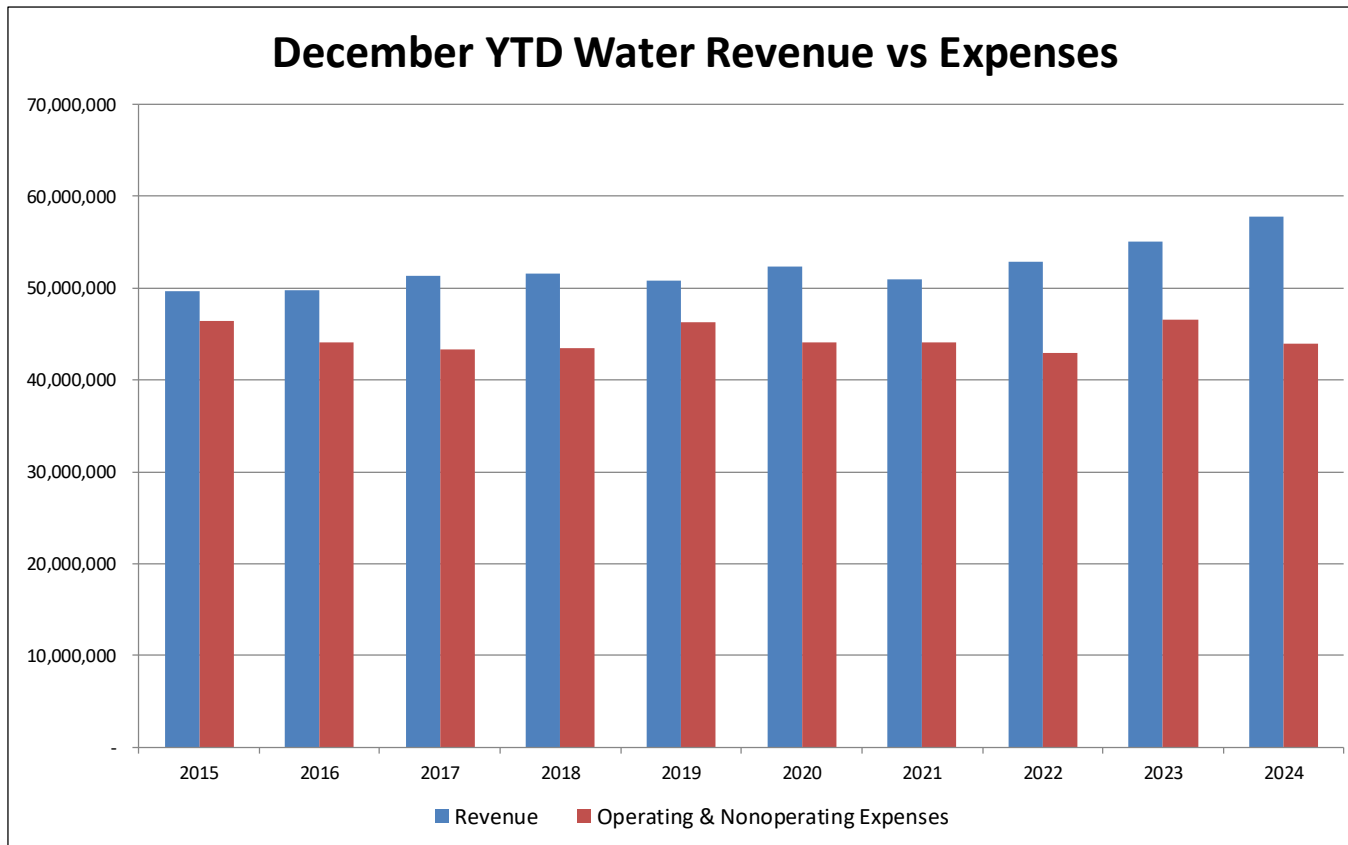
	(CY) 2024 YTD	(PY) 2023 YTD	Budget 2024 YTD	(CY) 2024 YTD
Electric	\$ 46.307	\$ 25.533	\$ 33.011	\$ 46.307
Water	16.272	11.244	7.947	16.272
Combined	\$ 62.579	\$ 36.777	\$ 40.958	\$ 62.579

**Dollars in millions

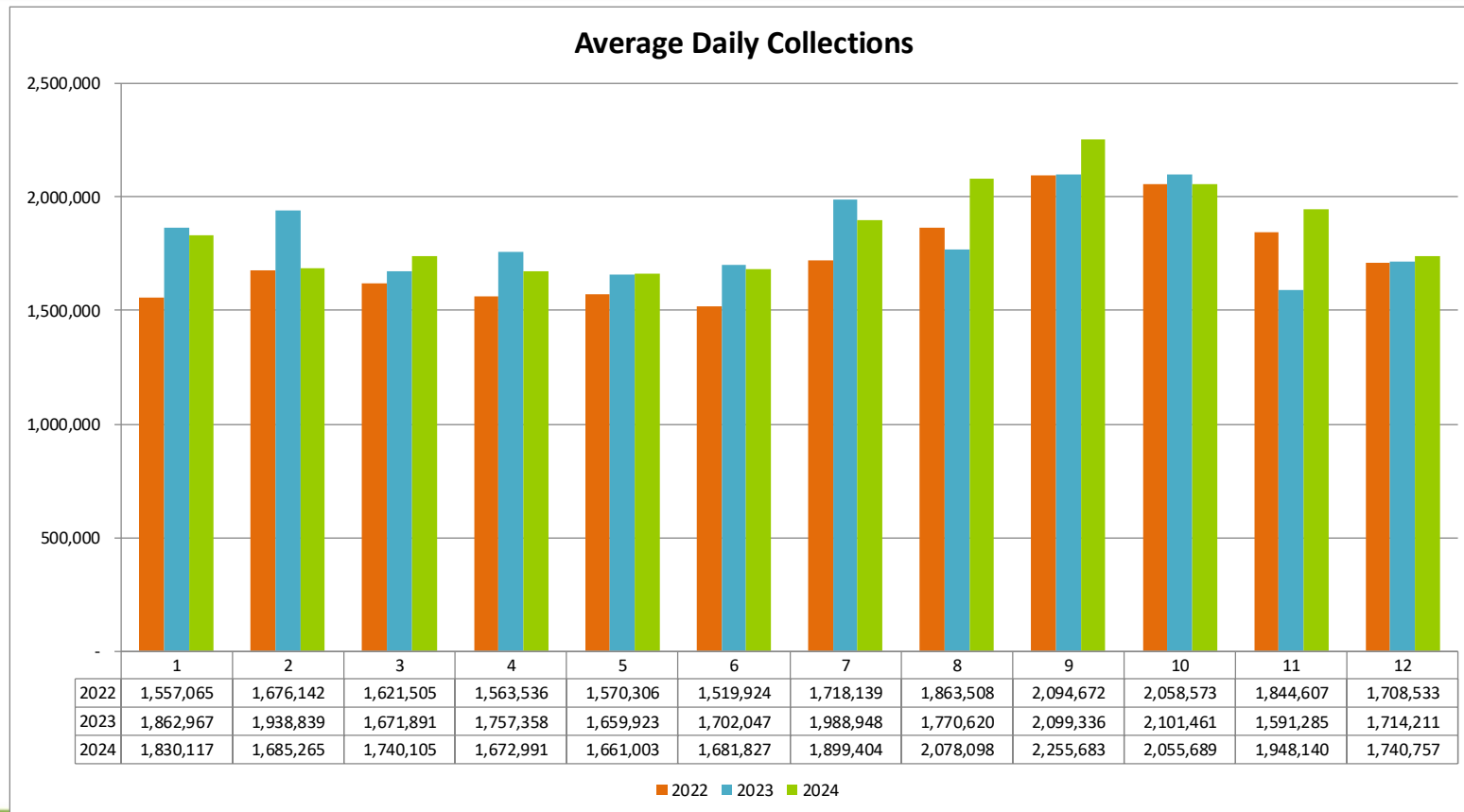
Financial Results – 10 Year Trend



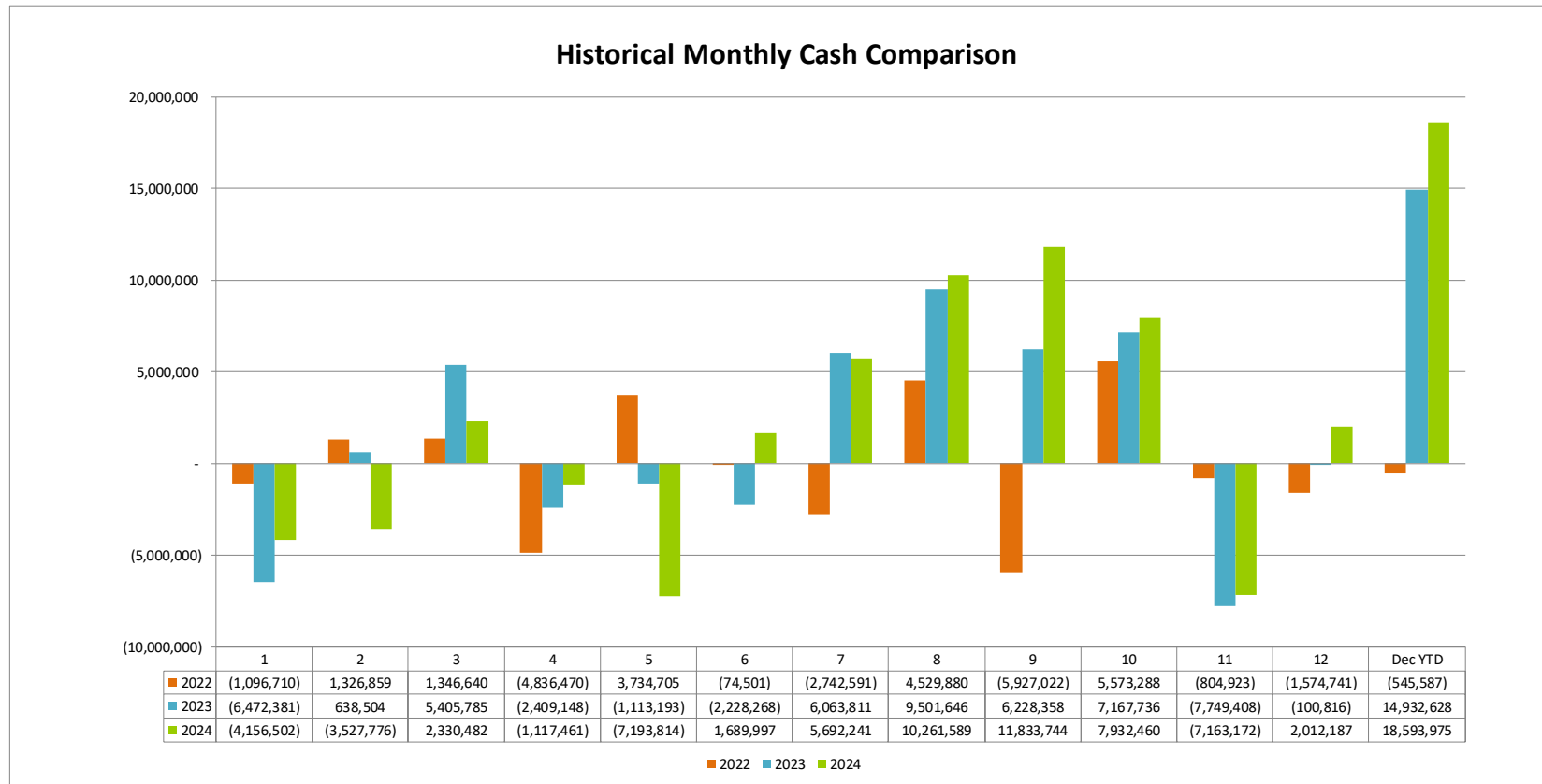
Financial Results – 10 Year Trend



Financial Results



Financial Results



Financial Results

Cash Position

	(CY) 2024 December	(PY) 2023 December	2024 November
Combined (E&W) Days Cash-on-Hand	\$ 76.74 130	\$ 60.20 97	\$ 73.02 123

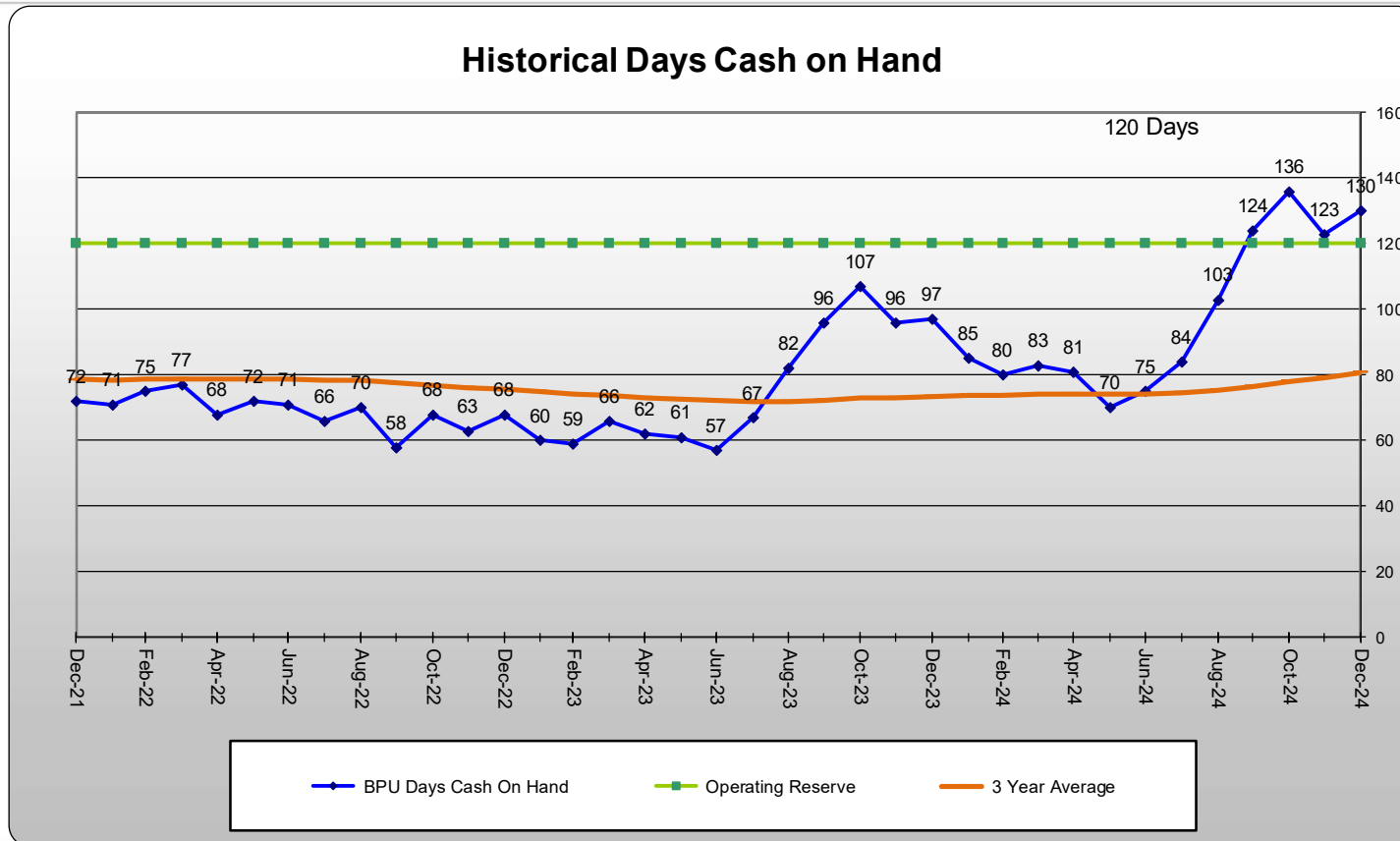
1 Day = Approximately \$600K-\$625K
(Based on 12 month rolling average of expenses)

Balance Sheet: Notables

	(CY) 2024 December	(PY) 2023 December
Fuel Inventory	\$ 9.623	\$ 12.190

**Dollars in millions

Financial Results



Capital Spending

	(CY) 2024 YTD	(PY) 2023 YTD	2024 Budget	
Electric	\$ 27.45	\$ 28.89	\$ 35.64	
Water	17.80	16.43	26.32	
Common	4.61	4.26	5.13	
Total YTD Capital	\$ 49.86	\$ 49.57	\$ 67.09	Remaining 26%

Major projects in 2024:

**Dollars in millions

- Annual OH & UG Construction - \$3.8M
- Annual Meter Program - \$931K
- Distribution Pole Inspection - \$2.7M
- OH & UG Transformers - \$3.3M
- 98th St OH Feeder Relocation - \$827K
- Water Distribution - \$7.2M
- Water Production - \$891K
- Water Services - \$673K

Debt Coverage

Debt Coverage with PILOT

Financial Guideline Target
2.0 times with PILOT

	(CY) 2024 December	(PY) 2023 December
Electric	2.98	2.52
Water	3.26	2.26
Combined	3.15	2.67

Debt Coverage w/o PILOT

Financial Guideline Target
1.6 times without PILOT

	(CY) 2024 December	(PY) 2023 December
Electric	2.25	1.80
Water	2.60	1.77
Combined	2.41	1.94