

STATE OF KANSAS)
WYANDOTTE COUNTY)) SS
CITY OF KANSAS CITY, KS)

SPECIAL MEETING, THURSDAY, AUGUST 29, 2024

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in Special Meeting, Thursday, August 29, 2024, with eight members present: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Hill, Commissioner Fourth District; Kane, Commissioner Fifth District; Lopez, Commissioner Sixth District; Stites, Commissioner Seventh District; Davis, Commissioner Eighth District (arrived at 5:04 p.m.); and Garner, Mayor/CEO; presiding. Townsend, Commissioner First District; Burns, Commissioner Second District; and Ramirez, Commissioner Third District; were absent. The following officials were also in attendance: David Johnston, County Administrator; Angela Lawson, Interim Chief Counsel; Alan Howze, Assistant County Administrator; Rodney Lucas, Executive Assistant to County Administrator; and Monica L. Sparks, Interim Unified Government Clerk.

Mayor Garner said before I call the meeting to order I want to announce that some commissioners, staff, and the public are attending remotely via Zoom, by phone, or on-site. All participants joining by phone, please mute their phones at this time when not speaking to avoid background noise. During the meeting, please make sure you announce yourself by name and title every time you speak so the public that is observing knows exactly who is speaking and please be sure to speak directly into the microphone so the public can hear your comments and an accurate record can be made of this meeting. This is critical given the number of remote participants and is also current guidance from the Kansas Attorney General's Office.

Mayor Garner called the meeting to order.

NOTICE OF SPECIAL MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, to be conducted in person on Thursday, August 29, 2024, at 5:00 p.m. in the fifth floor conference room of the Municipal Office Building for a joint meeting with the Board of Public Utilities and the Unified Government Commission. Immediately following there will be an Executive Session regarding matters relating to the acquisition of real estate. The Executive

Session portion of the meeting is closed to the public under the Kansas Open Meetings Act. Roll call was taken and there were seven “Ayes,” Bynum, Burroughs, Hill, Kane, Lopez, Stites, Garner.

Present from Board of Public Utilities: Groneman, Johnson, Austin.

CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Mayor Garner said tonight we’re scheduled to conduct a joint meeting with our BPU stakeholders. This was at the request of both the General Manager of the Board of Public Utilities, Bill Johnson, as well as the Board Chair, Tom Groneman. I’d like to welcome both to this commission meeting and I will allow, I believe, Mr. Johnson to open up.

Bill Johnson, General Manager of the Board of Public Utilities, said, Mayor, thank you for allowing us to come over today to talk. I met with you the other day and I certainly appreciate the time that you allowed me to sit down and catch up on things. I know you and the County Administrator have been quite busy on getting a budget passed, so congratulations to you and to all the commissioners for successfully passing a budget.

Today I just wanted to do a general catch up on things going on at the BPU. You know I talked some time back about maybe coming over on an annual basis just to do kind of a state of the utility or a BPU 101 update for the commissioners. I know there’s new commissioners. I know there’s commissioners that has been around for some time and I’m hoping you can hear me okay because I’m trying to make sure—I’m not quite used to the mics here.

I think it’s also important for us certainly to understand what goes on here on an ongoing basis, but also that the Unified Government knows what we’re dealing with on utility matters as well. We both face a lot of uncertain challenges. We both face a lot of huge customer expectations and other things that we deal with on an ongoing basis. It’s always good, you know, we have these opportunities to talk to one another, communicate. So, one of the things I was going to ask before I get started is if we can get back to our joint meetings. I think those were very productive and last

year in July we talked about having the full BPU Board and all of the commissioners meet again on an annual basis. So, if we can please schedule that. I think those meetings are vitally important. I couldn't, unfortunately, with short notice get my entire board here, but we can circle back and schedule something later that would be fine with all of us.

The agenda tonight is just going to walk through a number of things. I just want to bring you up to speed.



Presentation Agenda

- High-level overview of the utility
- ValueBPU returns to the community
- BPU infrastructure investments
- Benchmarking
- Customer service projects
- Policies, Fees, and Rates
- Questions and Answers

You've got all of this in front of you, so I don't want to spend too much time on the agenda itself. I'm mindful of the time we have. I think the Mayor was careful to let me know that I don't have two hours to present all this, so I'll be mindful of the time I do have.



KCBPU History

- KCK was initially served by a private electric and water company
- Municipal Water system founded in 1908
- Municipal Electric system founded in 1912
- During a time of city growth and political unrest, our citizens demanded better control
- The State passed legislation creating BPU in 1929 with 5 independently elected board members
 - Kansas Statute Section 13-1220
- A 6th board member was installed in 1979
- BPU was put up for sale by KCK in 1988
- KCPL offered \$650 million
- BPU and IBEW made a counteroffer to purchase the utility
- The City decided not to accept either offer



So, let's get into this. I think it's important just for references of where we are and not everybody knew, you know, the full history of BPU. I certainly didn't know the full history. I've actually been at BPU for 44 years. There's a lot of things I didn't know that happened prior to that and there's certainly things I did know. I think I'm also mindful of knowing where you came from is

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always good for all of us and you can certainly keep that in mind as you step past forward, but it's never forgetting where—what struggles we all went through. Kind of where the community, where the city, county, and the Utility were at different points in time.

The first bullet is BPU was—Kansas City, Kansas was initially served by a private electric and a private water utility and the citizens here really wasn't being served on the Kansas side like they were on the Missouri side. The private utility at that time was only interested in cherry-picking large investor, large industrial customers, and also a lot of those were the meat—certainly the meat packing companies, some customers in the Fairfax area and things along those lines. But the residents were really left without power and that certainly didn't satisfy too many people in our community and certainly didn't satisfy our city leaders at that time.

The city moved forward to actually purchase a water utility in 1908. It was a department of the city. Later in 1912 it purchased the electric utility from a private company over on the Missouri side and it became a department of the city, Department of Electric, Department of Water. During the time after that, the city started experiencing tremendous growth, but there was a lot of political unrest at the time. I would say turmoil, but I don't want to use too strong of a word because I didn't certainly live during that time.

There is a lot of history that we've collected and I've gone out and had my staff go out to the Wyandotte County Museum and we've collected a lot of other information. I've actually had retirees send in scrapbooks full of information, newspaper clippings, etc. from the time throughout much of this history with the note that this would better serve this utility and community going forward than me keeping it myself. A lot of this stuff can certainly be tracked. I mean there's nothing here that I'm putting on here that can't be verified, so certainly I'm telling you where some of the sources are. Then, we also had individuals that wrote the first 25 years of the utility and left a lot of documents there. There was another gentleman that left a book behind, the first 50 years of BPU, so we've got copies of that and it certainly has taken a lot of information from there as well.

Because of that turmoil the citizens were certainly not satisfied with where politics were in the city at that time and the state then stepped in and the state actually passed a state statute creating the Board of Public Utilities as a separate administrative agency of the city at the time and installing five elected—independently elected board members. Later on—and I put the statute up there and I know the UG home ruled out of a lot of that. But I think, again, the history is important

that we always know things like this and so back in '29 there was a six member board that was added. I would imagine that was due to the expansion of the city and the utility service area being expanded along with it.

There was a lot that happened between 1929 and the 1970s and '80s. I didn't have time to go through all that. That required a lot more reading, a lot more understanding, putting things together, but that history is there for anybody that has an interest in gathering that information. I'll fast forward to 1988. At the time—this was before the unification of the city and county government, the BPU was actually put up for sale in 1988. I was at the utility at the time. I remember all of the meetings all over town that the BPU staff and the three or four unions at the time were having together. There was an offer made by Kansas City Power & Light to purchase the BPU for \$650M. So, between the management and the union there was a counter offer made through as ESOP. There was financing that was put in place. The offer exceeded the \$650M offer by about \$100M. With that there was going to be a lot of changes that was going to take place between the Board of Public Utilities as it existed at the time and what the new company was going to look like. We went from one Mayor to another and during that transition later on the city decided to withdraw the offer and the utility was not sold, but there was a lot of turmoil.

The other thing I would point out between both of these areas, 1929 and 1988, it really split this community in half because there were people that were very passionate about their local electric and water utility and I'll get into some of this a little bit later. There's a lot of people for generations that have raised their families in KCK working at BPU and there's a lot of people that have benefited for generations of having a municipally, locally-owned utility here that hired and employed people from our city.



BPU
The People's Power

Electric Utility Profile

- Electric Customers - 67,000
- Electric Meters - 70,000
- Electric Gen. Capacity - 613 MW
- Summer Peak (8/2007) - 529 MW
- Electric Substations - 29
- Electric T&D Lines - 3,139 Miles
- Service Area - 152 Sq. Miles
- 48 largest public electric utility in the nation
- BPU was instrumental in the formation of Kansas Municipal Utilities
- BPU and LOUP River District (Neb.) led the effort to create American Public Power Association



Here's a little bit about the profile of their electric utility. I'm leaving this behind so you guys will have it. I don't want to read through all of it. There's some other things I want to get to later in the presentation, but the last two bullets are a guy named James Donovan being one and then there was another gentleman from Nebraska that formed the American Public Power Association. They were the driving force behind finding that. James Donovan also was instrumental in helping to really get the Kansas Municipal Utilities off the ground and running. He became a nationally known figure right here growing up in Kansas City, Kansas. He was actually the first Director put in place at the utility when the TVA was formed, Tennessee Valley Authority. They tried to recruit him and his message at the time was there's too much to do still in Kansas so I will respectfully reject your offer and he stayed here and continued to work on improving BPU.



Water Utility Profile

- Water Customers – 54,000
- Water Meters – 57,000
- Pumping Stations – 6
- Water Mains – 1,100 Miles
- Water Storage Capacity – 22 Million Gallons
- Avg. Water Production – 30 MGD
- Peak Treatment Production – 48 MGD
- Peak Treatment Capacity – 54 MGD

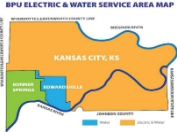


The water utility, it's listed here, the number of customers, meters, just like with the electric slide. You can look through that later at your own leisure. I mean this is information again I'm leaving behind.

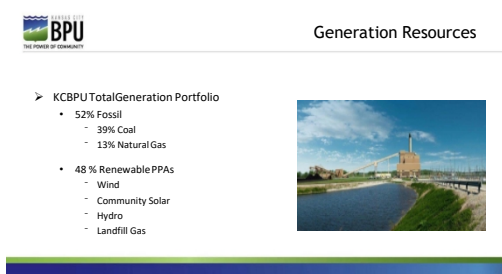


Electric & Water Service Areas

- **Electric Service Area**
 - Kansas City Kansas
 - Edwardsville (border agreement)
- **Water Service Area**
 - Kansas City Kansas
 - Edwardsville
 - Southern Leavenworth County (wholesale)



Just like the city, just like the state, just like the county, people talk about they don't have a choice. There's a monopoly. They don't have choices on their utility service and stuff like that. All utilities in the country have what's called service areas and we have a defined geographical area to where we serve both electric and water services to our customers. Cities have boundaries too. You have a city limits, you have state boundaries, so it's no different, but there are a few states that have deregulated, but Kansas is not and probably because the price of utilities are cheaper in this part of the country than they are where you see all that deregulation taking place. We're very fortunate that we do live in an area of the country that's low cost and these utility prices are far cheaper than what you would see in other parts of the country.

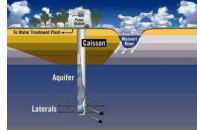


One other thing about the BPU that makes us somewhat unique is our generation portfolio and we still are a fossil fuel generating utility on the electric side, 52% of our generation is actually fossil fuel, either a combination of coal and/or natural gas. 48% of our total portfolio is renewables. On the sales side it actually goes above 50%. There's no other utility hardly in the Midwest, certainly there's none in Kansas, that have renewable portfolio that makes up that much of their total generation portfolio.



BPU Source Water

- Nearman Water Treatment Plant
 - Constructed in 2004
 - Horizontal collector wells
 - 118 feet deep
 - 14 laterals—200 ft each
 - Significantly improved water quality

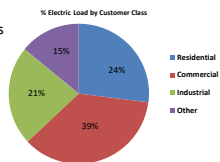


Here's our BPU water—just a drawing. You know for decades BPU took water off the Missouri River. It was surface water. During the '93 floods we almost lost the entire drinking water system in Kansas City, Kansas so it took a series of actual rate increases, a lot of federal funding and some grants to come up with enough money to actually relocate our drinking water processing plant out of Fairfax to where it sits now at the end of 55th Street along the Missouri River. The unique thing about it is we no longer have to take river water off the surface so we're not having—we're not subject to all of the issues that come with that, with the river freezing, with other things floating up and down the river. We actually drill about 118 ft. beneath the bottom of the river and take water out of a huge aquifer and I can't tell you how much water is there. I've asked that, tried to look at maps, but there supposedly is an abundance amount of water there. We actually have two wells to go down and because we were so successful, there's been other utilities from around the country, around the world, that's actually came in to take a look at that. Water One built their Wolcott facility with the same design and although the outside looked different, it is basically this design when they put in place for Johnson County.

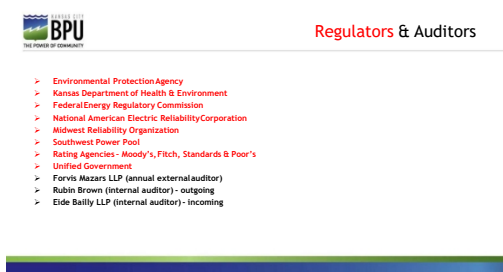


Customer Classifications

- Top 10 Customers by combined sales
 - CertainTeed Corp.
 - General Motors
 - JOCO WaterOne
 - Griffin Wheel
 - Owens Corning
 - KU Medical Hospital
 - KU Med School
 - Ecovyst Catalyst
 - Amazon
 - Stryten Energy



The top 10 customers, again, you can look at this. If you look at our electric load by customer class, that's the pie chart just if you want to see kind of our community is broken up by size of customer, class of customers, the pie chart represents that.



Here I want to take a break and talk about the complexities of BPU and any utility in that regard. We are heavily regulated, all of us are, where it comes to. The Environmental Protection Agency, which is putting a lot of pressure on coal fire power plants, gas plants and many other things that we do certainly on the water side, but to a lesser degree. The State Kansas Health & Environment, it's regulating us on the state level. Then, you have how we operate our electric systems. You have what's called NERC and FERC that also regulates our operational side of the business, how well we perform, how well we keep documents. They come in and actually audit us. If we're non-compliant, there's fines and there are utilities in this country that has had to pay close to a million dollars or more per day for not being compliant. Fortunately for BPU, we've never come close to that and I'm certainly glad and we have a lot of professional staff insuring that we are following the guidelines laid out by these government agencies and regional operation agent organizations too.

Southwest Power Pool is another regulator that actually determines when our plants run or when they don't, but it's not just for us, it's the majority of the midwestern or at least half of the midwestern part of the country that they control power plant generation. They tell us when to start, when to stop. They look at all the load. They determine the day ahead market and then their whole thing behind why we all belong there and the way we benefit is because they have so much generation at their disposal. They're always guaranteeing every member the lowest cheapest price back for the consumers we serve.

Those generators are started on—started up first, low cost first and then depending on how hot it is or depending on what's out, it may get to the higher price units later, but it is good. We've been members there for several years and it has helped us on the cost side of our business with buying power off the market.

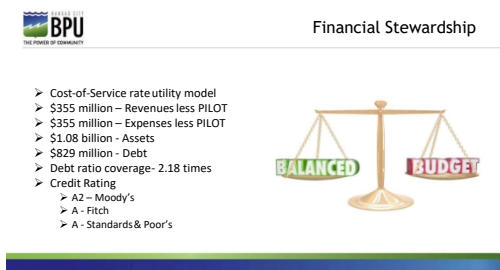
Rating agencies also look at our financials, give us our credit rating. The Unified Government is a regulator. I mean you have compliance, you have ordinances and other things in place. You are our parent company and we certainly understand that. I mean we look at you as somewhat of a regulator, not so much with a hammer like some of the other ones, but nonetheless you fall kind of within that group.

Then, we have three different auditing firms. One is a financial audit and then we have an outgoing internal audit and the incoming outgoing auditor and an incoming auditor, which is also listed there. They perform audits throughout the year and have been for close to 20 years. In addition to that there's a number of other consultants that we rely on, on an ongoing basis to help us understand where we are and get to where we need to get to.



Strategic planning is always important for us. This is just a snapshot representation of what all goes into our strategic plan. It's basically a gear that have high level strategic option objectives. Believe me, digging down into each one of those, there's much more information there. I can do a whole presentation over strategic planning, but basically it is financial stewardship, financial management, customer service, system reliability, regulatory compliance, community engagement, workforce development and then if you do all those, kind of the center spoke is process improvements because we always want to get better at what we do. We can't get better

until we can satisfy all of those other objectives at the same time which leads me to our financial stewardship and a little bit about our finances.



We're a cost of service rate utility. We operate under that model. For those that don't quite get that, we do sell electric and water services to the community and in order to determine what it costs for us to generate that we first have to understand—or sell that, we certainly first have to approach it from what does it cost for us to generate and deliver these type services to the community. Because of that we then turnaround and do a rate allocation across different customer classes so that everybody is paying their fair share of the electricity they're using and the water they're using. So, you know it may be residential customers, commercial customers, industrial customers. I mean those are some and then within those are some other areas that we break it down even further. But being a cost of service rate utility means we are not-for-profit too.

The only thing we do is, just like the Unified Government, is try to reserve a certain amount of money for our reserves to help us with things where we need to go get money quickly because of certain things that happen across our system and to also cushion us when it comes to our rating agencies and maintain our credit rating. But unlike other utilities in the area we are—we don't generate profits, we do not pay for stockholders, we don't generate profits on top of that, so we're not an investor on utility. We are a municipal nonprofit that operates under this model.

Our revenues are listed and I did this without PILOT. This is just strictly money that comes in the BPU, the expenses. So, I mean we typically see money in and then here's what it costs to operate utility, so we take a balanced budget approach. Our assets once depreciated it's about a little over a billion dollars, our debt is about \$829M. Our debt ratio is 2.18 times which means for every dollar of debt we have is 2.18 times money that we have to cover that and below that is how

our credit rating agencies have graded us. We use all three, Moody's, Fitch, and Standard & Poor's and we meet with them on an annual basis and go through rating reviews with them periodically.


Capital Investments

To support ongoing capital projects:

- New debt issued (2020, 2022) - \$49 million
- Refunded debt (2020) - \$36 million
- New grants (2023) - \$15.7 million

➤ Over the last 5 years, total debt has dropped from 1.1 billion to \$829 million





Capital Investments, you know the good thing about where we are and what we've gone through here recently is we've issued new debts. One is through the low interest loans through KDHE on the water side. We typically come over to the Unified Government and ask for you guys to approve our going to the market to sell municipal bonds and in 2020, 2022 we actually issued \$49M in debt, but we also refunded \$36M in debt. When the interest rates were low and then we had an opportunity to refund old—or refinance old debt and then we actually saved \$36M through that process.

We're constantly looking—Lori's constantly looking for those opportunities to lower that amount and then for the first time that I know of in this a utility we were very successful with going directly to the federal government and asking for earmarks. So, we were able to achieve that for the first time, in my understanding at BPU, other than going back to when we almost lost our water drinking system, nothing sense then.

The big thing is over the last five years our total debts dropped from about \$1.1B to \$829M, so we've done a very good job of managing our debt and reducing it where needed.



Value to the Community

- As part of the BPU mission statement, the utility and its employees assist customers in a number of ways:
 - A municipal utility returns value to a community beyond what an Investor Owned Utility will provide
 - BPU is one of the top 10 organizations in the metro when it comes to employees donating to the United Way - much of this support comes back to WYCO
 - We reinvest in our community as opposed to paying dividends to stockholders
 - Our employees live and work in the community
 - We partner with a number of other nonprofit organizations
 - We partner with the business community (i.e., KCK Chamber, WYEDC, etc.)

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I want to talk about a little bit of the value that we provide to the community. I would say—I would take full responsibility and I would think BPU does not do a good enough job talking about the value of a locally-owned electric and water utility here because we do provide tremendous benefit to all that lives and works in Wyandotte County/KCK. So, what I said earlier too, there's a lot about what we return back to the community that an investor-own does not. They are more concerned about their stockholders, we're more concerned about our community and that shows up in many different things we do.

Our employees also donate a lot of their time, donate a lot of their pay and they all participate not just in United Way, which is what I have listed, but the remarkable thing about that is this is the greater Kansas City, which is all of the metro, and BPU as a small company is in the top 10 of all organizations that contribute to United Way and much of that support comes back to Wyandotte County. In fact, there's dollars that come back from United Way to Wyandotte County that is not even raised in this community. I am glad our workforce and our utility is helping to support those and also that those dollars are coming back to satisfy and help with the needs of people that need it the most.

We reinvest in our community as opposed to stockholders, which I've talked about employees. They live here, they work here, they go to church here, the kids go to school here and that's a huge benefit for all of us. We partner with other nonprofit groups on a number of occasions, support a lot of nonprofit groups to their charitable and our giving to support those charitable programs that they have and we partner with the Chamber and (inaudible) on economic development. I'll get a little bit more into that a little bit later.

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Municipal Owned Utilities

- The BPU is an administrative agency of the Unified Government
- When reviewing other municipally owned electric and water utilities who are governed by an independent board, similar to us:
 - Those utilities tend to reinvest more back into its systems and continue to maintain reliable services
 - Those utilities tend to reinvest more back into the local economy
 - Those Boards have time to become educated on utility matters and the complexities of governing a local utility

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Let's go back to establishing that BPU is an administrative agency of the Unified Government. When I look at that, when I look at, especially American Public Power, which is what we're members of along with many other organizations. Many of those utilities, especially everybody our size and above, now we're the 48th largest. Almost all of those are governed by an independent board separate from their city and county government. So, there's nothing unique here. Where you would see a difference is with those utilities that are actually smaller than BPU. The benefit for that is having an independent board, having a utility that is governed similar to us, not only BPU, but those utilities are able to reinvest back in their systems and their reliability is higher than all of those that do not. We all measure ourselves and I'll get into that a little bit later. We reinvest in our communities at a much heavier level, higher level, and the Board becomes more educated on utility matters in the complexity of what it takes to operate and run a local utility. So, those are kudos to not just the staff, but the elected officials we have that serve as board members and many other municipal-owned utilities across this country.



Economic Development

- For decades, the BPU has partnered with the UG and WYEDC to pursue economic development projects throughout KCK
- We offer a short-term economic development rate when applicable
- Our board has a small economic development fund to assist developers who meet our policy objectives
- Every year we invest millions of dollars to extend infrastructure to accommodate growth
- We also invest millions to support existing customers and neighborhoods

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Economic Development, I mean there's a lot I can say there. I mean this town, and I'm not saying that because I'm the BPU General Manager, trust me, I haven't always been here, but I've worked here for a long time. This community has become what it is because of the partnership between the Unified Government, Board of Public Utilities and Wyandotte Economic Development and many other stakeholders to build out and become who we are today. That has always been the strength of our local presence and the things that we've always been able to do when many in this room remember the trends in where Wyandotte County was, where KCK was for decades, population loss and people not wanting to come here. We turned the corner and we continue to build out and I would say that partnership has made all of that possible.

We do support a lot mainly through—the Board does have an economic development rate that they can provide. It only goes so far, but BPU spends millions and millions of dollars on infrastructure improvements both for economic development and both for supporting existing customers and neighborhoods. We're constantly rebuilding our systems and we have to because we have many watermains that's 80, 90, 100 years old that we can't replace overnight, so that's an ongoing thing. We have a lot of electric systems that's 60, 70 years old, but we are continuing to make progress when we can and we're continuing to work towards making sure that our customers have the type of service that they want and the type of service that they're paying for.



Infrastructure Investments

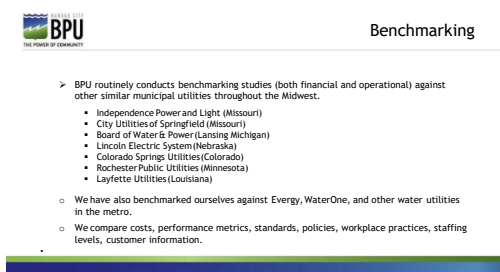
- Over the past decade, a significant amount of dollars have been spent on the electric system in areas east of I-635
 - Rebuilt most of the underground electric system downtown
 - Upgraded a large portion of our electric system in Fairfax Industrial District
 - Improving the electric system surrounding KU Med and within Rosedale
 - Still making significant investments in the Piper community
- The water system has seen similar improvements over the past decade
 - A new water storage facility at Nearman Treatment Plant
 - A new water storage system in Argentine
 - 53 miles of water mains replaced

A lot of those dollars over the last decade—a few decades, I should have said a couple, but especially the last past it's been in the areas east of 635. That's where the city started and that's where our oldest infrastructure is. Most of the downtown infrastructure has been rebuilt on the electric side. There's still pockets and stuff that we still haven't done, but the majority of it is all new, new cabling, new conduits, new switches, what have you. We've upgraded large portions of

Fairfax. We've done a lot in the Rosedale/KU area. We've located a new substation, we got new transmission, new distribution feeders. That is a growing area and BPU is there behind the scenes also, I mean visible if you drive and see some of our circuits supporting all that effort over there.

We're continuing to make investments in the Piper community and at some point I'm going to sit down with Lori and hopefully we can figure out since the beginning of—and I didn't do this, but since the beginning of the racetrack, how much money has BPU invested in Piper to build out everything as it sits today. I think we all remember what was out there, nothing like it is today, but that's also taken a huge investment by the Unified Government too to make sure that we are now having the amenities that the rest of the metropolitan area, the rest of the counties around us now have and people are still trying to figure out how we pulled that off.

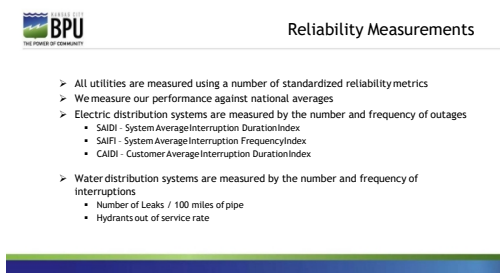
New water system improvements, we've talked about the mains, but we also have to increase our storage capacity. We had old storage facilities that we've had to replace. One at Nearman. We've built a new one. We're getting ready to put it in commission in Argentine and that helps support everything south of the Kansas River. Then, there's about 35 miles of water mains that's been replaced. We did get about a \$10M grant, so that should be accelerating, but \$10M doesn't go a long ways when it comes to these type of projects.



I would say one of the proudest things that me and my team has done is we continue to benchmark ourselves and measure ourselves against our—not only our local competition, but see how we perform nationally. I listed out a number of utilities, a couple of them locally, Evergy. The local ones before, but Independence City utilities, Lansing, Michigan, Lincoln Electric, Colorado Springs, Rochester and Lafayette are all utilities that are near our size that are both, with the exception of Lincoln Electric, they do have a water system there too, but the electric utility is

separate. They all have the same issues. They all generate, they're all fully integrated, they all have union workers, they all—with the exception of that, all serve electric and water and then sometimes gas.

We all have close to the same amount of customers that we serve, so when I—you know we can certainly go larger or smaller, but you know you have to set up certain metrics so that you can easily make those type of comparisons, but we do this. We're able to take a look at how we compare cost-wise all of our performance metrics. I know a lot of these GMs and CEOs and we have traded a lot of information. We look at our electric standards, our policies, workplace practices, our staffing levels, customer information, policies, procedures there as well, so it's been a valuable thing for us to do and there's a lot we've gained from it.



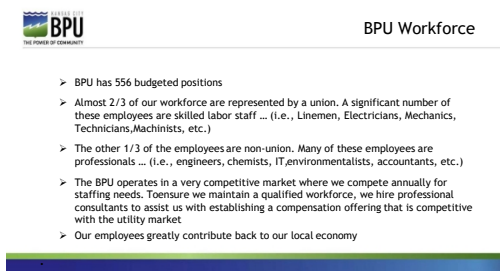
BPU
THE POWER OF CONNECTIVITY

Reliability Measurements

- All utilities are measured using a number of standardized reliability metrics
- We measure our performance against national averages
- Electric distribution systems are measured by the number and frequency of outages
 - SAIDI - System Average Interruption Duration Index
 - SAIFI - System Average Interruption Frequency Index
 - CAIDI - Customer Average Interruption Duration Index
- Water distribution systems are measured by the number and frequency of interruptions
 - Number of Leaks / 100 miles of pipe
 - Hydrants out of service rate

Reliability is the other thing and because of us comparing and because we are regulated in some regards, but you know we all have a set of metrics that we all track and the federal government does request a lot of this information, so we all—I mean these are standardized metrics like for SAIDI statistics on our distribution system, SAIFI, CAIDI in our industry standard metrics that determine how often, how long customers are all—the system is being disrupted and this is one way that we use to determine our performance. We published this, all of our employees know about it, we reported on an ongoing basis, we set goals around how to improve it. A lot of our operational budget is built around how to improve ourselves here. I've always believed that if you're going to spend dollars, if you're going to do things and set goals, you have to be able to first set goals and then measure your progress along the way, otherwise, I'm not sure if we're going to make progress or not or if we're just standing in one place.

Water, same thing. I didn't put as many there, but the number of leaks, number of main breaks could be another one, hydrants in service, out of service. There's a whole list of other things that I didn't list, but we do report this to AWWA. I know Unified Government Waterworks is also a member of the American Water Works Association as well as our drinking water system.

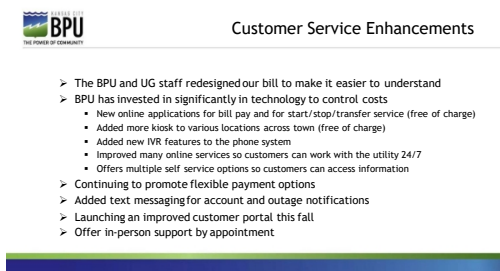


The workplace that we operate has 556 budgeted positions. When I came here in 1980 BPU had about 1,100 employees. We've got less than about half that amount now, so it's been a tremendous shift in the amount of people we have onsite now. There's a lot of things that we have. Work equipment is quite different than it was back then, our technology is quite different than it was back then. We do have a set amount of contractors, but those contractors onsite every day, let's not even get close to getting those to where we used to be.

A little bit more about what those employees are. About two-thirds of them are union employees and they mostly fall into the skilled labor categories with the lineman, electricians, mechanics, technicians, machinists, other people, operators. Then, about one-third of them are non-union and—I mean we tend to call them management, but not all of them are management. Some of them are support groups, but are engineers, chemists, IT people, environmentalists, what have you, all fall into those categories.

I will say and I will state today that I have heard for a number of years and others have heard that BPU pay is sometimes an issue, BPU benefits are sometime an issue, but we live and operate in a very competitive market when it comes to utilities. The people that we employ are the same people that Evergy would want to take away from us or Independence or all the contracting firms or the Burns & Mac, Black & Veatch, people like that. This is not a market and there's no market that have an abundance of these type employees around. You have to be

competitive or you're not simply bringing in the workforce needed to maintain service levels you're trying to maintain. Having said that, our employees contribute back to this community in a huge way. They all live here, they all work here. The dollars that we pay from BPU, a majority of that stays in this community and goes back to help this local economy.



Customer service is a topic and there's a lot of things that's listed here that I won't spend today reading because I'm trying to reserve some time at the end, but we've invested in a lot. We've opened up a lot, we provide a lot of free service. We used to have fees where we charge customers. There's a lot of free things we're doing. You can pay your bill free of charge whether you go online or you go to a kiosk. There's no charge, BPU basically consumes that cost, which really means everybody pays it. We've added features for our phone system, we have multiple self-service options that our customers can use, so they don't necessarily have to speak with a person, they don't have to do a number of things to make contact with our employees. There's a lot of things they can just simply do, go to their phone, go to their website, go anywhere and the majority of their questions can be answered without talking to an individual at BPU or they can certainly sign up for service and do all the other stuff. We have flexible payment plans. We have a number of things that we're continuing to work on to help our community to know that all these other things are available.

There's been questions about our lobby. You can make an appointment to come in to make an in-person visit with one of our representatives. You have to first go online just to make the appointment. Now you can—this week you can actually call in and reserve a spot and then you can come in, but all these other things are there. I can never envision the lobby going back to where it used to be because we didn't offer all these things in the past.

Commissioner Kane said that's wrong. I'll tell you what, you got little old ladies that want to go up and pay in person. **Mayor Garner** said, Commissioner, your mic. **Commissioner Kane** said I thought I was loud enough. I disagree with that because if you're a senior citizen and you're over 65, do you have a computer. Do you know how it works? How do they know they can call in to somebody and when you don't go to the bank, we still have tellers at the bank. Now you can do it at the kiosk or whatever they call it, but I think that is terrible that a person can't walk in and pay their bill and for years and years and years we did it that way. To say they have all access, well they don't have all access because they don't have computers and literally my wife used to work right down the street, she'd walk down and pay it. The way stuff is now with the mail and stuff like that, if you mail your stuff in you don't know if you're going to get it anytime soon because how bad the mail service is. I would think that you guys would want to reconsider that and put a couple people down there like it used to be so someone can feel normal because I'm not real good with computers. If I do something, I've got to have my kids do it. I think you guys should really reconsider that so it better serves the community and that's just my opinion.

Mr. Johnson said, Commissioner, what I just said is—you're not going to see this later, but all of our surveys and we survey our community too, people want to talk to us by phone and the majority of our communication is by phone. **Commissioner Kane** said I'm telling you that people are coming to me wanting to know why they can't go in the lobby. **Mr. Johnson** said at one point we're having 20,000 calls a month and I'm taking it from the people that's in the business that deals with this on an ongoing basis. This is not me. This has been—**Commissioner Kane** said (inaudible) been a complaint. You and I are never going to agree on this I promise you, but this has been a complaint since you switched. **Mr. Johnson** said you can pick up your home phone or cell phone and call—**Commissioner Kane** said how does Joe citizen, 85 years old, pick up a phone and know he's supposed to call a number, how does he know what that number is, how is he contacted to get a hold of that number? **Mr. Johnson** said because it's going live this week. We are now putting all that information out to the public so that they will know if you want to come in to talk to somebody—**Commissioner Kane** said how are you going to notify them? **Mr. Johnson** said that's what we're releasing today. So it'll be—here's how we contact. We have automatic calls that go out to tell people and spread information about BPU. We have text messages to go out to spread. We have people that call in on an ongoing basis and our customer

service rep use that opportunity to say here's other things that BPU offers you. So, we have a BPU connection that goes out every three months now to every mailing address we have on our system and gives them all the information so whether you call in or whether not, if you get a bill, you're going to get a BPU connection with all this information on it.

Commissioner Kane said here's what's going on just in my family. My 92 year old mother-in-law has to have my wife come down and look at her mail and read the stuff to her. What happens if they don't have a family member in town that could read that to them or show them what's going on. I think you think you're saving more money, but it's not supplying the service that the people, that in my mind, are paying for. **Mr. Johnson** said okay, let me get into this and hopefully I can answer more questions.



Customer Support Programs

- BPU offers two utility assistance programs to help customers pay their bills
 - Over the past 15 years, BPU has provided nearly \$3 million in direct payments
- BPU offers a wider range of bill pay options than any utility in the area
- BPU offers the most flexible payment arrangements in the area
- BPU Golf Tournament donated nearly \$800,000 to children's charities
- The BPU Board formed a Customer Engagement Committee comprised of utility customers
- BPU routinely hires consultants to assist us in this arena (First Quartile). We also conduct surveys among all customer groups (ETC Institute)

We have utility assistance programs where we've given over \$3M back in direct utility assistance payments, flexible plans, our BPU golf tournament has given a lot of money away. But where I want to get to other than the last two bullets, the Board actually has put together a Customer Engagement Committee that also comprise of our utility customers. So, the Board is now interacting directly with the public and they are listening and hearing much of what the customer wants. We have had for probably 15 years meetings with residential customers, commercial customers, industrial customers, where we would bring them in, sit down and a number of us have had—and we've had moderators that have had them answer questions. We had them ask questions to see what it is that they want from their utility, how are we doing, and what can we provide differently and better.

We've also contracted with a company called First Quartile, which is the largest customer service benchmarking firm in the country to come in and then measure all of our customer service

operations against everybody else in the industry and we have those scores. We also know that through our surveys that we sent out and ETC just did one this year, and I think they've worked with the Unified Government in the past, have contacted many, many customers in this community and we've presented all that to our Board as to here's what our customers preference are. So, we are trying to satisfy all the needs of most of that information that we hear directly through all those efforts.



Recent Cost Reductions

- For the past five years, with declining revenues, COVID, supply chain issues, the following plans were implemented to reduce costs.
 - Reduced staffing levels by 11%
 - Reduced budgets between 2018 and 2022 by \$42million
 - Deferred approximately 30% of our capital construction projects
 - Reduced healthcare benefits by approx. \$5 million
 - Implemented 3 disconnect moratoriums - longer than any utility in the region during COVID pandemic (over a span of 18 months)

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Recent cost reductions, so you know the last five years have been somewhat turbulent. We've had declining revenues, we've had COVID, we have supply chain—we've actually reduced staff about 11% during that period of time as cost savings measures, reduced our budget by \$42M from '18 through '22, that was to help this community with a pandemic. We've also had to delay a number of our capital construction projects and we've started working on some of our other benefits like reducing our health care costs along the way and other things. We've also, more than any other utility I know, in fact we actually had utilities calling us during COVID, why are you guys still having a disconnect moratorium in place. We've already lifted ours and we went about 18 months of keeping that in place which means we were helping our community, our citizens work their way through a pandemic that none of us knew where we would end when it started.



BPU Rate Changes in 2023

The BPU electric base rates had not increased since 2018 (5 years). At the time that our rates were implemented:



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We went into our rate increase—this is kind of how we compared at that time and there are moving targets. We're right there in the middle when you look at all the other competitors...



BPU Rate Changes in 2023

The BPU water base rates had not increased since 2013 (10 years). At the time that our rates were implemented:



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on the electric side and on the water side. These things change as different people go out to adjust rates, but it's an indicator where we are and how competitive we try to maintain.



Policies, Rates, and Fees

- The BPU has updated all of our customer service policies in last 5 years. Our Board of Directors are ultimately responsible for approving our policies and have been intimately involved with working with staff on all policy improvements.
- We routinely compare our policies and fees against all local utilities (regulated or not) and also against regional utilities.
- Fees are different than rates because they are charged directly to the customers needing a specific service for example. Connection fees, service fees, etc.
- Prior to a rate adjustment an exhaustive 6 to 9-month process occurs. We conduct a cost of service study and contract with local engineering firms to assist with this study. Rates are then designed and cost is allocated by customer class for electric and service size for water.
- A formal public hearing is then held with the Board of Directors determining the rates.

Our policies are—they're something that our Board has asked us to go back and review, so over the last five years we've updated and the Board has approved all of our policies. The last one they're working on now that's going to be on our next week's Board agenda is our customer service policy that the committee has thoroughly gone through and they're going to update the rest of the Board of where we are and hopefully we'll get that adopted the second week of September. So, those policies whether you are a regulated utility or not, BPU takes a look at their policies and we compare ourselves against those. Also, the fees—that's also part of those policies and fees are normally the difference between that and a basic rate is if you need electric and water connection, then that would become in the form of a fee. If you're paying your electric bill on a monthly basis, then that would come in the form of a rate. Fees are specific services that we provide based on customer need at that time.

Then, the whole process around our ratemaking case is a very exhaustive six to nine month process. It takes a lot of time, it takes a lot of support from professional local engineers. It may cost us a half million dollars or more just to get through a cost of service study in a rate case and then there's the interveners that may drag it out longer and our rates are set, so we can't just go in and modify and change rates without going through a rate hearing process. That's no different than the regulated utilities at the KCC in Kansas. They have to go through a process, we go through a similar process. Instead, our Board is given the authority to be able approve those and I can tell you our Board doesn't always agree with staff and that's okay.



Utility Industry Awards

- APPAReliable Public Power Provider (RP3) - Platinum Award (highest honor)
- APPASmart Energy Provider
- AWWAPartnership for Safe Drinking Water - Gold Award
- Association of Metropolitan WaterAgencies
- AWW/Kansas Section
- GFOA for Financial Achievement - 42 years
- Stevie Award for website design - Gold Award
- PR News for Non Profit Awards
- PR Daily's Corporate Social Responsibility Award
- Multiple Employees have received awards and/or recognition from our peers

Then, finally, you know this is what our peers have said and done for us. This is all on our website. Either an individual—the individual awards are not obviously, but we do receive a lot of awards

on an annual basis and a lot of are highest honor awards. A lot of it are based around our complete utility operations by our peers, by the member associations that we belong to.



Thank you

Questions?

I know I ran—we're close to the hour Mayor, so if there's any questions, I'll take them. **Mayor Garner** said thank you General Manager. Before we do that, I'd like to give the Board Chair, Mr. Groneman, do you have any remarks?

Tom Groneman, BPU Board Chair, said I would just like to say that I think these combined meetings are essential. It's been shown recently that there are things that you assume, certain things we assume, and maybe we don't have all the facts and we need to get together as a group and come together and talk about those common issues and concerns and how we can address those together. What we all want is what's best for the community. I mean all my family lives here, my brother, my kids live here, my grandkids live here. I have a 88-year-old stepmother that still lives here. I mean we want the best for all of us because we all live here. It's our community and we need to work together to make sure that we get the best product out that we can. So, I was hoping that this is a precursor for future meetings where the complete—all of our Board can come together with all the commissioners and sit down and just discuss these different topics, issues, concerns.

To address Commissioner Kane, we're about in the middle of our budget process and I'll guarantee you that the lobby will be a topic of heated discussion and so it's good to know what your position is on that, but rest assured that is it. I just hope, again, to say that this is a precursor for meetings going forward whether it be the quarterly meetings that we used to have, but also for

the meetings of the complete Board and commissioners, so I would like to see that happen and thank you for having us over.

Commissioner Hill said I just want to say thank you for the report this evening. I certainly appreciate it. I would like to just ask the question, and maybe this is an issue we can talk about when we meet again. We are the only utility in the region that the fee for a deposit is based on your credit score, so those with the lower credit scores, their deposit fee costs more. It sounds like those who may have the greatest challenge has to pay more, so this is a discussion I'd love to engage in also, that whole fee structure process.

Commissioner Kane said that should be a big topic of conversation, but moreover, we need to have those meetings and we had them for years and some of them were spirited. I don't know who led that charge, but we need to know what you're thinking, you need to know what we're thinking. The other day I called Lori and asked her about what the effect was for General Motors being shut down for several months and then the second shift not coming on and I relayed that to our staff, plus you know the suppliers down there. So, you guys are going to miss some monies, which means we're going to miss some monies and I think that's another crucial part that we didn't do a very good job of telling—I mean we, GM, didn't do a very good job of saying we're going to shut down for a while and this is adversely going to affect the community. So, we do need to keep in touch, we need it to—I don't want he said, she said and then we come up and everybody's madder than hell and we accomplish nothing. I think those meetings should start as soon as we can and I'll try to shut up.

Commissioner Burroughs said I just have a few questions and just going through the presentation I made some notes as we went along. On one of your pages on the electric utility profile you say you have 6,700 customers. How many of those are residential, do we know? **Lori Austin, BPU**, said I'm going to say 67,000. **Commissioner Burroughs** said 67,000, I apologize. **Ms. Austin** said I'm going to say about 55,000 residential. **Commissioner Burroughs** said 55,000 residential, okay, thank you. **Ms. Austin** said roughly. **Commissioner Burroughs** said the next one I had, the question I wrote down, you talk—I want to make sure I understand your numbers correctly. The BPU has 556 budgeted positions and then you go on in your presentation and it said you

cutback 11% reduction, which would be a few more employees, but if one-third of them are non-union, that would be 185 non-union, 371 union members. With the 11% reduction, is that included in that included in that 556 or is that separate from the 556? **Mr. Johnson** said no, the 11% reduction was prior to us getting the 556. **Commissioner Burroughs** said so that basically would be about 60 employees down from that, so you were over 600 employees and cutback.

The next one says budgeted positions. How many of those are vacant or unfilled positions that you're holding out there for hiring? **Mr. Johnson** said we have somewhere between 510 and 515 filled positions. That number fluctuates on an ongoing basis, but somewhere around—I would say around 515. **Commissioner Burroughs** said 515. **Mr. Johnson** said yeah, approximately. **Commissioner Burroughs** said could you give us a list at your convenience, nothing real pressing, of the not-for-profit organizations that you contribute to in the community. I know one of your values to the community says our employees live and work in the community, we do have a residency requirement, so that's to be factual. I would like to know the duplication that we may be doing through the not-for-profit funding mechanism. We're all part of one total government and community and we have many grant funding operations and if you guys are contributing and we're contributing, then it may be a way to be a little more efficient with those dollars that we want to give. **Mr. Johnson** said we'll make sure we get that to the full commission. **Commissioner Burroughs** said that's all the questions I have.

Commissioner Davis said thank you Chairman Groneman and Manager Johnson. I just want to echo definitely the need for us to continue meeting together. In addition to understanding our goals, I do think there are ways that we can be more efficient and ways for us to look at the cost that we have at the UG side and the cost in the BPU side and ways that we can mitigate them given that the taxpayer and the customer are often—they're one of the same folks that are paying. So, within those conversations I think if we can keep in mind the desire for efficiency. We just went revenue neutral. I know you all having to find different revenue sources and a different model for paying us the PILOT, all of those factors are going to have budgetary impact and so I would hope that efficiency would be part of the conversation.

Commissioner Lopez said do the Monarchs pay utilities? **Mr. Johnson** said yes, they're paying utilities. **Commissioner Lopez** said what about KU Med. I'm kind of seeing that they—looks

like they built their own—**Mr. Johnson** said KU Med is one of our top 10 customers. The hospital and the schools are built separately because they're owned separately. If you combine them, then that makes that whole campus that much bigger. **Commissioner Lopez** said right. It just looked like—what I was reading is they were building their own power plant or something for future—**Mr. Johnson** said well, so they do and they should because hospitals provide life and death services and their power plants are all backup power plants. They don't self-generate. They can afford to generate cheaper than we can serve them, so if we do have, and God I hope I don't see this, but if we have a blackout across our city or at least that part of the city and those generators come on I think it's about three or four seconds. When the feeders go out they start that fast because they may have somebody on the operating table at that time so I get that.

Commissioner Stites said what I'll say is I think it is imperative that we continue to have these joint meetings. I know that we've been asking for them and I think it has to continue so that we are fully transparent on what people are expecting. Mr. Groneman, I know that you said the lobby would be part of your budget discussions coming up here real soon and I will tell you if you're needing any other backup support on that, I'm one of them. I'll tell you in this day and age where I feel like customer service across the board has become something of the past. People can't get in, they can't get called back, it takes forever, they can't see somebody. I think that having a window where you can go up or a door that you can walk in and pay your bill is very important, so I'm a strong advocate for that.

I'll take one of the—you had mentioned, I think, you gave a bullet of six folks that are similar in size and kind of do our thing, same Independence Power & Light. City Utilities of Springfield, Lincoln Electric, I just picked out a couple of them real quick and I just Googled them while we were sitting here and Independence Power & Light, they're comprised of a five board member—trustees. They're appointed by the Mayor and voted in by the City Council, which we don't have a City Council, but it would be equivalent to a Commission. Rodchester which you've notated here. Rodchester is appointed. They have a five member board and they're also appointed by the Mayor. It was interesting that those were ones that you pointed out, but yet they're operating totally different than the way that we are.

The other thing that I would say, in 1979 you said it was expanded from five members to six members, probably because the city expanded. I do know that in 1997 when the consolidation,

when we expanded to include two other cities, it didn't expand to include Bonner Springs or Edwardsville. Bonner Springs and Edwardsville continues to not have a seat at the table at BPU. There's no board member, they have no voice, yet they are customers of BPU. That's all I have to say.

Oh, the last thing I'll ask, on your reserve fund balance, what is that percentage. I know you said you strive to hit that number. What is that number, percentage. I'm not looking for the dollar amount, just what are looking for? **Ms. Austin** said if I can ask you to clarify on our fund balance. **Commissioner Stites** said correct. **Mr. Johnson** said how do you want that. Do you want it in days or percentage of our overall budget? **Commissioner Stites** said you know I know that we have a percentage that we look for to carry us through. I think it's a three month is what we're ideally what we're looking for. I'm not sure how you guys word it, but what is that number that you're looking for when you approve your budget that you're trying to remain in the—**Ms. Austin** said our target is 120 days of cash basically. **Commissioner Stites** said what percentage is that, do you know? Four months and—**Ms. Austin** said let me think here. **Commissioner Stites** said in 25% or so. **Ms. Austin** said yeah. **Commissioner Stites** said okay, that's all.

Mr. Johnson said can I take those and follow back up on them. Do I have time for that. Okay, so what I talked about is a independently governed board, but I don't think I said whether they were appointed or elected. There are utilities that have appointed boards. City Utilities of Springfield has an appointed board. Some of the other ones that you mentioned, but those are boards that still operate separately than the City Council or County—**Commissioner Stites** said they just have—**Mr. Johnson** said they're appointed as a board, but then there was a number of municipal utilities that their board running in the general election and they're elected too.

Commissioner Stites said I wasn't saying that it was right or wrong, I was just pointing—notating that that's how it was, but I would like to again go back and just reiterate Bonner Springs and Edwardsville are not represented at the BPU on the Board. **Mr. Johnson** said so let me clear up that or answer that question too. As the city of Kansas City, Kansas started growing and annexing, the BPU service area was growing along with it because BPU was owned by the city prior to the unification and it's still owned by the city. I think the revenues come into your city, not your county budget, and as the city expanded farther west the utility went with it, so around the time that I started work at BPU the city was expanding into the Piper area and at that time Kansas City Power & Light served the Piper area. We ended up buying all their assets, substation,

transmission and all of that and started converting it over to our system so really our system has two different distribution voltage levels because of all that expansion. We operated at one level, they operated a different, but Kansas City, Kansas did not—it's not Bonner and it's not Edwardsville. One of the things that I wish had happened is at least that could have been put on the table because we did at one time offer to buy Bonner and Edwardsville electric system and water system—I mean electric system rather and that certainly didn't happen for a number of reasons. I would love for BPU to serve both of those cities. We're already out there with the water service, but with the electric service it'd be good for us to do that, but I can't go out and campaign and try to do that, but I think that was a missed opportunity. **Commissioner Stites** said I appreciate that. I just would like to look at how that mechanism could possibly come to fruition. That we have somebody that actually has a voice. I mean what the—they're buying water from BPU now, but yet they have no voice at BPU. **Mr. Johnson** said I'm not an expert on local political jurisdictions and how to make all that work. I'm sorry.

Commissioner Stites said Bonner Springs is building their own water treatment, but they're still going to be—and that's no different than they were before that if there is an emergency basis, they would be buying water just like they have done for years. They would purchase an emergency basis and pay the PILOT. Some people were saying they weren't paying the PILOT whenever they purchased the water. They absolutely were. Edwardsville is buying all of their water from BPU and paying the PILOT.

Mr. Johnson said prior to Bonner deciding to build their treatment plant, BPU approached Bonner City Council and Mayor about letting BPU serve Bonner and that was not accepted. **Commissioner Stites** said yeah, I think that it was wise on their part to distance themselves to be honest. **Mr. Johnson** said you're going to pay a higher water rate too.

Commissioner Lopez said I can't really see the numbers here. They're all blurry, but like 2023 revenue—I left the financials down in my truck. I should have brought them with me, but you have here five years you dropped your debt at 1.1B to 829M, so it looks like you've paid 271M in the past five years and that looks like it's a little over 4.5M a month, 60 months if you're looking at five years, which would show like a \$829M balance, but I didn't see what the revenue was. It's in my financial book down in my truck, but I meant to bring it with me. **Ms. Austin** said what you're referencing is our total debt. **Commissioner Lopez** said right. **Ms. Austin** said it was 1.1

in 2019. In 2024 it's 829M. We have done that through—not only paying down the debt, but also through bond refunding. **Commissioner Lopez** said so you financed it. **Ms. Austin** said we refinanced it to a lower interest rate.

Commissioner Lopez said I've noticed that you cut back on your line crews, like your actual construction crews. Is that for different—yeah, I didn't know that was the reason why you—**Mr. Johnson** said we haven't cutback on any BPU line crew. We have contractors that come in and do specific jobs for us and then we let them go once those jobs—**Commissioner Lopez** said right, that's Capital. I was electrical lineman for Par Electric and a lot of my guys I worked with when I was an apprentice and I worked for BPU as like troubleshooters and such, but I just didn't know if you cutback on those or just like the help desk. Like Commissioner Kane was talking about—I mean is that—I don't know if that was why—are you trying to save money more.

Mr. Johnson said so, Commissioner, if I can go back to the line crews, these guys can get jobs anywhere in this country. **Commissioner Lopez** said I know. **Mr. Johnson** said if they wanted to quit today, they would have a job somewhere else tomorrow. That's how critical it is for us to be able to maintain some of these people because the demand is there. There's just not simply enough employees in the area skilled. We are constantly looking for Journeyman Lineman, but we are also starting apprenticeship classes every two years and then we also have a pre-apprenticeship class that we start in addition to that just to hire a lot of our local kids I would say compared to my age, but kids and train them to be lineman and go through all the riggers and the training necessary to get them there. They will be very marketable once they complete their training. **Commissioner Lopez** said yeah, I have lineman friends that every winter they go to Hawaii Power & Light. Hawaii puts them up. When the earthquake happened in Japan however many years ago, Par Electric was calling me wanting me to go, so I get that. **Mr. Johnson** said just a few months ago Kansas City Power & Light—a couple years ago was building a 345 line out west, they were pulling every lineman from utilities and contractors in the area because they were guaranteeing them 50 hours, sometimes more work weeks, and then also putting per diems and everything on top of it. So, if you're young and you can travel and do that type of construction job, these guys will go and do it and it's hard to keep them here. **Commissioner Lopez** said yeah, I get that. I was in Alaska for six months on a bear hand crew, that was fun.

Mayor Garner said I had a question. To piggyback off Commissioner Lopez, you mentioned that there's a program for young people. Could you describe that and what does that look like. I'm just interested in what that program—**Mr. Johnson** said for the lineman program. Really it's a minimum—it's an entry level position and we never had to go outside the utility in the past, but for the last few classes we are bringing in people from the outside. So, you basically come in and you have to pass a physical evaluation, you know, a test, you have to be physically capable. Being a lineman is physical work and it's being able to—you have to be able to work in all the elements. You have to climb poles, work at certain heights, work with a lot of weight that you're managing at the top of a pole or if you're on the ground, you have to be able to work underground around energized cables underground, so it's very dangerous work. Substations, you got 161,000 volts that you're around. If you're at Evergy, you would have 345,000 volts in some of their substations, so it is not something for the weak at heart. You have to be physically built to do that type of work. You have to have the mental mechanical aptitude to do that type of work and you have to go through all kind of rigorous safety training on top of that because one mistake could kill one of our employees or it could kill another employee and we pride ourselves across our industries that safety is the number one job for all of us. We take no chances here. **Mayor Garner** asked, what the amount of weeks in that program? **Mr. Johnson** said it's a four-year program. If you maintain and maintain the hours necessary, but it's a four-year program.

Mayor Garner said outside of that and that's good. I mean what kind of relationship, just curious, with our community college, with our school districts, with Donnelly College, have we built a strong relationship to cultivate young people that I know are looking for jobs. **Mr. Johnson** said yeah, well—**Mayor Garner** said I get a lot of folks that ask me how do you get on BPU. I've applied and the perception is if I don't know anybody, I can't get on and that's a perception. I don't know. I'm not saying that's real, but that's the information that's given to me. So, how are we doing outreach in a way that cultivates homegrown folks, our young people that you talked about that are capable, that are educated and they want to live and work in Wyandotte County, good living and raise their families. **Mr. Johnson** said you know my focus, and it's not just mine, but it's our staff, is to focus on the kids that live here that are capable of performing those jobs. We have talked to Dr. Moshier on an ongoing basis about Junior College training, actually to do some of our classwork training at the college. He's trying to figure out still how to make that work because if the Junior College is going to do a program like that, they're going to have to have

students that—it's going to have to go more than just BPU to work so it's going to take staffing time, curriculum activities, cost for them to be able to maintain those type of programs at the Junior College, but he is interested.

We also have engineers that have actually taught college at the tech school and help other students locally learn through some of their technical classes, so we have a couple of engineers that's also taught. This year is the first time BPU has ever offered scholarships to high school kids in our community and we have taken kids out of three—four different high schools and awarded five kids with scholarships. Then, there are interns that we have that we may be supporting locally when we bring them in to do intern work in the summer, so we may be helping them with some of their school tuition as a way of bringing them back into our community to live and work at our utility.

Mayor Garner said that's great. I'd be willing to help. I know that USD—**Mr. Johnson** said financially—**Mayor Garner** said USD 500 has their diploma plus program. I don't know if you know about it, but they work with the Junior Colleges as well as Bonner, I believe Turner as well. I think all our school districts. **Mr. Johnson** said, Mayor, I could tell you another one of my initiatives that we're certainly making progress with is to make sure that our utility looks like our community, so diversity is a major priority of mine. I would say that in the four, I think, four of the pre-apprentice students—four the pre-apprentice employees that just came in were all diverse employees of diverse backgrounds. The utility is taking that seriously. We need to continue down that road because we just need to focus on that as a goal overall.

Mayor Garner said I just think there's a real opportunity to expand that bridge into the BPU. There's a lot of folks that I know personally have applied over and over and said that we've given up. We just don't feel like that opportunity exists for us in that agency because we don't know anybody. I don't know how true that is, but that is a perception and I want you to know that, but to expand that bridge—I mean there are opportunities working with our school districts as well as our colleges. We've got great kids here that I know want to live here, want to make a decent wage and want to start and raise their families right here in Wyandotte County and I believe BPU offers that advantage. I say that because I know we do a lot of outsourcing. I believe you said that. You mentioned Capital Electric and I believe that if you hired one person in-house, paying benefits would probably save you money as opposed to outsourcing. I know you say you reduced staff, but I just haven't heard of a plan to offset that cost of outsourcing with actually getting

qualified young men and women to work for BPU as a cost-saving measure and really focus on that long term because I know it costs more to outsource than it is to hire an actual employee in-house. **Mr. Johnson** said right, so fortunately, we have just increased the number of line workers at our utilities with the goal of reducing the amount of contract linemen that we have, so that's already fully in the works.

Mayor Garner said I'll sum this up and I appreciate you all's presentation. One of the biggest things I get from residents and I go around the community and I know my colleagues here as commissioners, I know they hear the same information. The perception is from our residents, they want to see BPU as being a benefit and not a burden. Right now a lot of residents in Kansas City, Kansas see BPU as being a burden financially. I don't know what the answer is to that, but that is something that I'm going to be asking this Commission to explore. I don't think that's any secret of how can we work with you all to find those cost cutting, savings, streamlining measures that could be of value to a publicly-owned utility in a lot of people's minds. When we say that we power the community and we own our utility, folks are saying why is this a burden on me and my family in my pocketbook. When you talk about fees, which was mentioned, when you talk about customer service, which has been mentioned and then you look at your bill and I know there's a lot of things that go into that, and I know this Commission has been trying to address that the best they can, based on our residents concerns, but I do believe we do need to meet continually to make sure that we try and make sure that the BPU is just that, a benefit to our residents.

Mr. Johnson said I agree Mayor. My hope is both sides will be open to have an open and honest conversation about all of that because as Board Member Groneman just said, we're here for the same purpose and we're all serving the same community. So, there's things that goes into our costs that we really need to put on the table with the Unified Government and there's ways of certainly reducing our rates that I certainly have talked to you about, but that doesn't come free of charge and again we are a cost of service energy and water provider. With that some of these prices are outside of our control. I can't control the amount of chemicals it takes to purify our water, I can't control the prices of labor, I can't control the prices of materials we buy and we certainly don't want our reliability or service erode because we are running this like some utilities that don't reinvest back in our system and then their system just falls apart and then they need everybody else to come in and rescue them.

Mayor Garner said okay, thank you. I appreciate your presentation. Thank you Chairman Groneman. Ms. Austin, thank you for being here as well and we will keep these meetings going. That concludes this presentation. In the interest of time, we've got to move along and go into Executive Session. Is there a motion?

Commissioner Bynum made a motion, seconded by Commissioner Burroughs, to go into Executive Session beginning at 6:30 p.m. until 6:50 p.m., to allow the Commission to further discuss the potential purchase of land for the Willa Gill Center, which is a preliminary discussion of the acquisition of real property, as permitted by the Kansas Open Meetings Act under K.S.A. 75-4319(b)(6); and that County Administrator David Johnston, Acting Chief Counsel, Angela Lawson, Deputy Chief Counsel, Wendy Green, Outside Legal Counsel, Timothy Orrick and Director of Buildings & Logistics, John Kelly; be present and that if there is no further business that we return to open session at 6:50 p.m. Roll call was taken and there were six "Ayes," Bynum, Burroughs, Hill, Kane, Lopez, Stites.

Present for the Executive Session: Bynum, Commissioner At-Large First District; Burroughs, Commissioner At-Large Second District; Townsend, Commissioner First District (arriving after the Executive Session started); Hill, Commissioner Fourth District; Kane, Commissioner Fifth District; Lopez, Commissioner Sixth District; Stites, Commissioner Seventh District; and Garner, Mayor/CEO, presiding. **Staff present:** David Johnston, County Administrator; Angela Lawson, Interim Chief Counsel; Wendy Green, Deputy Chief Counsel; John Kelly, Director of Buildings & Logistics. **Also present:** Timothy Orrick, Outside Legal Counsel.

Mayor Garner reconvened back into Special Meeting at 6:50 p.m.

Commissioner Bynum made a motion, seconded by Commissioner Burroughs, to extend the Executive Session at 6:50 p.m. and that we return to open session at 7:00 p.m. Roll call was taken and there were four "Ayes," Bynum, Burroughs, Townsend, Hill, and three "no's," Kane, Lopez, Stites. **Ms. Sparks** said it's four to three is the vote. It does not carry. Motion failed.

Mayor Garner said I will tell you what, we'll have a Special Session next week and we'll probably give ourselves about an hour. I'll entertain a motion to adjourn.

Action: **Commissioner Kane made a motion, seconded by Commissioner Burroughs, to adjourn.** Roll call was taken and there were seven "Ayes," Bynum, Burroughs, Townsend, Hill, Kane, Lopez, Stites.

**MAYOR GARNER AJOURNED
THE MEETING AT 6:52 p.m.**

Monica L. Sparks
Interim Unified Government Clerk

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August 29, 2024