

**REGULAR SESSION –WEDNESDAY, JULY 7, 2021**

STATE OF KANSAS     )  
  ) SS  
CITY OF KANSAS CITY )

The Board of Public Utilities of Kansas City, Kansas (aka BPU, We, Us, Our) met remotely in Regular Session on Wednesday, July 7, 2021 at 6:00 P.M. The following Board Members were on the teleconference: Robert L. Milan, President; Mary Gonzales, Vice President; Rose Mulvany Henry, Secretary; Thomas Groneman, and Ryan Eidson. Jeff Bryant was absent.

Also on teleconference: William Johnson, General Manager; Angela Lawson, Deputy Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Jeremy Ash, Executive Director Electric Operations; Johnetta Hinson, Executive Director Customer Service; Dong Quach, Executive Director Electric Production; Jerry Ohmes, Executive Director Electric Supply; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Steve Nirschl, Director Water Processing; Dennis Dumovich, Director of Human Resources; Robert Kamp, IT Project Manager; and Patrice Townsend, Director Utility Services.

A tape of this meeting is on file at the Board of Public Utilities.

Mr. Milan called the Board Meeting to order at 6:01 P.M. He welcomed all that were listening or viewing the meeting. He stated the COVID-19 pandemic had made it necessary to conduct the meeting using technology for staff as well as for the general public. Those wishing to offer comments during the Public Comments section could click on the raised hand feature at the bottom of the application or window or press Star 9 and be connected by phone. As always, the public could email or call the BPU with any concerns. The Agenda could be found on the BPU website. If they were using Zoom, it would appear on their screen. Mr. Milan introduced himself and the other Board Members along with the General Manager, and Legal Counsel.

Roll call was taken and all Board Members, except Mr. Bryant, were present via teleconference.

**Item #3 – Approval of Agenda**

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

**Item #4 – Approval of Work Session Minutes**

A motion was made to approve the minutes of the Work Session of June 16, 2021 by Ms. Mulvany Henry, seconded by Ms. Gonzales, and unanimously carried.

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**Item #5 – Approval of Regular Session Minutes**

A motion was made to approve the minutes of the Regular Session of June 16, 2021 by Ms. Gonzales, seconded by Mr. Groneman, and unanimously carried.

**Item #6 – Approval of Special Work Session Minutes**

A motion was made to approve the minutes of the Special Work Session of June 22, 2021 by Ms. Mulvany Henry, seconded by Mr. Eidson, and unanimously carried.

**Item #7 – Public Comments**

Ms. Louise Lynch, 737 Miami Ave., commented on Zoom meetings versus in-person meetings, and also about devices on the DME list.

Ms. Mulvany Henry, Ms. Lawson, and Mr. Johnson addressed her comments.

Ms. Tsche Manck, N. 38<sup>th</sup> commented on the Public Comment agenda item.

**Item #8 – Central Avenue Betterment Association**

Mr. Edgar Galicia gave an update regarding the ongoing support for, and the challenges faced by the Central Avenue area. He was happy to report that 97% of the area businesses were able to stay afloat during the previous year. He also spoke about the youth mentoring program.

Mr. Galicia addressed comments from the Board.

**Item #9 – General Manager / Staff Reports**

- i. *KERA Program Update*: Mr. Johnson, gave an update on a call had with the Kansas Housing Resource Corporation about the KERA program. Topics of discussion included:
  - Process and reporting issues brought to BPU’s attention.
  - The application process and staffing issues.
  - The differences between how programs were being administered to other counties.
  - Current and future funding for the program. The first phase would run through 2022. The second phase would run through 2024.



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**Item #8 – Board Comments**

Mr. Eidson asked Mr. Johnson for a time on the Executive Session.

Mr. Johnson said 6:00 p.m.

Mr. Groneman had no comments.

Ms. Gonzales had no comments.

Ms. Mulvany Henry conveyed concerns regarding messages she had received from the community.

Mr. Milan expressed his concern about returning to meeting in person.

**Item #10 – Adjourn**

A motion was made to adjourn the Regular Session at 7:25 P.M. by Ms. Mulvany Henry, seconded by Ms. Gonzales, and unanimously carried.

ATTEST:

DocuSigned by:

*Rose Mulvany Henry*

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Secretary

APPROVED:

*Robert Milanich*

President

# May 2021 Financial Results

July 7, 2021

## 2021 Billed kWh (YTD Jan – May)

Electric	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	220,838,290	207,695,364	
Commercial	367,977,482	352,499,929	
Industrial	185,661,038	202,328,406	
	<b>774,476,810</b>	<b>762,523,699</b>	<b>1.6%</b>

Lower usage in 2021 Industrial customers compared to 2020 due to continued slowdown of businesses

Residential usage increased over 2020 as a result colder weather especially in February

Residential – Up 6%      Commercial – Up 4%      Industrial – Down 8%

## 2021 Billed CCF's (YTD Jan – May)

Water	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	1,362,112	1,352,072	
Commercial	903,474	903,660	
Industrial	694,056	774,760	
	2,959,642	3,030,492	-2.3%

Slightly lower usage compared to 2020 due to business slowdowns as a result of COVID-19

Residential – Up .75%      Commercial – 0%      Industrial - Down 10%



# Financial Results

## Revenues – May 2021

\*\*Dollars in millions

	(CY) 2021 May	(PY) 2020 May		Budget 2021 May	(CY) 2021 May	
Electric	\$ 16.592	\$ 20.316		\$ 19.051	\$ 16.592	
Water	4.283	4.027		4.139	4.283	
<b>Combined</b>	<b>\$ 20.875</b>	<b>\$ 24.343</b>	<b>-14.2%</b>	<b>\$ 23.190</b>	<b>\$ 20.875</b>	<b>-10.0%</b>

**Actual Compared to 2021 Budget**

Electric down 13%  
Water up 3%

Recognized ERC Over Collection for 3<sup>rd</sup>/4<sup>th</sup> Quarter of 2020 of \$11.7 million (\$1.9 million a month).  
This is being recognized as revenue and amortized over the next 6 months (Jan-Jun 2021)



## Revenues – 2021 YTD

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 120.856	\$ 109.075		\$ 100.610	\$ 120.856	
Water	19.928	20.005		20.409	19.928	
Combined	\$ 140.784	\$ 129.080	9.1%	\$ 121.019	\$ 140.784	16.3%

\*\*Dollars in millions

### Variance – YTD comparing Budget to Actual for 2021

**Electric:** *Up 20%*

Residential **(\$1.8M)**

Commercial **(\$2.0M)**

Industrial **(\$2.4M)**

Schools **\$113K**

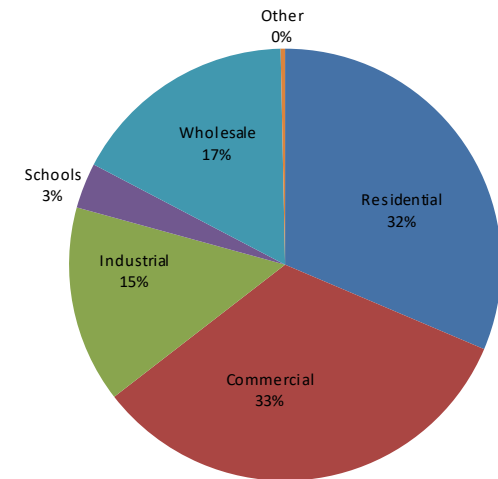
Wholesale **\$17.7M**

**Water:** *Down 2%*

Residential **\$126K**

Commercial **(\$141K)**

Industrial **(\$258K)**



Recognized \$9.7M deferral of revenue YTD from the 2020 ERC in 2021

## Operating Expenses – May 2021

	(CY) 2021 May	(PY) 2020 May		Budget 2021 May	(CY) 2021 May	
Electric	\$ 14.548	\$ 13.825		\$ 17.177	\$ 14.548	
Water	2.697	2.553		3.163	2.697	
Combined	\$ 17.245	\$ 16.378	5.3%	\$ 20.340	\$ 17.245	-15.2%

\*\*Dollars in millions

### Variance – Comparing Budget to Actual for 2021

**Electric** – Down 15%

Production	- 26% down
Purchased Power	- 24% down
Fuel	- 8% down
T&D	- 19% down
G &A	- 14% down

**Water** – Down 15%

Production	- 34% down
T&D	- 23% down
G &A	- 4% down

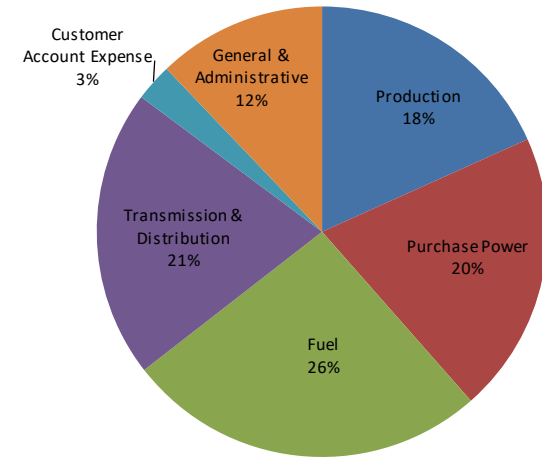
## Operating Expenses – 2021 YTD (Total)

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 86.095	\$ 75.662		\$ 84.144	\$ 86.095	
Water	14.486	14.190		16.052	14.486	
Combined	\$ 100.581	\$ 89.852	11.9%	\$ 100.196	\$ 100.581	0.4%

\*\*Dollars in millions

### Actual Compared to 2021 Budget

- Electric up 2%
- Water down 9%



## Operating Expenses – 2021 YTD less Depreciation

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 73.340	\$ 64.912		\$ 71.850	\$ 73.340	
Water	11.000	10.956		12.746	11.000	
Combined	\$ 84.340	\$ 75.868	11.2%	\$ 84.596	\$ 84.340	-0.3%

\*\*Dollars in millions

Variance – YTD comparing Budget to Actual 2021

**Electric:**

Purchased Power (\$2.1M)  
 Fuel \$10.1M  
 Production (\$2.2M)  
 T&D (\$2.3M)  
 G&A (\$1.8M)

**Water:**

Production (\$608K)  
 T&D (\$589K)  
 G&A (\$485K)



# Financial Results

## Change in Net Position – May 2021

	(CY) 2021 May	(PY) 2020 May	Budget 2021 May	(CY) 2021 May
Electric	\$ (1.414)	\$ 2.727	\$ (1.700)	\$ (1.414)
Water	1.231	0.917	0.476	1.231
Combined	\$ (0.183)	\$ 3.644	\$ (1.224)	\$ (0.183)

\*\*Dollars in millions



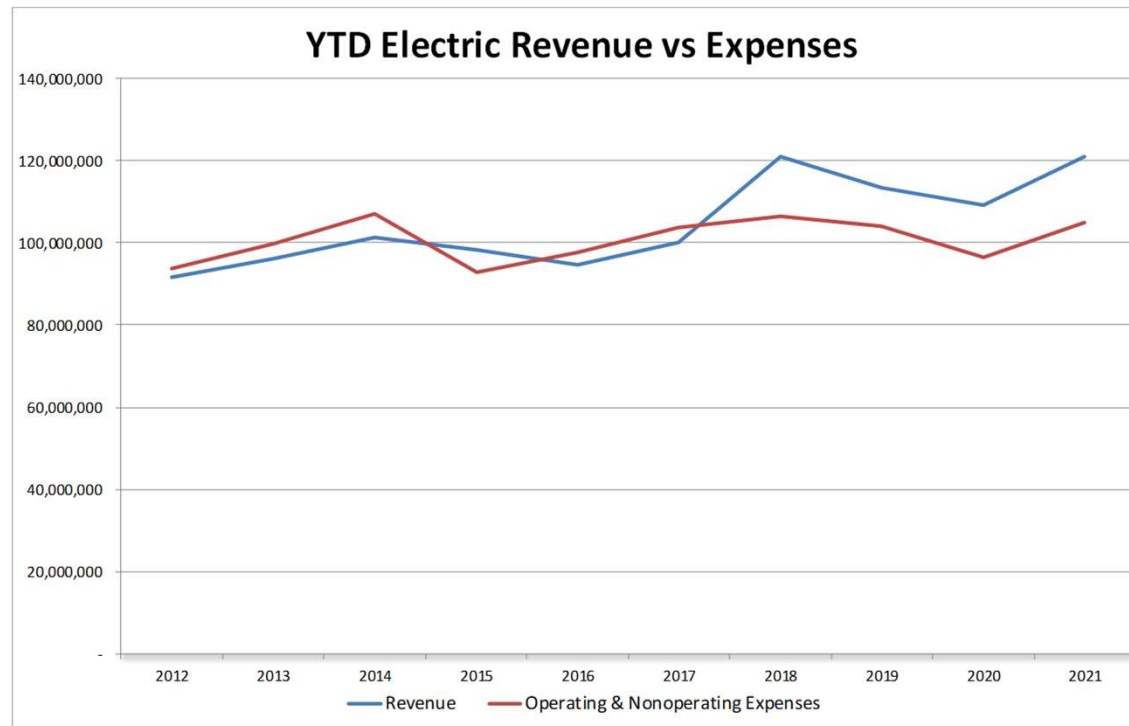
# Financial Results

## Change in Net Position – 2021 YTD

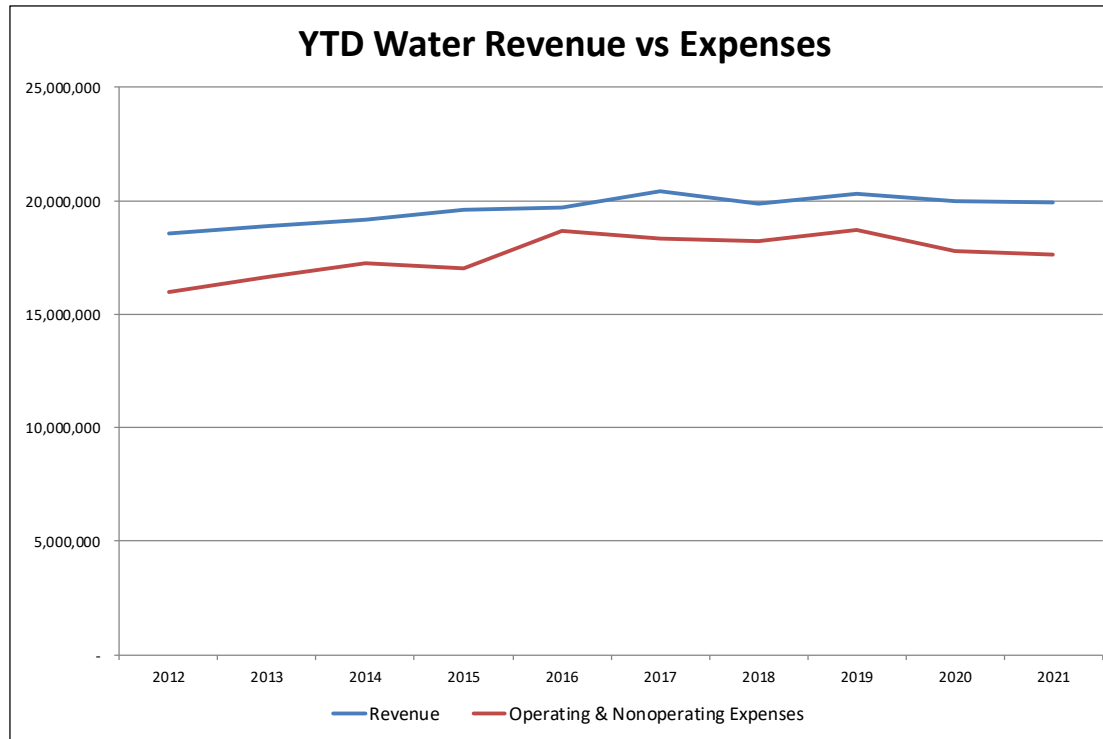
	(CY) 2021 YTD	(PY) 2020 YTD	Budget 2021 YTD	(CY) 2021 YTD
Electric	\$ 16.059	\$ 12.535	\$ (2.033)	\$ 16.059
Water	2.864	2.305	1.533	2.864
Combined	\$ 18.923	\$ 14.840	\$ (0.500)	\$ 18.923

\*\*Dollars in millions

# Financial Results – 10 Year Trend



# Financial Results – 10 Year Trend





## Cash Position

	(CY) 2021 May	(PY) 2020 May	2021 April
Combined (E&W) Days Cash-on-Hand	\$ 41.94 71	\$ 46.11 78	\$ 45.26 77

1 Day = Approximately \$550K-\$600K

\*\*Dollars in millions

\*\* Established Cash Reserve – Market – All settlements will be finalized by end of June 2021



# Financial Results

## Balance Sheet: Notables

	(CY) 2021 May	(PY) 2020 May
Fuel Inventory	\$ 5.967	\$ 4.622
Bond Dollars 2016C (Elec T&D)	\$ 1.544	\$ 2.595
Bond Dollars 2020A (Elec)	\$ 8.201	\$ -

\*\*Dollars in millions

## Capital Spending

	(CY) 2021 YTD	(PY) 2020 YTD	2021 Budget	
Electric	\$ 5.22	\$ 17.85	\$ 38.94	
Water	2.45	3.24	12.34	
Common	1.85	0.94	5.91	
<b>Total YTD Capital</b>	<b>\$ 9.52</b>	<b>\$ 22.03</b>	<b>\$ 57.20</b>	<b>Remaining</b>

83%

\*\*Dollars in millions

Major projects in 2021:

- Dogwood Capital (BPU's portion) - \$810K
- New Development - \$963K
- Transformers (OH & UG) - \$768K
- Pole Inspection Replacement - \$1.0M
- Annual UG & OH Construction - \$693K
- Water Leak, Valve, System Imp. - \$785K
- UG/CMIP Water Distribution - \$150K

## Debt Coverage

### Debt Coverage with PILOT

	(CY) 2021 May	(PY) 2020 May
Electric	2.00	2.03
Water	2.08	1.75
Combined	2.19	2.01

### Debt Coverage w/o PILOT

	(CY) 2021 May	(PY) 2020 May
Electric	1.41	1.45
Water	1.63	1.32
Combined	1.58	1.44

Financial Guideline Target 1.6 to 2.1 times with PILOT