

REGULAR SESSION –WEDNESDAY, APRIL 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, April 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; Jeff Bryant, and Thomas Groneman, and Ryan Eidson.

Also on teleconference: William Johnson, General Manager; Angela Lawson, Deputy Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Steve Green, Executive Director Water Operations; Johnetta Hinson, Executive Director Customer Service; Jeremy Ash, Executive Director Electric Operations; Dong Quach, Executive Director Electric Production; Jerry Ohmes, Executive Director Electric Supply; Jerry Sullivan, Chief Information Officer; Robert Kamp, IT Project Manager; Dennis Dumovich, Director of Human Resources; Andrew Ferris, Director Electric Supply Planning; 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 6:00 P.M. He welcomed all that were listening or viewing the meeting. He stated the COVID-19 pandemic had resulted in a State of Emergency disaster declared by the Governor which made it necessary to conduct the meeting using technology instead of in person. Those wishing to offer comments during the Visitors 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 were present via teleconference.

Item #3 – Approval of Agenda

A motion was made to approve the Agenda by Mr. Groneman, seconded by Mr. Bryant, 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 March 17, 2021 by Mr. Eidson, seconded by Mr. Bryant, and unanimously carried.

Item #6 – Public Comments

Mr. William Johnson, General Manager, asked Mr. Robert Kamp, IT Project Manager, if there were any visitors wishing to speak.

Mr. Kamp said that no one had their hand raised via teleconference.

Item #7 – General Manager / Staff Reports

- i. *COVID-19 Update:* Mr. Johnson gave an update on company COVID-19 matters. He also spoke about working with the State on the new Kansas Emergency Rental Assistance (KERA) program, part of the Kansas Housing and Resource Corporation. A portion of that program included utility assistance.

Mr. Johnson addressed comments from the Board.

- ii. *Preliminary February 2021 Financials:* Lori Austin, Chief Financial Officer/Chief Administrative Officer, presented the preliminary February 2021 Financials with a PowerPoint presentation (see attached).
- iii. *APPA RP3 Award:* Dennis Dumovich, Director of Human Resources, informed the Board of BPU's platinum designation for the Reliable Power Provider (RP3) award. It was awarded every three years and recognized public power utilities that demonstrated proficiencies for the following; reliability, safety, workforce development, and system improvement.
- iv. *KMEA Board Appointment:* Mr. Johnson asked for Board approval for Mr. Dong Quach, Executive Director Electric Production, to serve on the Kansas Municipal Energy Agency (KMEA) Board of Directors.

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A motion was made to approve the appointment of Mr. Dong Quach to the KMEA Board of Directors by Ms. Gonzales. seconded by Mr. Bryant and unanimously carried.

- v. *Miscellaneous Comments:* Mr. Johnson informed the Board that the KDHE Loan had been taken before the UG Standing Committee. It had been passed onto the full Commission for consideration.

Mr. Bryant, a member of the UG Standing Committee, felt that everyone understood that the utility was doing its best to be a good steward of the money in the community and that maintaining aging infrastructure was a daunting task.

Mr. Johnson also wished Mr. Eidson a Happy Birthday.

Item #8 – Board Comments

Mr. Eidson had no comments.

Mr. Groneman had no comments.

Mr. Bryant thanked all for the evening’s updates and their continued efforts.

Ms. Gonzales had no comments.

Ms. Mulvany Henry echoed Mr. Bryant’s thanks. She also thanked Mr. Johnson for the approach being taken regarding the rent and utility assistance program.

Mr. Milan wanted the Board to begin considering meeting in person. He also spoke about Board policy and what the Board’s responsibilities were; to help assist policy and also approve the budget. He included that the Communication office was the spokesperson for the Board members. With the ongoing pandemic situation and also upcoming elections, they had to make sure that responses to the public were cleared through the General Manager and Communication Office.

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Item #9 – Adjourn

A motion was made to adjourn the meeting at 6:37 P.M. by Ms. Gonzales, seconded by Mr. Eidson.

ATTEST:

Designated by:

Rose Mulvaney Henry

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Secretary

APPROVED:

Robert Milan Sr.

President

February 2021 Preliminary Financial Results

April 7, 2020

2021 Billed kWh (YTD Jan – Feb)

Electric	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	107,609,680	98,333,935	
Commercial	150,372,024	151,998,743	
Industrial	72,797,272	91,919,002	
	330,778,976	342,251,680	-3.4%

Lower usage in 2021 compared to 2020 due to both weather and COVID-19 shutdown or slowdown of businesses.

Residential – Up 9%

Commercial – Down 1%

Industrial – Down 21%

2021 Billed CCF's (YTD Jan - Feb)

Water	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	554,052	538,153	
Commercial	355,079	376,529	
Industrial	274,264	319,647	
	1,183,395	1,234,329	-4.1%

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

Residential – Up 3% Commercial – Down 5% Industrial - Down 14%



Financial Results

Revenues – February 2021

	(CY) 2021 February	(PY) 2020 February		Budget 2021 February	(CY) 2021 February	
Electric	\$ 41.071	\$ 23.930		\$ 21.417	\$ 41.071	
Water	4.021	4.123		4.118	4.021	
Combined	\$ 45.092	\$ 28.053	60.7%	\$ 25.535	\$ 45.092	76.6%

**Dollars in millions

Actual Compared to 2021 Budget

Electric down 92%

Water down 2%

**Wholesale sales were up \$18.5 million. Recognized the revenue earned from SPP related to the extreme cold period. The cash was not received until March 2021.

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

Financial Results

Revenues – 2021 YTD

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 63.047	\$ 47.824		\$ 42.859	\$ 63.047	
Water	7.611	8.337		8.342	7.611	
Combined	\$ 70.658	\$ 56.161	25.8%	\$ 51.201	\$ 70.658	38.0%

**Dollars in millions

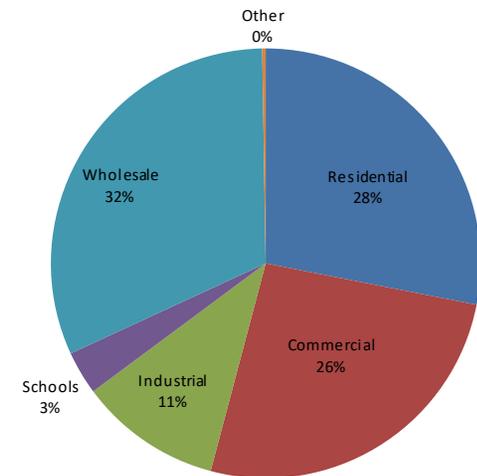
Variance – YTD comparing Budget to Actual for 2021

Electric: Up 77%

Residential \$427K
Commercial (\$313K)
Industrial (\$1.0M)
Schools \$180K
Wholesale \$18.6M

Water: Down 8%

Residential (\$143K)
Commercial (\$243K)
Industrial (\$158K)



Recognized \$3.8M deferral of revenue YTD from the 2020 ERC in 2021

Operating Expenses – February 2021

	(CY) 2021 February	(PY) 2020 February		Budget 2021 February	(CY) 2021 February	
Electric	\$ 25.697	\$ 14.839		\$ 16.290	\$ 25.697	
Water	2.838	2.647		3.168	2.838	
Combined	\$ 28.535	\$ 17.486	63.2%	\$ 19.458	\$ 28.535	46.6%

**Dollars in millions

Variance – Comparing Budget to Actual for 2021

Electric – up 57%

Production - 12% down
 Purchased Power - 28% down
 Fuel - 507% up
 T&D - 20% down
 G &A - 30% down

Water – down 10%

Production - 10% down
 T&D - 10% down
 G &A - 30% down

Fuel expense amount of \$14.02M for the month. Majority of expense related to extreme cold weather event.

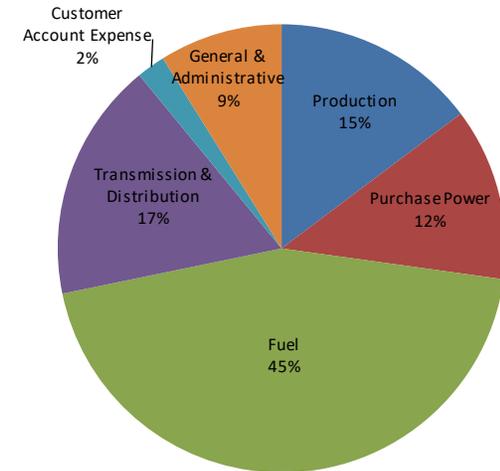
Operating Expenses – 2021 YTD (Total)

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 39.677	\$ 30.694		\$ 33.445	\$ 39.677	
Water	5.514	5.920		6.426	5.514	
Combined	\$ 45.191	\$ 36.614	23.4%	\$ 39.871	\$ 45.191	13.3%

**Dollars in millions

Actual Compared to 2020 Budget

- Electric up 18%
- Water down 8%



Operating Expenses – 2021 YTD less Depreciation

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 34.588	\$ 26.131		\$ 28.391	\$ 34.588	
Water	4.123	4.636		5.104	4.123	
Combined	\$ 38.711	\$ 30.767	25.8%	\$ 33.495	\$ 38.711	15.6%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2021

Electric:

Purchased Power **(\$2.5M)**
 Fuel **\$12.4M**
 Production **(\$1.0M)**
 T&D **(\$1.2M)**
 G&A **(\$1.2M)**

Water:

Production **(\$214K)**
 T&D **(\$300K)**
 G&A **(\$400K)**



Financial Results

Change in Net Position – February 2021

	(CY) 2021 February	(PY) 2020 February		Budget 2021 February	(CY) 2021 February
Electric	\$ 11.434	\$ 4.659		\$ 1.270	\$ 11.434
Water	0.612	0.821		0.331	0.612
Combined	\$ 12.046	\$ 5.480	119.8%	\$ 1.601	\$ 12.046

**Dollars in millions



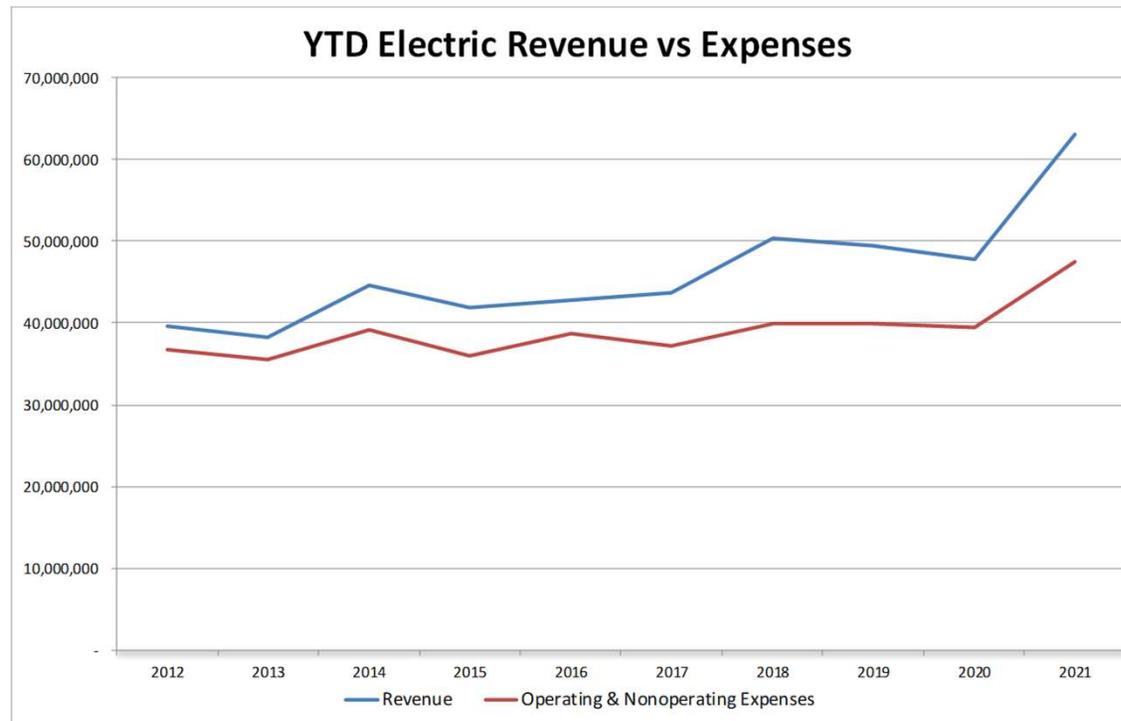
Financial Results

Change in Net Position – 2021 YTD

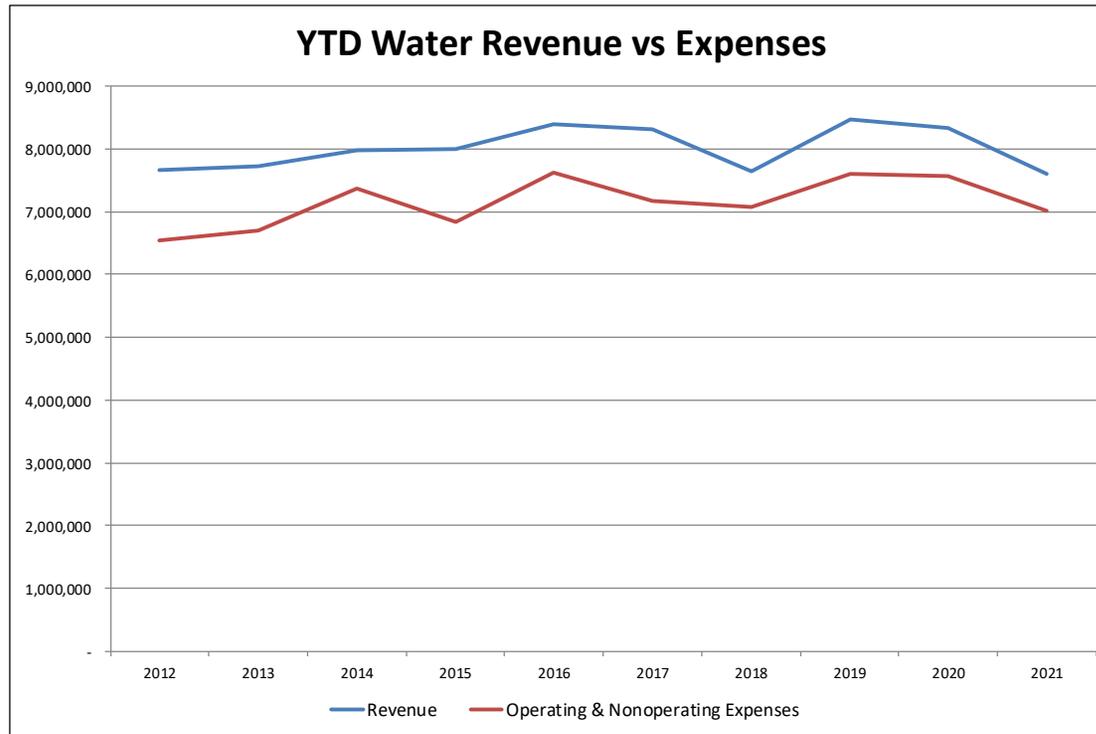
	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD
Electric	\$ 15.545	\$ 8.392		\$ 1.697	\$ 15.545
Water	0.587	0.778		0.669	0.587
Combined	\$ 16.132	\$ 9.170	75.9%	\$ 2.366	\$ 16.132

**Dollars in millions

Financial Results – 10 Year Trend



Financial Results – 10 Year Trend



Cash Position

	(CY) 2021 February	(PY) 2020 February	2021 January
Combined (E&W) Days Cash-on-Hand	\$ 43.02 74	\$ 51.20 84	\$ 41.75 75

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

**Dollars in millions



Financial Results

Balance Sheet: Notables

	(CY) 2021 February	(PY) 2020 February
Fuel Inventory	\$ 3.749	\$ 5.303
Bond Dollars 2016C (Elec T&D)	\$ 1.543	\$ 8.776
Bond Dollars 2020A (Elec)	\$ 8.200	\$ -

**Dollars in millions

Capital Spending

	(CY) 2021 YTD	(PY) 2020 YTD	2021 Budget		
Electric	\$ 0.13	\$ 2.43	\$ 38.94		
Water	0.53	0.94	12.34		
Common	0.34	0.32	5.91		
Total YTD Capital	\$ 0.99	\$ 3.69	\$ 57.20	Remaining	98%

**Dollars in millions

Major projects in 2020:

- Underground Distribution - \$215K
- Nearman Cable Replacement - \$35K
- Water Leak, Valve, System Imp. - \$160K
- UG/CMIP Water Distribution - \$111K

*Did receive \$590K from FEMA claim in Spring 2019 Storm Activity
(credit applied to projects).

Debt Coverage

Debt Coverage with PILOT

	(CY) 2021 February	(PY) 2020 February
Electric	2.13	1.98
Water	2.20	1.71
Combined	2.35	1.95

Debt Coverage w/o PILOT

	(CY) 2021 February	(PY) 2020 February
Electric	1.53	1.38
Water	1.74	1.27
Combined	1.73	1.38

Financial Guideline Target 1.6 to 2.1 times with PILOT