

REGULAR SESSION –WEDNESDAY, MARCH 3, 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, March 3, 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; 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; David Mehlhaff, Chief Communications Officer, Robert Kamp, IT Project Manager; Dennis Dumovich, Director of Human Resources; Randy Otting, Director Accounting; 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 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 Amended Agenda

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

REGULAR SESSION –WEDNESDAY, MARCH 3, 2021

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Item #4 – Approval of the Special Session Minutes

A motion was made to approve the Minutes of the Special Session of February 9, 2021 by Mr. Bryant, seconded by Ms. Mulvany Henry, and unanimously carried.

Item #5 – Approval of Work Session Minutes

A motion was made to approve the Minutes of the Work Session of February 17, 2021 by Mr. Bryant, seconded by Ms. Gonzales, and unanimously carried.

Item #6 – Approval of Regular Session Minutes

A motion was made to approve the Minutes of the Regular Session of February 17, 2021 by Mr. Bryant, seconded by Ms. Gonzales, and unanimously carried.

Item #7 – 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 #8 – General Manager / Staff Reports

- i. *COVID-19 Update:* Mr. Johnson, gave an update on company COVID-19 matters. He also updated the Board on the vaccination locations in the area.

Mr. Johnson addressed questions and comments from the Board.

- ii. *Preliminary January 2021 Financials:* Mr. Randy Otting, Director Accounting, presented the preliminary January 2021 Financials with a PowerPoint presentation (see attached).
- iii. *National Legislative Update:* Mr. David Mehlhaff, Chief Communications Officer, gave an update to the Board on what was happening on the National Legislative level. Some items of note:

REGULAR SESSION –WEDNESDAY, MARCH 3, 2021

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

- Senator Moran was on the Appropriations Committee as well as the Commerce, Science, and Transportation Committee. Senator Marshall was on the Energy and Natural Resources Committee. Representative Davids had been named as the Vice-Chair of the Transportation and Infrastructure Committee.
- Ms. Sue Kelley, the former CEO/President of American Public Power Association (APPA), was now serving on board of directors of the North-American Electrical Reliability Corporation (NERC).
- Lobbying efforts had continued. Correspondence had been sent to our Kansas Congressional delegation regarding CARES funding, utility disconnects, and other COVID related issues. Water infrastructure issues were also a topic addressed.
- Contact had been made with APPA as well as the National Energy Assistance Directors Association regarding the Consolidated Appropriations Act, about the possibility of additional stimulus money for rent relief and utility assistance. Those funds were to be distributed at the state level through the Kansas Housing Resources Association. They were in the process of finalizing the program and had hoped to launch it mid-March.
- The Low Income Energy Assistance Program was looking at possibly funding an additional 4.5 billion dollars through September 2022. That was currently under review in the House of Representatives.
- The APPA Legislative Rally was held virtually. The current administration would be making climate change a priority. They would be pushing for net zero emissions from the power sector by 2035 and the rest of the economy by 2050. Jennifer Granholm was sworn in as the Secretary of Energy.
- BPU and APPA priorities would be COVID-19, climate change, restoration of advance refunding bonds, clean energy, and pole attachments.

Mr. Mehlhaff answered questions from the Board.

REGULAR SESSION –WEDNESDAY, MARCH 3, 2021

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

- iv. *Pension Board of Trustees Appointment* – Due to a vacancy on the BPU Pension Board, Mr. Johnson made a recommendation to the Board to appoint Mr. Steve Green, Executive Director Water Operations, to the pension board.

A motion was made to appoint Mr. Steve Green, as a trustee on the BPU Pension Board by Mr. Groneman, seconded by Mr. Bryant, and unanimously carried.

- v. *Miscellaneous Comments:* Mr. Johnson informed the Board that both APPA and AWWA would be holding their 2021 national conferences both in person and virtually. APPA would be in Orlando, FL, and AWWA would be held in San Diego, CA. Information would be sent to the Board.

Item #7 – Board Comments

Mr. Eidson congratulated Mr. Green on his appointment to the pension board. He also thanked Mr. Johnson for the extension of the moratorium on disconnects. He also asked if ST1 was back up and running.

Mr. Quach reported that Nearman Steam 1 (ST1) unit had been down but would be running the following day.

Mr. Groneman had no comment.

Mr. Bryant echoed congratulations to Mr. Green.

Ms. Gonzales echoed congratulations to Mr. Green and the thanks for the extension of the moratorium.

Ms. Mulvany Henry had no comment.

Mr. Milan also congratulated Mr. Green. He also wanted to make sure that the Board had received their committee appointments. If anyone had any questions, they could contact him. He also thanked all for the evening's presentations.

REGULAR SESSION –WEDNESDAY, MARCH 3, 2021

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Item #9 – Adjourn

A motion was made to adjourn the meeting at 7:03 P.M. by Ms. Gonzales, seconded by Ms. Mulvany, and carried unanimously.

ATTEST:

DocuSigned by:

Rose Mulvany Henry

Secretary

APPROVED:

Robert W. Milanski

President

January 2021 Preliminary Financial Results

March 3, 2020

2021 Billed kWh (YTD Jan – Jan)

Electric	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	51,229,575	47,377,178	
Commercial	73,323,066	74,924,380	
Industrial	40,915,623	46,353,175	
	165,468,264	168,654,733	-1.9%

Overall lower usage in January compared to last year

- Average temps colder in 2020 (2020 = 32.3° degrees vs. 2021 34.1°)
- Industrial shut-downs, idle plants.

Residential higher - 8%

Commercial – lower 2%

Industrial – lower 12%

2021 Billed CCF's (YTD Jan – Jan)

Water	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	275,595	268,209	
Commercial	175,495	187,026	
Industrial	146,000	159,789	
	597,090	615,024	-2.9%

Residential – Up 3%

Commercial – Down 6%

Industrial - Down 9%

Revenues – 2021 YTD

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 21.975	\$ 23.894		\$ 21.441	\$ 21.975	
Water	3.590	4.213		4.225	3.590	
Combined	\$ 25.565	\$ 28.107	-9.0%	\$ 25.666	\$ 25.565	-0.4%

**Dollars in millions

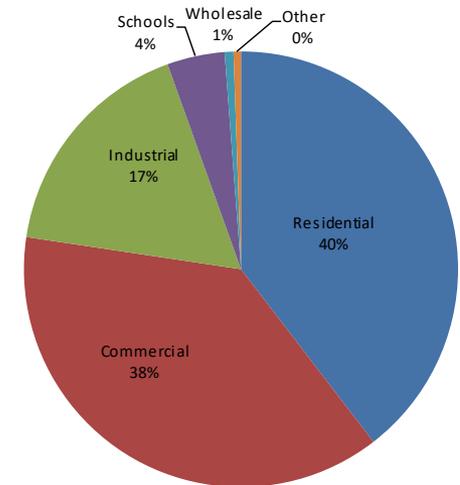
Variance – YTD comparing Budget to Actual for 2021

Electric:

Residential	(\$ 323K)
Commercial	(\$ 283K)
Industrial	(\$ 301K)
Schools	+\$ 44K

Water:

Residential	(\$ 116K)
Commercial	(\$ 182K)
Industrial	(\$ 94K)
Schools	(\$ 9K)



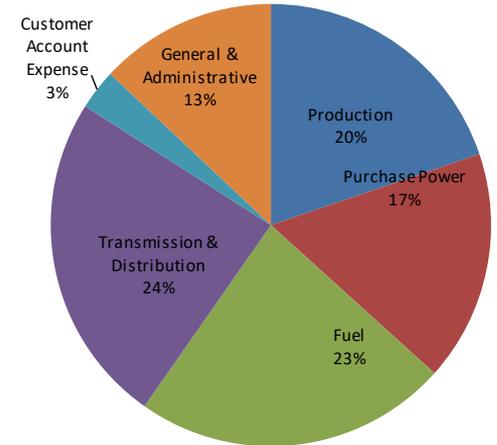
Operating Expenses – 2021 YTD (Total)

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 13.980	\$ 15.856		\$ 17.155	\$ 13.980	
Water	2.676	3.272		3.258	2.676	
Combined	\$ 16.656	\$ 19.128	-12.9%	\$ 20.413	\$ 16.656	-18.4%

**Dollars in millions (Includes Depreciation)

Actual Operating Expenses Compared to 2021 Budget

- Electric 19% below budget
Production, Purchase Power, T&D, G&A
- Water 17% below budget
Production, T&D, G&A



Operating Expenses – 2021 YTD less Depreciation

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 11.435	\$ 13.574		\$ 14.510	\$ 11.435	
Water	1.981	2.630		2.597	1.981	
Combined	\$ 13.416	\$ 16.204	-17.2%	\$ 17.107	\$ 13.416	-21.6%

**Dollars in millions

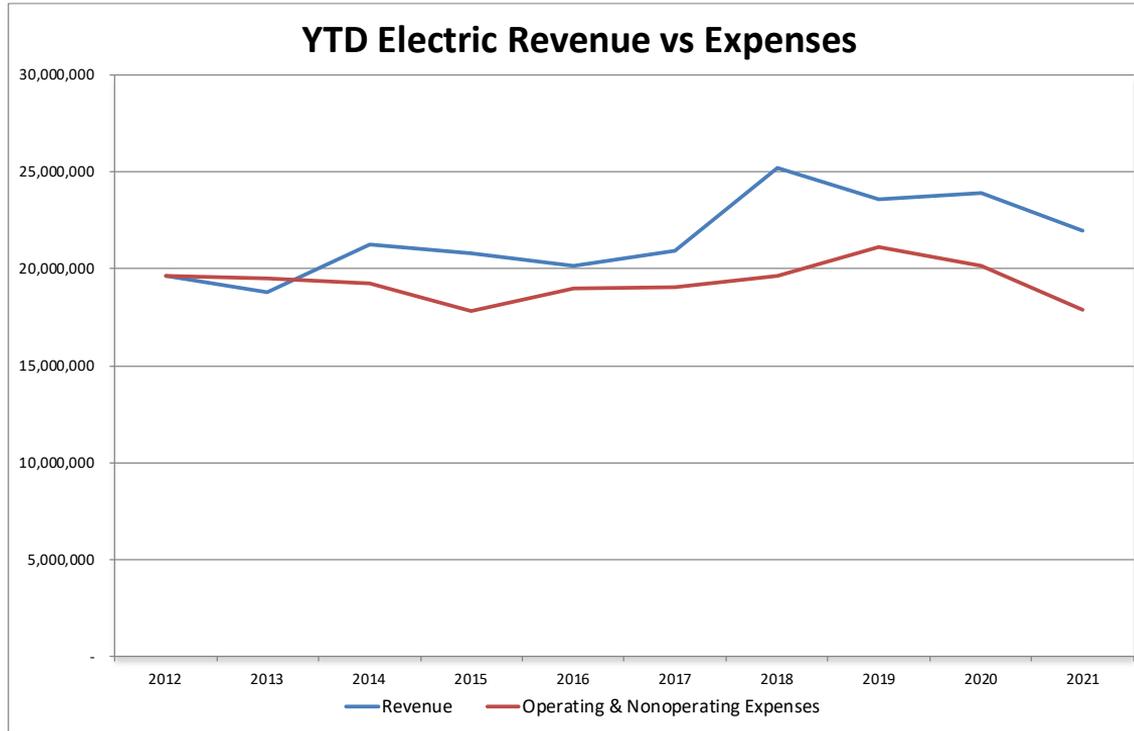
Variance – YTD comparing Budget to Actual 2021

Change in Net Position – January 2021

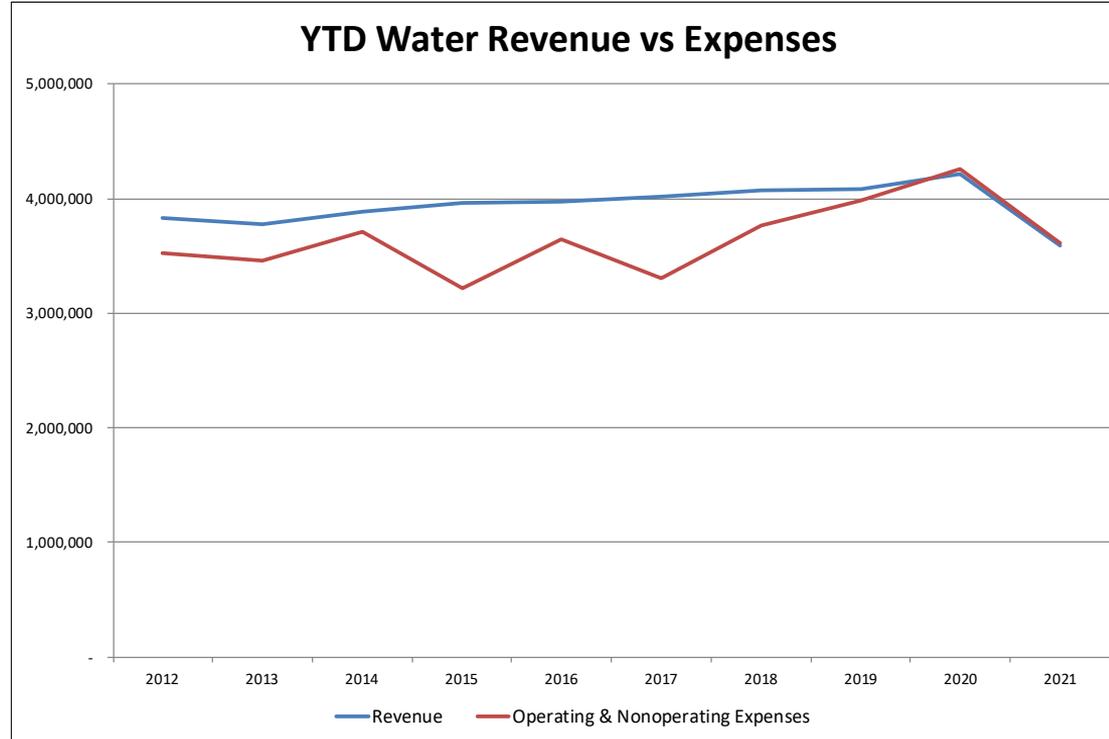
	(CY) 2021 January	(PY) 2020 January		Budget 2021 January	(CY) 2021 January
Electric	\$ 4.112	\$ 3.733		\$ 0.427	\$ 4.112
Water	(0.025)	(0.043)		0.338	(0.025)
Combined	\$ 4.087	\$ 3.690	10.8%	\$ 0.765	\$ 4.087

**Dollars in millions

Financial Results – 10 Year Trend



Financial Results – 10 Year Trend



Cash Position

	(CY) 2021 January	(PY) 2020 January	2020 December
Combined (E&W)	\$ 41.75	\$ 50.64	\$ 45.43
Days Cash-on-Hand	75	83	81

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

**Dollars in millions

Balance Sheet: Notables

	(CY) 2021 January	(PY) 2020 January
Fuel Inventory	\$ 5.324	\$ 4.223
Bond Dollars 2016C (Elec T&D)	\$ 1.543	\$ 10.981
Bond Dollars 2020A (Elec)	\$ 10.000	\$ -

**Dollars in millions

Capital Spending

	(CY) 2021 YTD	(PY) 2020 YTD	2021 Budget	
Electric	\$ 0.19	\$ 0.88	\$ 38.94	
Water	0.19	0.46	12.34	
Common	0.18	0.11	5.91	
Total YTD Capital	\$ 0.55	\$ 1.46	\$ 57.20	Remaining

99%

**Dollars in millions

Debt Coverage

Debt Coverage with PILOT

	(CY) 2021 January	(PY) 2020 January
Electric	1.99	2.03
Water	2.21	1.70
Combined	2.23	2.00

Debt Coverage w/o PILOT

	(CY) 2021 January	(PY) 2020 January
Electric	1.38	1.43
Water	1.76	1.27
Combined	1.60	1.42

Financial Guideline Target 1.6 to 2.1 times with PILOT