

REGULAR SESSION –WEDNESDAY MARCH 4, 2020

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

The Board of Public Utilities of Kansas City, Kansas (aka BPU, We, Us, Our) met in Regular Session on Wednesday, March 4, 2020 at 6:00 P.M. The following Board Members were present: Ryan Eidson, President; Robert L. Milan, Vice President; Mary Gonzales, Secretary; Jeff Bryant, Rose Mulvany Henry and Thomas Groneman.

Also present: William Johnson, General Manager; Angela Lawson, Deputy Chief Counsel; Lori Austin, Chief Financial Officer; David Mehlhaff, Chief Communications Officer; Jerry Ohmes, Executive Director Electric Supply; Jim Epp, Executive Director Water; Johnetta Hinson, Executive Director Customer Service; Jeff Bridgland, Chief Information Officer; Tung Nguyen, Director Engineer Production for Dong Quach, Executive Director Electric Production; and Jeremy Ash, Executive Director Electric Operations.

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

Mr. Eidson called the Board Meeting to order at 6:05 P.M.

Roll call was taken and all Board Members were present.

Motion was made to approve the Agenda by Mr. Bryant, seconded by Mr. Groneman, and carried.

Motion was made to approve the Minutes of the Work Session of February 19, 2020 by Ms. Gonzales, seconded by Mr. Bryant, and carried.

Motion was made to approve the Minutes of the Regular Session of February 19, 2020 by Mr. Groneman, seconded by Mr. Milan, and carried.

Item #6 - Customer Comments

No visitors wished to address the Board.

Item #7 Preliminary January 2020 Financials Lori Austin

Ms. Austin presented the preliminary January 2020 Financials (see attached).

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Item #8 – Central Avenue Betterment Association (CABA) Neighborhood Business Revitalization Update – David Mehlhaff

Mr. Mehlhaff described various neighborhood groups, and introduced Mr. Edgar Galicia, Executive Director of the Central Area Betterment Association (CABA).

Mr. Galicia introduced three CABA Board Members and gave a presentation on all of the 2019 CABA activities including the Summer Youth Program sponsored by BPU. He also shared the mission of this Neighborhood Business Revitalization Organization (NBR), which is to improve the quality of life and economic development of Central Avenue and its area of operation.

Item #9 - Board Comments

Mr. Groneman thanked Mr. Galicia for the presentation and expressed his appreciation.

Mr. Milan had no comments.

Mr. Bryant spoke about having an opportunity to attend some of CABA’s events and requested permission to attend the American Water Works Association (AWWA) Conference June 14 – 18, 2020 in Orlando Florida.

Motion was made approve Mr. Bryant’s travel by Ms. Gonzales seconded by Mr. Groneman, and carried.

Ms. Gonzales thanked Mr. Galicia and his Board Members and spoke about how important the programs were for the community.

Ms. Mulvaney Henry thanked Mr. Galicia and spoke about the phenomenal job they were doing.

Mr. Eidson echoed the previous comments and requested permission to attend the American Public Power Association (APPA) Conference June 5 – 10, 2020 in Long Beach, California.

Motion was made approve Mr. Eidson’s travel by Ms. Gonzales seconded by Mr. Bryant, and carried.

Mr. Milan commented that he may change his travel plans in June 2020.

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Item #10 - General Manager Comments

Mr. Johnson thanked Mr. Galicia, the CABA Board, and appreciated his community involvement.

He reminded the Board that Mayor Alvey was on a speaking tour and information had been sent out.

He reported on the Lineman’s Rodeo progress and that Mr. Mehlhaff and Mr. Ash had been working hard on it. The date was April 18, 2020.

Mr. Mehlhaff reported on the progress with attendance.

Item #11 – Executive Session

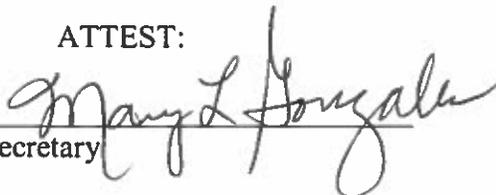
Ms. Lawson: At 6:53 P.M. she proposed a motion for adoption as follows:

I move that after taking a five minute break the Board go into Executive Session in the first floor conference room to discuss confidential matters related to the evaluation of the general manager, a personnel matter of nonelected personnel as justified under the personnel matters of a nonelected employee exception in the Kansas Open Meetings Act; and that the General Manager, Chief Administrative Officer, and legal counsel be present to participate in the discussion, and that we reconvene in open session at 7:25 P.M. in the Board Room on the 1st floor to either take action in an open session or to adjourn.

Motion made by Mr. Bryant, seconded by Ms. Gonzalez and carried.

At 7:25 P.M. the meeting was opened and a motion was made to adjourn the meeting by Ms. Gonzales, seconded by Mr. Bryant, and carried.

ATTEST:


Secretary

APPROVED:


President



January 2020 Preliminary Financial Results

March 4, 2020





Financial Results

2020 Billed kWh (YTD Jan)

	(CY) 2020 YTD	(PY) 2019 YTD	
Electric			
Residential	47,377,178	49,248,739	
Commercial	74,924,380	78,571,447	
Industrial	46,353,175	45,858,909	
	168,654,733	173,679,095	-2.9%

Lower usage in 2020 compared to 2019 due to weather not as cold



Financial Results

2020 Billed CCF's (YTD Jan)

	(CY) 2020 YTD	(FY) 2019 YTD	
Water			
Residential	268,209	270,810	
Commercial	187,026	190,993	
Industrial	159,789	164,948	
	615,024	626,751	-1.9%

Lower usage compared to 2019





Financial Results

Revenues – January 2020

	(CY) 2020 January	(PY) 2019 January		Budget 2020 January	(CY) 2020 January	
Electric	\$ 23.894	\$ 23.570		\$ 24.328	\$ 23.894	
Water	4.214	4.085		4.114	4.214	
Combined	\$ 28.108	\$ 27.655	1.6%	\$ 28.442	\$ 28.108	-1.2%

**Dollars in millions





Financial Results

Operating Expenses – January 2020

	(CY) 2020 January	(PY) 2019 January		Budget 2020 January	(CY) 2020 January	
Electric	\$ 15.856	\$ 16.698		\$ 17.869	\$ 15.856	
Water	3.272	2.858		3.209	3.272	
Combined	\$ 19.128	\$ 19.556	-2.2%	\$ 21.078	\$ 19.128	-9.3%

**Dollars in millions



Financial Results

Operating Expenses – 2020 YTD minus Depreciation

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 13.574	\$ 14.359		\$ 15.286	\$ 13.574	
Water	2.630	2.207		2.561	2.630	
Combined	\$ 16.204	\$ 16.566	-2.2%	\$ 17.847	\$ 16.204	-9.2%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2020

Electric:

Purchased Power (\$794K)
 Fuel \$ 209K
 Production (\$902M)
 T&D \$150K

Water:

Production \$9K
 T&D \$82K
 G&A (\$50)





Financial Results

Change in Net Position – January 2020

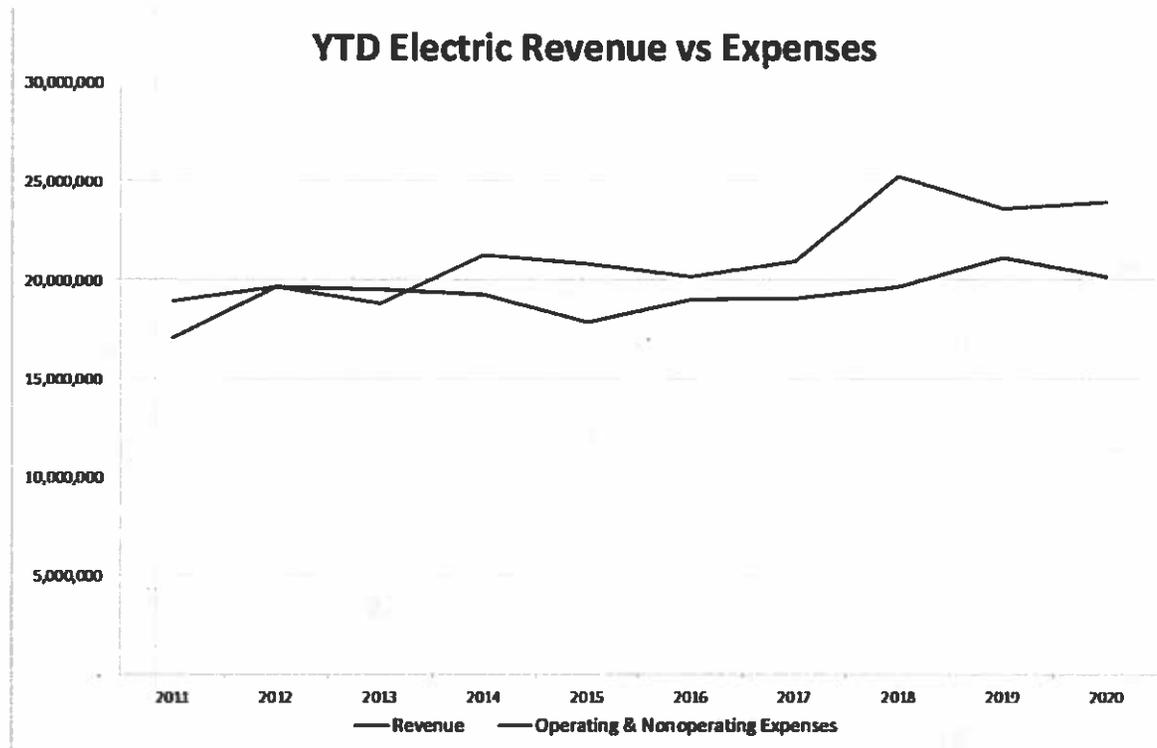
	(CY) 2020 January	(PY) 2019 January		Budget 2020 January	(CY) 2020 January	
Electric	\$ 3.733	\$ 2.429		\$ 1.959	\$ 3.733	
Water	(0.043)	0.097		0.159	(0.043)	
Combined	\$ 3.690	\$ 2.526	46.1%	\$ 2.118	\$ 3.690	74.2%

**Dollars in millions



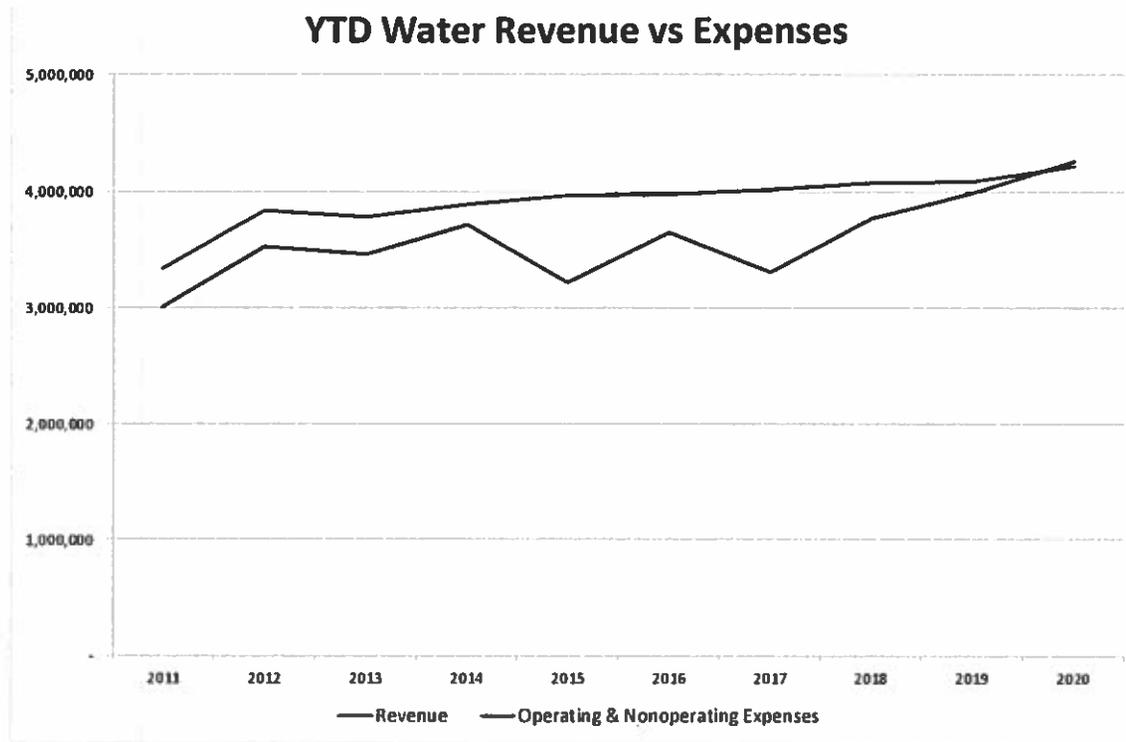


Financial Results – 10 Year Trend





Financial Results – 10 Year Trend





Financial Results

Cash Position

	(CY) 2020 January	(PY) 2019 January	2019 December
Combined (E&W)	\$ 50.72	\$ 43.99	\$ 51.88
Days Cash-on-Hand	84	73	86

1 Day = \$450K

**Dollars in millions



Financial Results

Balance Sheet: Notables

	(CY) 2020 January	(PY) 2019 January
Fuel Inventory	\$ 4.223	\$ 6.048
Bond Dollars 2016A (AQC)	\$ -	\$ 3.721
Bond Dollars 2016C (Elec T&D)	\$ 10.981	\$ 32.020

**Dollars in millions



Financial Results

Capital Spending

	(CY) 2020 YTD	(FY) 2019 YTD	2020 Budget	
Electric	\$ 0.98	\$ 1.00	\$ 45.19	
Water	0.46	0.45	12.59	
Common	0.02	0.02	0.84	
Total YTD Capital	\$ 1.46	\$ 1.47	\$ 58.61	Remaining 98%

**Dollars in millions

Major projects in 2020:

- Rosedale Project - \$500K
- Water Leak, Valve, System Imp. - \$130K



Financial Results

Debt Coverage

Debt Coverage with PILOT

	(CY) 2020 January	(PY) 2019 January
Electric	2.08	2.32
Water	1.75	2.05
Combined	2.05	2.31

Debt Coverage w/o PILOT

	(CY) 2020 January	(PY) 2019 YTD
Electric	1.48	1.69
Water	1.32	1.61
Combined	1.47	1.71

Financial Guideline Target 1.6 to 2.1 times with PILOT