

REGULAR SESSION –WEDNESDAY, JANUARY 6, 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, January 6, 2021 at 6:00 P.M. The following Board Members were on the teleconference: Mr. Eidson, President; Robert L. Milan, Vice President; Mary Gonzales, Secretary; Jeff Bryant, Rose Mulvany Henry and Thomas Groneman.

Also on teleconference: William Johnson, General Manager; Angela Lawson, Deputy Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; 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; Chris Stewart, Director Civil Engineering; Steve Green, Director Water Distribution; and Steve Nirschl, Director Water Processing.

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

Mr. Eidson 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. Eidson introduced himself and the other Board Members along with the GM, 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 Mrs. Gonzales, seconded by Mr. Bryant and unanimously carried.

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Item #4 – Approval of the Regular Session Minutes

A motion was made to approve the Minutes of the Regular Session of December 16, 2020 by Mr. Bryant, seconded by Mr. Groneman and unanimously carried.

Mr. Eidson turned the meeting over to Mr. Bill Johnson, General Manager.

Item #6 – Public Comments

Mr. Johnson 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’s Reports

- i. *COVID-19 Update:* Mr. Johnson, gave an update on company COVID -19 matters. He was continuing to monitor how the upcoming COVID vaccination process would go and would keep the Board informed.
- ii. *Unified Government (UG) Public Works Update:* Mr. Jeff Fisher, Director Public Works–UG, Robert Anderson, Public Works Asset Manager–UG, Trent Foglesong, Program Manager Water Pollution Control – UG, John Kelly, Director Facilities – UG and Troy Shaw, County/City Engineer–UG delivered a PowerPoint presentation highlighting capital maintenance and improvement projects for 2021 (see attached).
- iii. *November 2020 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, presented the November 2020 Financials with a PowerPoint presentation (see attached).
- iv. *WyCo Regional Hazard Mitigation Plan Adoption:* Mr. Jeremy Ash, Executive Director Electric Operations, gave a summary of BPU’s role in the mitigation plan. Examples would be; flood plains around the areas of Nearman Power plant; Nearman Water would have some responsibilities also. A couple of times a year they went through tabletop exercises with the UG to make sure our systems could withstand any hazards we might face in the county.

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The board felt more time was needed to review the utility portions of the mitigation plan.

Mr. Ash suggested the following pages for the Board to review for pertinent information for the utility: pgs. 89, 122 (section 4.12), 255, 329, & 345.

Ms. Angela Lawson, Deputy Chief Counsel, wanted to note that the plan was on the UG website, under Emergency Management.

- v. *Miscellaneous Comments:* Mr. Johnson wished Mr. Milan a Happy Birthday.

Item #7 – Board Comments

Mr. Eidson thanked the team from the UG for the projects update and wished Mr. Milan a Happy Birthday. He also asked Mr. Johnson if he had any update on how contract negotiations were going.

Mr. Johnson said that documents were exchanged, there was a counter proposal and that we were waiting on responses to comments made. He would update the Board as soon as he had more news.

Mr. Groneman wished Mr. Milan a Happy Birthday.

Mr. Milan thanked everyone for Birthday wishes.

Mr. Bryant wished Mr. Milan a Happy Birthday. He also thanked Public Works for the update.

Ms. Gonzales wished Mr. Milan a Happy Birthday.

Ms. Mulvany Henry wished Mr. Milan a Happy Birthday and also thanked Public Works for their presentation. She asked Mr. Johnson if he had an update on the Executive Director Water Operations position.

Mr. Johnson said that Human Resources was in the process of scheduling interviews and that he would keep them updated.

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Item #9 – Adjourn

Motion was made to adjourn the meeting at 7:00 P.M. by Ms. Mulvany Henry seconded by Mr. Milan, and carried unanimously.

ATTEST:

*Not signed by secretary
Secretary due to pandemic*

*Christy J. May
Admin. Assist.*

APPROVED:

Robert Milan Sr.

President

PUBLIC WORKS



CAPITAL MAINTENANCE & IMPROVEMENT

2021 PROJECTS

OCTOBER 2020



Who we are

VISION

Preserving the past, improving today, building the future

MISSION

With the right culture, provide efficient, reliable, and sustainable infrastructure to best serve the community and protect the environment into the future

VALUES

Positive Culture – we do our business of delivering essential and vital services to our community with energy, selflessness, and seamless teamwork

Great Service – take great care to treat all customers with a high level of professionalism, respect, empathy, and to be prudent & honest stewards of public funds

Smart Investment – utilize verified data and information to optimize public and private funds to strategically do the work of the community and to make objective recommendations to the elected and appointed officials.



CAPITAL VS MAINTENANCE



CAPITAL

LONG-TERM INVESTMENTS

Capital investment can involve replacing old things, like waste stations, or building entirely new things like fire stations.



MAINTENANCE

PRESERVING INVESTMENTS

Maintenance ensures taxpayers get as much life out of the items they own as is possible. This includes things like street preservation and mowing in parks.

Data-Driven Project Selection

A Systematic Approach

GET INPUT

How to prioritize projects based on criteria & weights.

DATA-DRIVEN RANKING

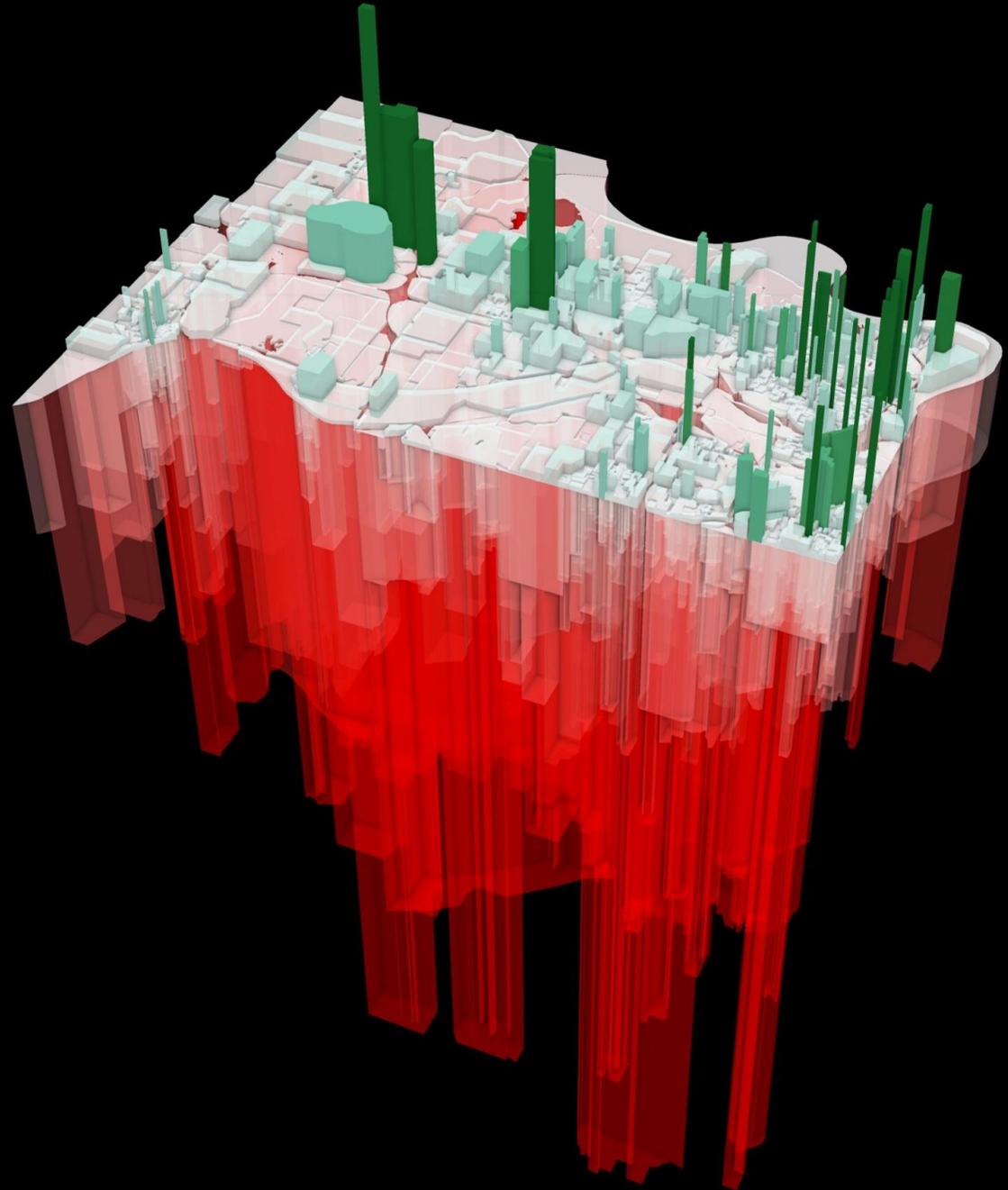
Scoring individual criteria with spatial analysis

SCORING COMMITTEE

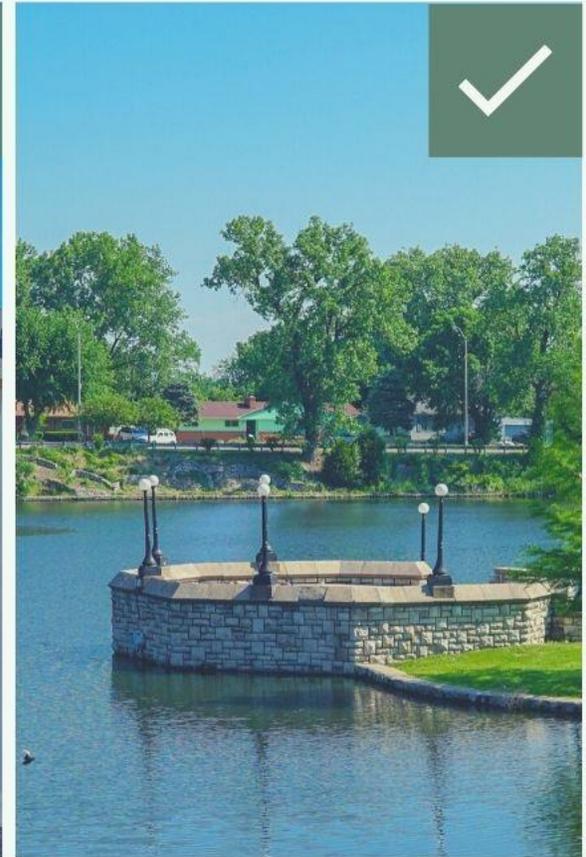
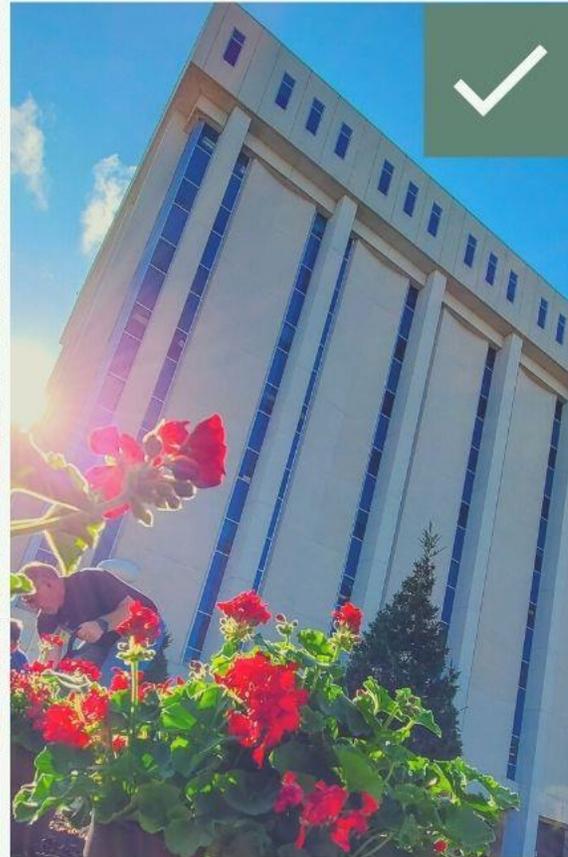
Compliment UG priority based budgeting

CMIP BUDGET SCENARIOS

Using the weighted scores and priorities to assemble out years



2021 CAPITAL PROJECTS & PROGRAMS



2021 Projects



Wolcott Treatment

The new Wolcott Treatment plant will ensure regulatory compliance and increase service for residents in the Northwestern portion of Kansas City, Kansas.

\$52M total investment



Kaw Point Biosolids

The Kaw Point Biosolids project will allow the UG to dispose of biosolids through land-application instead of landfilling, which will save money and provide increased flexibility. Additionally, the biogas byproduct will be harvested for additional revenue to help offset costs.

\$62.6M total investment



Asset Management

Managing existing infrastructure to reduce costs and bring the complex system of buildings, pipes, structures, equipment, and control systems up to date.

\$12M Investment



UG ANNUAL SEWER RATE INCREASES



CONSENT DECREE

25-Year Sewer Investment Plan negotiated with EPA & DOJ. Rate increases are projected to be at or below 5 percent each year.

\$900M total investment

5% increase in 2021

2021 Projects



7th & Central

Reconstruction of the intersection and improvements like new curb and gutter, pedestrian ramps, traffic signals, pavement marking, and new signing.

\$2.5M total investment, \$1M grant & \$1.5M local



Hutton & Leavenworth

Reconstruction of the intersection at Hutton and Leavenworth Road and hill reduction at Leavenworth to the East of the intersection to improve safety and sight distance

\$7M total investment



Safe Routes to School

Sidewalks that allow safer access for students around Northwest Middle School and Caruthers Elementary.

\$2.2M total investment, \$1.7M grant & \$500K local

2021 Projects



NRSA Improvements

Neighborhood Revitalization Strategy
Area improvements to City Park,
Clifton Park, and Reagan Parks.
Improvements include sidewalk
curbs, and general beautification.

\$650K total investment



Wyco Lake Waterline

Waterline study and replacement of
50+ year old pipes serving lake
buildings buildings, and increased
internet connectivity.

\$400K total investment



Trail Network

Asphalt resurfacing and trail
improvements.

\$100K total investment

Pavement Preservation

NEW METHODOLOGY

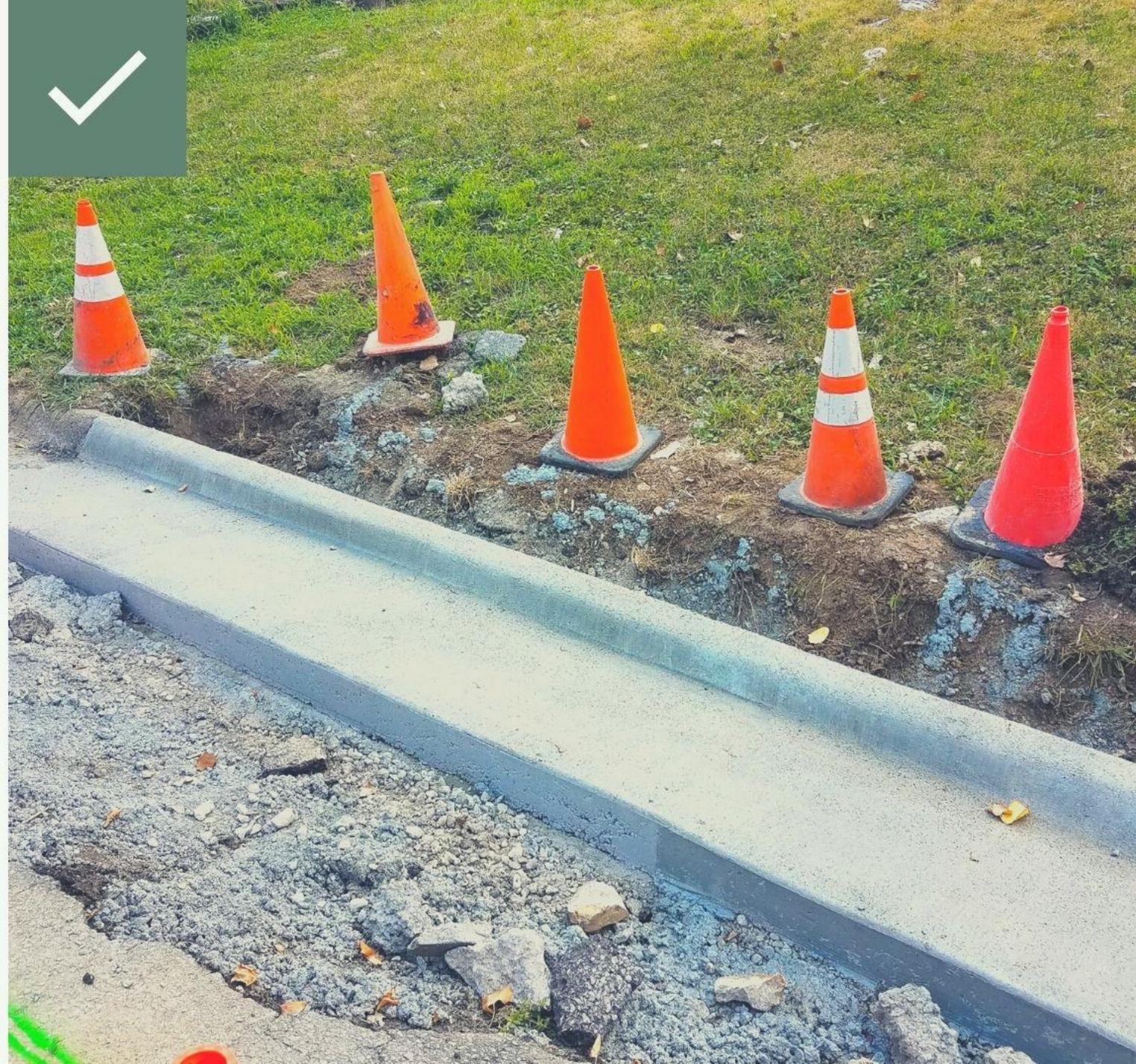
Data-driven, predictable 3-year pavement work cycle. **\$7.5M investment (\$20M+ needed)**

CONCRETE REPAIR

Dedicated crew for repairing damaged curb and gutter - **\$1M investment**

ALLEYWAY WORK

Presentations are communication tools that can be used as demonstrations. **\$300K investment**



	AREA #1	AREA #2	AREA #3	AREA #4	AREA #5	AREA #6
2021	Coordination/ Utilities			Coordination/ Utilities		
2022	Patching/ Utilities/ Concrete	Coordination/ Utilities		Patching/ Utilities/ Concrete	Coordination/ Utilities	
2023	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/U tilities	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/ Utilities
2024	Coordination/ Utilities	Pavement Preservation	Patching/Utiliti es/Concrete	Coordination/ Utilities	Pavement Preservation	Patching/ Utilities/ Concrete
2025	Patching/ Utilities/ Concrete	Coordination/ Utilities	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/ Utilities	Pavement Preservation
2026	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/ Utilities	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/ Utilities
2027	Coordination/ Utilities	Pavement Preservation	Patching/Utiliti es/Concrete	Coordination/ Utilities	Pavement Preservation	Patching/ Utilities/ Concrete
2028	Patching/ Utilities/ Concrete	Coordination/ Utilities	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/ Utilities	Pavement Preservation

Geographic Area Clustering

DATA-DRIVEN

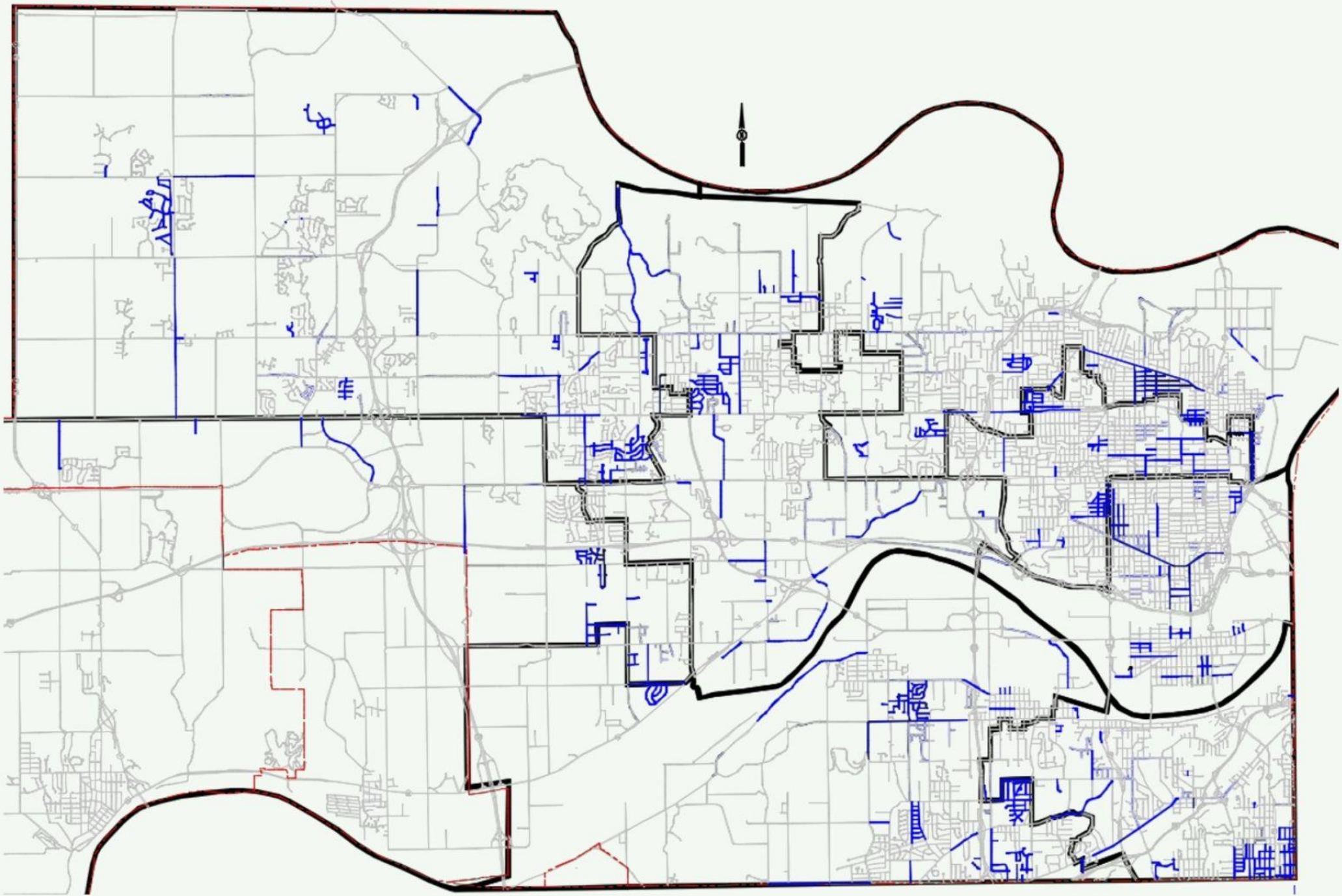
Uses IMS data to identify areas of need.

PREDICTABLE

Predictable phases reduce the burden on residents and contractors.

3-YEAR CYCLE

Repeatable cycle increases planning and coordination times.



**See all 2021 Projects online at
<http://maps.wycokck.org/CMIP.html>**

2021 Projects



Courthouse

Major rehabilitation and updating that includes new windows, plumbing, masonry work, and elevator modernization.

\$4.4M total investment



Parking Lot Upgrades

Annual public parking lot maintenance and upgrades.

\$900K total investment



City Hall Stabilization

Repair of the building's diaphragm for re-utilization of the ground floor as office space for new staffing or possible department consolidation.

\$2.5M total investment



STORMWATER

Funding to address existing maintenance backlog, ensure environmental compliance, perform preliminary studies, and make system enhancements.

\$2.4M total investment

No Change to flat \$4.50 per month



KANSAS CITY
BPU

How can PW help?

November 2020 Financial Results

January 6, 2020

2020 Billed kWh (YTD Jan – Nov)

	(CY) 2020 YTD	(PY) 2019 YTD	
Electric			
Residential	530,910,662	538,401,627	
Commercial	834,283,555	890,026,704	
Industrial	472,723,957	523,350,509	
	1,837,918,174	1,951,778,840	-5.8%

Lower usage in 2020 compared to 2019 due to COVID-19 shutdown of businesses.
Weather impact for the winter months within Residential and Small Commercial

Residential –down 1.4%

Commercial – down 6.25%

Industrial – down 9.7%

2020 Billed CCF's (YTD Jan – Nov)

	(CY) 2020 YTD	(PY) 2019 YTD	
Water			
Residential	3,309,571	3,143,541	
Commercial	2,348,149	2,465,986	
Industrial	1,725,974	1,807,504	
	7,383,694	7,417,031	-0.4%

Slightly lower usage compared to 2019 due to business shutdowns as a result of COVID-19

Residential – Up 5% Commercial – Down 4.75% Industrial - Down 4.5%



Financial Results

Revenues – November 2020

	(CY) 2020 November	(PY) 2019 November		Budget 2020 November	(CY) 2020 November	
Electric	\$ 17.305	\$ 18.842		\$ 22.620	\$ 17.305	
Water	3.915	4.030		4.295	3.915	
Combined	\$ 21.220	\$ 22.872	-7.2%	\$ 26.915	\$ 21.220	-21.2%

**Dollars in millions

Actual Compared to 2020 Budget

Electric down 23%

Water up 9%

Financial Results

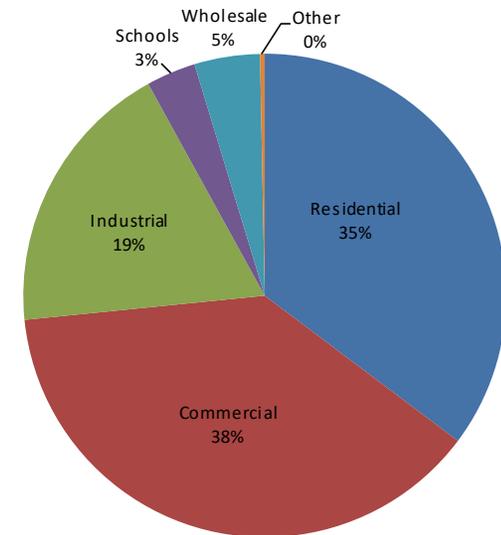
Revenues – 2020 YTD

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 254.418	\$ 257.332		\$ 266.313	\$ 254.418	
Water	48.436	47.492		49.034	48.436	
Combined	\$ 302.854	\$ 304.824	-0.6%	\$ 315.347	\$ 302.854	-4.0%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2020

Electric: Down 4.5%	Water: Down 1.2%
Residential (\$3.4M)	Residential (\$103K)
Commercial (\$5.9M)	Commercial (\$969K)
Industrial (\$2.6M)	Industrial \$633K



Recognized \$5.5 deferred revenue YTD from the 2019 ERC

Operating Expenses – November 2020

	(CY) 2020 November	(PY) 2019 November		Budget 2020 November	(CY) 2020 November	
Electric	\$ 18.737	\$ 14.792		\$ 17.395	\$ 18.737	
Water	2.969	2.944		3.255	2.969	
Combined	\$ 21.706	\$ 17.736	22.4%	\$ 20.650	\$ 21.706	5.1%

**Dollars in millions

Variance – Comparing Budget to Actual for 2020

Electric – down 7%

Production	- 13% up
Purchased Power	- 63% up
Fuel	- 60% down
T&D	- 12% down
G &A	- 34% down

Water – down 9%

Production	- 11% down
T&D	- 5% down
G &A	- 35% down

Financial Results

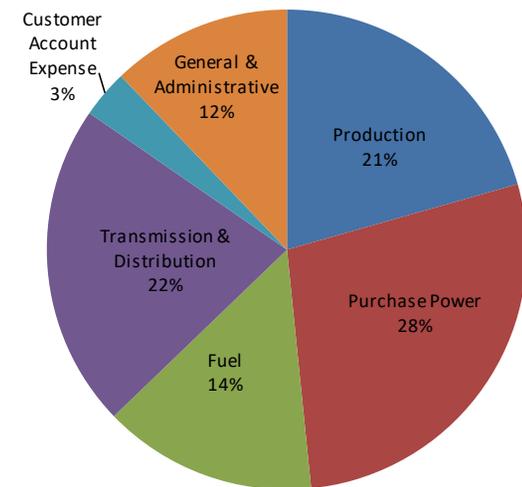
Operating Expenses – 2020 YTD (Total)

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 182.919	\$ 185.885		\$ 200.258	\$ 182.919	
Water	31.560	33.979		34.862	31.560	
Combined	\$ 214.479	\$ 219.864	-2.4%	\$ 235.120	\$ 214.479	-8.8%

**Dollars in millions

Actual Compared to 2020 Budget

- Electric down 8%
- Water down 9.5%





Financial Results

Operating Expenses – 2020 YTD less Depreciation

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 156.130	\$ 160.210		\$ 174.500	\$ 156.130	
Water	24.313	26.829		27.731	24.313	
Combined	\$ 180.443	\$ 187.039	-3.5%	\$ 202.231	\$ 180.443	-10.8%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2020

Electric:

- Purchased Power (\$ 1.5M)
- Fuel (\$ 3.7K)
- Production (\$ 4.3M)
- T&D (\$ 3.8M)
- G&A (\$ 5.1M)

Water:

- Production (\$943K)
- T&D (\$1.4M)
- G&A (\$1.1M)





Financial Results

Change in Net Position – November 2020

	(CY) 2020 November	(PY) 2019 November	Budget 2020 November	(CY) 2020 November
Electric	\$ (4.611)	\$ (0.060)	\$ 0.905	\$ (4.611)
Water	0.333	0.476	0.422	0.333
Combined	\$ (4.278)	\$ 0.416	\$ 1.327	\$ (4.278)

**Dollars in millions



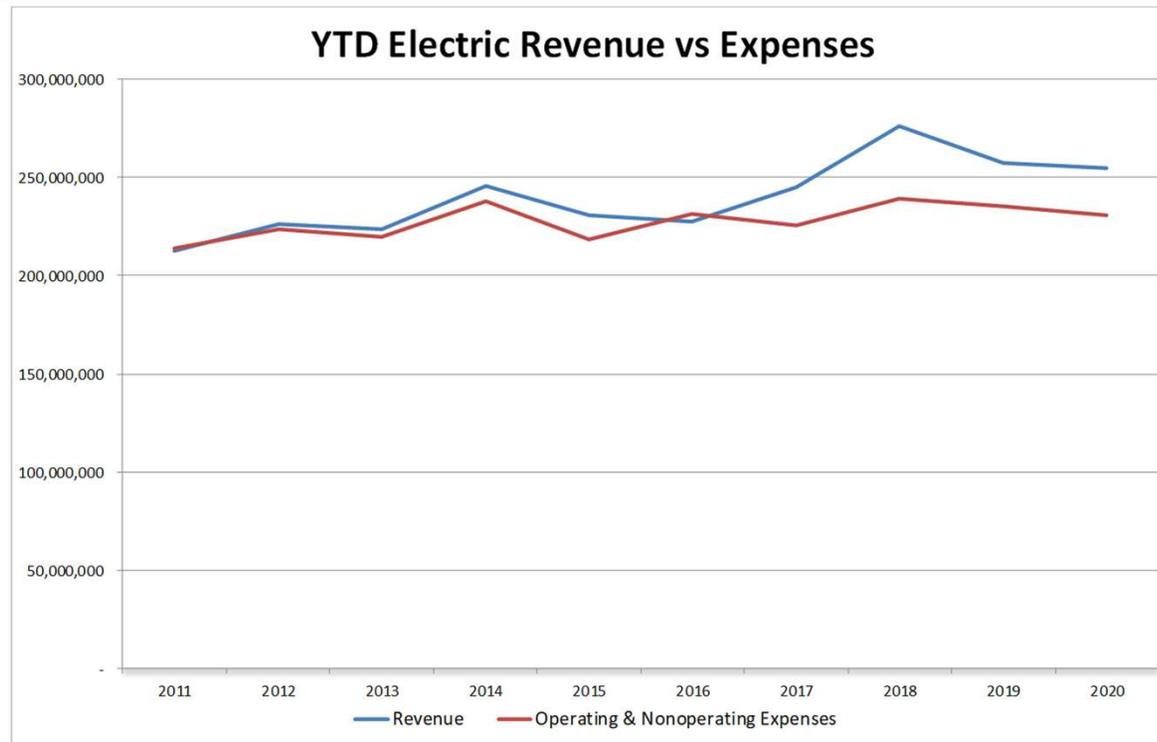
Financial Results

Change in Net Position – 2020 YTD

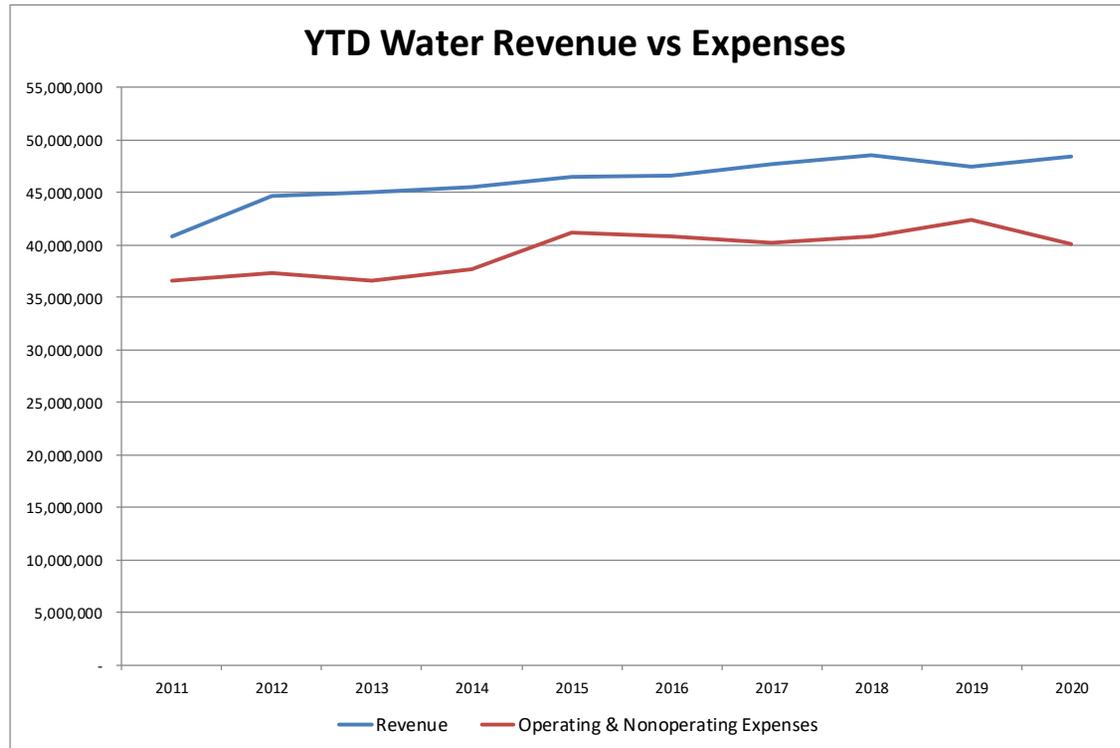
	(CY) 2020 YTD	(PY) 2019 YTD	Budget 2020 YTD	(CY) 2020 YTD
Electric	\$ 23.624	\$ 22.105	\$ 16.692	\$ 23.624
Water	9.117	5.429	6.235	9.117
Combined	\$ 32.741	\$ 27.534	\$ 22.927	\$ 32.741

**Dollars in millions

Financial Results – 10 Year Trend



Financial Results – 10 Year Trend



Cash Position

	(CY) 2020 November	(PY) 2019 November	2020 October
Combined (E&W)	\$ 52.98	\$ 51.63	\$ 51.67
Days Cash-on-Hand	89	87	88

**Dollars in millions

Balance Sheet: Notables

	(CY) 2020 November	(PY) 2019 November
Fuel Inventory	\$ 8.133	\$ 5.527
Bond Dollars 2016C (Elec T&D)	\$ 1.542	\$ 22.333
Bond Dollars 2020A (Elec)	\$ 10.000	\$ -

**Dollars in millions



Financial Results

Capital Spending

	(CY) 2020 YTD	(PY) 2019 YTD	2020 Budget		
Electric	\$ 33.67	\$ 35.96	\$ 41.27		
Water	7.31	5.13	12.73		
Common	2.16	0.34	4.60		
Total YTD Capital	\$ 43.14	\$ 41.42	\$ 58.60	Remaining	26%

**Dollars in millions

Major projects in 2020:

- Rosedale Project - \$13.5M
- N1 Bottom Ash Handling System- \$4.4M
- Leavenworth Road-Phase 2 - \$2.5M
- Water Leak, Valve, System Imp. - \$1.8M
- UG/CMIP Water Distribution - \$2.5M

Debt Coverage

	(CY) 2020 November	(PY) 2019 November
Electric	2.11	2.09
Water	2.02	1.87
Combined	2.09	2.08

Debt Coverage w/o PILOT

	(CY) 2020 November	(PY) 2019 November
Electric	1.51	1.48
Water	1.57	1.43
Combined	1.52	1.50

Financial Guideline Target 1.6 to 2.1 times with PILOT