

REGULAR SESSION –WEDNESDAY, JULY 6, 2022

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, July 6, 2022 at 6:00 P.M. The following Board Members were present: Mary Gonzales, President; Rose Mulvany Henry, Vice President; Thomas Groneman, Secretary; Robert L. Milan, and David Haley. Jeff Bryant was present via Zoom.

Also present: William Johnson, General Manager; Angela Lawson, Deputy Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Jeremy Ash, Executive Director Electric Operations; Jerin Purtee, Executive Director Electric Supply; David Mehlhaff, Chief Communications Officer; Chris Stewart, Director Civil Engineering; 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.

Ms. Gonzales called the Board meeting to order at 6:05 P.M. She welcomed all that were listening to or viewing the meeting. She stated that the Board felt it was necessary to offer the use of technology for staff as well as for the general public. During the public comment section, members of the public who wished to speak to the Board using Zoom needed to use the Raise Hand feature at the bottom of the application or window to signal that they wish to address the board during the public comment section. Members of the public connected by phone only, needed to press *9 to indicate they wished to address the Board in the public comment section. Staff would assist those attending in person. During the public comment section of the agenda, community members would be asked to provide their name and address and had five minutes to speak. As always, the public could also email or call the BPU with any concerns. The agenda and presentations could be found on the BPU website or if they were using Zoom they would appear on their screen. Ms. Gonzales introduced herself and the other Board Members along with the General Manager, and Legal Counsel.

Roll call was taken and all Board Members were present.

Item #3 – Approval of Agenda

A motion was made to approve the Agenda by Mr. Groneman, seconded by Mr. Milan, and unanimously carried.

Item #4– Approval of Work Session Minutes of June 22, 2022

A motion was made to approve the minutes of the Work Session of June 22, 2022, by Mr. Groneman, seconded by Ms. Mulvany Henry, and unanimously carried.

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- iii. *Miscellaneous Comments:* Mr. Johnson spoke about the upcoming Board workshops on July 26 and 27. He also informed the Board that he would be on the search committee for the next UG County Administrator. He would also be part of a team, along with the Greater KC Chamber traveling to Detroit to discuss possible business opportunities for the area. He would also be giving a State of the Utility update to the UG Commission in August or September.

Ms. Mulvany asked for an update on the COO position.

Mr. Johnson said that the process was wrapping up and he would be informing the Board in the upcoming weeks.

Mr. Dong Quach, Executive Director Electric Production, and Mr. Johnson gave a coal train update.

Board discussion ensued about supply chain issues. Mr. Johnson stated he would provide the Board with a day to day coal inventory from last summer to date.

Item #9 – Board Comments

Mr. Haley thanked everyone for the evening’s discussions. He would be reporting on the upcoming UG Economic and Finance Standing Committee meeting coming up at the next meeting. They would be discussing the 505 Central redevelopment and asked for any input. They would also be discussing the reallocation of American Rescue Plan Act (ARPA) funds.

Ms. Lawson reminded that any comments from the Board on the 505 Central redevelopment should be done in an open meeting.

Mr. Groneman had no comments.

Mr. Milan wanted to clarify for the UG that the most recent BPU audit was complete as of May 26, 2022. He also spoke about the UG charges on the BPU bill. He stated the importance of the Board of Public Utilities.

Mr. Bryant commented on the important role of the Board to work on the important issues of the utility on behalf of the rate payers. He thanked Ms. Svaty for her Legislative update. He also said he would not be participating in the Executive Session as he was attending via Zoom.

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Ms. Gonzales had no comments.

Ms. Mulvany Henry commented on the coal situation.

Item #10 – Executive Session

Ms. Lawson proposed motion for adoption is as follows:

“I move that after taking a five minute break, the Board go into Executive Session for 45 minutes in the first floor Board Room to discuss confidential matters related to review 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 General Manager, William Johnson, Deputy Chief Counsel, Angela Lawson, be present to participate in the discussion, all others to be dismissed from the room and electronic and telephonic transmissions to cease and that we will reconvene in open session returning to both electronic and telephonic broadcasting at 8:47 P.M. in the Board Room to either take action in an open session or to adjourn.

This motion was made by Ms. Mulvany Henry, seconded by Mr. Bryant and unanimously carried. The Board without Mr. Bryant, moved into a closed Executive Session with Mr. Johnson and Ms. Lawson in attendance.

At 8:47 P.M. the meeting was opened and broadcasting resumed.

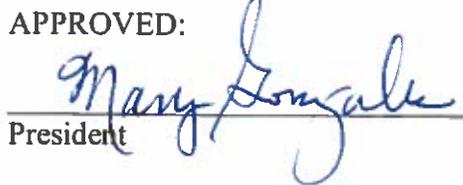
Item #11 – Adjourn

A motion was made to adjourn at 8:48 P.M. by Ms. Mulvany Henry, seconded by Mr. Groneman, and unanimously carried.

ATTEST:


Secretary

APPROVED:


President

May 2022 Financial Results

July 6, 2022

2022 Billed kWh (YTD Jan - May)

Electric	(CY) 2022 YTD	(PY) 2021 YTD	
Residential	219,878,591	220,838,290	
Commercial	380,677,610	367,977,282	
Industrial	212,067,864	185,661,038	
	812,624,065	774,476,610	4.9%

Residential – Down .5% Commercial – Up 3.5% Industrial – Up 14%

2022 Billed CCF's (YTD Jan - May)

Water	(CY) 2022 YTD	(PY) 2021 YTD	
Residential	1,327,503	1,362,112	
Commercial	942,154	903,474	
Industrial	720,391	694,056	
	2,990,048	2,959,642	1.0%

Residential – Down 3%

Commercial – Up 4%

Industrial - Up 4%



Financial Results

Revenues – May 2022

	(CY) 2022 May	(PY) 2021 May		Budget 2022 May	(CY) 2022 May	
Electric	\$ 23.039	\$ 16.592		\$ 19.752	\$ 23.039	
Water	4.580	4.283		4.122	4.580	
Combined	\$ 27.619	\$ 20.875	32.3%	\$ 23.874	\$ 27.619	15.7%

Actual Compared to 2022 Budget

Electric - Up 17%

Water – Up 11%

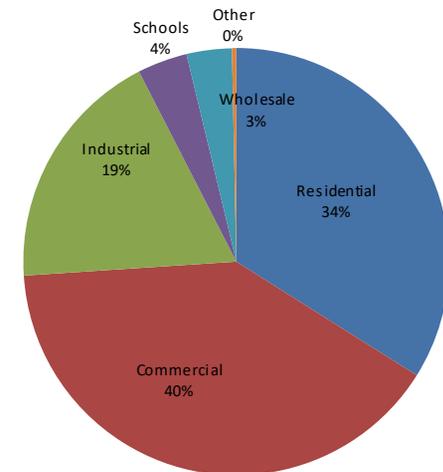
Revenues – 2022 YTD

	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 116.669	\$ 120.856		\$ 109.193	\$ 116.669	
Water	20.509	19.928		20.387	20.509	
Combined	\$ 137.178	\$ 140.784	-2.6%	\$ 129.580	\$ 137.178	5.9%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2022

<u>Electric:</u>	<i>Up 6%</i>	<u>Water:</u>	<i>Up 1%</i>
Residential	(\$280K)	Residential	\$ 79K
Commercial	\$4.1M	Commercial	\$130K
Industrial	\$1.8M	Industrial	(\$87K)
Schools	\$ 39K	Wholesale	(\$28K)
Wholesale	\$1.1M		





Financial Results

Operating Expenses – May 2022

	(CY) 2022 May	(PY) 2021 May		Budget 2022 May	(CY) 2022 May	
Electric	\$ 22.431	\$ 14.548		\$ 17.608	\$ 22.431	
Water	2.883	2.697		3.250	2.883	
Combined	\$ 25.314	\$ 17.245	46.8%	\$ 20.858	\$ 25.314	21.4%

Actual Compared to 2022 Budget

Electric – Up 27%
 Water - Down 11%

Operating Expenses – 2022 YTD (Total)

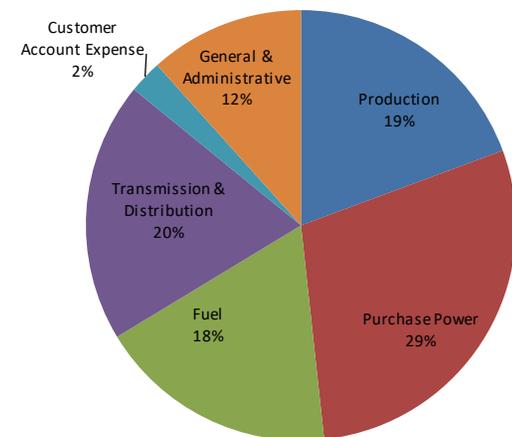
	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 93.311	\$ 86.095		\$ 85.936	\$ 93.311	
Water	14.814	14.486		16.361	14.814	
Combined	\$ 108.125	\$ 100.581	7.5%	\$ 102.297	\$ 108.125	5.7%

**Dollars in millions

Actual Compared to 2022 Budget

- Electric - Up 9%
- Water - Down 9%

Amortized 1/6th of the 2021 ERC Under Recovery in May 2022 - \$385,500 – YTD - \$1.9M



Operating Expenses – 2022 YTD less Depreciation

	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 80.190	\$ 73.340		\$ 72.490	\$ 80.190	
Water	11.382	11.000		12.850	11.382	
Combined	\$ 91.572	\$ 84.340	8.6%	\$ 85.340	\$ 91.572	7.3%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2022

Electric:

Purchased Power \$6.4M
 Fuel \$4.3M
 Production \$293K
 T&D (\$3.2M)
 G&A (\$2.0M)

Water:

Production (\$571K)
 T&D (\$308K)
 G&A (\$542K)



Financial Results

Change in Net Position – May 2022

	(CY) 2022 May	(PY) 2021 May	Budget 2022 May	(CY) 2022 May
Electric	\$ (3.296)	\$ (1.414)	\$ (1.462)	\$ (3.296)
Water	1.160	1.231	0.382	1.160
Combined	\$ (2.136)	\$ (0.183)	\$ (1.080)	\$ (2.136)

**Dollars in millions



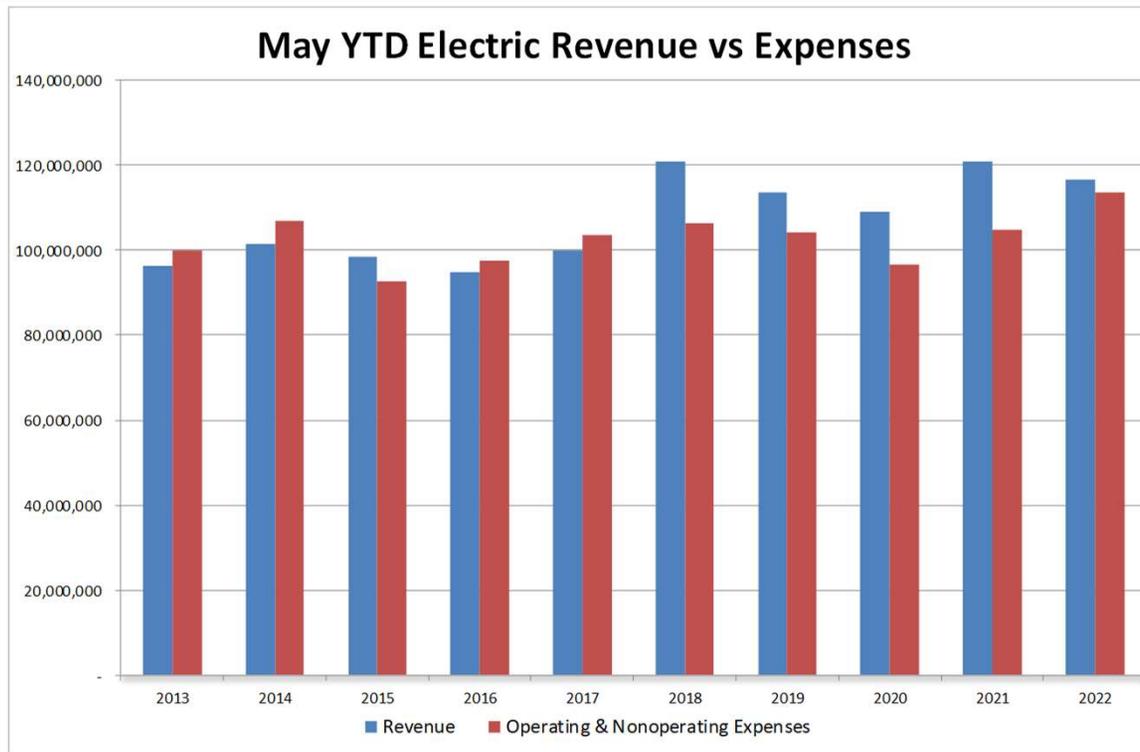
Financial Results

Change in Net Position – 2022 YTD

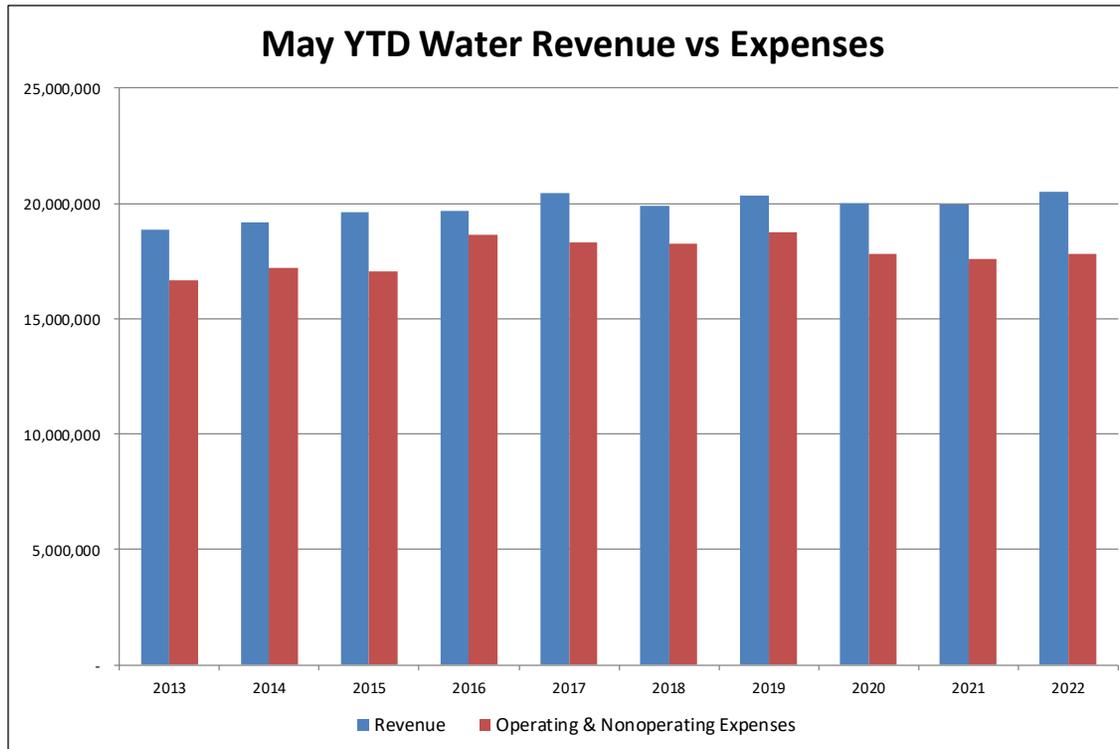
	(CY) 2022 YTD	(PY) 2021 YTD	Budget 2022 YTD	(CY) 2022 YTD
Electric	\$ 3.232	\$ 16.059	\$ 4.120	\$ 3.232
Water	3.176	2.864	1.304	3.176
Combined	\$ 6.408	\$ 18.923	\$ 5.424	\$ 6.408

**Dollars in millions

Financial Results – 10 Year Trend

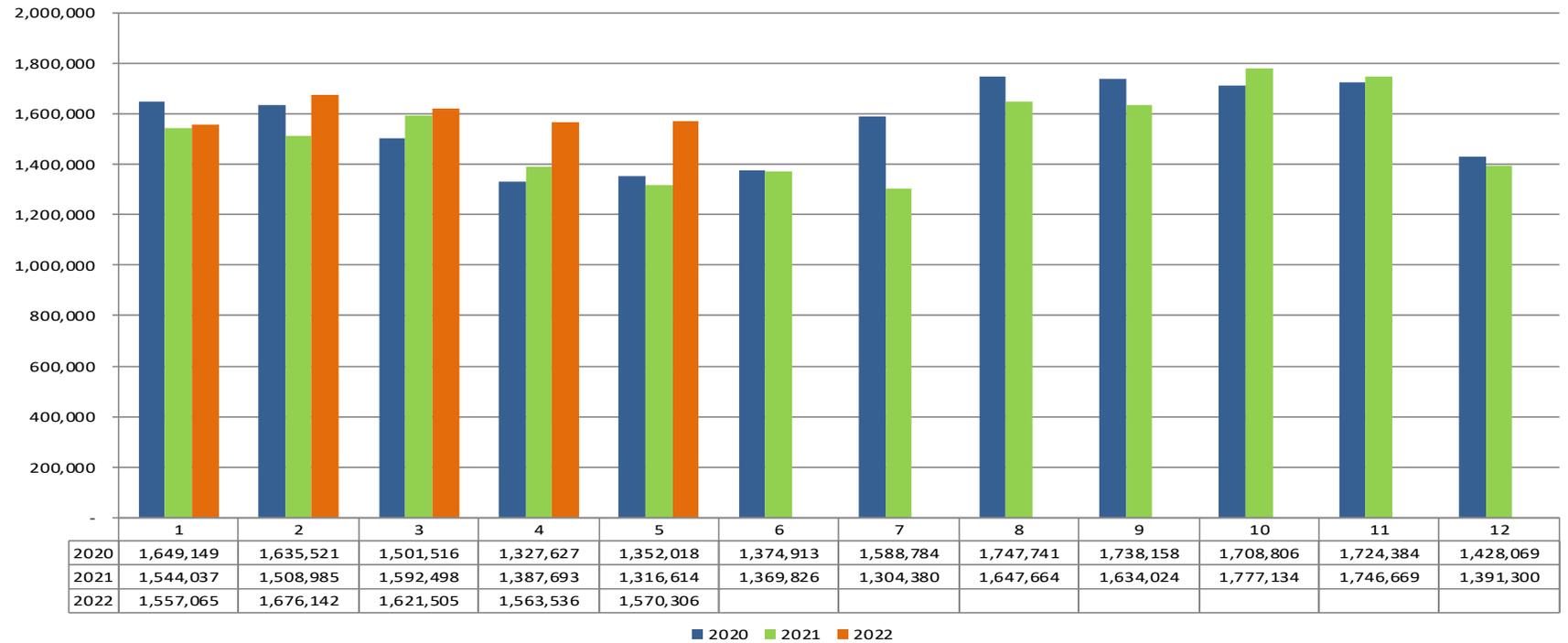


Financial Results – 10 Year Trend



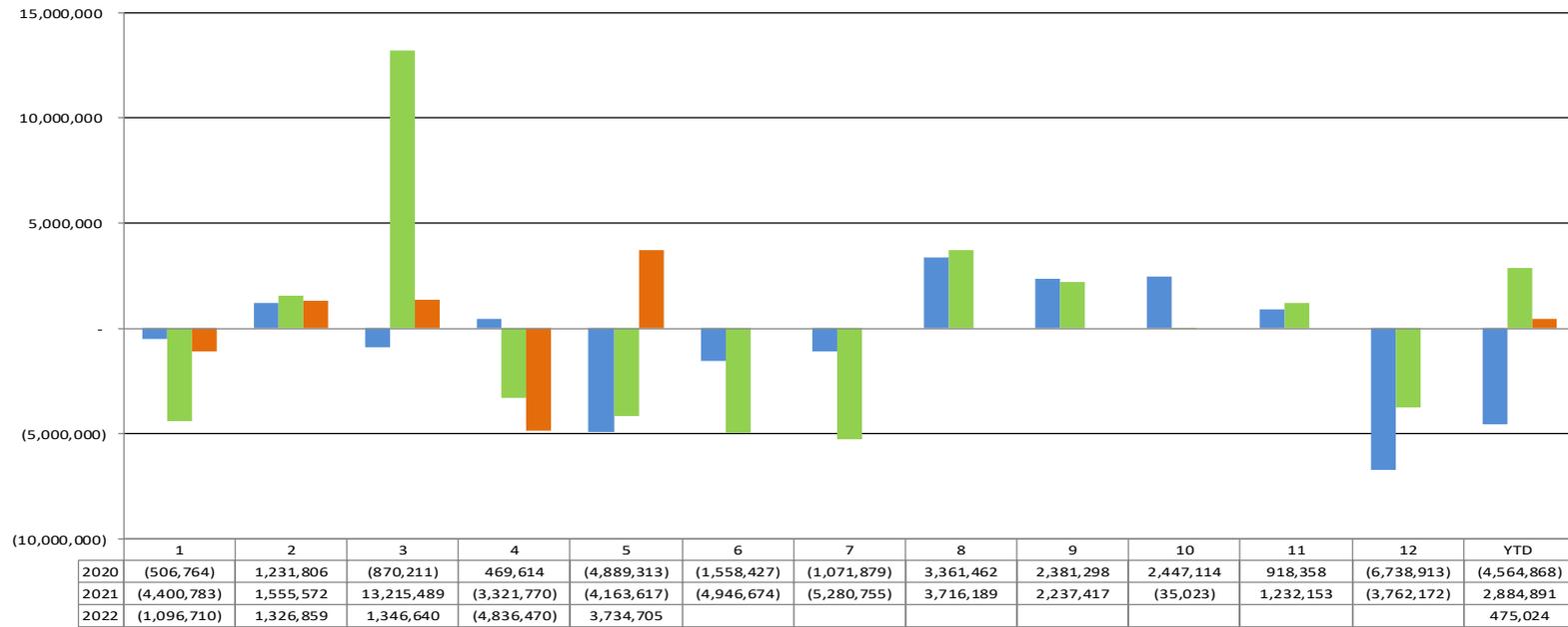
Financial Results

Average Daily Collections



Financial Results

Historical Monthly Cash Comparison



■ 2020 ■ 2021 ■ 2022

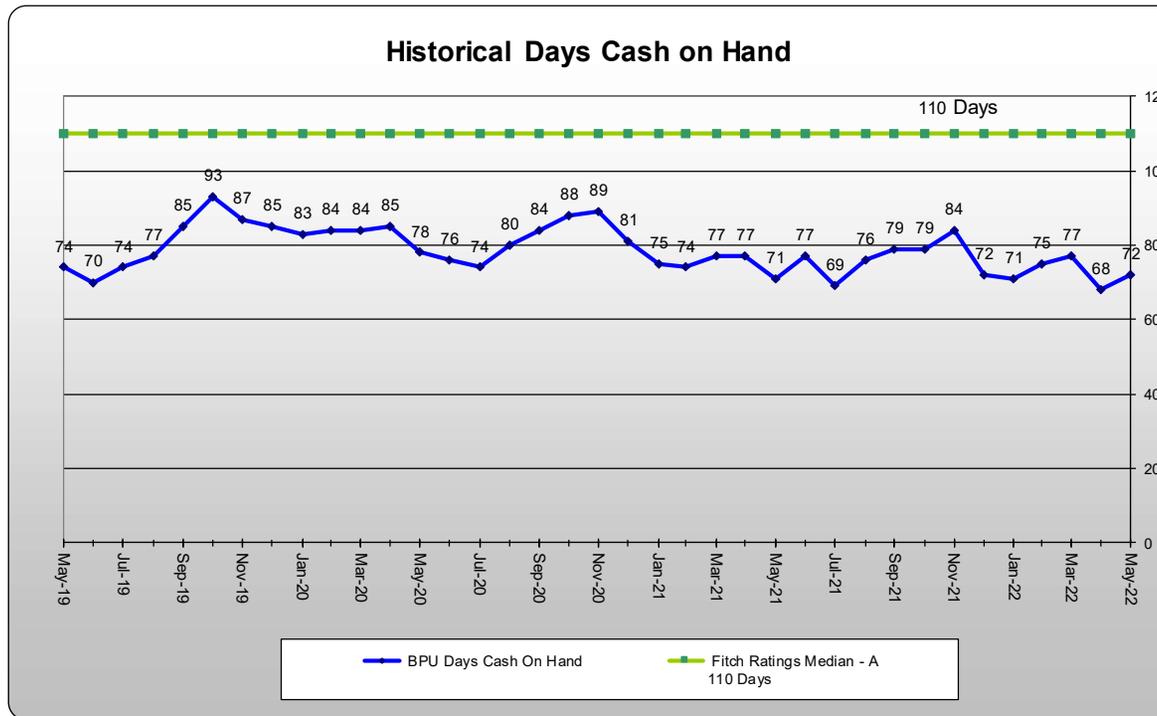
Cash Position

	(CY) 2022 May	(PY) 2021 May	2022 April
Combined (E&W)	\$ 45.01	\$ 41.94	\$ 41.20
Days Cash-on-Hand	72	71	68

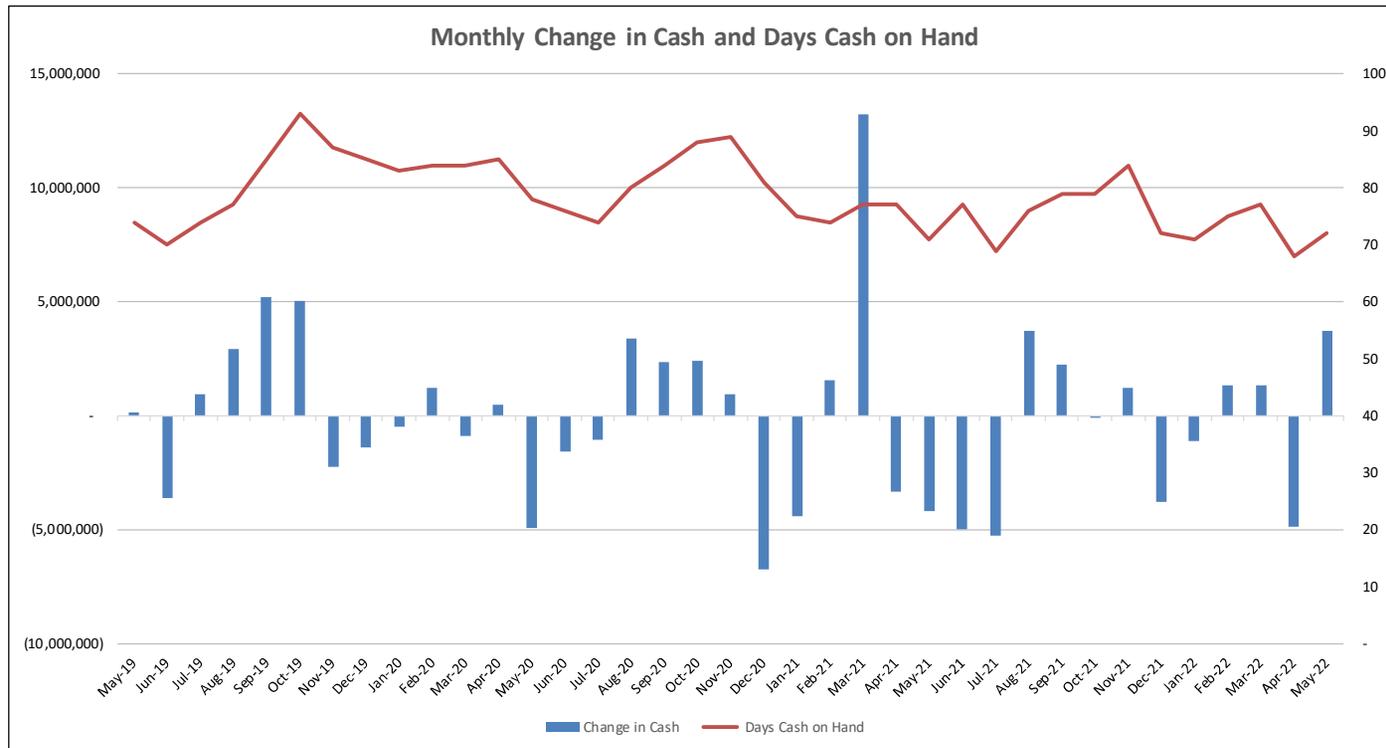
1 Day = Approximately \$550K-\$600K

**Dollars in millions

Financial Results



Financial Results



Balance Sheet: Notables

	(CY) 2022 May	(PY) 2021 May
Fuel Inventory	\$ 2.757	\$ 5.967
Bond Dollars 2016C (Elec T&D)	\$ 0.710	\$ 1.544
Bond Dollars 2020A (Elec)	\$ 0.798	\$ 8.201

**Dollars in millions

Capital Spending

	(CY) 2022 YTD	(PY) 2021 YTD	2022 Budget	
Electric	\$ 7.78	\$ 5.22	\$ 28.09	
Water	2.71	2.45	22.28	
Common	1.34	1.85	5.82	
Total YTD Capital	\$ 11.83	\$ 9.52	\$ 56.19	Remaining 79%

**Dollars in millions

Major projects in 2022:

- Piper OH Feeders - \$914K
- Fisher UG Feeders - \$2.2M
- Annual Underground - \$1.5M
- NC Fire Protection Upgrade - \$502K
- Water Leak, Valve, System Imp. - \$680K
- Water Transmission Imp. - \$735K

Debt Coverage

Debt Coverage with PILOT

	(CY) 2022 May	(PY) 2021 May
Electric	2.09	2.00
Water	1.95	2.08
Combined	2.25	2.19

Debt Coverage w/o PILOT

	(CY) 2022 May	(PY) 2021 May
Electric	1.47	1.41
Water	1.50	1.63
Combined	1.60	1.58

Financial Guideline Target 1.6 to 2.1 times with PILOT