

**REGULAR SESSION –WEDNESDAY, JUNE 2, 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, June 2, 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, 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; Jeremy Ash, Executive Director Electric Operations; Johnetta Hinson, Executive Director Customer Service; Dong Quach, Executive Director Electric Production; Jerry Ohmes, Executive Director Electric Supply; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; 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.

Mr. Milan called the Board Meeting to order at 6:02 P.M. He welcomed all that were listening or viewing the meeting. He stated the COVID-19 pandemic had made it necessary to conduct the meeting using technology for staff as well as for the general public. Those wishing to offer comments during the Public 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. Bryant, seconded by Ms. Gonzales, and unanimously carried.

**Item #4 – Approval of Regular Session Minutes**

A motion was made to approve the minutes of the Regular Session of May 19, 2021 by Mr. Eidson, seconded by Ms. Mulvany Henry, and unanimously carried.

**REGULAR SESSION –WEDNESDAY, JUNE 2, 2021**

STATE OF KANSAS     )  
  ) SS  
CITY OF KANSAS CITY)

**Item #5 – Public Comments**

Ms. Louise Lynch, 737 Miami Ave., spoke about the devices on the DME list given to Build Power Moka. She also commented on disconnects.

Mr. Ty Gorman, 2843 Parkwood Blvd., spoke about disconnects and the KERA program. He also spoke on Build Power Moka’s submission of middle ground policies and research on moratoriums as well as hot weather policies.

Ms. Emily Wolfe, 4449 Booth St. expressed her support of the issues with KERA and the DME policies.

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

- i. *COVID-19 Update:* Mr. Johnson, gave an update on company COVID-19 matters.

Ms. Johnetta Hinson, Executive Director Customer Service, provided an update on information received from the KERA program. To date, 315 applications have been received and had been flagged to not be disconnected, as their applications were being processed by KERA. Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, added that according to the representative from KERA, customers having trouble filling out the application were being sent to designated community partners who could help them.

Ms. Austin and Ms. Hinson answered questions from the Board.

Ms. Hinson also spoke about a vaccine voucher program being discussed. The voucher would go towards a utility payment.

There was discussion to ensure the awareness of the community partners that KERA utilized to help the customer in need of help with the application process. Those partners were, the Economic Opportunity Foundation and Harvest America Corporation.

- ii. *Finance Items:* Ms. Austin and Jacob Holman, BKD, LLP refreshed the Board with a brief overview of the audit discussed at the previous Board meeting (see attached).

**REGULAR SESSION –WEDNESDAY, JUNE 2, 2021**

STATE OF KANSAS     )  
  ) SS  
CITY OF KANSAS CITY)

Ms. Austin asked for approval of Resolution #5264, approving the over recovery of the Energy Rate Component (ERC) for the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2020 in the amount of \$11.7 million which would be recognized over the first and second quarters of 2021.

A motion was made to approve Resolution #5264, for the Energy Rate Component Over Recovery, by Ms. Gonzales, seconded by Mr. Bryant, and unanimously carried.

Ms. Austin asked for approval of Resolution #5263, the 2020 Annual Audit Financial Report.

A motion was made to approve Resolution #5263, Annual 2020 Financial Audit, by Mr. Groneman, seconded by Mr. Bryant, and unanimously carried.

- iii. *April 2021 Financials:* Lori Austin, Chief Financial Officer/Chief Administrative Officer, presented the preliminary April 2021 Financials with a PowerPoint presentation (see attached).
- iv. *Waiving Water Fees East of I-635 – Resolution #5261-* Mr. Johnson said that this item would be moved to the next Board meeting.
- v. *Infill Housing – Resolution #5262 -* Mr. Johnson said that this item would be moved to the next Board meeting.
- vi. *Miscellaneous Comments:* Mr. Johnson thanked staff for continuing to watch expenses post pandemic. Seeing signs of things improving made him optimistic about the rest of the year. He also said we would continue work with the State on the KERA program and other assistance programs to keep those applicants connected as they worked through the process.

Mr. Groneman spoke about how important it was to work with customers and organizations on getting the assistance the customer needed so that in the end we could all come out ahead.

Mr. Eidson asked Mr. Johnson to report to the Board on how many people had reached out to the Board about issues with the KERA program that weren't correlating with the State's lists.

REGULAR SESSION –WEDNESDAY, JUNE 2, 2021

STATE OF KANSAS )  
 ) SS  
CITY OF KANSAS CITY)

**Item #8 – Board Comments**

Mr. Eidson asked for a labor negotiation update.

Mr. Johnson said that they had received a counter proposal from the union that was being reviewed.

Mr. Groneman had no additional comments.

Mr. Bryant spoke about one of the key duties of the Board, to ensure the utility was financially stable and able to maintain adequate reliability of services. He asked that staff report on what the cost would be to put another moratorium on shut-offs in place, and how that could impact other rate payers.

Ms. Gonzales had no comments.

Ms. Mulvany Henry spoke about her request at an earlier meeting for an extension for customers that the utility was aware had applied for KERA, and it sounded to her that we were not disconnecting customers we knew about. She echoed interested in receiving the information requested by Mr. Bryant.

Mr. Milan commented on Ms. Lynch’s request to each Board Member regarding a future meeting and asked for information before he would make a decision on that request.

**Item #10 – Adjourn**

A motion was made to adjourn the Regular Session at 7:08 P.M. by Mr. Eidson, seconded by Mr. Bryant, and unanimously carried.

ATTEST: DocuSigned by:  
Rose Mulvany Henry  
732C225A5806456...  
Secretary

APPROVED:  
Robert Milan  
President

# **April 2021 Preliminary Financial Results**

**June 2, 2021**

## 2021 Billed kWh (YTD Jan – Apr)

Electric	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	188,256,757	175,096,255	
Commercial	296,911,158	290,602,010	
Industrial	150,416,436	169,218,628	
	635,584,351	634,916,893	0.1%

Lower usage in 2021 Industrial compared to 2020 due to slowdown of businesses  
 Residential usage increased over 2020 as a result colder weather especially in February  
 Residential – Up 7.5%      Commercial – Up 2%      Industrial – Down 11%

## 2021 Billed CCF's (YTD Jan - Apr)

Water	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	1,088,755	1,070,136	
Commercial	717,959	734,426	
Industrial	555,319	636,351	
	2,362,033	2,440,913	-3.2%

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

Residential – Up 1.75%      Commercial – Down 2%      Industrial - Down 13%



# Financial Results

## Revenues – April 2021

	(CY) 2021 April	(PY) 2020 April		Budget 2021 April	(CY) 2021 April	
Electric	\$ 17.696	\$ 18.835		\$ 19.305	\$ 17.696	
Water	3.883	3.833		4.072	3.883	
<b>Combined</b>	<b>\$ 21.579</b>	<b>\$ 22.668</b>	<b>-4.8%</b>	<b>\$ 23.377</b>	<b>\$ 21.579</b>	<b>-7.7%</b>

\*\*Dollars in millions

**Actual Compared to 2021 Budget**

Electric down 8%

Water down 5%

Recognized ERC Over Collection for 3<sup>rd</sup>/4<sup>th</sup> Quarter of 2020 of \$11.7 million (\$1.9 million a month).  
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	\$ 104.264	\$ 88.759		\$ 81.559	\$ 104.264	
Water	15.645	15.978		16.270	15.645	
Combined	\$ 119.909	\$ 104.737	14.5%	\$ 97.829	\$ 119.909	22.6%

\*\*Dollars in millions

### Variance – YTD comparing Budget to Actual for 2021

**Electric: Up 28%**

Residential **(\$278K)**

Commercial **(\$815K)**

Industrial **(\$1.4M)**

Schools **\$280K**

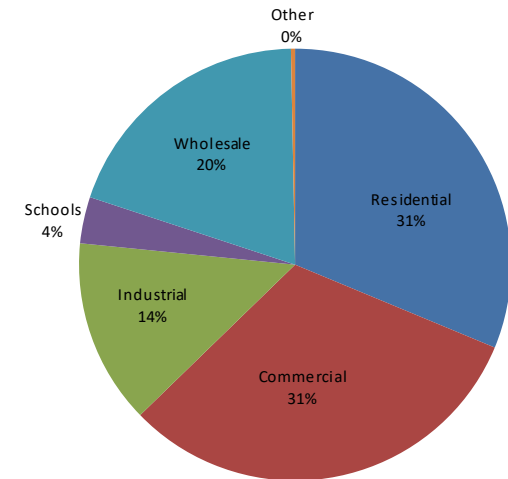
Wholesale **\$18M**

**Water: Down 4%**

Residential **\$25K**

Commercial **(\$175K)**

Industrial **(\$242K)**



Recognized \$7.7M deferral of revenue YTD from the 2020 ERC in 2021

## Operating Expenses – April 2021

	(CY) 2021 April	(PY) 2020 April		Budget 2021 April	(CY) 2021 April	
Electric	\$ 14.822	\$ 15.292		\$ 17.214	\$ 14.822	
Water	3.181	2.792		3.275	3.181	
Combined	\$ 18.003	\$ 18.084	-0.4%	\$ 20.489	\$ 18.003	-12.1%

\*\*Dollars in millions

### Variance – Comparing Budget to Actual for 2021

**Electric** – Down 14%

Production	- 17% down
Purchased Power	- .5% down
Fuel	- 70% down
T&D	- 6% down
G &A	- 4% down

**Water** – down 3%

Production	- 19% down
T&D	- .25% up
G &A	- 5% down



# Financial Results

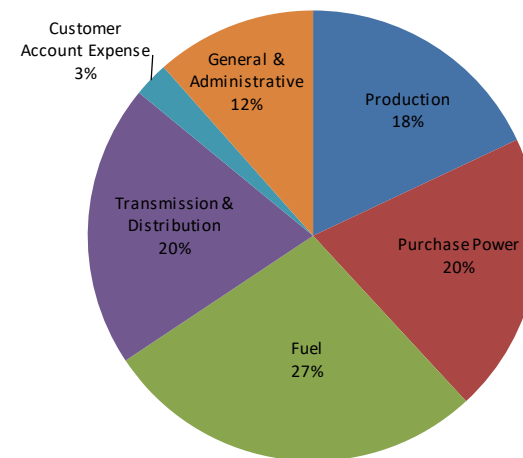
## Operating Expenses – 2021 YTD (Total)

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 71.546	\$ 61.836		\$ 66.967	\$ 71.546	
Water	11.790	11.638		12.890	11.790	
Combined	\$ 83.336	\$ 73.474	13.4%	\$ 79.857	\$ 83.336	4.4%

\*\*Dollars in millions

### Actual Compared to 2021 Budget

- Electric up 7%
- Water down 9%





# Financial Results

## Operating Expenses – 2021 YTD less Depreciation

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 61.357	\$ 52.666		\$ 57.081	\$ 61.357	
Water	9.003	9.054		10.245	9.003	
Combined	\$ 70.360	\$ 61.720	14.0%	\$ 67.326	\$ 70.360	4.5%

\*\*Dollars in millions

Variance – YTD comparing Budget to Actual 2021

**Electric:**

Purchased Power (\$1.1M)  
 Fuel \$10.3M  
 Production (\$1.4M)  
 T&D (\$1.8M)  
 G&A (\$1.6M)

**Water:**

Production (\$400K)  
 T&D (\$310K)  
 G&A (\$463K)



# Financial Results

## Change in Net Position – April 2021

	(CY) 2021 April	(PY) 2020 April	Budget 2021 April	(CY) 2021 April
Electric	\$ (0.647)	\$ (0.567)	\$ (1.509)	\$ (0.647)
Water	0.254	0.376	0.303	0.254
Combined	\$ (0.393)	\$ (0.191)	\$ (1.206)	\$ (0.393)

\*\*Dollars in millions



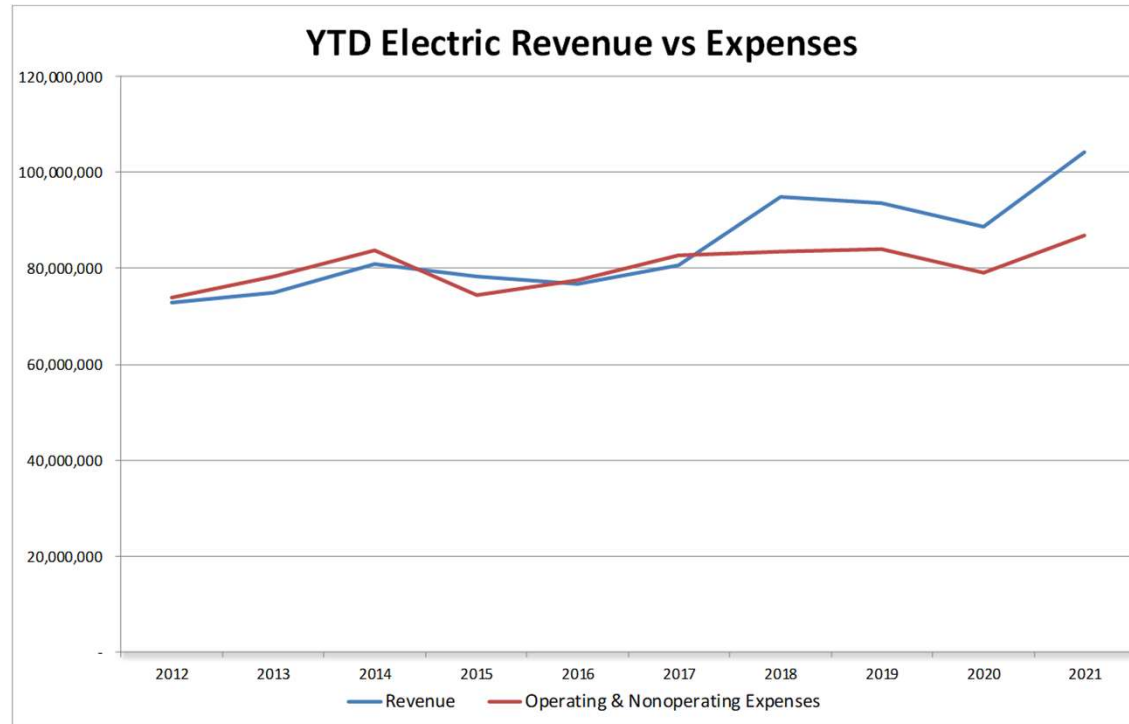
# Financial Results

## Change in Net Position – 2021 YTD

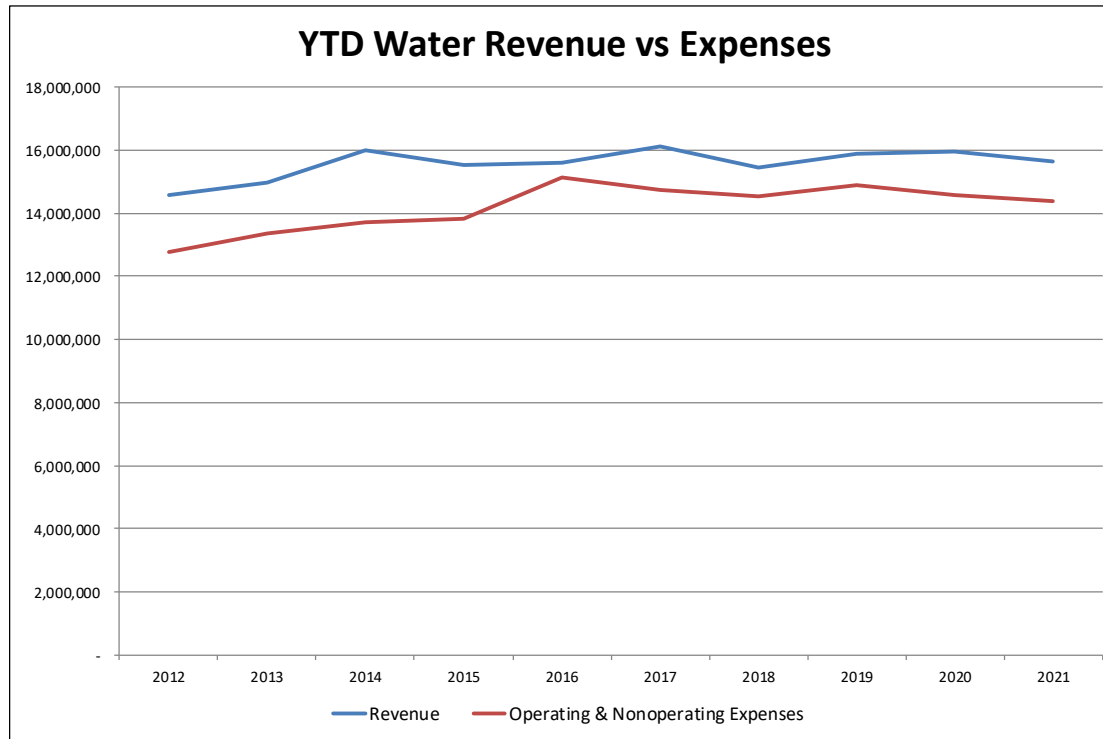
	(CY) 2021 YTD	(PY) 2020 YTD	Budget 2021 YTD	(CY) 2021 YTD
Electric	\$ 17.472	\$ 9.808	\$ (0.333)	\$ 17.472
Water	1.633	1.389	1.057	1.633
Combined	\$ 19.105	\$ 11.197	\$ 0.724	\$ 19.105

\*\*Dollars in millions

# Financial Results – 10 Year Trend



# Financial Results – 10 Year Trend





## Cash Position

	(CY) 2021 April	(PY) 2020 April	2021 March
Combined (E&W) Days Cash-on-Hand	\$ 45.26 77	\$ 50.89 85	\$ 45.43 77

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

\*\*Dollars in millions

\*\* Established Cash Reserve – Market – waiting to finalize SPP settlements

## Balance Sheet: Notables

	(CY) 2021 April	(PY) 2020 April
Fuel Inventory	\$ 5.648	\$ 4.764
Bond Dollars 2016C (Elec T&D)	\$ 1.543	\$ 6.463
Bond Dollars 2020A (Elec)	\$ 8.200	\$ -

\*\*Dollars in millions

## Capital Spending

	(CY) 2021 YTD	(PY) 2020 YTD	2021 Budget	
Electric	\$ 3.76	\$ 5.64	\$ 38.94	
Water	1.54	1.67	12.34	
Common	1.26	0.50	5.91	
<b>Total YTD Capital</b>	<b>\$ 6.57</b>	<b>\$ 7.81</b>	<b>\$ 57.20</b>	<b>Remaining</b>

89%

\*\*Dollars in millions

Major projects in 2021:

- Dogwood Capital (BPU's portion) - \$822K
- New Development - \$570K
- Transformers (OH & UG) - \$555K
- Pole Inspection Replacement - \$680K
- Annual UG & OH Construction - \$600K
- Water Leak, Valve, System Imp. - \$425K
- UG/CMIP Water Distribution - \$145K

## Debt Coverage

### Debt Coverage with PILOT

	(CY) 2021 April	(PY) 2020 April
Electric	2.09	1.99
Water	2.07	1.74
Combined	2.26	1.98

### Debt Coverage w/o PILOT

	(CY) 2021 April	(PY) 2020 April
Electric	1.49	1.40
Water	1.61	1.30
Combined	1.65	1.41

Financial Guideline Target 1.6 to 2.1 times with PILOT