

**REGULAR SESSION –WEDNESDAY, MAY 19, 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, May 19, 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; 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. Eidson, seconded by Ms. Gonzales, and unanimously carried.

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

A motion was made to approve the minutes of the Special Session of May 4, 2021 by Ms. Mulvany Henry, seconded by Mr. Bryant, and unanimously carried.

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

A motion was made to approve the minutes of the Work Session of May 5, 2021 by Mr. Bryant, seconded by Ms. Gonzales, and unanimously carried.

**Item #5 – Approval of Regular Session Minutes**

A motion was made to approve the minutes of the Regular Session of May 5, 2021 by Ms. Gonzales, seconded by, Mr. Groneman and unanimously carried.

**Item #6 – Public Comments**

Ms. Louise Lynch, 737 Miami, commented on a meeting with BPU staff on April 27, 2021.

Mr. Johnson thanked Ms. Lynch for her comments and said that they were still having conversations regarding the list of items that Build Power Moka raised. He would be sending a follow-up email.

Mr. Ty Gorman, 2843 Parkwood Blvd., echoed Ms. Lynch’s comments and also commented on the media news reports on unemployment and the unavailability of assistance as well as the low number of KERA applicants.

Mr. Gorman answered questions from the Board.

Ms. Austin reported that KERA was forwarding a list of applicants to the program and in some cases, customers were also forwarding their proof of application.

Mr. Johnson, added that they have been working with the State to get awareness on applications. Customers were still being asked to follow up with us to make sure everyone making an application would be on a waiting period. As we learn more about the program, we were making adjustments.

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

- i. *COVID-19 Update:* Mr. Johnson, gave an update on company COVID-19 matters. He added that he would keep the Board informed as more was learned about the KERA program.

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- ii. *United Way Update:* Mr. Todd Jordan, Chief Community Engagement Officer gave a PowerPoint presentation to inform/update the Board on the United Way of Greater Kansas City, focusing hardship and utility assistance programs (see attached).

Mr. Jordan addressed comments from the Board.

- iii. *Annual 2020 Financial Audit-BKD, LLP:* Ms. Lori Austin, presented highlights of the final results of the 2020 Audited Financial Statements and Supplemental schedules. Mr. Jacob Holman, Audit Director, and Ms. Rachel Dwiggin, Managing Partner, BKD, LLP. talked about the year-end audit process (see attached).
- iv. *Miscellaneous Comments:* Mr. Johnson commented on an email he sent to the Board regarding an upcoming workshop.

**Item #8 – Board Comments**

Mr. Eidson asked for a union negotiation update.

Mr. Johnson said that they had followed up after the vote and a counter offer had been made to the union. The union was looking at it but no action had been taken yet.

Mr. Groneman thanked all for the evening’s presentations.

Mr. Bryant had no comments.

Ms. Gonzales had no comments.

Ms. Mulvany Henry asked if there had been any action on collection from the former tenant of the Legends Stadium.

Ms. Angela Lawson, Deputy Chief Counsel, said that she believed the Unified Government had a judgement that included the amount owed to BPU. The issue was the amount of assets left. Collection attorneys were being looked at.

Mr. Milan thanked all of the presenters. He thanked Mr. Jordan for speaking about working with the State on allocation of funds.

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**Item #10 – Adjourn**

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

ATTEST:

DocuSigned by:

*Rose Mulvaney Henry*

732C225A5806450  
Secretary

APPROVED:

*Robert Milner*

President

# LIVE UNITED

## BPU Board Presentation 5-19-21

Todd Jordan, PhD

Chief Community Engagement Officer

United Way of Greater Kansas City

United Way  
of Greater Kansas City



# Introduction

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- Thank you !
  - Employee giving
  - Corporate contribution (Utility Assistance)
  - Hardship Assistance program
- Tonight's Focus: Hardship Assistance and Utility Assistance programs
- CARES Act Funding
- KERA Program
- Merger Update

# Hardship Program

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- \$95,000 is held by BPU to pay UWWC commitments on customer accounts
- UWWC divides money into monthly allocations based on levels of demand from previous years
- United Way operates the program including a part-time, bilingual, program manager
- \$5,000 held for customers with excellent payment history

# Hardship Program

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- Participant Eligibility Requirements:
- Applicant has received six months of continuous BPU service
- Applicant has experienced one of the following qualifying hardships: Health Emergency, Change in Employment or Income Status, Change in Family Composition or Marital Status, Unforeseen Documented Expenses



# Hardship Program

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- Allowable Expenditures: BPU water and light utility services
- No deposits, connections, or reconnection fees
- Customer must provide paperwork demonstrating hardship along with copy of BPU bill and photo ID
- Assistance cannot exceed \$500
- Customer is only eligible for assistance once every 12 months
- All assistance is tracked using MAACLink

# Hardship Program Outputs

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- Program began in August of 2013 and through Dec.31, 2020:
  - 1,989 commitments for assistance
  - \$597,821.81 in assistance provided to BPU customers
- In 2020, 308 households served with \$98,030.51

# Hardship Program Outputs

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- Percent of hardship clients who have received assistance in two consecutive years:
  - 2016- 7.5%
  - 2017- 11%
  - 2018- 10%
  - 2019- 10%
  - 2020- 11%

# Hardship Program

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- Most common reason for hardship tends to be health issues (especially ones that impact employment)- 2020 was unique
- Fills essential role in emergency assistance for the community because it is not income-based
- Biggest Challenge: Customers waiting until they are disconnected to begin seeking help

# Utility Assistance Program

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- Funded via Corporate Contribution from BPU board set to match employee United Way campaign up to \$105,000
- Allowable Expenditures: all utilities except phone, internet service, and media
- No deposits, connections or reconnection fees
- Participant must be 150% of federal poverty level for past 30 days
- Must be Wyandotte County resident and cannot receive more than \$500 in assistance from the fund annually

# Utility Assistance Program

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- United Way administers the program and disburses funds to 8 partner agencies:
- Avenue of Life
- Catholic Charities of Northeast Kansas
- Cross-Lines Community Outreach
- El Centro
- Economic Opportunity Foundation
- Metro Lutheran Ministries
- Salvation Army – KCK Citadel and Harbor Light Village
- Vaughn-Trent Community Services

# Utility Assistance Program

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- From January 2009 to Jan. 15, 2021 BPU utility assistance program has provided:
  - 8,768 commitments for assistance from 8 partner agencies
  - \$1,316,644.63 in assistance provided to community members in need
  - In 2020, helped 404 households with \$102,307.96 in assistance

# CARES Act Funding and WHF Funding

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- CARES Act
  - United Way was recipient of large grant from the Unified Government to coordinate 13 partner agencies assistance with rent/mortgage and utilities
  - Program led to \$297,829.89 (613 households) in utility payments and \$246,249.94 in electric bills (479 households)
- WHF
  - Provided \$60,000 to support rent/mortgage relief and utility payment
  - Led to \$23,867.85 (78 households) in assistance, and \$20,612.50 went to electric bills (61 households)



# Wyandotte County CARES Act Funding

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- 13 partner agencies are a part of the initiative
  - Avenue of Life
  - Catholic Charities of Northeast Kansas
  - Cross-Lines Community Outreach
  - El Centro
  - Economic Opportunity Foundation
  - Friends of Yates
  - Kansas Legal Services
  - Kim Wilson Housing
  - Mt. Carmel Redevelopment Corporation
  - Metropolitan Lutheran Ministry
  - Salvation Army KCK
  - United Way of Greater Kansas City
  - Vaughn-Trent

# Merger Update

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- We are almost one year passed the merger between United Way of Wyandotte County and United Way of Greater Kansas City
- Monitoring of agreement has been combination of Merger Transition Committee and Board members representing WyCo
- Key parts of agreement are being fulfilled
  - Funding to WyCo agencies and support of UW programs in WyCo
  - Board representation
  - Physical presence and continued commitment to WyCo

# Conclusion

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- These programs are a critical part of how we layer services and keep households stable
- Thank you for everything you do !
- Questions?

# 2020 Audited Financial Results

May 19, 2021



# Financial Results

## Revenues – 2020 YTD

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 265.467	\$ 286.321		\$ 289.832	\$ 265.467	
Water	52.425	50.845		53.328	52.425	
<b>Combined</b>	<b>\$ 317.892</b>	<b>\$ 337.166</b>	<b>-5.7%</b>	<b>\$ 343.160</b>	<b>\$ 317.892</b>	<b>-7.4%</b>

\*\*Dollars in millions

Variance – YTD comparing Budget to Actual for 2020

Electric:

Residential (\$3.3M)  
Commercial (\$7.0M)  
Industrial (\$2.8M)

Water:

Residential (\$170K)  
Commercial (\$1.1M)  
Industrial \$700K

\*\*Recognized ERC Over Collection for 2020 3<sup>rd</sup> & 4<sup>th</sup> Quarter of \$11.7M. Recognized in Jan-June of 2021

## Operating Expenses – 2020 YTD

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 207.882	\$ 220.637		\$ 218.496	\$ 207.882	
Water	35.317	37.957		37.898	35.317	
Combined	\$ 243.199	\$ 258.594	-6.0%	\$ 256.394	\$ 243.199	-5.1%

\*\*Dollars in millions

Variance – YTD comparing Budget to Actual 2020

### Electric:

Purchased Power	\$400K
Fuel	(\$3.8M)
Production	(\$1.5M)
T&D	(\$2.4M)
G&A	(\$4.5M)

### Water:

Production	(\$950K)
T&D	(\$1.1M)
G&A	(\$725K)



# Financial Results

## Change in Net Position – 2020 YTD

	(CY) 2020 YTD	(PY) 2019 YTD	Budget 2020 YTD	(CY) 2020 YTD
Electric	\$ 6.144	\$ 12.013	\$ 17.599	\$ 6.144
Water	9.158	4.175	6.875	9.158
Combined	\$ 15.302	\$ 16.188	\$ 24.474	\$ 15.302

\*\*Dollars in millions

## Cash Position

### Cash Position

	(CY) 2020 243.199	(PY) 2019 243.199	2020 November
Combined (E&W)	\$ 45.43	\$ 51.88	\$ 52.98
Days Cash-on-Hand	81	85	89

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

\*\* Dollars in millions

### Debt Coverage with PILOT

	(CY) 2020 December	(PY) 2019 December
Combined	1.99	2.04



## Debt Coverage

	(CY) 2020 243.199	(PY) 2019 243.199	2020 November
Combined (E&W)	\$ 45.43	\$ 51.88	\$ 52.98
Days Cash-on-Hand	81	85	89

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

\*\* Dollars in millions

### Debt Coverage with PILOT

	(CY) 2020 December	(PY) 2019 December
Combined	1.99	2.04

Financial Guideline Target 1.6 to 2.1 times with PILOT

# BKD National Public Sector Group

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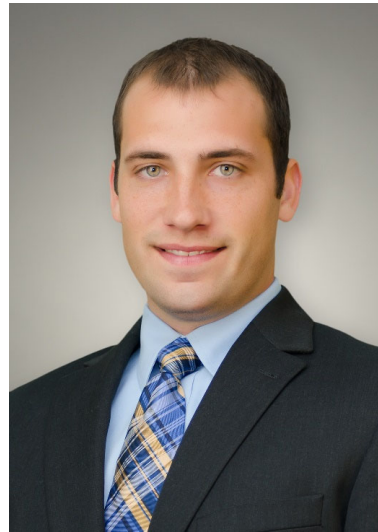
The Board of Public Utilities of Kansas City, Kansas  
for the year ended December 31, 2020

**BKD**  
CPAs & Advisors

# BKD Audit Personnel & Roles



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# Audit Approach

## › Financial reporting

- U.S. Generally Accepted Accounting Principles

## › Auditing standards

- Auditing standards generally accepted in the United States of America
- Government Auditing Standards
- Kansas Municipal Audit and Accounting Guide

# Areas of Audit Emphasis

- › Communicated during planning

Risk Area	Results
Management override of controls	No matters are reportable.
Improper revenue recognition	No matters are reportable.

# Management Judgments & Accounting Estimates

- › Allowance for doubtful accounts
- › Deferred costs of revenues, including amortization periods
- › Accrued liabilities
- › Composite rate depreciation methods
- › Net pension liability
- › Other post-employment benefits

# Required Communications

Area	Comments
Significant Accounting Policies	Described in Note 1 of the financial statements. GASB 83 was adopted during fiscal year 2020.
Alternative Accounting Treatments	<ul style="list-style-type: none"><li>Accounting for the costs related to the Quindaro Units 1 and 2 as a regulatory asset</li></ul>
Financial Statement Disclosures	No matters are reportable.
Auditor's Judgments About the Quality of the Utility's Accounting Policies	No matters are reportable.

# Required Communications – Cont.

Area	Comments
Audit Adjustments	<p>Proposed audit adjustments recorded:</p> <ul style="list-style-type: none"><li>• To record certain contract retainage payable</li></ul> <p>Proposed audit adjustments not recorded:</p> <ul style="list-style-type: none"><li>• Prior year turnaround effect of variance in accounts receivable aging</li><li>• Prior year turnaround effect for payroll and related tax accrual</li><li>• Prior year turnaround effect of reduction to workers compensation accrual</li><li>• Reclass PILOT from non-operating expense to transfer expense</li><li>• Record correction to unbilled revenue</li></ul>



# On Our Radar – Upcoming Standards

- › GASB Statement No. 87, *Leases* (GASB 87)
  - Effective for financial statements for fiscal years beginning after June 15, 2021



# Questions?

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**BKD**  
CPAs & Advisors



# Thank You!

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**BKD**  
CPAs & Advisors