

REGULAR SESSION –WEDNESDAY, DECEMBER 2, 2020

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, December 2, 2020 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; Jim Epp, Executive Director Water Operations; 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; Jody Franchett, Director Administrative Services; Dennis Dumovich, Director of Human Resources; Patrice Townsend, Director Utility Services; and Sperlynn Byers, Acting Director of Information Technology.

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 Mr. Bryant, seconded by Mr. Groneman and unanimously carried.

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

A motion was made to approve the Minutes of the Work Session of November 18, 2020 by Ms. Gonzales, seconded by Mr. Milan and unanimously carried.

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

A motion was made to approve the Minutes of the Regular Session of November 18, 2020 by Mr. Milan, seconded by Ms. Gonzales 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 included that he was in conversations and would keep the Board informed on the how upcoming COVID vaccination process would go.
- ii. *Nearman Plant Fall Outage Update:* Mr. Dong Quach, Executive Director Electric Production, gave a recap of the fall outage at Nearman plant that had recently concluded. The two biggest projects during the repairs were the steam turbine valve repair, and the replacement of the mill liners. They were going to start putting the plant back on line that evening.

Mr. Quach also introduced Mr. Glen Brendel, the new Director Electric Production Operations/Maintenance.

Mr. Quach and Mr. Brendel answered questions from the Board.

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- iii. *October 2020 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, presented the October 2020 Financials with a PowerPoint presentation (see attached).

Ms. Austin and Mr. Johnson and Mr. Quach answered questions from the Board.

A motion was made to approve the October 2020 Financials by Ms. Gonzales, seconded by Mr. Bryant and carried unanimously.

- iv. *Miscellaneous Comments:* Mr. Johnson introduced Mr. Jerry Sullivan, the new Chief Information Officer. He reminded the Board of the upcoming Budget meeting that would be held Friday, December 4. He also informed the Board that they would be scheduling some upcoming Executive Sessions.

**Item #7 – Board Comments**

Mr. Eidson thanked Ms. Austin and Mr. Quach for their presentations and welcomed the new members of the team.

Mr. Groneman had no comment.

Mr. Milan had no comment.

Mr. Bryant looked forward to seeing everyone virtually on Friday for the Budget meeting.

Ms. Gonzales had no comment.

Ms. Mulvany Henry also thanked Ms. Austin and Mr. Quach for their presentations and welcomed the new team members.

REGULAR SESSION –WEDNESDAY, DECEMBER 2, 2020

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Item #9 – Adjourn

Motion was made to adjourn the meeting at 6:47 P.M. by Ms. Mulvany Henry, seconded by Mr. Bryant and carried unanimously.

ATTEST:

Mary Gonzalez  
Secretary

APPROVED:

Ryan Folsom  
President

# **October 2020 Financial Results**

## **December 2, 2020**

## 2020 Billed kWh (YTD Jan – Oct)

	(CY) 2020 YTD	(PY) 2019 YTD	
<b>Electric</b>			
Residential	493,462,487	500,926,135	
Commercial	765,297,657	819,348,950	
Industrial	430,158,187	476,554,933	
	1,688,918,331	1,796,830,018	-6.0%

Lower usage in 2020 compared to 2019 due to COVID-19 shutdown of businesses.

Weather impact for the month within Residential and Small Commercial

Residential –down 1.5%

Commercial – down 6.5%

Industrial – down 9.75%

## 2020 Billed CCF's (YTD Jan – Oct)

	(CY) 2020 YTD	(PY) 2019 YTD	
<b>Water</b>			
Residential	3,014,494	2,869,102	
Commercial	2,134,346	2,257,860	
Industrial	1,564,658	1,648,405	
	<b>6,713,498</b>	<b>6,775,367</b>	<b>-0.9%</b>

Slightly lower usage compared to 2019 due to business shutdowns due to COVID-19

Residential – Up 5%      Commercial – Down 5.5%      Industrial - Down 5%



# Financial Results

## Revenues – October 2020

	(CY) 2020 October	(PY) 2019 October		Budget 2020 October	(CY) 2020 October	
Electric	\$ 20.771	\$ 21.477		\$ 23.412	\$ 20.771	
Water	4.647	4.358		4.103	4.647	
Combined	\$ 25.418	\$ 25.835	-1.6%	\$ 27.515	\$ 25.418	-7.6%

\*\*Dollars in millions

### **Actual Compared to 2020 Budget**

Electric down 11%

Water up 13%



# Financial Results

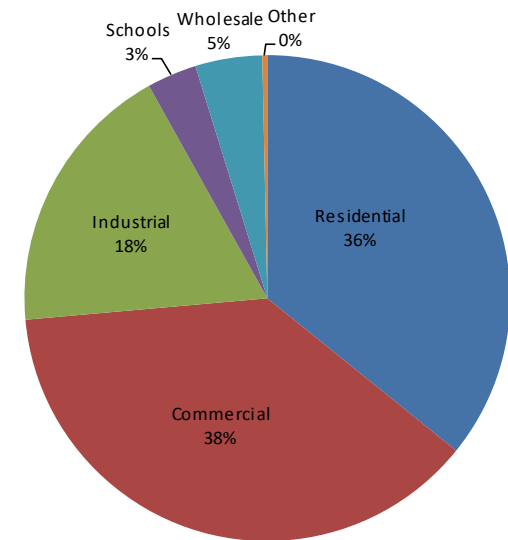
## Revenues – 2020 YTD

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 237.113	\$ 238.490		\$ 243.693	\$ 237.113	
Water	44.521	43.462		44.739	44.521	
Combined	\$ 281.634	\$ 281.952	-0.1%	\$ 288.432	\$ 281.634	-2.4%

\*\*Dollars in millions

### Variance – YTD comparing Budget to Actual for 2020

<b>Electric: Down 2.5%</b>		<b>Water: Down .5%</b>	
Residential (\$949K)		Residential \$87K	
Commercial (\$4.1M)		Commercial (\$790K)	
Industrial (\$1.9M)		Industrial \$661K	



Recognized \$5.5 deferred revenue YTD from the 2019 ERC

## Operating Expenses – October 2020

	(CY) 2020 October	(PY) 2019 October		Budget 2020 October	(CY) 2020 October	
Electric	\$ 17.023	\$ 18.065		\$ 18.770	\$ 17.023	
Water	3.040	3.643		3.117	3.040	
Combined	\$ 20.063	\$ 21.708	-7.6%	\$ 21.887	\$ 20.063	-8.3%

\*\*Dollars in millions

### Variance – Comparing Budget to Actual for 2020

**Electric** – down 9%

Production	- 2% down
Purchased Power	- 18% up
Fuel	- 78% down
T&D	- 8% down
G &A	- 21% down

**Water** – down 2.5%

Production	- 15% down
T&D	- 1% down
G &A	- 18% down

# Financial Results

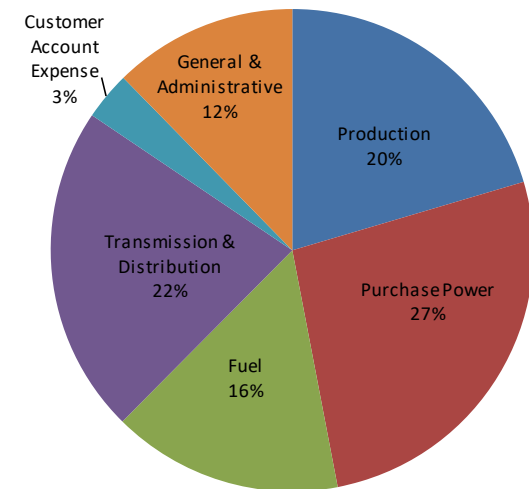
## Operating Expenses – 2020 YTD (Total)

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 164.182	\$ 171.093		\$ 182.863	\$ 164.182	
Water	28.591	31.035		31.606	28.591	
Combined	\$ 192.773	\$ 202.128	-4.6%	\$ 214.469	\$ 192.773	-10.1%

\*\*Dollars in millions

### Actual Compared to 2020 Budget

- Electric down 10%
- 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	\$ 140.409	\$ 147.738		\$ 159.482	\$ 140.409	
Water	22.052	24.542		25.123	22.052	
Combined	\$ 162.461	\$ 172.280	-5.7%	\$ 184.605	\$ 162.461	-12.0%

\*\*Dollars in millions

Variance – YTD comparing Budget to Actual 2020

**Electric:**

- Purchased Power (\$4.3M)
- Fuel (\$ 2.3K)
- Production (\$4.7M)
- T&D (\$3.5M)
- G&A (\$4.3M)

**Water:**

- Production (\$885K)
- T&D (\$1.4M)
- G&A (\$900K)





# Financial Results

## Change in Net Position – October 2020

	(CY) 2020 October	(PY) 2019 October	Budget 2020 October	(CY) 2020 October
Electric	\$ (0.120)	\$ (0.974)	\$ 0.199	\$ (0.120)
Water	1.030	0.297	0.389	1.030
Combined	\$ 0.910	\$ (0.677)	\$ 0.588	\$ 0.910

\*\*Dollars in millions



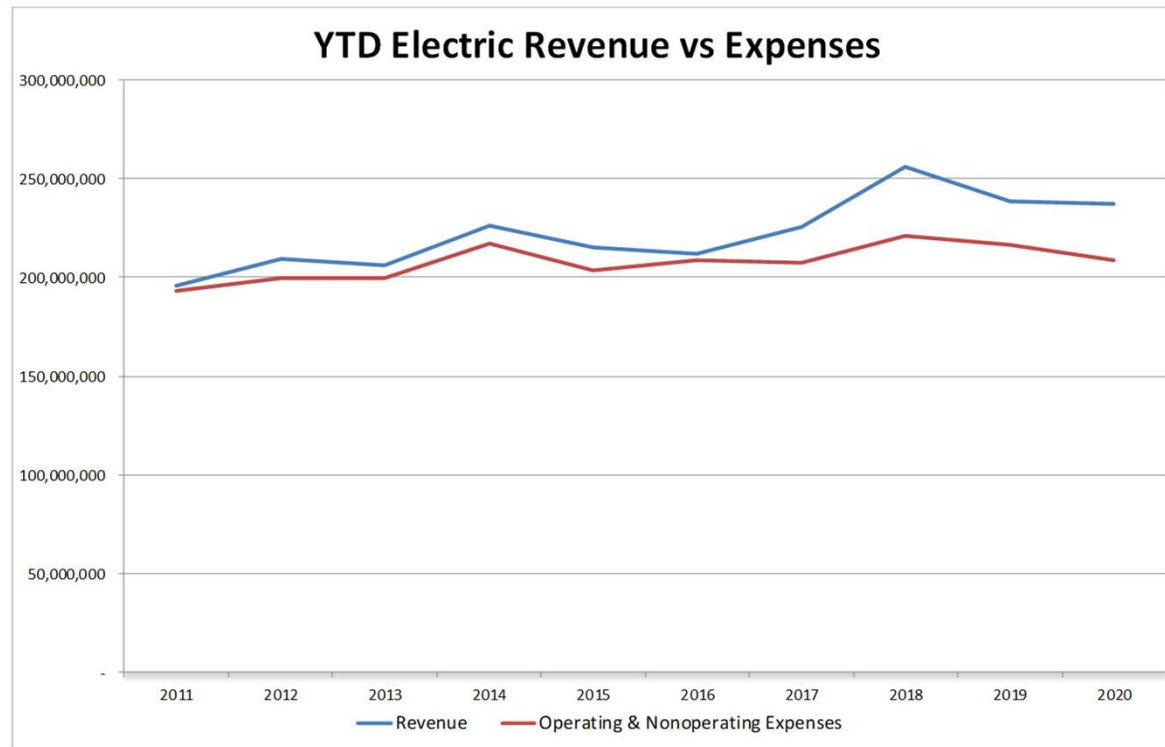
# Financial Results

## Change in Net Position – 2020 YTD

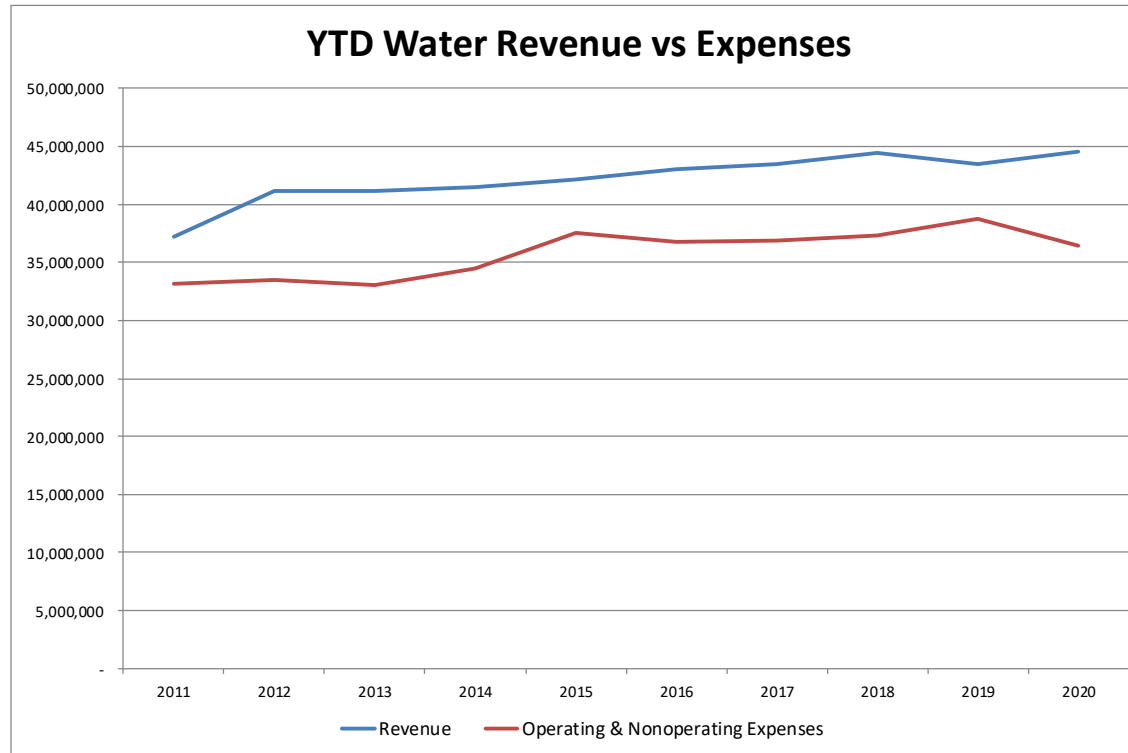
	(CY) 2020 YTD	(PY) 2019 YTD	Budget 2020 YTD	(CY) 2020 YTD
Electric	\$ 28.235	\$ 22.165	\$ 15.787	\$ 28.235
Water	8.784	4.954	5.813	8.784
Combined	\$ 37.019	\$ 27.119	\$ 21.600	\$ 37.019

\*\*Dollars in millions

# Financial Results – 10 Year Trend



# Financial Results – 10 Year Trend





## Cash Position

	(CY) 2020 October	(PY) 2019 October	2020 September
Combined (E&W)	\$ 51.67	\$ 54.59	\$ 49.26
Days Cash-on-Hand	88	93	84

\*\*Dollars in millions



# Financial Results

## Balance Sheet: Notables

	(CY) 2020 October	(PY) 2019 October
Fuel Inventory	\$ 6.544	\$ 3.980
Bond Dollars 2016C (Elec T&D)	\$ 1.542	\$ 22.300
Bond Dollars 2020A (Elec)	\$ 10.000	\$ -

\*\*Dollars in millions



# Financial Results

## Capital Spending

	(CY) 2020 YTD	(PY) 2019 YTD	2020 Budget	
Electric	\$ 32.33	\$ 29.12	\$ 41.27	
Water	6.75	4.40	12.73	
Common	1.70	0.32	4.60	
<b>Total YTD Capital</b>	<b>\$ 40.77</b>	<b>\$ 33.83</b>	<b>\$ 58.60</b>	<b>Remaining 30%</b>

\*\*Dollars in millions

Major projects in 2020:

- Rosedale Project - \$13.4M
- N1 Bottom Ash Handling System- \$4.3M
- Leavenworth Road-Phase 2 - \$2.5M
- Water Leak, Valve, System Imp. - \$1.7M
- UG/CMIP Water Distribution - \$2.5M

## Debt Coverage

	(CY) 2020 October	(PY) 2019 October
Electric	2.20	2.14
Water	2.03	1.88
Combined	2.16	2.12

### Debt Coverage w/o PILOT

	(CY) 2020 October	(PY) 2019 October
Electric	1.60	1.53
Water	1.59	1.44
Combined	1.60	1.54

Financial Guideline Target 1.6 to 2.1 times with PILOT