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, February 15, 2023 at 6:00 P.M. The following Board Members were present: Rose Mulvany Henry, President; Robert L. Milan, Secretary; Jeff Bryant, Mary Gonzales. Thomas Groneman, Vice President and David Haley attended via Zoom.

Also present: William Johnson, General Manager; Angela Lawson, Deputy Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Jeremy Ash, Chief Operating Officer; Johnetta Hinson, Executive Director Customer Service; Steve Green, Executive Director Water Operations; Glen Brendel, Executive Director Electric Production; Maurice Moss, Executive Director Corporate Compliance; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Dennis Dumovich, Director of Human Resources; Patrice Townsend, Director Utility Services;; Al Garcia, Key Account Utility Specialist; and Robert Kamp, IT Project Manager.

A video of this meeting is on file at the Board of Public Utilities and can be found on the BPU website, www.bpu.com.

Ms. Mulvany Henry called the Board meeting to order at 6:01 P.M. She welcomed all that were listening to or viewing the meeting. She informed all that the meeting was being recorded including video and audio. During the public comment section, those attending in person, wishing to speak, should use the sign-up sheet at the entry and provide their name and address. Public comments were limited to five minutes and should be addressed to the Board. 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 comment section. Nembers of the public comment section. No confidential information should be shared, including, account information. Staff would not provide individual account information during an open meeting. As always, the public could also email or call the BPU with any concerns. Ms. Mulvany Henry 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, Mr. Haley via Zoom.

Item #3 - Approval of Agenda

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

STATE OF KANSAS)) SS CITY OF KANSAS CITY)

Item #4- Approval of Regular Session Minutes of February 1, 2023

A motion was made to approve the minutes of the Regular Session of February 1, 2023, by Ms. Gonzales, seconded by Mr. Bryant, and unanimously carried.

Item #5– Public Comments

Mr. David Smith, 400 Troup Ave., stated that after the last Board Meeting he understood more about the BPU charges and UG charges.

He was listening to the Work Session earlier and the idea of committees sounded great depending on what we decided to come up with. He would be more than honored to be on a committee.

Mr. Smith said that people needed to get out more in the community because people on the Board probably don't live like a lot of people do in this community, finance-wise and housing-wise.

Tscher Mank of Wyandotte County, said that at the last meeting they did talk about the differences in the charges between BPU and the UG. There were access charges on the bill for \$42 but they don't have access to another company. She could not see any reason for the charges to be on there.

She looked at the BPU budget and the expenditures are way less than what we're bringing in. She said the people that are getting overcharged have the smart meters and she checked into it and went to their website and called them and they told her there were faults in them and they could overcharge people. She asked that we please check the bills for December and January because the bills almost doubled.

She said we told her to stay after the meeting but she wanted to set up a meeting in the daytime.

Ms. Mulvany Henry asked Ms. Mank if on the BPU charges did she know what specifically the fees were for. She had mentioned access charges.

Ms. Mank said there were electric access fees for around \$22 and water access fees for around \$20.

STATE OF KANSAS)) SS CITY OF KANSAS CITY)

Mr. Ty Gorman, 2843 Parkwood Blvd. Kansas City, KS 66104, told how he got here with Sierra Club and Groundwork NRG to talk about climate change adaption and some issues he knew about in the energy world. There was a volunteer group called ECHO and he was asked to facilitate it.

The issues were putting an end to unsafe shutoffs of electricity, lowering the bills and access to federal money for programs. They had spoken to the U.G. and were working with some of the Commissioners.

Ms. Mulvany Henry thanked Mr. Gorman for his continued efforts to educate the Board and asked if he had listened to the Work Session meeting earlier.

He stated that he had not.

She informed him that in that meeting the Board had formed a committee of a subset of our Board Members and established some ground rules for meeting with the representatives of all groups. They wanted to go about it without excluding anyone from the community.

Mr. Gorman said on February 28 they were having an organizer volunteer meeting so he would reach out to us.

Dr. Evelyn Hill, 640 Washington Blvd. said she was a member of the Justice and Equality Coalition. She thanked Mr. Johnson and his team for meeting with them several times. They brought forward several issues they felt were inequitable for their community members. Several of those items they had put in a Power Point which addressed policies BPU had: disconnection and restoration, cold and hot weather rule and security deposits. BPU had a policy that if you had a low credit score you were a higher risk and had to pay more for the security deposit. She said no other utility company in the metro area has that policy. She was glad to see that BPU had a policy on health, provisions for life saving medical machines. She would like to see us expanding that. She is on the school board and homeless kids were due to high BPU bills, deposits, fees on both sides; BPU and UG. She would like to work with BPU to get some policies changed and generate new ideas.

Mr. Johnson said he appreciated her coming. They had exchanged information and he thought they made a lot of progress towards resolving some of the concerns when she and Avenue of Life came in together. There's a letter going out to all the other non-profit groups to come in and have a luncheon. He wants to sit down with staff and have those conversations. Page 3 of 8

STATE OF KANSAS)) SS CITY OF KANSAS CITY)

Are we assisting the community and what are those agencies hearing and he wants to have conversations with the Board about deposits and things like that and make some adjustments.

Ms. Lisa Walker Yeager, Wyandotte County, said they've been dealing with PILOT tax so they put that in front. She thanked Mr. Johnson for attending the meeting with Community Conscious Network. Not only are the fees astronomical but you can only get assistance once a year. You have a high summer bill and a high winter bill and if you have health issues you need assistance more than once a year. If you're in the hospital you don't want to worry about your power being shut off.

When we have meetings with the not for profits she wonders how much money they are getting in to how much they are giving out. If you're getting \$2 million but only giving out \$500,000, that's not beneficial. Another problem in Wyandotte County is that with Catholic Charities every Monday you can only call between 8 and 9 a.m. It's designed not to allow people to get in. She suggested to Mr. Johnson that when he talked to the Board Members they should have one company schedule on Monday, one on Tuesday and another on Wednesday.

Ms. Mulvany Henry asked if she was referring to assistance from agencies or BPU.

Ms. Yeager said it was the assistance agencies and that BPU did a very good job of returning your call, she's never had a problem with that, it's that the BPU policy is to just assist the one time a year.

Ms. Susan Stevens from 4018 Silver KCK 66106 said she was really enthused. She is with Community Conscious Action Network and thanked us for moving forward on that.

Item #6- BPU Utility Assistance Program - Todd Jordan w/ United Way

Mr. Todd Jordan, Vice President, Community Impact & Executive Director of United Way of Greater Kansas City gave a presentation of BPU and United Way Utility Assistance Programs. (See attached Power Point).

Mr. Jordan answered questions from the Board.

Mr. Johnson mentioned that if houses aren't properly insulated the bills could he higher so a lot of factors are involved.

STATE OF KANSAS)) SS CITY OF KANSAS CITY)

Item #7- General Manager / Staff Reports

- i. *December 2022 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, reviewed the Preliminary December 2022 Financials with the Board. (See attached PowerPoint.)
- ii. KMEA Board Appointments: Mr. Johnson said just like Western Fuels, KMEA also asks in their bylaws to get Board approval. Mr. Jeremy Ash, Chief Operating Officer, asked for approval from the Board for Resolution # 5283 appointing Jeremy as Director # 1, Jerin Purtee as Director # 2 for Jerin Purtee and Bill Johnson as Alternate. Mr. Ash said at some point when they get Nearman more organized they would bring Glen Brendel, Executive Director Electric Production, into the appointments. Motion was made by Mr. Bryant, seconded by Ms. Gonzales. The motion unanimously carried.
- iii. *Miscellaneous Comments*: Mr. Johnson informed the Board that Thursday, February 16, at 4:00 p.m. the U.G. has called a Special Executive Session to talk about the applicants that applied for the County Administrator position. If there is anything that comes out of that meeting and he is able to follow up, he certainly will.

He also reported that at the end of February, Executive Assistant, Jenny Burley-Krenzer would be retiring. She started as a temporary employee in the Marketing Department at 700 Minnesota Ave. in 2001. In 2002 she got on at the Service Center Garage as a Garage Clerk. After a short stint there she bid on and transferred into the Economic Development Secretary and then to Administrative Assistant. In 2008 she became Executive Assistant to General Manager Don Gray.

In 2013 she was the first recipient of the Everyday Hero Employee Recognition Award.

Mr. Johnson said she was an avid animal person and had lived in Key West, Florida. She has a bubbly personality, knows where things go and how things are and is helpful and an inspiration. She handles customer calls and then follows up to the Board. Mr. Johnson said when he first moved into the General Manger position she helped him get acclimated. He pointed out that she eats weird food and always customizes her order.

STATE OF KANSAS)) SS CITY OF KANSAS CITY)

⁶ Mr. Johnson wished her well in her retirement. There will be a get together in the Board Room on Tuesday, February 28^{th} from 2:30 - 4:30 p.m. Ms. Burley-Krenzer addressed the Board and spoke about how much she enjoyed her time at the BPU.

Item #8 – Board Comments

Ms. Gonzales said that she would miss Ms. Burley-Krenzer because when she got customer complaints and calls Ms. Burley-Krenzer was the first person she would call. She thanked her fellow Board Members for the conversation and discussion in the Work Session. It's helpful and she appreciates that. She was glad for the update with the United Way and stated it was always good to hear how much our employees give and how much she appreciates it.

Mr. Groneman thanked everyone that came that evening and addressed the Board. We've not always had the community engagement in the past so that was good to see. He was glad to see people stay until the end of the meeting. He offered congratulations to Ms. Burley-Krenzer on her retirement and stated she will be missed by him and the rest of the Board.

Mr. Haley appreciated Ms. Austin's report on the Financials. He thanked the United Way for their presentation. He thanked the public who came to the meeting and spoke, most of them whose names are realized by us and he appreciated their diligence. For all who came and called in he wanted them to know that this BPU Board was turning the corner slowly but addressing the issues such as the BPU bills. He appreciated their advocacy. He thanked Ms. Burley-Krenzer for her years of service. He said she made him feel welcome when he first came in a year ago. He welcomed back Mr. Groneman.

Mr. Milan commented on the input from the staff. He especially appreciated the information from the United Way. He stated the most important thing that night was that 10 years ago they started a Hero Program among the employees to find out what employee would serve in that capacity and as a result of that we had a contest to find out who reached that goal and criteria to be a hero. A lot of consideration went into it. They picked Ms. Burley-Krenzer and he wanted the Board to make a motion and a resolution that Ms. Burley-Krenzer be the first and only hero.

Mr. Groneman said they were talking about starting up another program again.

Mr. Johnson said they were going to come up with some type of recognition program.

STATE OF KANSAS)) SS CITY OF KANSAS CITY)

Mr. Milan said congratulations to Ms. Burley-Krenzer, he appreciated her service and thank you.

Ms. Mulvany Henry said that she moved the Board to proclaim Ms. Jenny Burley-Krenzer to be a lifetime member of the Hero Program. Ms. Gonzales seconded and roll call was taken and the motion unanimously carried. Ms. Burley-Krenzer received applause. Ms. Mulvany Henry echoed what the other Board Members had said. She thanked the public for continuing to show up and voice their concerns on behalf of themselves and others in their community, the most vulnerable in the community. We hear you. We are trying to do something different this go around. Mr. Milan had said in the Work Session that this was something that had been attempted before at the BPU in the early 80's. Hopefully the BPU can resurrect that and do it on a meaningful basis. We can't do it without your input.

Mr. Bryant said every time he walks through the door to come down to meetings, he's amazed at all he learns through staff reports and public comments and he appreciates the input from all the different avenues of communication. It helps him form wise decisions. He thanked Ms. Burley-Krenzer.

Item #9 – Executive Session

Ms. Angela Lawson, Deputy Chief Counsel proposed a motion for adoption as followed:

"I move that after taking a five minute break the Board go into Executive Session for 20 minutes in the Board rooms to discuss confidential matters related to review of the general manager, a personnel matter of nonelected personnel as justified under the exception in the Kansas Open Meetings Act; and that the General Manager William Johnson and 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 and reconvene in open session returning to both electronic and telephonic broadcasting at 7:52 P.M. in the Board Room to either take action in an open session or to adjourn.

A motion to go into Executive Session and reconvene at 7:52 P.M. was made by Mr. Bryant, seconded by Mr. Groneman. Roll call was taken:

Ms. Gonzales - yes

Mr. Groneman – yes

STATE OF KANSAS)) SS CITY OF KANSAS CITY)

Mr. Haley - no

Mr. Milan – yes

Ms. Mulvany Henry – yes

Mr. Bryant - yes

The motion carried.

Mr. Haley, who was attending via Zoom, did not participate in the Executive Session, but remained on the line.

At 7:52 P.M. the meeting returned to Open Session.

Item #10 – Adjourn

At 7:53 P.M. a motion to adjourn was made by Mr. Bryant, seconded by Mr. Milan and unanimously carried.

ATTEST: Robert Milar SN, Secretary

APPROVED: President

BPU and United Way Utility Assistance Programs

Todd Jordan, PhD

Vice President, Community Impact & Executive Director, 211 United Way of Greater Kansas City

Introduction

Thank you!

- Employee giving
- Corporate Contribution (Utility Assistance)
- Hardship Program

Tonight's Focus: Update on Utility Assistance and Hardship Assistance Programs



Utility Assistance Program

- 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
- Assistance cannot exceed \$500
- Client is eligible for assistance once every 12 months
- All assistance is tracked in MAACLink

Utility Assistance Program

- United Way administers the program and supports 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

- Program Results:
 - The program has provided more than \$1.5 million dollars in assistance to Wyandotte County Residents
 - 9,544 assistance payments
 - Since 2020, average amount of assistance is \$265.66
 - Expiration of COVID related relief has significantly impacted ability of agencies to provide relief to households
 - High-demand for the program because of economic condition of Wyandotte County

- Program Overview:
 - \$95,000 is held by BPU to pay commitments on customer accounts
 - United Way 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
 - Fills essential role in emergency assistance for the community because it is not incomebased

- 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
 - Must be able to provide documentation regarding qualifying hardships

- 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

- Program Results:
 - Through January of 2023 the program has provided \$775,285.40 in assistance
 - 2,509 assistance payments
 - Average payment is \$309 and roughly 300 households are served per year
 - January of 2023: Assisted 45 households with \$14,390.61
- Historically, the most common reason for hardship tends to be health issues (especially ones that impact employment), last couple of years has posed unique economic challenges to households

2023 Funding for Utility Assistance

- Thank you for the support!
 - 211 Call Center has seen increased demand and request for utility assistance is the top request
 - Year over year requests for help are higher
 - Additional money will support both the utility assistance program and the hardship assistance program
 - Utility Assistance Available for Customers = \$337,250
 - Hardship Assistance Available for Customers = \$95,000
 - Total Assistance Amount: \$432,250





December 2022 Preliminary Financial Results

February 15, 2023





2022 Billed kWh (YTD Jan - Dec)

	(CY) 2022	(PY) 2021	
Electric	YTD	YTD	
Residential	602,404,017	598,542,538	1
Commercial	1,001,706,441	958,610,707	
Industrial	539,367,635	467,110,055	All customer classes usage was above 2021 levels
	2,143,478,093	2,024,263,300	5.9%

Residential – Up 1% Commercial – Up 4.5% Industrial – Up 15.5%



2022 Billed CCF's (YTD Jan - Dec)

		(CY) 2022	(PY) 2021	
	Water	YTD	YTD	
_	Residential	3,518,427	3,521,083	
	Commercial	2,720,876	2,564,196	Residential water usage down slightly.
	Industrial	1,905,310	1,772,596	Commercial and Industrial are above 2021 levels.
		8,144,613	7,857,875	3.6%

Residential – Down < 1%

Commercial – Up 6%

Industrial - Up 7.5%



Revenues – December 2022

	((CY) 2022	(PY) 2021		Bud	get 2022	(C	Y) 2022	
	D	ecember	December		De	cember	De	cember	
Electric	\$	27.841	\$ 35.053		\$	21.390	\$	27.841	T
Water		3.713	3.496			4.151		3.713	
Combined	\$	31.554	\$ 38.549	-18.1%	\$	25.541	\$	31.554	23.5%

Actual Compared to 2022 Budget

Electric – Up 30% Water – Down 11% Combined – 23%



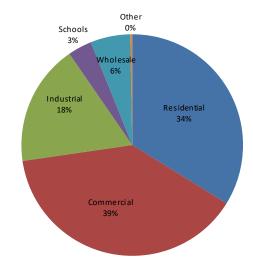
Revenues – 2022 YTD

	(CY) 2022	(PY) 2021			Bu	dget 2022	(0	CY) 2022	ĺ	
	YTD	YTD				YTD		YTD		
Electric	\$ 319.787	\$ 296.125			\$	277.447	\$	319.787	1	•
Water	52.824	50.927				52.325		52.824		
Combined	\$ 372.611	\$ 347.052	1	7.4%	\$	329.772	\$	372.611		13.0%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2022

<u>Electric:</u> Residential Commercial Industrial	<i>9 15%</i> \$ 5.0M \$16.6M \$ 5.9M	, Residential Commercial Industrial	-	73K 51K 1K)
Schools Wholesale	\$ 1.0M \$11.4M	Wholesale	\$	1K





Operating Expenses – December 2022

	(CY) 2022	(PY) 2021		Bu	dget 2022	(C	Y) 2022	ſ
	December	December		D	ecember	De	cember	
Electric	\$ 1.222	\$ 32.355		\$	17.476	\$	1.222	
Water	1.622	3.548			3.172		1.622	
Combined	\$ 2.844	\$ 35.903	-92.1%	\$	20.648	\$	2.844	-86.2%

Actual Compared to 2022 Budget

Electric – Down 93% Water - Down 49%

Recognized Under Recovery of ERC for 3rd & 4th Quarter - \$14.8M Recognized Reduction of Pension Expense – GASB 68 - \$6.3M



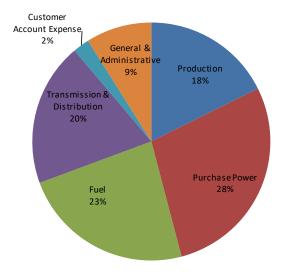
Operating Expenses – 2022 YTD (Total)

	(CY) 2022	(PY) 2021				Bu	dget 2022	((CY) 2022		
	YTD		YTD				YTD		YTD		
Electric	\$ 230.922	\$	222.335			\$	208.510	\$	230.922		
Water	35.676		36.275				38.905		35.676		
Combined	\$ 266.598	\$	258.610	1	3.1%	\$	247.415	\$	266.598	1	7.8%

**Dollars in millions

Actual Compared to 2022 Budget

- Electric Up 11%
- Water Down 8%
- Combined Up 8%





Operating Expenses – 2022 YTD less Depreciation

	•	') 2022 YTD		(PY) 2021 YTD		В	udget 2022 YTD	((CY) 2022 YTD	
Electric Water	\$	197.981 27.364	\$	191.649 27.904		\$		\$	197.981 27.364	
Combined	\$	225.345	\$	219.553	2.6	% \$	207.330	\$	225.345	8.7%
**Dollars in millions Variance – YTD comparing Budget to Act	tual 202	_	Pui Fue	oduction)	er \$21. \$23 \$28 (\$3. (\$7.	2M 9K 5M)				(\$1.3M) (\$ 40K) (\$1.8M)



Change in Net Position – December 2022

	(CY) 2022	(PY) 2021	Bud	get 2022	((CY) 2022
	December	December	Dec	cember	De	ecember
Electric	\$ 22.708	\$ (0.857)	\$	0.188	\$	22.708
Water	1.641	(0.561)		0.504		1.641
Combined	\$ 24.349	\$ (1.418)	\$	0.692	\$	24.349

**Dollars in millions

December Combined Change in Net Position – Positive \$24.3M



Change in Net Position – 2022 YTD

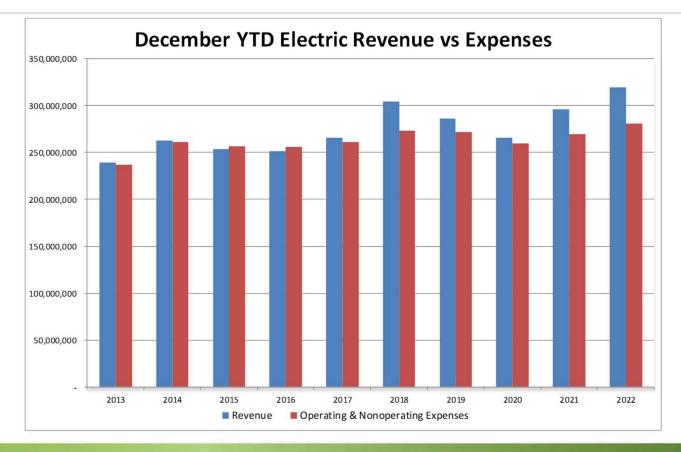
	(CY) 2022	(PY) 2021	Buc	lget 2022	(C	Y) 2022
		YTD	YTD		YTD		YTD
Electric	\$	38.640	\$ 26.766	\$	21.486	\$	38.640
Water		11.313	7.959		6.697		11.313
Combined	\$	49.953	\$ 34.725	\$	28.183	\$	49.953

**Dollars in millions

YTD Combined Change in Net Position – Positive \$49.9M

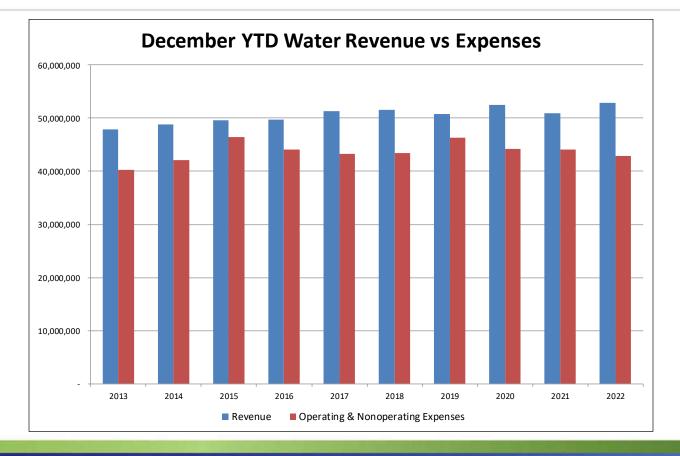


Financial Results – 10 Year Trend



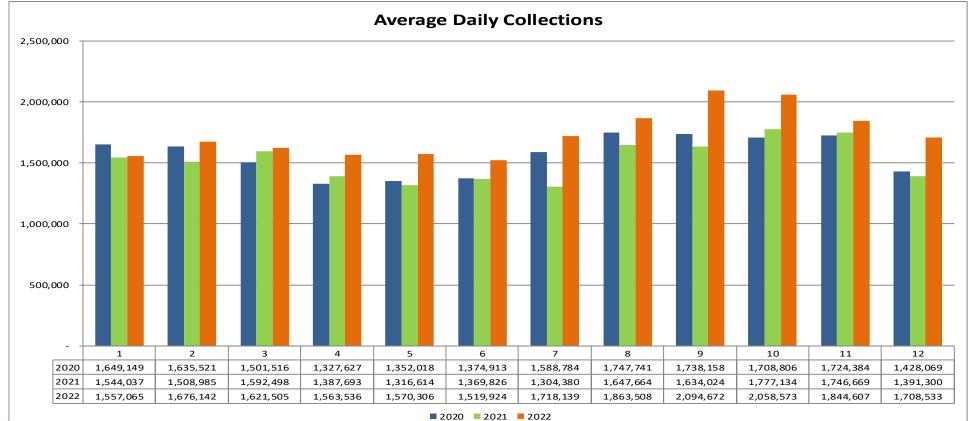


Financial Results – 10 Year Trend



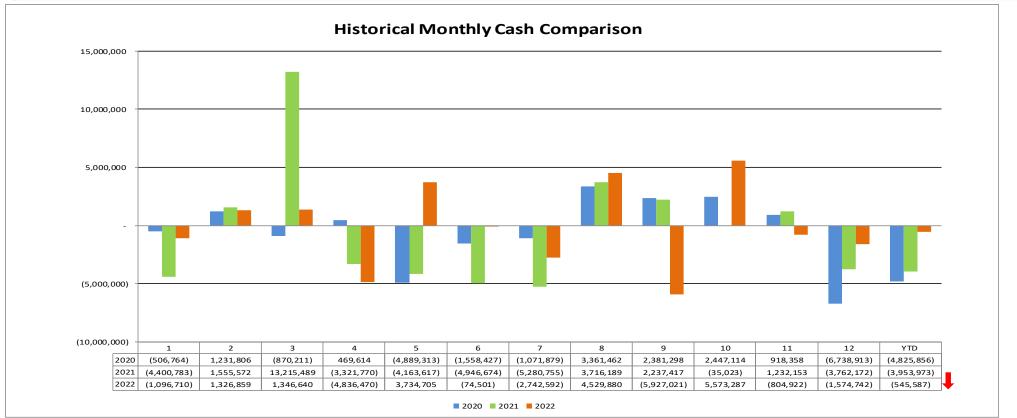
12





13







Cash Position

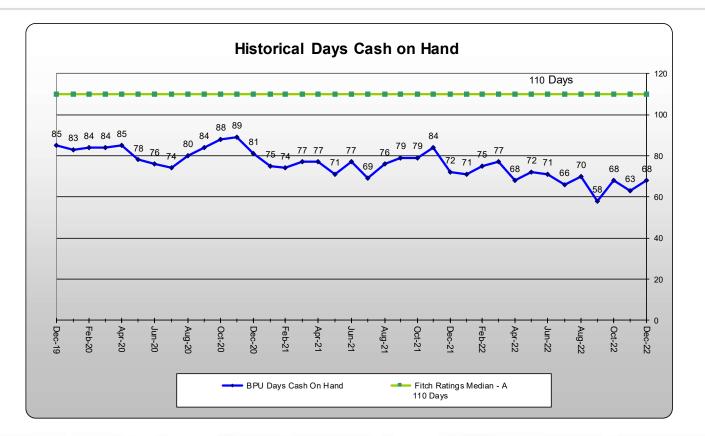
	(CY) 2022		(PY) 2021	2022
	December		December	November
Combined (E&W)	\$ 44.56	\$	44.09	\$ 44.80
Days Cash-on-Hand	68		72	63

**Dollars in millions

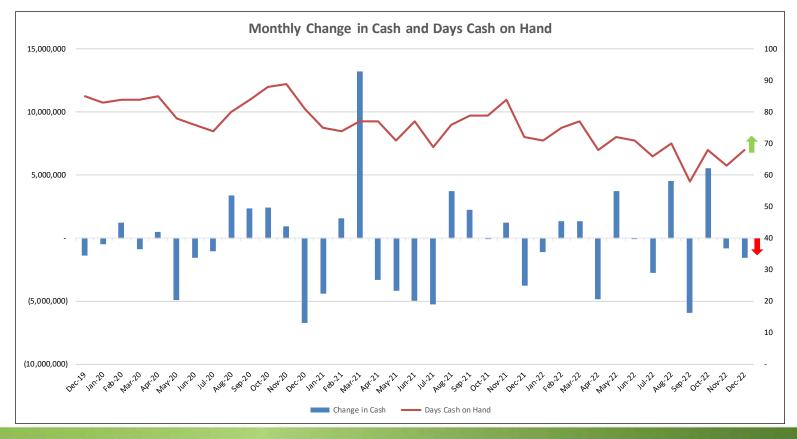
1 Day = Approximately \$700K-\$750K (Based on 12 month rolling average of expenses)

Were able to increase cash level due to reduction of expenses over a rolling 12 months even though we lost cash.









17



Balance Sheet: Notables

	(CY) 2022	(PY) 2021
	December	December
Fuel Inventory	\$ 8.982	\$ 4.493
Bond Dollars 2016C (Elec T&D)	\$ 0.716	\$ 0.709
Bond Dollars 2020A (Elec)	\$ 0.805	\$ 7.814

**Dollars in millions



Capital Spending

	(CY) 2022	(PY) 2021	2022	Budget		
	YTD	YTD				
Electric	\$ 22.61	\$ 23.86	\$	28.09		
Water	13.40	9.51		22.28		
Common	4.07	4.04		5.85		
Total YTD Capital	\$ 40.07	\$ 37.41	\$	56.22	Remaining	29%

Major projects in 2022:

**Dollars in millions

Dogwood Capital Costs - \$1.5M Fisher UG Feeders - \$3.3M Distribution Pole Inspection - \$2.6M Annual Underground - \$2.9M Annual Overhead - \$1.6M Argentine 7 MG Tank Replacement - \$4.6M Water Transmission Imp. - \$1.9M Dist. Valve & System Imp. - \$2.5M

19



Debt Coverage

(CY) 2022	(PY) 2021		
December	December		
2.75	2.34		
2.16	1.94		
2.86	2.45		
	December 2.75 2.16		

Debt	Coverage	w	/o	PIL	.OT
------	----------	---	----	-----	-----

Debt Coverage with PILOT

	(CY) 2022	(PY) 2021
	December	December
Electric	2.05	1.75
Water	1.69	1.49
Combined	2.15	1.85

Financial Guideline Target 1.6 to 2.1 times with PILOT