

**REGULAR SESSION –WEDNESDAY, SEPTEMBER 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, September 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; Johnnetta Hinson, Executive Director Customer Service; Jeremy Ash, Executive Director Electric Operations; Dong Quach, Executive Director Electric Production; Jerry Ohmes, Executive Director Electric Supply; Robert Kamp, IT Project Manager; David Mehlhaff, Chief Communications Officer; Dennis Dumovich, Director of Human Resources; Sperlynn Byers, Acting Director of Information Technology; Patrice Townsend, Director Utility Services; and Brian Laverack Director of Network Operations.

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 you were using Zoom, it would appear on your 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.

Motion was made to approve the Agenda by Mr. Bryant, seconded by Mr. Milan, and carried.

Motion was made to approve the Minutes of the Regular Session of August 19, 2020 by Ms. Gonzales, seconded by Mr. Groneman, and carried.

Mr. Eidson turned the meeting over to Mr. Bill Johnson, General Manager.

Mr. Johnson asked Mr. Robert Kamp, IT Project Manager, if there were any visitors wishing to speak.

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Mr. Kamp said that no one had their hand raised via teleconference.

**Item #6 – General Manager’s Reports**

- i. *COVID-19 Update:* Mr. Johnson gave an update on company COVID -19 matters.
- ii. *CARES Act:* Mr. Johnson updated the Board about the \$250K approved by the UG. At this time it looked like most of the request would be used for technology needs revolving around employees working in the office and remotely should the need arise due to the utility’s COVID-19 response. Teleconferencing necessities were also on the list. The evaluation was still ongoing. There was also an application for \$10K submitted which was to be dedicated to personal protection equipment for employees.

Mr. Kamp reported that a visitor had joined the meeting and had raised their hand.

**Revisit Item #5 – Visitors**

Ms. Christina N. Wind, 6348 County Line Road. Ms. Wind discussed with the Board a situation with water charges not being on her utility bill and her desire to get that resolved through arrangements versus paying the error in one large sum. She would also like for her name to be corrected on her bill.

Ms. Hinson, Executive Director of Customer Service, said that she would receive a call the following day to discuss and resolve the situation.

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

Motion was made to approve the July 2020 Financials by Ms. Gonzales, seconded by Mr. Groneman and carried.

- iv. *Electric Operations Update:* Mr. Jeremy Ash, Executive Director Electric Operations, gave a PowerPoint presentation on Electric Operations Pole Inspections, (see attached).

Mr. Ash answered questions from the Board.

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- v. *Open Health Care Enrollment:* Mr. Dennis Dumovich, Director of Human Resources, gave a PowerPoint presentation outlining the upcoming healthcare open enrollment process, including the addition of the Spira Care Center option, the new pharmacy benefit manager, CVS Caremark, and the announcement of flu shot dates and options (see attached).

Mr. Dumovich answered questions from the Board.

- vi. *Miscellaneous Comments:* Mr. Johnson expressed his thanks to staff for the evening’s presentations. He also congratulated Mr. Jim Epp, Executive Director Water Operations, on receiving the Kansas Section American Water Works Association, (KsAWWA) Richard Porter Service Award. He also informed the Board that Mr. Durward Johnson, Director Water Processing, would be moving into the Chairman position of KsAWWA. He also wanted to wish Ms. Gonzales a happy birthday.

**Item #8 – Board Comments**

Mr. Eidson thanked all for their presentations. He extended a happy birthday to Ms. Gonzales and he also wanted Mr. Ash to thank his staff for doing a great job getting the power, including his, back on from the storms the previous day.

Mr. Groneman reported on the UG Public Works and Safety Committee meeting he attended. He said it had included discussion on Metro 24, the fitness center housed in the Joe Amayo Community Center, as it was time for their contract renewal. He had requested that the owner reach out to BPU staff in regards to their utility usage and fees. He extended a happy birthday to Ms. Gonzales and reminded everyone to stay safe.

Mr. Johnson said he had been contacted by Metro 24 ownership and that there was a conversation about the possibility of metering the fitness center separately. Their electrician was going to make assessments and let us know before moving forward with any work that would be done.

Mr. Milan thanked the staff for their reports.

Mr. Bryant wished Ms. Gonzales a happy birthday. He updated the Board on the UG Standing Committee – Finance meeting. He reported that an ordinance had moved forward for approval of industrial revenue bonds for a new distribution center to be built next to Kansas

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Speedway. The approximately \$400M project would be used for ecommerce and store fulfillment for Urban Outfitters. He commented that this company was looking towards being partners with the UG and community. He also thanked the staff for the updates.

Ms. Gonzales commented on the great staff presentations and congratulated Mr. Epp and Mr. Johnson on their award and appointment. She also thanked everyone for the birthday wishes.

Ms. Mulvany Henry echoed the previous comments on the staff presentations and achievements and wished Ms. Gonzales a happy birthday. She also mentioned that she had a community member reach out to express thanks from her 90 year old mother for getting her power restored. She had lost power for 24 hours but it was important for her to let us know she appreciated the hard work it took to get it back up.

Motion was made to adjourn the meeting at 7:26 P.M. by Ms. Gonzales, seconded by Mr. Bryant and carried.

ATTEST:

Not signed by  
Secretary

Secretary due to  
Pandemic

Jenny Burley-Krenzel  
EXECUTIVE ASSISTANT  
9/17/20

APPROVED:

[Signature]  
President

**July 2020  
Financial Results**

**September 2, 2020**

## 2020 Billed kWh (YTD Jan – July)

	(CY) 2020 YTD	(PY) 2019 YTD	
<b>Electric</b>			
Residential	328,976,460	324,676,588	
Commercial	518,403,008	547,992,326	
Industrial	291,142,424	333,506,051	
	1,138,521,892	1,206,174,965	-5.6%

Lower usage in 2020 compared to 2019 due to weather (more Residential) and also the COVID-19 shutdown of businesses.

Residential – up 1.3%

Commercial – down 5.4%

Industrial – down 12.7%

## 2020 Billed CCF's (YTD Jan - July)

	(CY) 2020 YTD	(PY) 2019 YTD	
<b>Water</b>			
Residential	2,025,107	1,930,671	
Commercial	1,357,719	1,395,986	
Industrial	1,079,786	1,184,537	
	<b>4,462,612</b>	<b>4,511,194</b>	<b>-1.1%</b>

Lower usage compared to 2019 due to business shutdowns due to COVID-19

Residential – Up 5%      Commercial – Down 2%      Industrial - Down 8%



# Financial Results

## Revenues – July 2020

	(CY) 2020 July	(PY) 2019 July		Budget 2020 July	(CY) 2020 July	
Electric	\$ 28.632	\$ 26.722		\$ 27.928	\$ 28.632	
Water	4.920	4.826		5.386	4.920	
Combined	\$ 33.552	\$ 31.548	6.4%	\$ 33.314	\$ 33.552	0.7%

\*\*Dollars in millions

**Actual Compared to 2020 Budget**

Electric up 3%  
Water down 9%





# Financial Results

## Revenues – 2020 YTD

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 161.070	\$ 162.208		\$ 166.144	\$ 161.070	
Water	29.225	29.546		30.566	29.225	
Combined	\$ 190.295	\$ 191.754	-0.8%	\$ 196.710	\$ 190.295	-3.3%

\*\*Dollars in millions

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

Electric: - *Down 3%*  
 Residential (\$2.2M)  
 Commercial (\$3.2M)  
 Industrial (\$1.5M)

Water: *Down 4%*  
 Residential (\$384K)  
 Commercial (\$960K)  
 Industrial \$530K

*Recognized \$5.5 deferred revenue YTD from the 2019 ERC*

## Operating Expenses – July 2020

	(CY) 2020 July	(PY) 2019 July		Budget 2020 July	(CY) 2020 July	
Electric	\$ 19.562	\$ 18.808		\$ 19.103	\$ 19.562	
Water	3.106	3.318		3.173	3.106	
<b>Combined</b>	<b>\$ 22.668</b>	<b>\$ 22.126</b>	<b>2.4%</b>	<b>\$ 22.276</b>	<b>\$ 22.668</b>	<b>1.8%</b>

\*\*Dollars in millions

### Variance – Comparing Budget to Actual for 2020

**Electric** – up 2%

Production	- 31% down
Purchased Power	- 18% up
Fuel	- 9% up
T&D	- 12% up
G &A	- 20% down

**Water** – down 2%

Production	- 14% down
T&D	- 3% up
G &A	- 15% down



# Financial Results

## Operating Expenses – 2020 YTD (Total)

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 113.392	\$ 116.915		\$ 127.621	\$ 113.392	
Water	19.861	21.162		22.128	19.861	
<b>Combined</b>	<b>\$ 133.253</b>	<b>\$ 138.077</b>	<b>-3.5%</b>	<b>\$ 149.749</b>	<b>\$ 133.253</b>	<b>-11.0%</b>

\*\*Dollars in millions

### *Actual Compared to 2020 Budget*

Electric down 11%

Water down 10%



# Financial Results

## Operating Expenses – 2020 YTD less Depreciation

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 97.451	\$ 100.500		\$ 110.995	\$ 97.451	
Water	15.326	16.611		17.590	15.326	
Combined	\$ 112.777	\$ 117.111	-3.7%	\$ 128.585	\$ 112.777	-12.3%

\*\*Dollars in millions

Variance – YTD comparing Budget to Actual 2020

**Electric:**

- Purchased Power (\$3.8M)
- Fuel (\$ .4K)
- Production (\$4.2M)
- T&D (\$2.4M)
- G&A (\$2.8M)

**Water:**

- Production (\$640K)
- T&D (\$1.1M)
- G&A (\$520K)





# Financial Results

## Change in Net Position – July 2020

	(CY) 2020 July	(PY) 2019 July	Budget 2020 July	(CY) 2020 July
Electric	\$ 4.542	\$ 3.055	\$ 3.970	\$ 4.542
Water	0.665	0.107	1.324	0.665
Combined	\$ 5.207	\$ 3.162	\$ 5.294	\$ 5.207

\*\*Dollars in millions



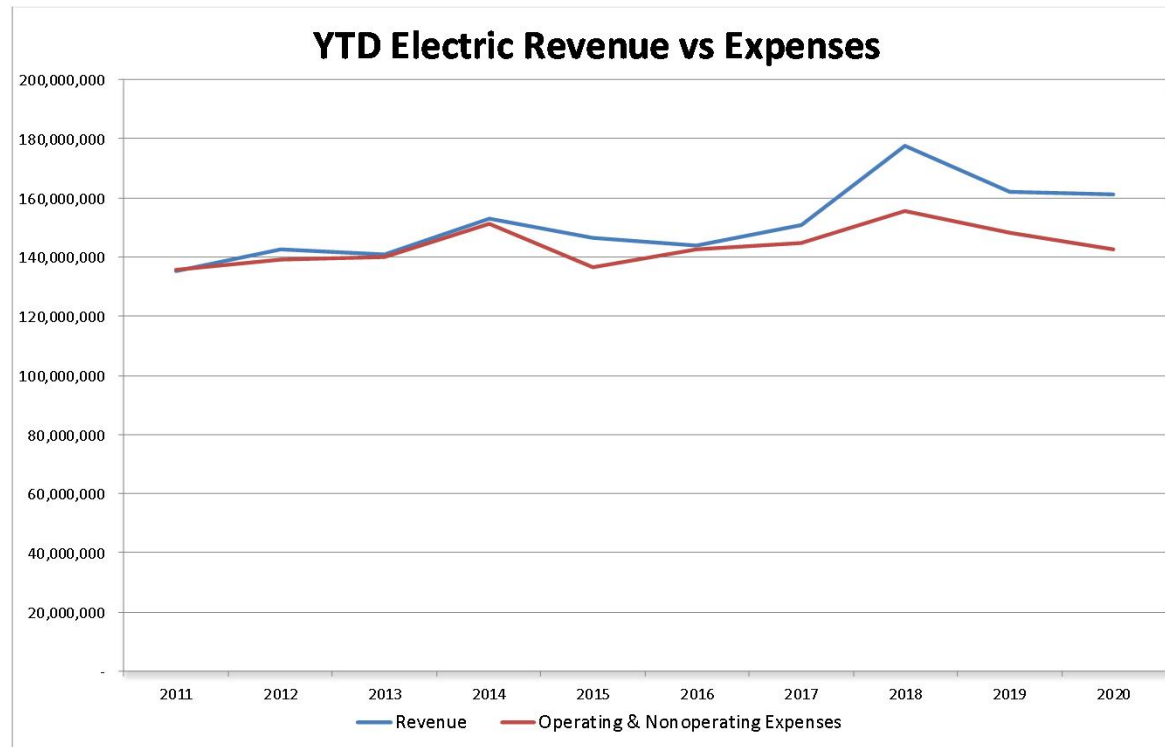
# Financial Results

## Change in Net Position – 2020 YTD

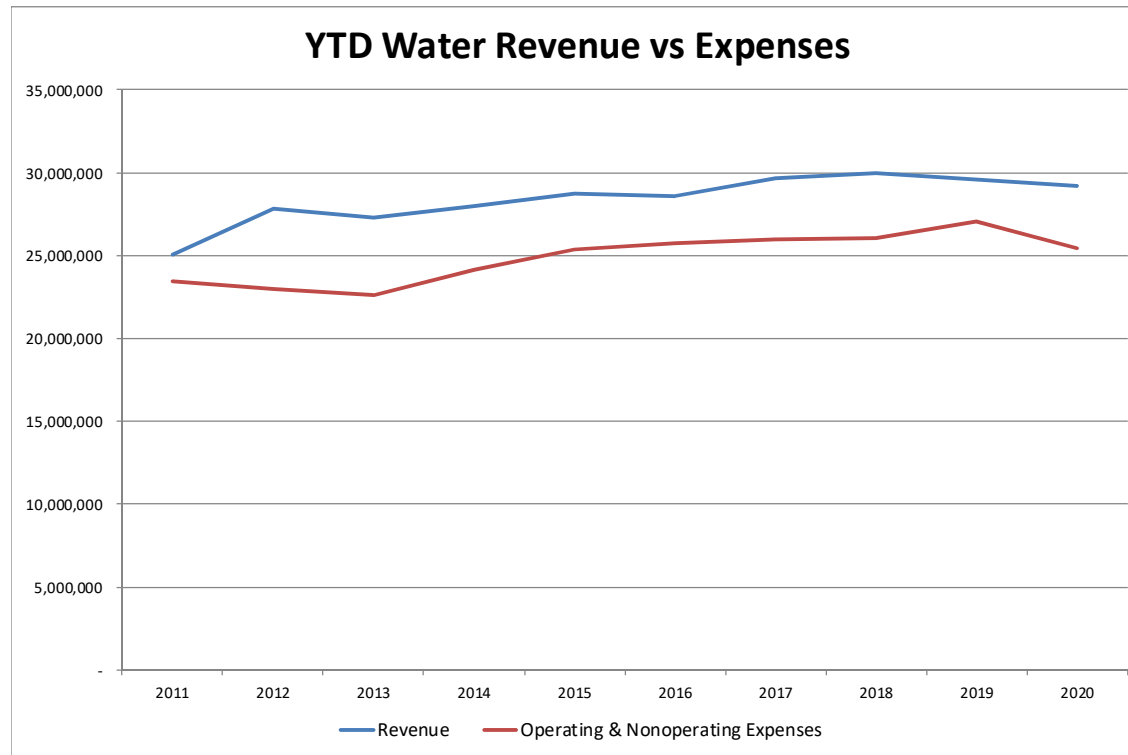
	(CY) 2020 YTD	(PY) 2019 YTD	Budget 2020 YTD	(CY) 2020 YTD
Electric	\$ 18.407	\$ 14.079	\$ 7.439	\$ 18.407
Water	3.898	2.725	3.396	3.898
Combined	\$ 22.305	\$ 16.804	\$ 10.835	\$ 22.305

\*\*Dollars in millions

# Financial Results – 10 Year Trend



# Financial Results – 10 Year Trend





## Cash Position

	(CY) 2020 July	(PY) 2019 July	2020 June
Combined (E&W)	\$ 44.23	\$ 43.01	\$ 45.67
Days Cash-on-Hand	74	74	76

\*\*Dollars in millions

## Balance Sheet: Notables

	(CY) 2020 July	(PY) 2019 July
Fuel Inventory	\$ 4.477	\$ 5.979
Bond Dollars 2016A (AQC)	\$ -	\$ 1.828
Bond Dollars 2016C (Elec T&D)	\$ 1.541	\$ 26.270

\*\*Dollars in millions



# Financial Results

## Capital Spending

	(CY) 2020 YTD	(PY) 2019 YTD	2020 Budget	
Electric	\$ 25.75	\$ 20.27	\$ 41.27	
Water	4.54	3.03	12.73	
Common	1.35	0.22	4.60	
<b>Total YTD Capital</b>	<b>\$ 31.64</b>	<b>\$ 23.51</b>	<b>\$ 58.60</b>	<b>Remaining 46%</b>

\*\*Dollars in millions

Major projects in 2020:

- Rosedale Project - \$10.M
- N1 Bottom Ash Handling System- \$3.7M
- Nearman 316B Project - \$160K
- Water Leak, Valve, System Imp. - \$1.1M
- UG/CMIP Water Distribution - \$1.7M

## Debt Coverage

### Debt Coverage with PILOT

	(CY) 2020 July	(PY) 2019 July
Electric	2.04	2.23
Water	1.78	1.99
Combined	2.04	2.22

### Debt Coverage w/o PILOT

	(CY) 2020 July	(PY) 2019 July
Electric	1.48	1.61
Water	1.34	1.55
Combined	1.48	1.63

Financial Guideline Target 1.6 to 2.1 times with PILOT

# Electric Operations Update - Pole Inspections

## September 2, 2020



# Update Overview

- Pole Inspection Program
- Program Goals
- Inspection Statistics
- Schedule Going Forward
- Questions?

# Pole Inspection Program

- Systematically Complete System
- Visual Pole Inspection
- Sound & Bore
- Excavation
- Treatment – Bugs & Bacteria





# Inspection Discoveries



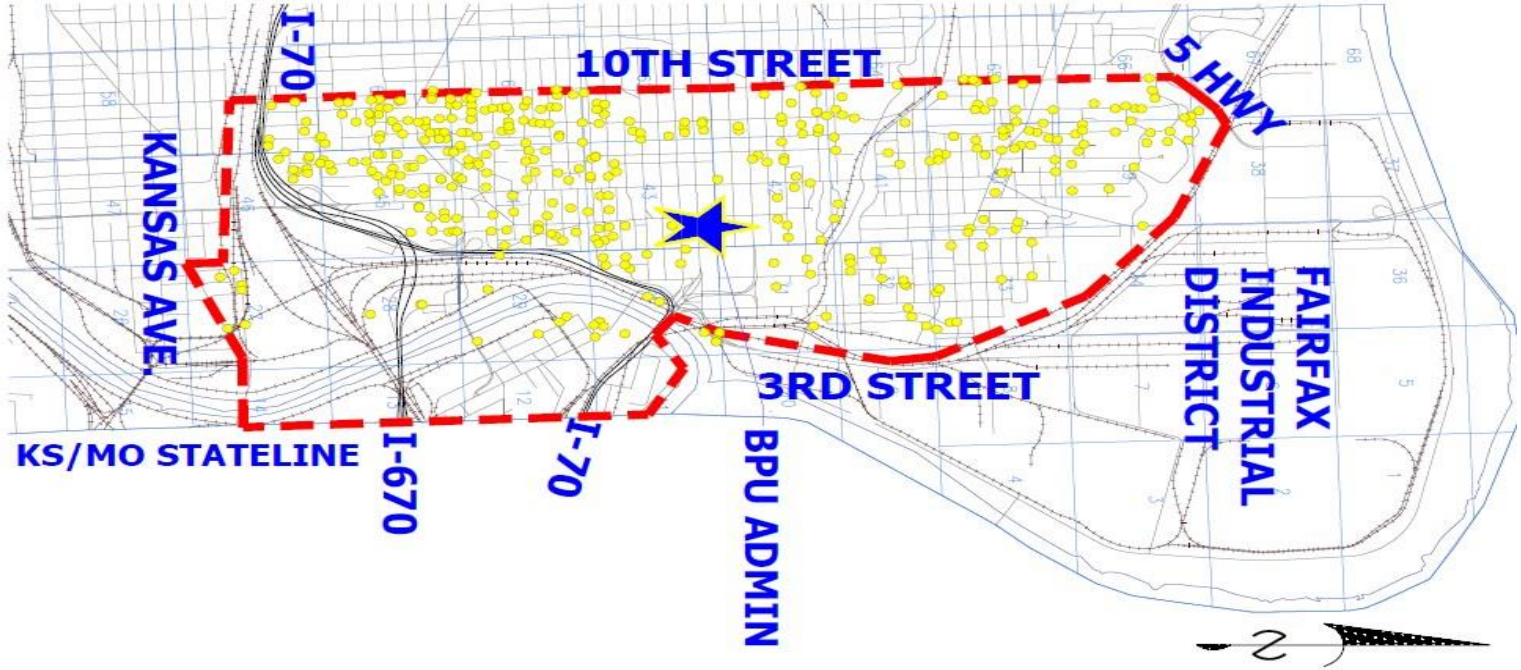


# Inspection Statistics



- 4970 Poles Inspected For 2020
- 416 Rejected – 8.3%
  - Poles Having Less Than 60% Remaining Strength
- 170 Changed As Of 9/1 (Started In June)
- 246 Changed By EOY 2020

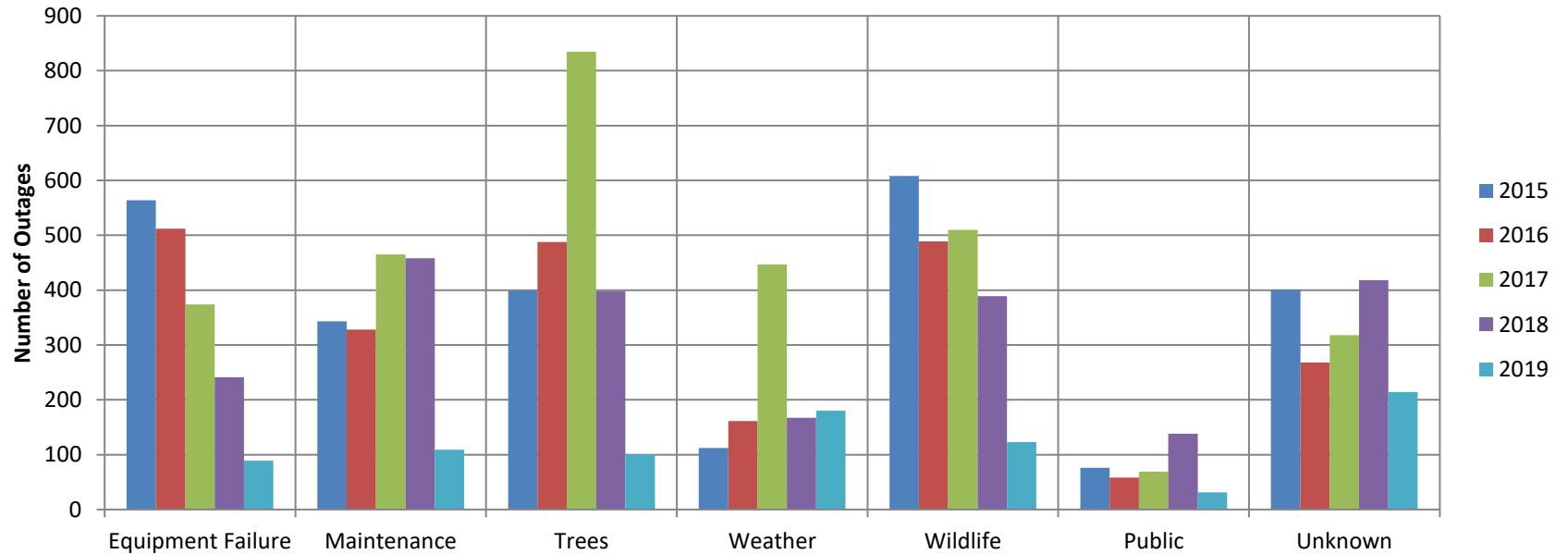
# 2020 Inspection Boundary



# Program Goals

- Provide Methodology For Inspecting Electric System
  - 55,185 Wood Poles In Electric System
- Gain Efficiency In Maintenance Efforts
- Use Real Data To:
  - Allocate Maintenance Dollars
  - Allocate Manpower
  - Aid Decision Making Relative To Capital Projects
  - Increase System Reliability

## Outage Trends By Cause



# Questions?

# Thank You