

REGULAR SESSION –WEDNESDAY APRIL 1, 2020

STATE OF KANSAS)
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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, March 18, 2020 at 6:00 P.M. The following Board Members were on the teleconference: Ryan 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; Jerry Ohmes, Executive Director Electric Supply; Jeremy Ash, Executive Director Electric Operations; Jeff Bridgland, Chief Information Officer; Dong Quach, Executive Director Electric Production; David Mehlhaff, Chief Communications Officer.

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 has resulted in a State of Emergency disaster declared by the Governor which has made it necessary to conduct these meetings using technology instead of in person. Because of this we will not be having a visitor comments section. The public may email or call the BPU with concerns. The Agenda and the presentation may be found on the BPU website. If you are using the Zoom, it will appear on your screen. Please bear with us as this is our first meeting using technology. 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 teleconferencing.

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

Motion was made to approve the Minutes of the Special Session of March 18, 2020 by Ms. Gonzales, seconded by Mr. Groneman, and carried.

Motion was made to approve the Minutes of the Regular Session of March 18, 2020 by Ms. Mulvany Henry, seconded by Mr. Milan, and carried.

Mr. Eidson turned the meeting over to Mr. Johnson.

Mr. Johnson said next on the Agenda were the February 2020 Financials and he asked Ms. Austin to update the Board.

REGULAR SESSION –WEDNESDAY APRIL 1, 2020

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Item #6 Preliminary February 2020 Financials – Lori Austin

Ms. Austin had previously provided a presentation and said it was on their screen and a link was also provided. (see attached)

There were questions and discussions on how our finances would be affected by the COVID 19 Pandemic.

Item #7 - Board Comments

Mr. Eidson thanked our IT Staff for putting the Zoom meeting together. It turned out pretty well for our first meeting.

Mr. Groneman echoed what Mr. Eidson said. He thanked staff for stepping up and making this possible. We're in untried waters. These are scary times and we don't know how long this will go on.

Mr. Bryant said this week at the company where he works, they had a water crew come down because they had a leaking water main right at a fire hydrant. He went out to talk to the crew and they got everything dug out and started looking at it and informed us there was a potential that they would have to shut the water off for six hours. Theirs is an essential business because they make packaging for the medical industry and the food industry. If they shut water off they would have to shut down production because people couldn't wash their hands. Because of the packaging that they touch, they have a process and procedures they have to go through where hand washing is done at certain intervals. The crew looked at it and were able to tighten up the saddle around where it joined in and replaced the hydrant and got everything done and didn't have to shut the water off and completed the job in just a couple of hours. He gave big kudos to the water dogs. They are always there and always do a great job. He said the same with all the electric workers. They are out there interacting with the public. They are working within close proximity of each other. They are unsung heroes too and need to be reminded that they are very well appreciated by everyone in the public.

REGULAR SESSION –WEDNESDAY APRIL 1, 2020

STATE OF KANSAS)
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Ms. Gonzales said she echoed most of the comments from her fellow Board Members. She thanked them for their leadership and all of our employees that are labeled essential at this point. She was praying for everybody’s safety. Stay safe and stay home.

Ms. Mulvany Henry said she would echo everyone’s comments leading up to this including Mr. Johnson and his senior leadership team and all of the employees in the BPU family that are out there, those that are working on the front line and those that are deemed essential and those that have been deemed non-essential employees. This is a very important effort by everyone. As Mr. Groneman said, we are in unprecedented times. The fact that we will come thorough this on the other side is a testament to all of the folks and they couldn’t thank everyone enough for steering us through this.

Mr. Milan said the presentation was well done. He wanted to thank everybody under these circumstances. His heart goes out to all the hardworking staff that is out there. He said God Bless everybody and reminded everyone to wash their hands. Pray to God so we can overcome this crisis.

Item #8 - General Manager Comments

Mr. Johnson said he also wanted to thank the Board and staff. He appreciated staff getting Zoom up and working and making this presentation possible. He thanked the Board for their patience in helping to make sure that everybody could get dialed in and we can get through the day. This was the first time using Zoom and doing our Board presentations this way.

The Board has already pointed out that we are in the essential operations providing service to our community, both electric and water. There are a lot of people still working. We have about 24 percent of our workforce on some type of administrative leave. Parts of those were people being cycled in and part is either people working from home or being sent home. It’s essential for the people that are continuing to work to practice safety in what they’re doing and making sure that they are maintaining some type of safe distance from one another and from the public as we are all concerned about their safety, health and wellbeing. It’s important for us to continue on our mission to provide the essential services that we do for this community.

He thanked senior management for all the support they were continuing to demonstrate as we work through these unprecedented times together.

REGULAR SESSION –WEDNESDAY APRIL 1, 2020

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Mr. Johnson said he wanted to recognize Mr. Eidson’s Birthday coming up on April 10 and wished him a Happy Birthday. He thanked everybody for participating in today’s meeting.

Mr. Groneman asked if we had any employees that had tested positive.

Mr. Johnson replied no, none that have tested positive. We do have somewhere between six and eight that are in self quarantine. Primarily, that was due to people having traveled outside the Kansas City metro area into areas before they were listed as a high risk area. They have gone through all the quarantine protocol to make sure they are safe before they return to work.

Mr. Groneman thanked him and said let’s hope it stays that way.

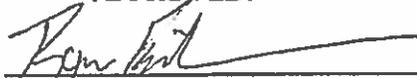
Mr. Johnson said we were continuing to meet this way just in case they do show up positive. Pray that they don’t but we have to have plans in place in case it does.

Motion was made to adjourn the meeting at 6:30 P.M. by Mr. Bryant seconded by Ms. Mulvany Henry, and carried.

ATTEST:

Not signed by Secretary
Secretary
due to pandemic

APPROVED:



President

Christine F. May
Administrative Assistant



February 2020 Preliminary Financial Results

April 1, 2020

2020 Billed kWh (YTD Jan – Feb)

	(CY) 2020 YTD	(PY) 2019 YTD	
Electric			
Residential	98,333,935	105,135,233	
Commercial	151,998,743	158,815,214	
Industrial	91,919,002	97,284,745	
	<u>342,251,680</u>	<u>361,235,192</u>	-5.3%

Lower usage in 2020 compared to 2019 mostly due to weather. The downturn has not occurred yet.

2020 Billed CCF's (YTD Jan – Feb)

	(CY) 2020 YTD	(PY) 2019 YTD	
Water			
Residential	538,153	547,795	
Commercial	376,529	367,597	
Industrial	319,647	332,299	
	1,234,329	1,247,691	-1.1%

Lower usage compared to 2019 due to milder weather through the first 2 months



Financial Results

Revenues – February 2020

	(CY) 2020 February	(PY) 2019 February		Budget 2020 February	(CY) 2020 February	
Electric	\$ 23.930	\$ 25.865		\$ 24.592	\$ 23.930	
Water	4.123	4.397		4.051	4.123	
Combined	\$ 28.053	\$ 30.262	-7.3%	\$ 28.643	\$ 28.053	-2.1%

**Dollars in millions

Electric down 3%

Water up 2%



Financial Results

Revenues – 2020 YTD

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 47.824	\$ 49.435		\$ 48.920	\$ 47.824	
Water	8.337	8.482		8.165	8.337	
Combined	\$ 56.161	\$ 57.917	-3.0%	\$ 57.085	\$ 56.161	-1.6%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2020

Electric:
 Residential (\$1.5M)
 Commercial (1.1M)
 Industrial \$56K

Water:
 Residential (\$380K)
 Commercial \$60K
 Industrial \$500K





Financial Results

Operating Expenses – February 2020

	(CY) 2020 February	(PY) 2019 February		Budget 2020 February	(CY) 2020 February	
Electric	\$ 14.839	\$ 14.241		\$ 16.910	\$ 14.839	
Water	2.647	2.972		3.123	2.647	
Combined	\$ 17.486	\$ 17.213	1.6%	\$ 20.033	\$ 17.486	-12.7%

**Dollars in millions



Financial Results

Operating Expenses – 2020 YTD

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 30.694	\$ 30.939		\$ 34.779	\$ 30.694	
Water	5.920	5.831		6.332	5.920	
Combined	\$ 36.614	\$ 36.770	-0.4%	\$ 41.111	\$ 36.614	-10.9%

**Dollars in millions

Operating Expenses – 2020 YTD minus Depreciation

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 26.131	\$ 26.249		\$ 29.848	\$ 26.131	
Water	4.636	4.528		5.035	4.636	
Combined	\$ 30.767	\$ 30.777	0.0%	\$ 34.883	\$ 30.767	-11.8%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2020

Electric:

Purchased Power (\$1.0M)
 Fuel \$400K
 Production (\$1.5M)
 T&D (\$670K)

Water:

Production (\$115K)
 T&D (\$200K)
 G&A (\$160K)



Financial Results

Change in Net Position – February 2020

	(CY) 2020 February	(PY) 2019 February		Budget 2020 February	(CY) 2020 February	
Electric	\$ 4.659	\$ 7.037		\$ 3.135	\$ 4.659	
Water	0.821	0.769		0.189	0.821	
Combined	\$ 5.480	\$ 7.806	-29.8%	\$ 3.324	\$ 5.480	64.9%

**Dollars in millions



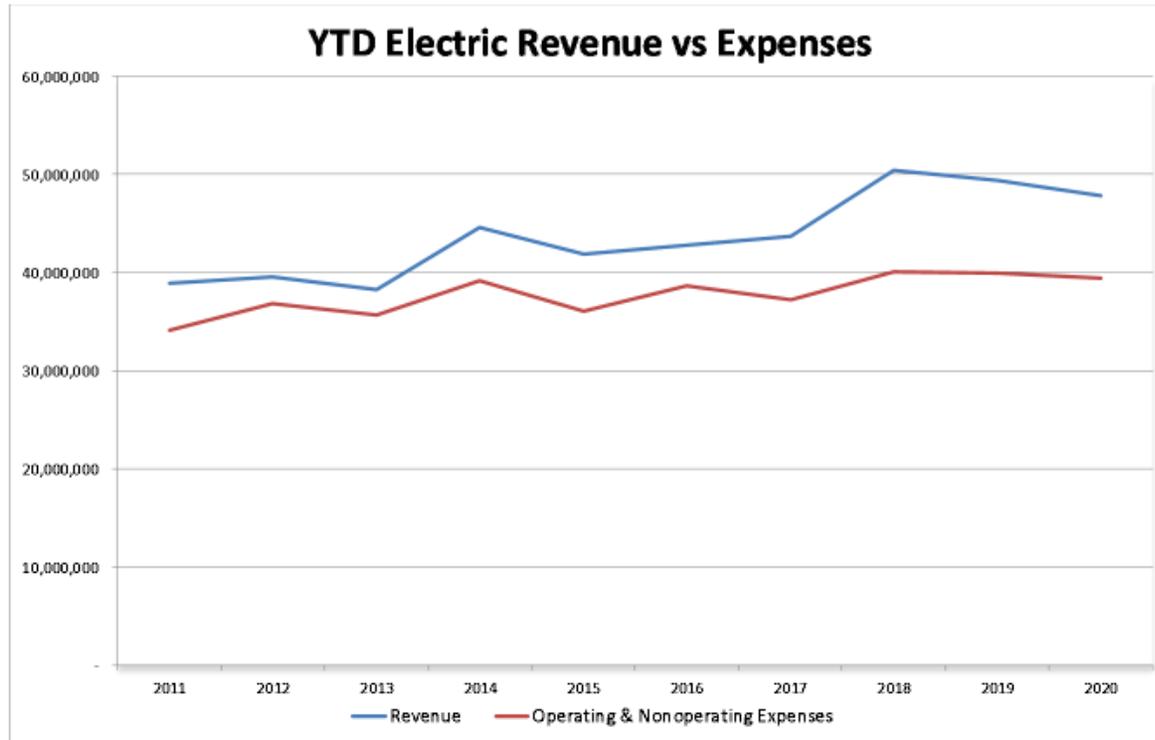
Financial Results

Change in Net Position – 2020 YTD

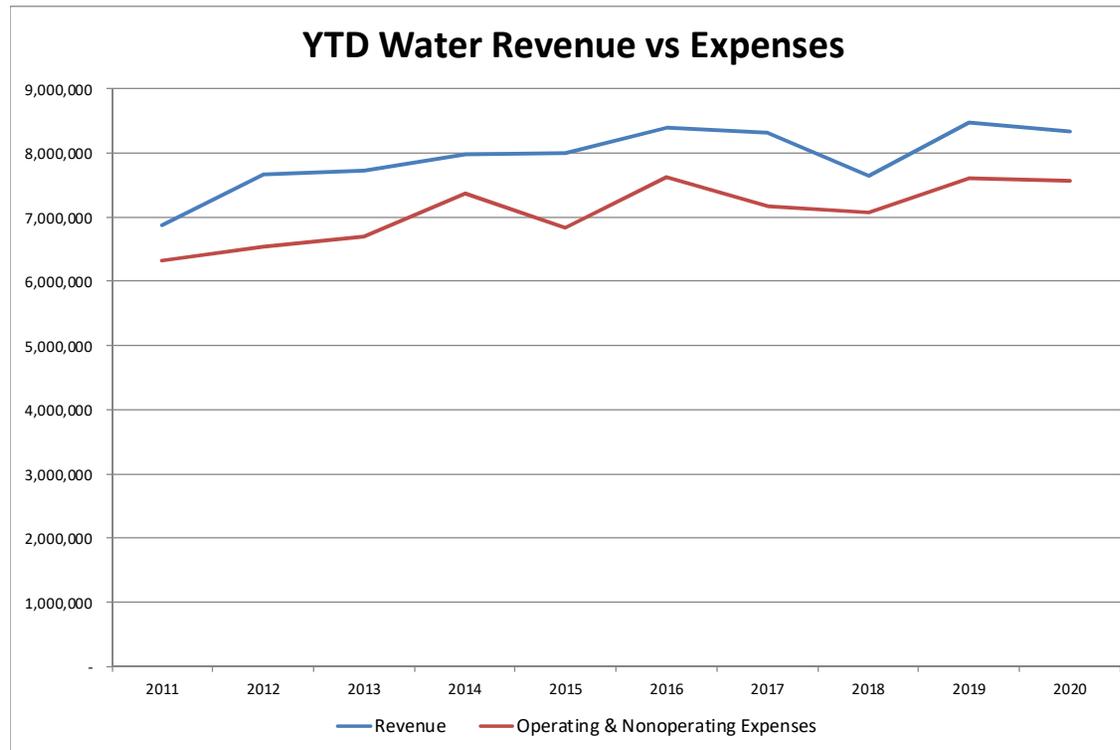
	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 8.392	\$ 9.467		\$ 5.094	\$ 8.392	
Water	0.778	0.866		0.347	0.778	
Combined	\$ 9.170	\$ 10.333	-11.3%	\$ 5.441	\$ 9.170	68.5%

**Dollars in millions

Financial Results – 10 Year Trend



Financial Results – 10 Year Trend





Financial Results

Cash Position

	(CY) 2020 February	(PY) 2019 February	2020 January
Combined (E&W)	\$ 51.20	\$ 43.37	\$ 50.72
Days Cash-on-Hand	85	72	84

1 Day = \$450K

**Dollars in millions

Balance Sheet: Notables

	(CY) 2020 February	(PY) 2019 February
Fuel Inventory	\$ 5.303	\$ 3.930
Bond Dollars 2016A (AQC)	\$ -	\$ 3.515
Bond Dollars 2016C (Elec T&D)	\$ 8.776	\$ 32.077

**Dollars in millions



Financial Results

Capital Spending

	(CY) 2020 YTD	(PY) 2019 YTD	2020 Budget	
Electric	\$ 2.70	\$ 3.03	\$ 45.19	
Water	0.94	0.56	12.59	
Common	0.04	0.06	0.84	
Total YTD Capital	\$ 3.69	\$ 3.64	\$ 58.61	Remaining 94%

**Dollars in millions

Major projects in 2020:

- Rosedale Project - \$1.2M
- N1 Remote Chain – Bottom Ash - \$75K
- Nearman 316B Project - \$50K
- Water Leak, Valve, System Imp. - \$245K

Debt Coverage

Debt Coverage with PILOT

	(CY) 2020 February	(PY) 2019 February
Electric	2.02	2.38
Water	1.77	2.08
Combined	2.01	2.36

Debt Coverage w/o PILOT

	(CY) 2020 February	(PY) 2019 YTD
Electric	1.43	1.75
Water	1.33	1.64
Combined	1.43	1.76

Financial Guideline Target 1.6 to 2.1 times with PILOT