

REGULAR SESSION –WEDNESDAY, DECEMBER 16, 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 16, 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; Randy Otting, Director Accounting; Dennis Dumovich, Director of Human Resources; Patrice Townsend, Director Utility Services; Sperlynn Byers, Acting Director of Information Technology; Chris Stewart, Director Civil Engineering; Lyle Andrews, Accounting Specialist – Budget; Steve Green, Director Water Distribution; Brian Laverack, Director of Network Operations; and Steve Nirschl, Director Water Processing.

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 Ms. Gonzales and unanimously carried.

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Item #4 – Approval of the Regular Session Minutes

A motion was made to approve the Minutes of the Regular Session of December 2, 2020 by Mr. Groneman, seconded by Mr. Milan and unanimously carried.

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

Item #6 – Public Comments – (taken out of order)

Mr. Dustin Hare, WyCo Mutual Aid, expressed thanks for suspending disconnects and also commented on the accessibility to the funds available through the United Way. He had received an email from the Director of Community and Financial Initiatives stating that, to her knowledge, the United Way funds had been spent.

Mr. Johnson said that he would circle back with the United Way in order to understand the difference between the hardship funds provided to them by BPU and what the Cares Act was providing in terms of utility assistance.

Senator David Haley, PO Box 171110, echoed the thanks expressed by Mr. Hare. He also called on the Board to look at the policies dealing with reconnects also.

Mr. Zach Pistora, 22801 Golden Road, also expressed appreciation for the actions taken to suspend disconnects and asked the Board to also consider those who are currently disconnected.

Ms. Helen Collins, 41 Summit Crest Drive, was curious if the Argentine Water Storage project was paid for by the residents of Wyandotte County.

Mr. Johnson explained that dollars were set aside for operating and maintaining the utility to make infrastructure improvements, as well as capital projects. Some projects were multi-year projects and were not funded solely in one year’s budget, but over a course of years. Projects were funded by revenues collected not only by residents, but also commercial and industrial businesses, etc. All revenues collected supported the utility’s annual budget.

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Item #7 – General Manager’s Reports

- i. *COVID-19 Update:* Mr. Johnson, gave an update on company COVID -19 matters. He was monitoring how the upcoming COVID vaccination process would go and would keep the Board informed. He spoke about Cares Act dollars available through the United Way and that the deadline to use them was December 30. He also announced that a press release had gone out to let the public know that disconnects would cease until March 1, 2021.

Ms. Mulvany Henry commended the leadership in making that move.

- ii. *New Argentine Water Storage:* Mr. Jim Epp, Executive Director Water Operations, and Mr. Chris Stewart, Director Civil Engineering, gave a PowerPoint update on where they were with the New Argentine Water Storage project and what they were hoping to accomplish (see attached).

Mr. Stewart addressed comments from the Board.

- iii. *2021 BPU Annual Budget Approval:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, presented a summary of the 2021 BPU Annual Budget with a PowerPoint presentation (see attached).

A motion was made to approve Resolution #5256, the 2021 BPU Annual Budget, by Ms. Gonzales, seconded by Mr. Bryant and carried unanimously.

- iv. *Miscellaneous Comments:* Mr. Johnson announced that this was Mr. Jim Epp, Executive Director Water Operations, last Board meeting as he was retiring at the end of the year. Mr. Johnson reflected on Mr. Epp’s years of service and on his many accomplishments.

Mr. Epp expressed his gratitude for years he served at the Board of Public Utilities and on the BPU Pension Board.

Item #7 – Board Comments

Mr. Eidson congratulated Mr. Epp on his retirement and wished Mr. Johnson a Happy upcoming Birthday He wanted everyone to have a Merry Christmas and Happy New Year and reminded all to be safe.

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Mr. Groneman echoed Mr. Eidson's comments and also thanked the staff for all of the hard work put into the 2021 Budget.

Mr. Milan also express congratulations and a job well done to Mr. Epp, Happy Birthday to Mr. Johnson and he thanked staff for the evening's presentations.

Mr. Bryant expressed his appreciation for Mr. Epp's service and echoed the other appreciations.

Ms. Gonzales thanked Mr. Epp for his service and hoped he enjoyed his retirement. She also expressed thanks for the suspension of disconnects. She thanked management for preparing and presenting the budget, wished Mr. Johnson a Happy Birthday and everyone a Merry Christmas.

Ms. Mulvany Henry echoed everyone's comments. In regards to the budget, she thanked the staff for dealing with some difficult circumstances and still meeting the fiduciary goals. She also spoke about time she spent observing, first hand, the Customer Service department. She commended them on their professionalism in dealing with customers and thanked Ms. Hinson for her leadership.

Item #9 – Adjourn

Motion was made to adjourn the meeting at 7:05 P.M. by Mr. Bryant, seconded by Ms. Mulvany Henry and carried unanimously.

ATTEST:
Not signed by
Secretary due to
Pandemic
Secretary

APPROVED:


President

Jenny Burley-Krenge
EXECUTIVE ASSISTANT
1/14/2021



Kansas City Board of Public Utilities 2021 Annual Budget Summary

December 16, 2020

2021 Budget Objectives

- Positive Net Income
- Positive Cash Flow
- Fund Capital Projects
- Maintain Cash Balances & Debt Coverage



2021 Budget Objectives

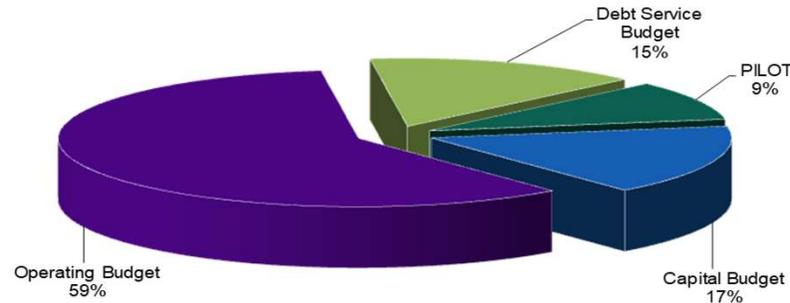
BPU's focus includes:

- Provide cost effective, safe and reliable utility services, including efficient operation of electric and water production facilities.
- Remain focused on updating policies and operating procedures to meet requirements of our broad customer base.
- Encourage strategic alliances and support expansion opportunities that benefit the utility and the community.
- Continue to support and champion renewable energy while evaluating our future generation mix opportunities.
- Promote on-going energy and water efficiency initiatives through customer education, community outreach services and targeted programs.
- Continue to focus on employee training and development.
- Ensure continued fiscal sustainability by effectively managing debt service coverage, cash-on-hand, and credit ratings

2021 Budget Resources

BPU ANNUAL BUDGET						
Uses of Funds	Proposed Budget 2021	Adopted Budget 2020	More/(Less) Than 2020 Adopted		% of Grand Total	
			\$	%	2021	2020
Operating Budget	\$ 205,942,690	\$ 220,478,896	\$ (14,536,206)	-6.59%	59.11%	59.07%
Debt Service Budget	51,801,427	58,042,050	(6,240,623)	-10.75%	14.87%	15.55%
PILOT	32,716,966	35,332,388	(2,615,422)	-7.40%	9.39%	9.47%
Capital Budget	57,921,258	59,409,785	(1,488,527)	-2.51%	16.63%	15.92%
Grand Total	\$ 348,382,341	\$ 373,263,119	(24,880,778)	-6.67%	100.00%	100.00%

2021 BPU Uses



QUESTIONS?

Request for Approval of
Resolution #5256

Argentine 7 Million Gallon Reservoir

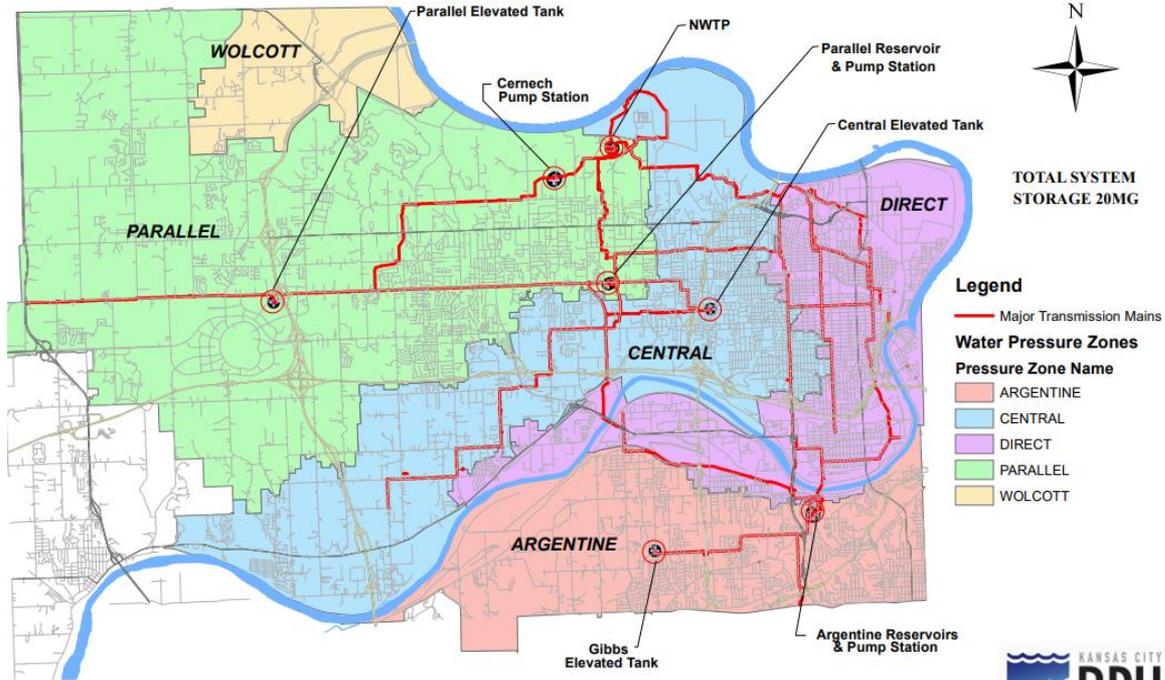
December 16, 2020



Water Distribution System Overview

- NWTP - 72 MGD Capacity
- 2 HCW with 40 MGD Capacity for Each Well
- 3 Pumping Stations ; 3 Ground Storage Reservoirs; 3 Elevated Tanks
- 84 Miles of Transmission Mains (20 inches and greater in Diameter)
- Direct / Argentine System Impacted by new reservoir

Distribution Transmission Mains & Storage



Argentine Reservoir History

- 12 MG Open Reservoir constructed circa 1920
- 4 MG Reservoir constructed in 1947
- Roof Installed on 12 MG in 1957
- 4 MG replaced in 1995
- **12 MG Reservoir removed from Service in 2011**

Argentine Reservoirs



Argentine 4 MG Reservoir



Argentine 12 MG Reservoir



Argentine 12 MG Reservoir (2011)



Argentine 12 MG Reservoir (2011)





Projects that reduced impact of 12 MG storage loss

- NWTP 4 MG reservoir
- Filter Upgrade at NWTP increased plant capacity to 72 MGD
- High Service Pumping Upgrade at NWTP
- Generator and Electrical Improvements at Argentine PS
- 2 MG Elevated Tank at 51st and Gibbs in Argentine System

Key Operations metrics without 12 MG Storage

- Direct / Argentine storage is 6 MG
- Maintain storage volume during normal operation between 3.6 MG to 6 MG
- Fire Storage requires 1.4 MG
- Minimum Emergency Storage at lower volume is 2.2 MG
- No redundancy with single reservoir
- Doesn't allow maintenance of existing reservoir
- Significant reduction in the Emergency Storage Capacity



Emergency Storage Event

- Monday June 29,2017 NWTP lost power for 1.5 hrs
- Argentine Reservoir Demand was 535,000 gallons per hour
- Tanks were full at the time of power loss
- System Demand was Average Day of 30 MGD

Emergency Storage Analysis

- Existing :
 - 100 % Storage capacity: 8.5 hours emergency response time
 - 60 % Storage capacity: 4 hours emergency response time

- New 7 MG Reservoir :
 - 100% Storage capacity: 21.5 hours emergency response time
 - 60 % Storage capacity: 12 hours emergency response time

Estimated Cost and Schedule

- 7MG Reservoir recommended by Burns and McDonnell Study
- Estimated Cost : \$10,000,000
- Schedule
 - Loan Requirements..... Jan 2021 - July 2021
 - Design..... February 2021 - October 2021
 - Bid..... November 2021
 - Demo 12 MG..... Dec 2021
 - 7 MG Reservoir..... Mar 2022 - May 2023



Questions

- Thank You