

REGULAR SESSION – WEDNESDAY, JUNE 8, 2022

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, June 8, 2022 at 6:00 P.M. The following Board Members were present: Mary Gonzales, President; Rose Mulvany Henry, Vice President; Thomas Groneman, Secretary; Robert L. Milan, Jeff Bryant and David Haley.

Also present: William Johnson, General Manager; Angela Lawson, Deputy Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Johnetta Hinson, Executive Director Customer Service; Steve Green, Executive Director Water Operations; Dong Quach, Executive Director Electric Production; Jerin Purtee, Executive Director Electric Supply; Maurice Moss, Executive Director Corporate Compliance; David Mehlhaff, Chief Communications Officer; Dennis Dumovich, Director of Human Resources; Mark Masloski, Meter Data Management System Analyst; Darren McNew, Director Electric Transmission & Substation; Robert Kamp, IT Project Manager and Tierra Johnson, Acting Supervisor Cash Operations.

A tape of this meeting is on file at the Board of Public Utilities.

Ms. Gonzales called the Board meeting to order at 6:01 P.M. She welcomed all that were listening to or viewing the meeting. She stated that the Board felt it was necessary to offer the use of technology for staff as well as for the general public. During the public comment section, 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 connected by phone only, needed to press *9 to indicate they wished to address the Board in the public comment section. Staff would assist those attending in person. During the public comment section of the agenda, community members would be asked to provide their name and address and had five minutes to speak. As always, the public could also email or call the BPU with any concerns. The agenda and presentations could be found on the BPU website or if they were using Zoom they would appear on their screen. Ms. Gonzales 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.

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 Work Session Minutes of May 18, 2022

A motion was made to approve the minutes of the Work Session of May 18, 2022, by Ms. Mulvany Henry, seconded by Mr. Bryant, and unanimously carried.

Item #5– Approval of Regular Session Minutes of May 18, 2022

A motion was made to approve the minutes of the Regular Session of May 18, 2022, by Mr. Groneman, seconded by Ms. Mulvany Henry, and unanimously carried.

Item #6 – Public Comments

Mr. W.D. Young, 2602 N. Hallock St. addressed the Board regarding a surge protector on his house that he was being charged for and wanted to know how many other customers had a surge protector on their houses.

Item #6 – Turner Community Connection

Ms. Chandra Ward and Ms. Barbara Kill spoke about the Neighborhood Business Revitalization group in the Turner area and the various programs they use to serve their community. (See attached.)

Ms. Ward and Ms. Kill responded to comments from the Board.

Item #7 – General Manager / Staff Reports

- i. *Customer Service Quarterly Update:* Tierra Johnson, Acting Supervisor of Cash Operations, presented the Customer Service Cash Operations review to the Board. It included an overview of the department’s goals and procedures in managing customer transactions. She also reviewed the various agency assistance programs available to customers. (See attached PowerPoint).

Ms. Johnson responded to questions and comments from the Board.

- ii. *April 2022 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, gave a PowerPoint presentation reviewing the financials for April 2022 with the Board. (See attached.)

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Ms. Austin answered questions from the Board.

A motion was made to approve the April 2022 Financials as presented by Mr. Bryant, seconded by Ms. Mulvany Henry, and unanimously carried.

iii. *Approval of Preliminary Financials already presented:*

A motion was made to approve the 4th Quarter 2021 Financials, January 2022 Financials, February 2022 Financials, and the 1st Quarter 2022 Financials (all of which had previously been presented), by Mr. Bryant, seconded by Mr. Milan, and unanimously carried.

Ms. Austin reported that BPU had received the Certificate of Achievement Award in Financial Reporting for the 2020 Financials and thanked her team for all of their hard work. She was also pleased to report that it was the 40th year in a row that BPU had received this award.

iv. *Miscellaneous Comments;* Mr. Johnson updated the Board on the coal delivery situation. As of June 5th BPU had received three coal deliveries and were expecting another delivery on June 10.

Ms. Mulvany Henry made inquiries about the timeline of the coal shortage situation.

Mr. Dong Quach, Executive Director Electric Production, and Mr. Johnson responded to questions from the Board.

Mr. Johnson also reported on Unified Government (UG) Government Efficiency taskforce meeting he had attended. The taskforce requested to see the BPU budget, the BPU Organization Chart, and the Strategic Plan. Mr. Johnson and staff would be giving a summary version of the BPU budget to the taskforce in the near future.

He also said that Mayor Gardner was putting together an Economic Development team in addition to the taskforce that included; BPU, UG, Wyandotte Economic Development Council (WYEDC), KCK Chamber and Local Initiatives Support Corporation (LISC). This group would meet every other month and their objective would be to look at the UG process for Economic Development so that the right groups are at the table at the right time.

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Mr. Johnson reported that the UG/BPU joint meeting had been moved from June to July. Mr. Johnson attended the Fairfax Industrial Association (FIA) Board meeting. He discussed having APPA Hometown Connections conduct a future workshop with the Board. He also updated the Board on the status of live broadcasting the Board meetings. They were working through some back ordered equipment obstacles at this time. He explained that the equipment they were bringing in needed to be compatible with what BPU currently had. He would keep the Board informed.

Mr. Haley asked if procedures would be in place before the live broadcasting was implemented.

Mr. Johnson said that there would be an orientation to walk the Board through the preparation of going live.

Item #8 – Board Comments

Mr. Haley thanked everyone for the evening’s presentations. He also was appreciative of the Cold Weather rule discussion. He expressed his concern about what nonprofit organizations were being charged for certain connections. He also commented about UG charges on the BPU bill and the possibility of dual billing that would show BPU consumption charges, and another bill that would show the UG charges that BPU was collecting. He proposed having a resolution that stated the Board’s desire to see a bifurcation of the bills.

Mr. Groneman thanked everyone for the informative presentations at the Work and Regular sessions. He congratulated Ms. Austin and her team on their recognition. He was happy to see a coal train on the tracks the other day when he was driving down I-70.

Mr. Milan thanked staff for their presentations. He also spoke about attending a meeting of Churches United for Justice, whose objectives were to look at affordable housing and crime east of I-635 and possible funding available.

Mr. Bryant thanked Ms. Johnson for coming and presenting to the Board. He also thanked Mr. Moss, Executive Director Corporate Compliance, for his Risk Management Overview presentation and asked, if a risk was identified and put on a risk register, would it trigger implementation of a mitigation plan for that risk. He also asked if Mr. Moss tracked the stages of other utilities who had implemented such plans.

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Mr. Moss said that it would trigger a course of action. He also stated that through the American Public Power Association (APPA), he did have knowledge of other utilities implementations and steps, and also had relationships with other utilities in which implementation and steps were shared.

Mr. Bryant also wanted to congratulate Ms. Austin on the recognition received.

Ms. Mulvany Henry asked if there were any electric car charging station in our area.

Mr. Johnson said there were none owned by BPU. BPU was currently looking into what state and federal dollars might be available to start a program and was also going to explore possibly partnering with other entities.

Ms. Gonzales thanked Mr. Scott Paulson, Supervisor Vegetation Management, for the tree trimming done in our area, which had resulted in low numbers of outages during the last storms. She also appreciated the information put out regarding available COVID tests.

She congratulated Ms. Austin and the Accounting department on the award received, and thanked everyone for the evening’s presentations.

Mr. Milan and the Board expressed their deepest condolences to Ms. Jenny Burley-Krenzer on the passing of her husband, Joel.

Item #9 – Adjourn

A motion was made to adjourn at 8:25 P.M. by Mr. Bryant, seconded by Ms. Mulvany Henry, and unanimously carried.

ATTEST:


Secretary

APPROVED:


President

Customer Service Cash Operations Review

June 8, 2022

Cash Operations

Our overall goal is to effectively manage the timely and accurate processing of electronic and manual payments, deposit all funds, reconcile the bank statements and provide an excellent customer service experience.

- Process payments on accounts via Cash, Check, Credit/Debt Card, Money Order, and Cashier's Check
- Process Dishonored or Returned Items
- Balance Cash Drawers
- Cancel NSF Disconnects
- Process and Balance Electronic A/R Files
- Research and verify payment history

Payment Methods

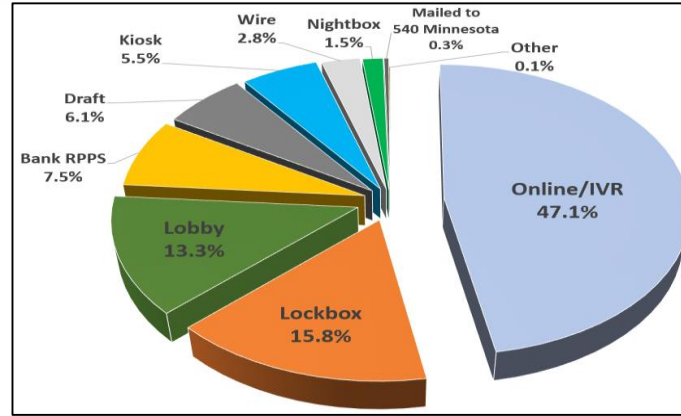
- Online and IVR
- Kiosk
- Nightbox
- UMB Lockbox
- RPPS - Payments made through a third party
- Mail Payments - 540 Minnesota
- Agency
- Bank Draft
- ACH - Wire
- Lobby (Closed in March 2020 due to COVID)



Cash Operations - Pre-COVID

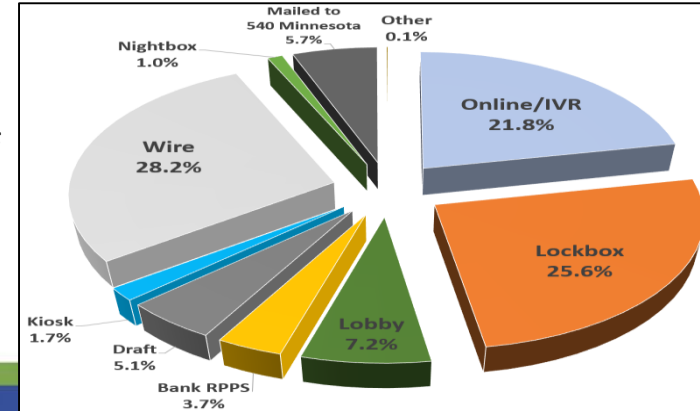
Payment Methods

- Around \$32 Million was handled through the various payment channels monthly
- Payments made online and thru the IVR accounted for almost half the transactions and ~22% of all money collected
- Payments made in the lobby accounted for almost 15% of all transactions & over 7% of money collected (approx. 9,000 -11,000 customers per month)



Percent of Payment Transactions

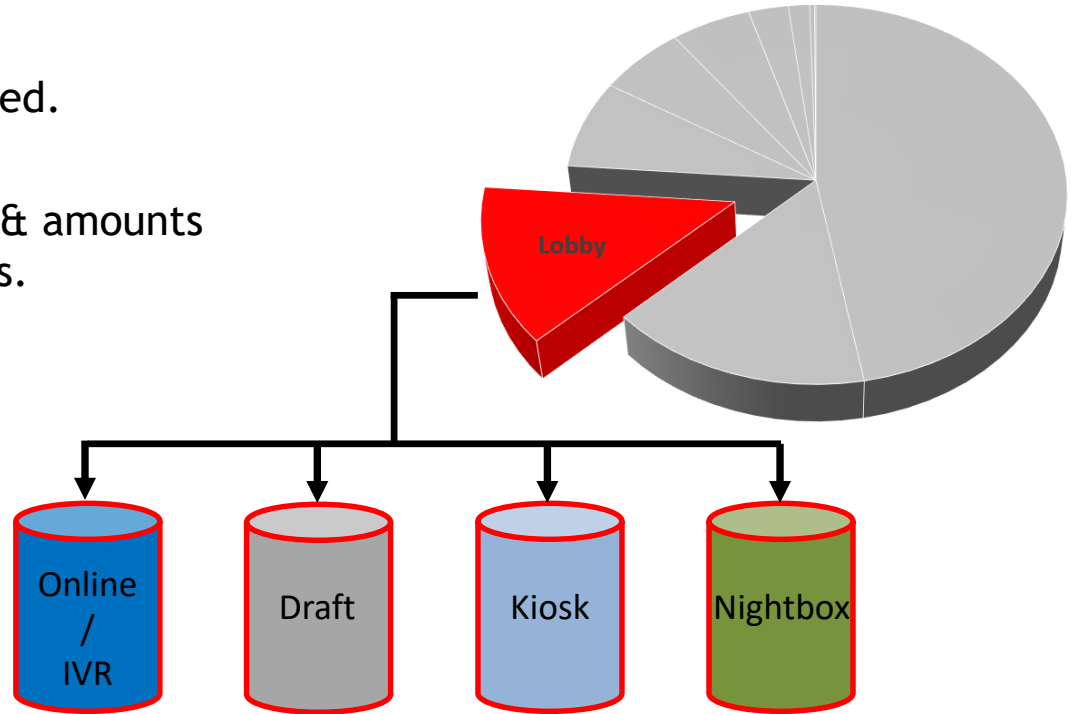
Percent of Money Collected



Cash Operations - COVID

COVID Impact

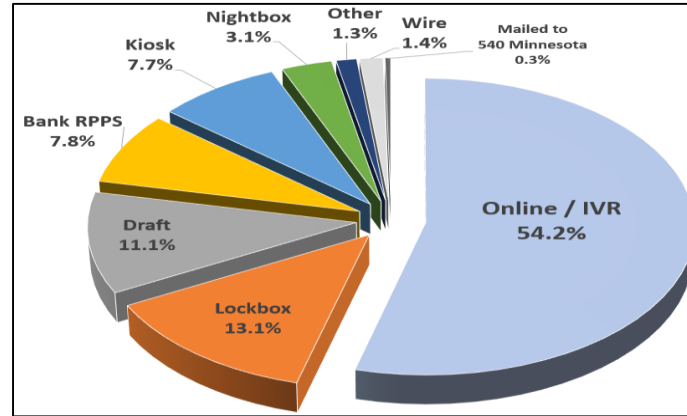
- During COVID, the Lobby was closed.
- The impact of those transactions & amounts were shifted to different channels.
- Most of the shift went to:
 - Online / IVR
 - Draft
 - Kiosk
 - Nightbox



Cash Operations - Today

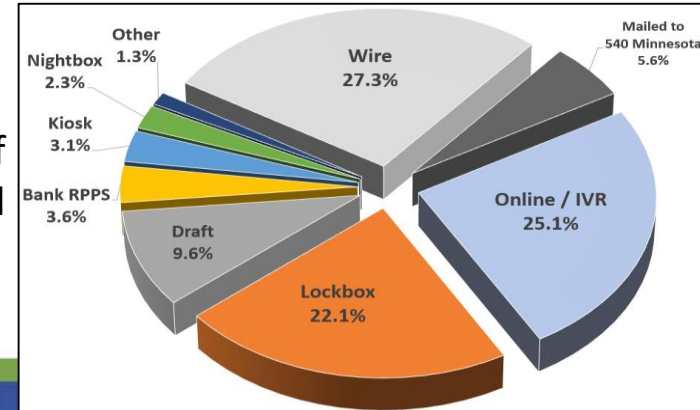
Payment Methods

- Around \$32 Million is still handled through these channels monthly
- Amount paid channel changes:
Online / IVR has increased ~3.5%
Draft is up ~4.5%
Kiosk has increased ~1.5%
Nightbox is up ~1%
- Transaction channel changes:
Online / IVR is up ~7%
Draft is up ~5%
Kiosk has increased ~2%
Nightbox has increased ~1.5%



Percent of Payment Transactions

Percent of Money Collected



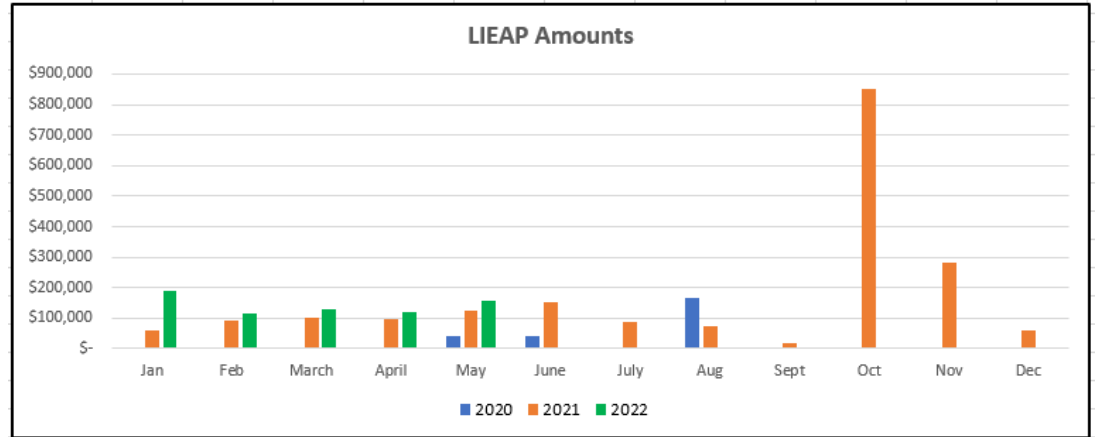
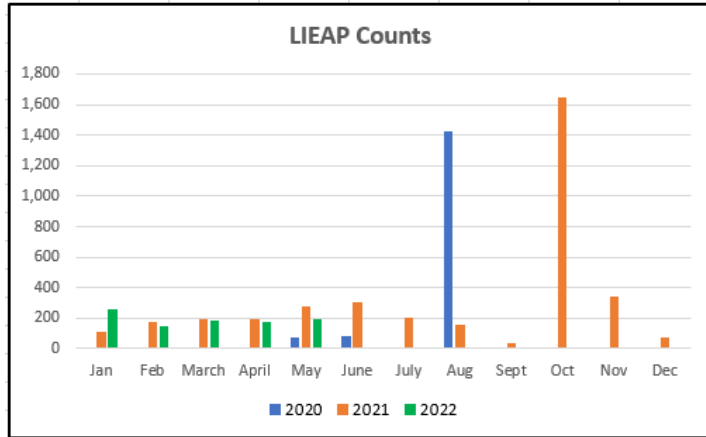
Agency Assistance

Agencies work with BPU to determine how much assistance is needed on past due bills. Payments (checks) received are applied manually by Cash Operations to the specified accounts.

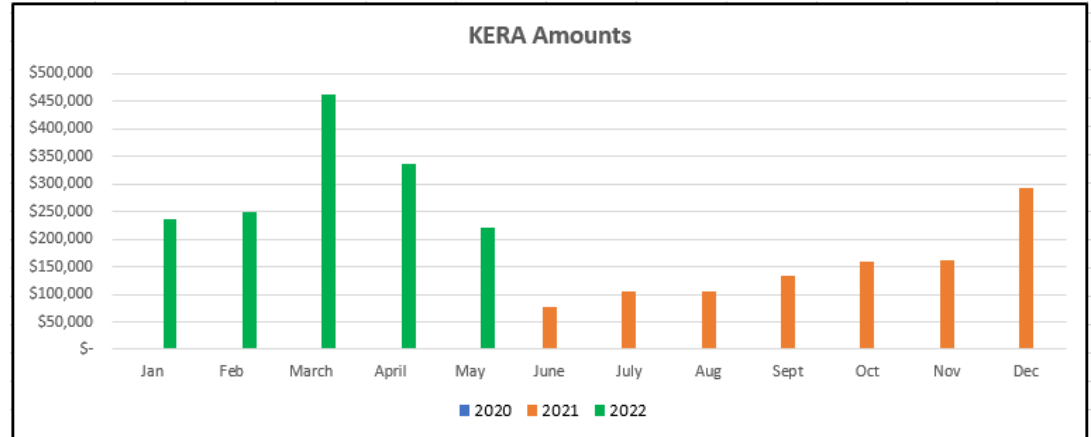
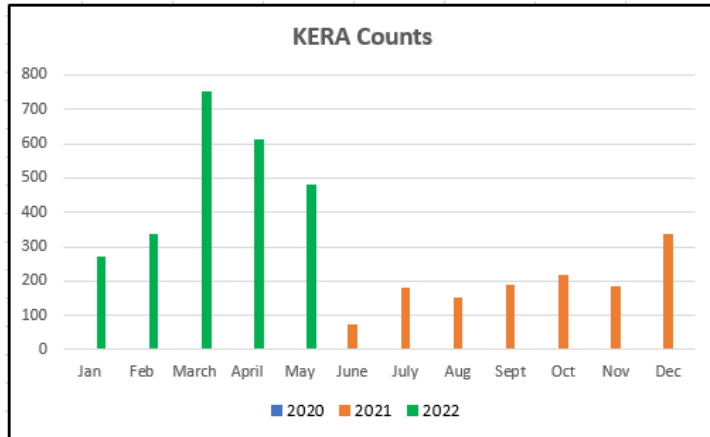
A few agency programs include:

- **LIEAP** - Low Income Energy Assistance Program; Assists with paying on the Electric portion of the BPU bill.
- **KERA** - Kansas Emergency Rental Assistance; Assists with the utilities, rent & internet. Program began in May 2021.
- **EWAP** - Emergency Water Assistance Program; Assists customer's with the Water portion of the BPU bill. New in past 2-3 months.
- **KHAF** - Kansas Homeowner Assistance Fund; Assists homeowners with their mortgage, property taxes and utilities. New in past 2-3 months.

In the past, LIEAP only provided payments once or twice a year. Since COVID, more funds have been made available. We are receiving payments every month, almost daily.



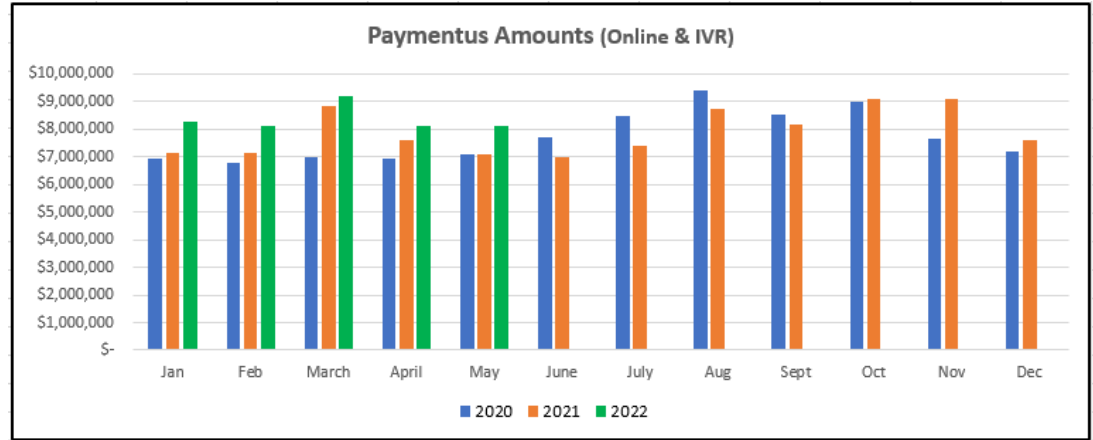
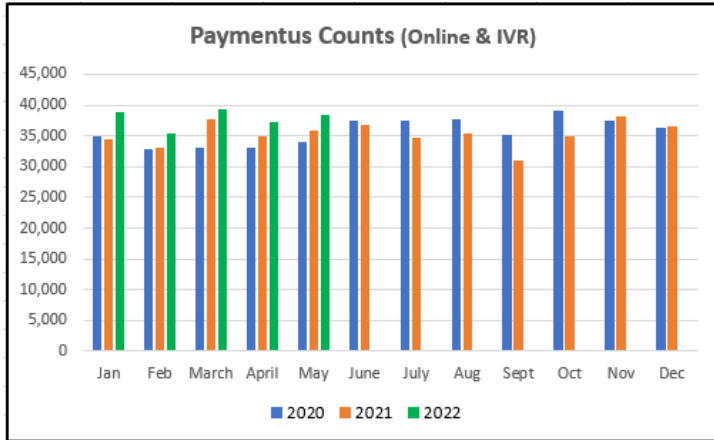
KERA began in May 2021 with the first payments arriving in June 2021. We saw an increase thru March 2022 but count & amount numbers have been decreasing lately.



Online / IVR Payments

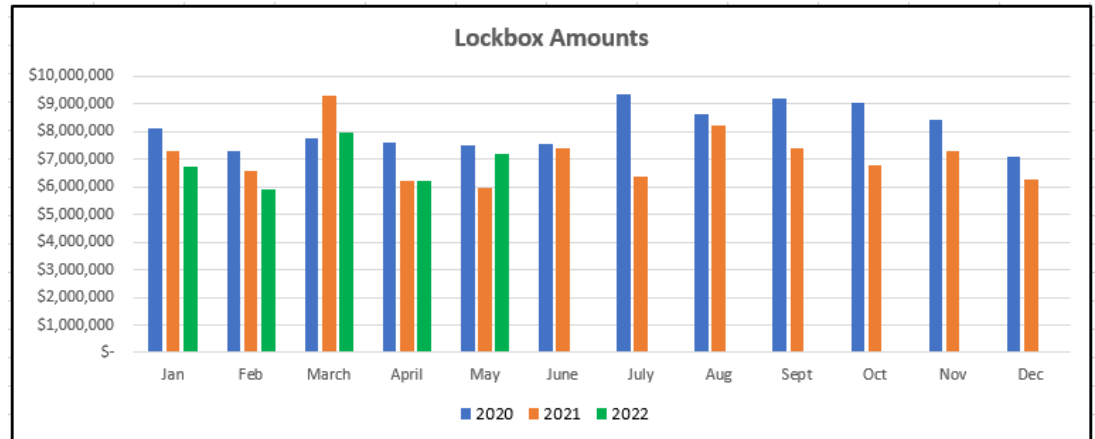
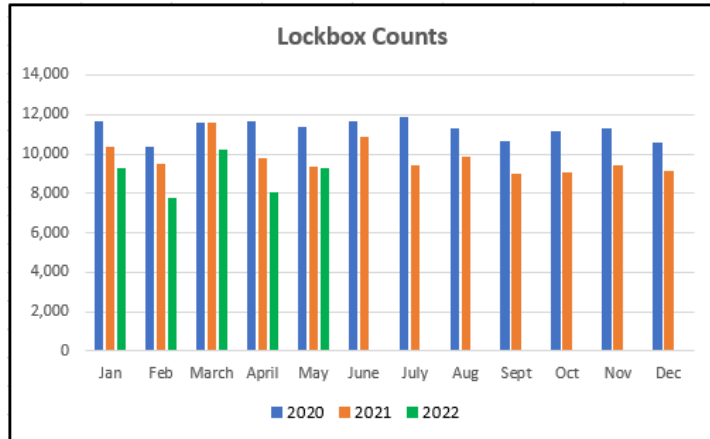
Online / IVR Payments are handled via Paymentus.

Each month of 2022 has seen the highest counts & amounts over the past three years.



Lockbox Payments

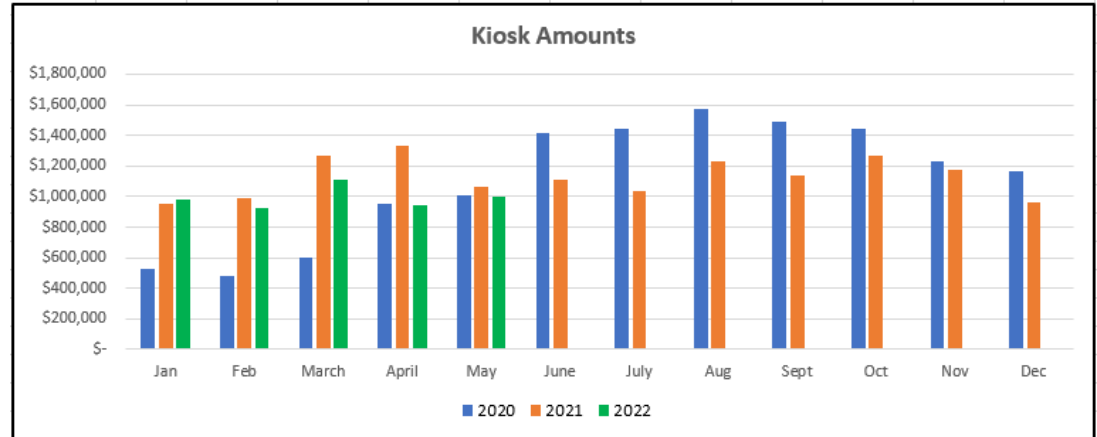
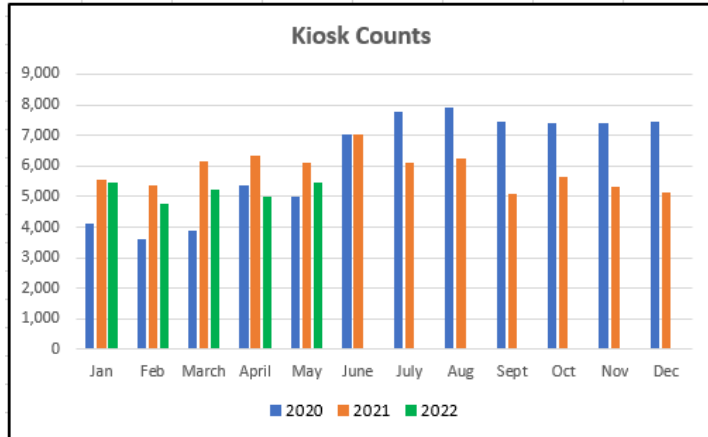
Lockbox Payments are mailed to the PO Box displayed on the bill.
Payments made thru the lockbox have been decreasing year-over-year.



Kiosk Payments

Kiosk Payments are handled via US Payments.

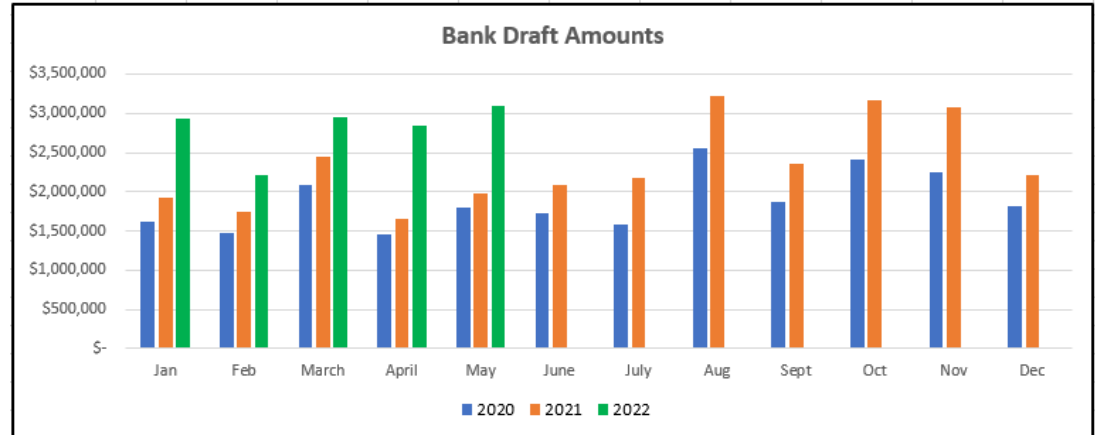
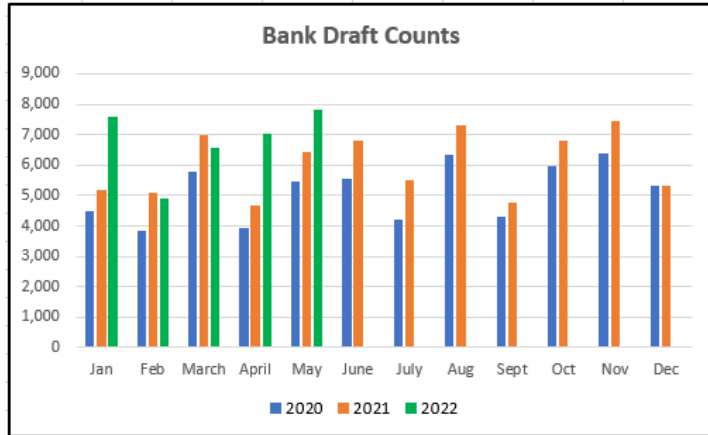
There was a decent increase in Kiosk payments/amounts once the lobby closed. That increase has come down to a more consistent level.



Bank Draft Payments

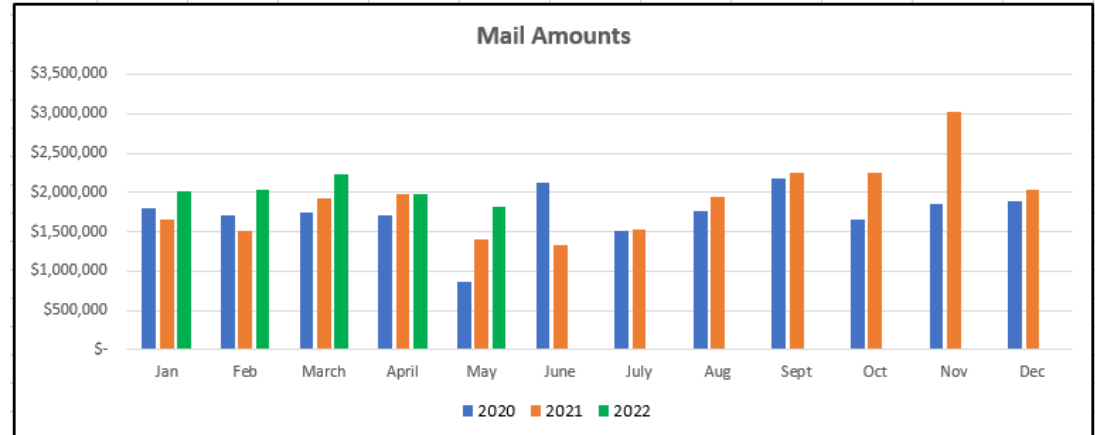
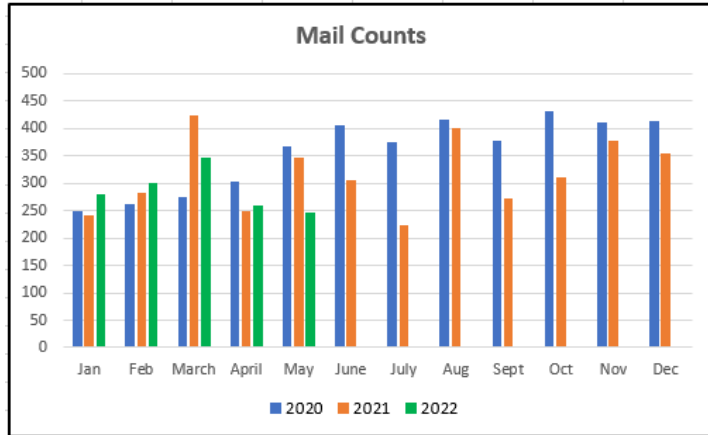
Draft Payments are payments automatically drafted from customer bank accounts.

Draft payments have been increasing over the past couple years with 2022 seeing the highest amounts in each month.



Mail Payments

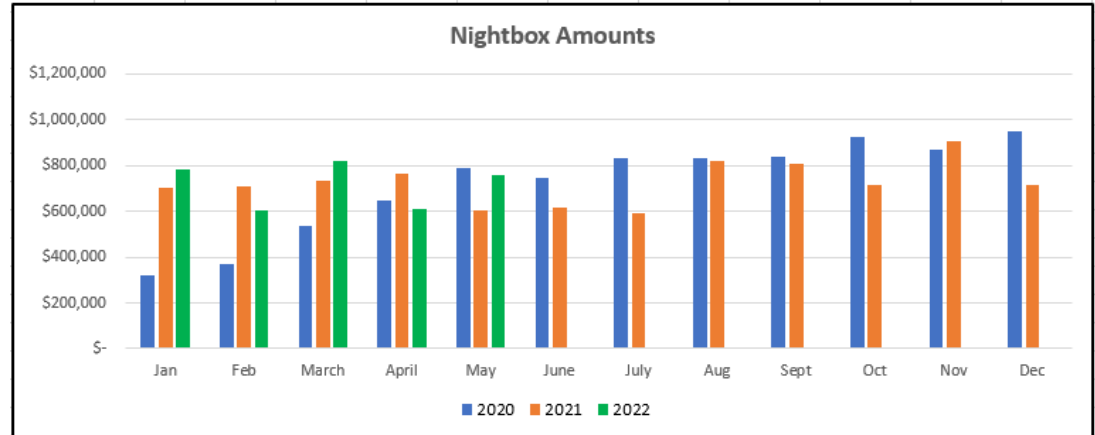
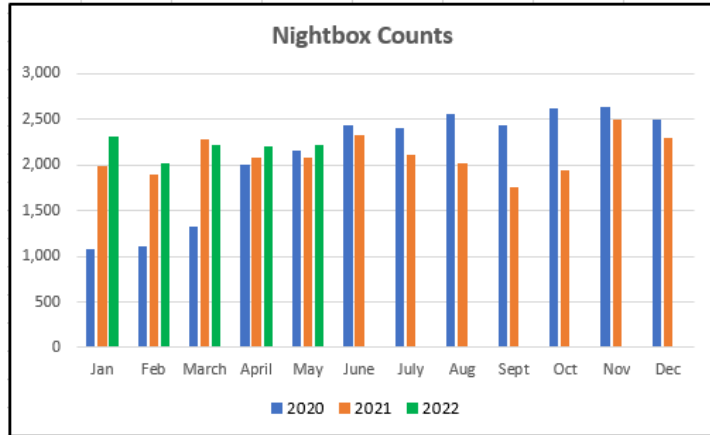
Mail Payments are payments mailed to 540 Minnesota Avenue. Mailed payments haven't seen a big increase or decrease. The amounts are rather consistent over the past three years.



Nightbox Payments

Nightbox Payments are payments physically dropped off at 540 Minnesota Avenue.

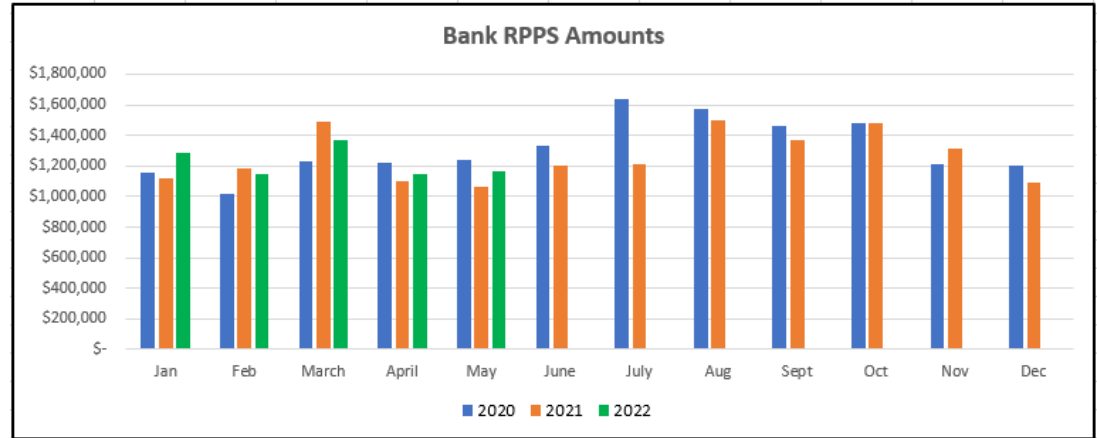
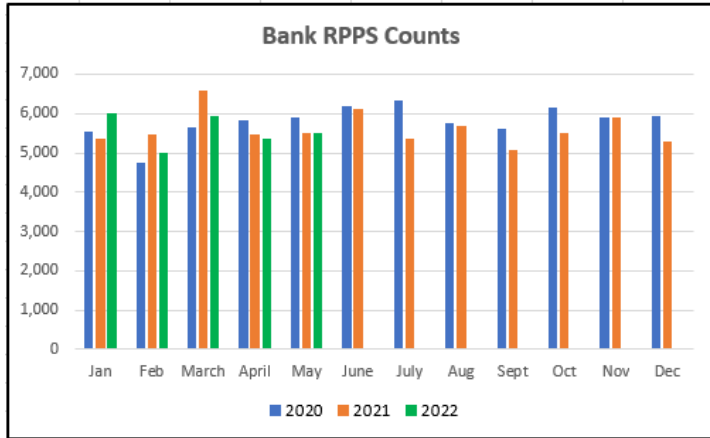
Nightbox payment counts and amounts both increased once the lobby closed and have stayed at that level.



Bank RPPS Payments

Bank RPPS Payments are payments submitted electronically (online) usually thru a customers bank or other 3rd parties.

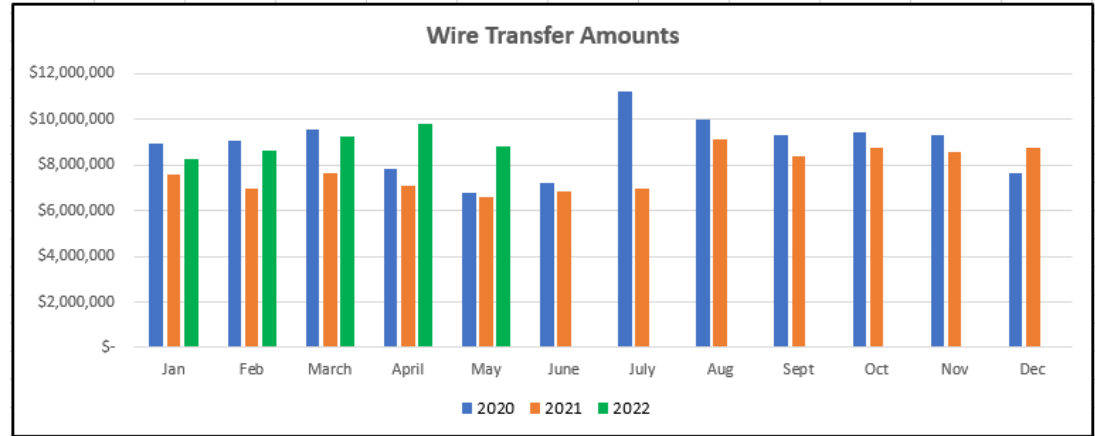
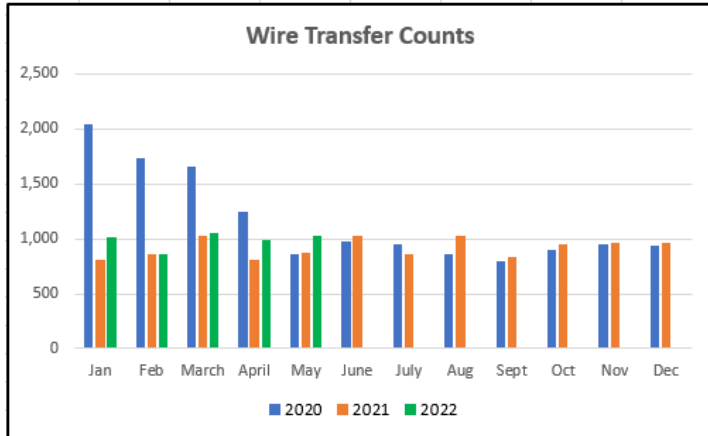
Payments thru RPPS have continued monthly ups and downs.



ACH/Wire Transfer Payments

ACH/Wire Payments are payments submitted thru a wire transfer.

Wire payments decreased once COVID started and have stayed lower. The amounts haven't changed much despite the lower counts.



*Thank
you*

April, 2022 Financial Results

June 8, 2022

2022 Billed kWh (YTD Jan - Apr)

Electric	(CY) 2022 YTD	(PY) 2021 YTD	
Residential	183,921,906	188,256,757	
Commercial	305,236,931	296,911,158	
Industrial	168,207,165	150,416,436	
	657,366,002	635,584,351	3.4%

Residential – Down 2% Commercial – Up 3% Industrial – Up 12%

2022 Billed CCF's (YTD Jan - Apr)

Water	(CY) 2022 YTD	(PY) 2021 YTD	
Residential	1,060,415	1,088,755	
Commercial	745,153	717,959	
Industrial	582,717	555,319	
	2,388,285	2,362,033	1.1%

Residential – Down 3%

Commercial – Up 4%

Industrial - Up 5%

Revenues – April 2022

	(CY) 2022 April	(PY) 2021 April		Budget 2022 April	(CY) 2022 April	
Electric	\$ 20.237	\$ 17.696		\$ 20.728	\$ 20.237	
Water	3.832	3.883		4.070	3.832	
Combined	\$ 24.069	\$ 21.579	11.5%	\$ 24.798	\$ 24.069	-2.9%

Actual Compared to 2022 Budget

Electric - Down 2%

Water – Up 6%

Revenues – 2022 YTD

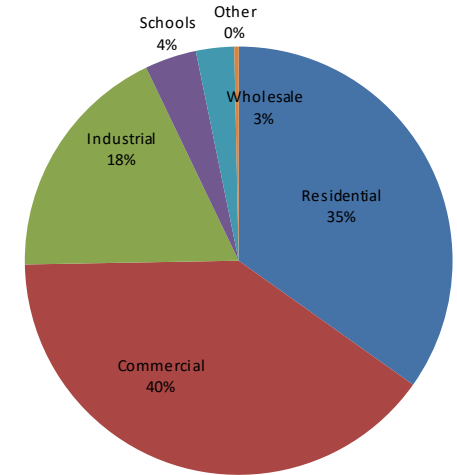
	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 93.631	\$ 104.264		\$ 89.441	\$ 93.631	
Water	15.928	15.645		16.265	15.928	
Combined	\$ 109.559	\$ 119.909	-8.6%	\$ 105.706	\$ 109.559	3.6%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2022

Electric: *Up 5%*
 Residential (\$502K)
 Commercial \$2.7M
 Industrial \$999K
 Schools (\$ 33K)
 Wholesale \$315K

Water: *Down 2%*
 Residential (\$77K)
 Commercial (\$25K)
 Industrial (\$71K)
 Wholesale (\$30K)



Operating Expenses – April 2022

	(CY) 2022 April	(PY) 2021 April		Budget 2022 April	(CY) 2022 April	
Electric	\$ 17.994	\$ 14.822		\$ 17.241	\$ 17.994	
Water	3.025	3.181		3.257	3.025	
Combined	\$ 21.019	\$ 18.003	16.8%	\$ 20.498	\$ 21.019	2.5%

Actual Compared to 2022 Budget

Electric – Up 4%

Water - Down 7%

Operating Expenses – 2022 YTD (Total)

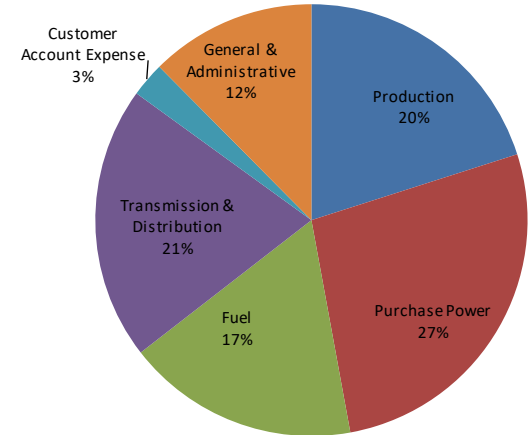
	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 70.880	\$ 71.546		\$ 68.328	\$ 70.880	
Water	11.932	11.790		13.111	11.932	
Combined	\$ 82.812	\$ 83.336	-0.6%	\$ 81.439	\$ 82.812	1.7%

**Dollars in millions

Actual Compared to 2022 Budget

- Electric - Up 4%
- Water - Down 9%

Amortized 1/6th of the 2021 ERC Under Recovery in April 2022 - \$385,500



Operating Expenses – 2022 YTD less Depreciation

	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 60.642	\$ 61.357		\$ 57.522	\$ 60.642	
Water	9.187	9.003		10.302	9.187	
Combined	\$ 69.829	\$ 70.360	-0.8%	\$ 67.824	\$ 69.829	3.0%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2022

Electric:

Purchased Power	\$2.9M
Fuel	\$2.8M
Production	\$136K
T&D	(\$2.7M)
G&A	(\$1.5M)

Water:

Production	(\$428K)
T&D	(\$224K)
G&A	(\$437K)

Change in Net Position – April 2022

	(CY) 2022 April	(PY) 2021 April
Electric	\$ (1.683)	\$ (0.647)
Water	0.284	0.254
Combined	\$ (1.399)	\$ (0.393)

Budget 2022 April	(CY) 2022 April
\$ (0.222)	\$ (1.683)
0.328	0.284
\$ 0.106	\$ (1.399)

**Dollars in millions

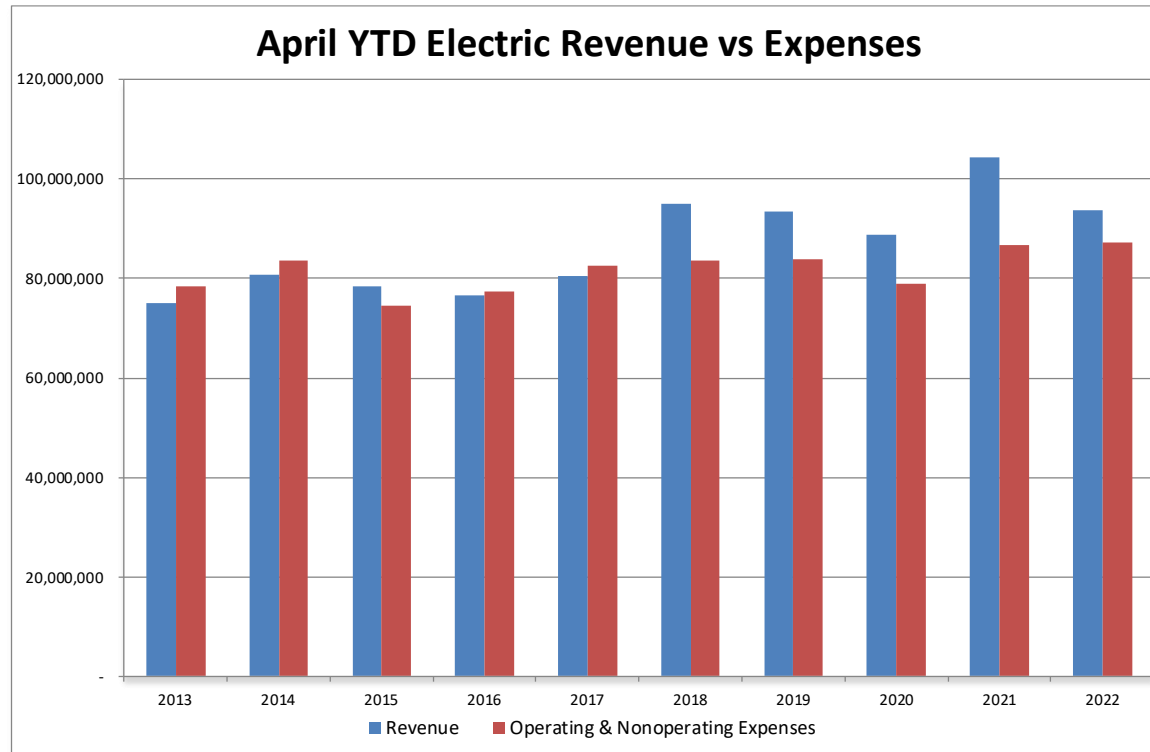
Change in Net Position – 2022 YTD

	(CY) 2022 YTD	(PY) 2021 YTD
Electric	\$ 6.529	\$ 17.472
Water	2.016	1.633
Combined	\$ 8.545	\$ 19.105

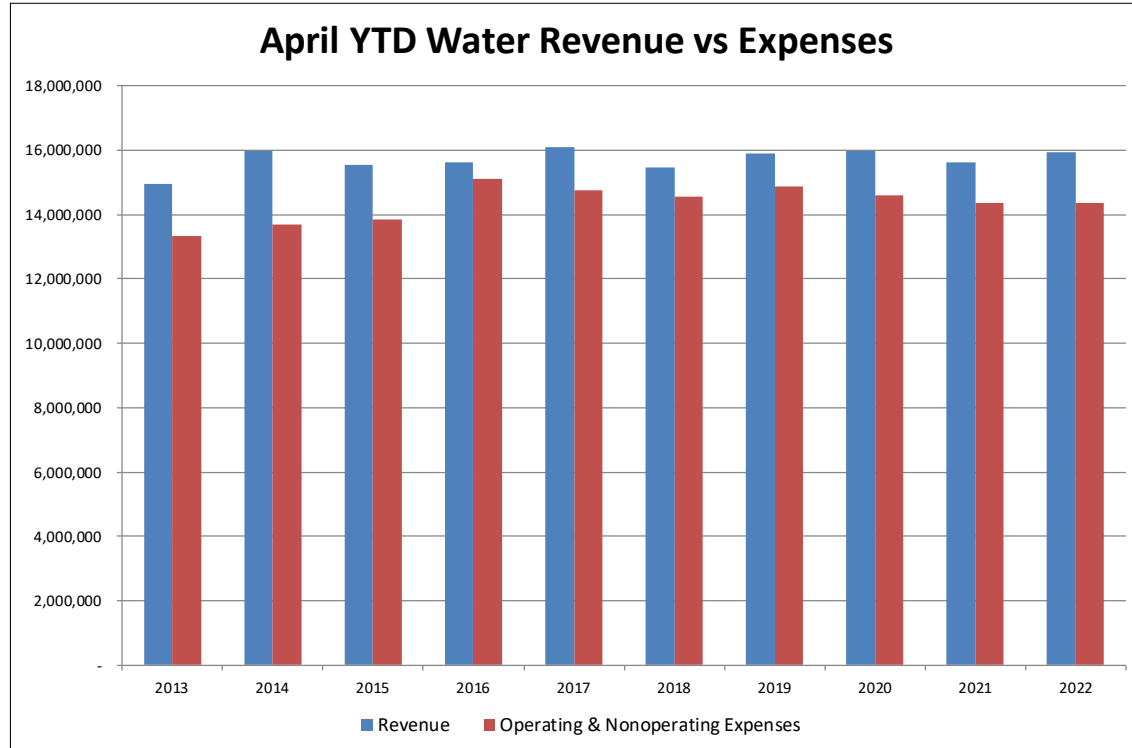
Budget 2022 YTD	(CY) 2022 YTD
\$ 5.582	\$ 6.529
0.921	2.016
\$ 6.503	\$ 8.545

**Dollars in millions

Financial Results – 10 Year Trend

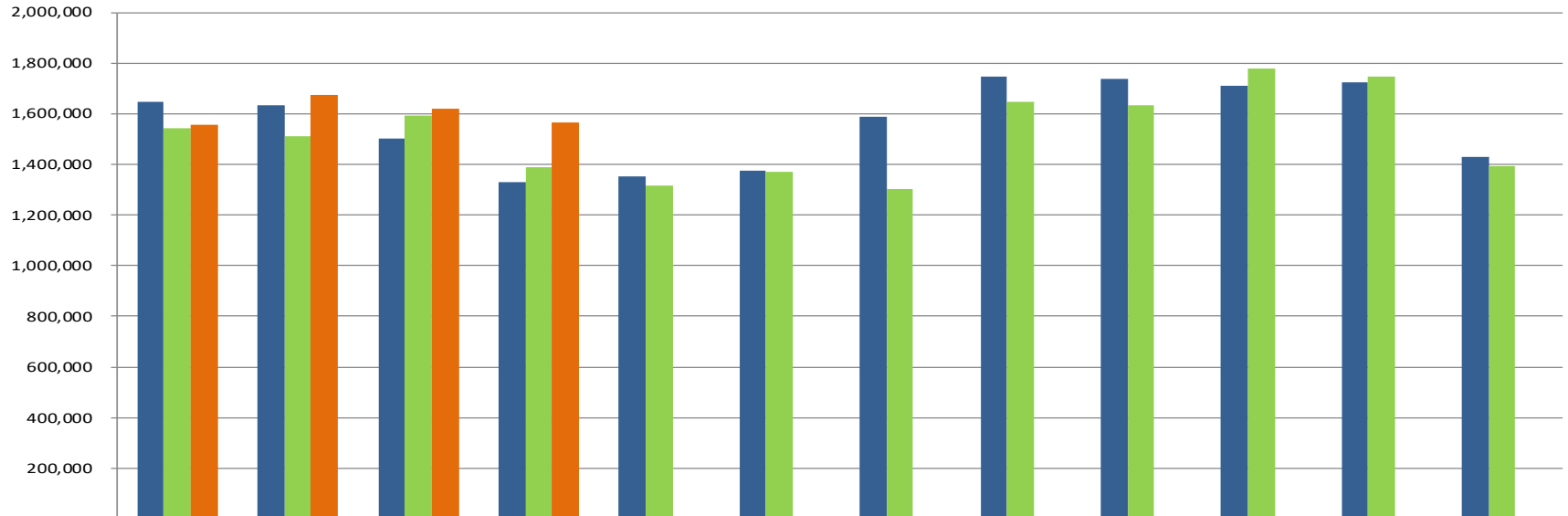


Financial Results – 10 Year Trend



Financial Results

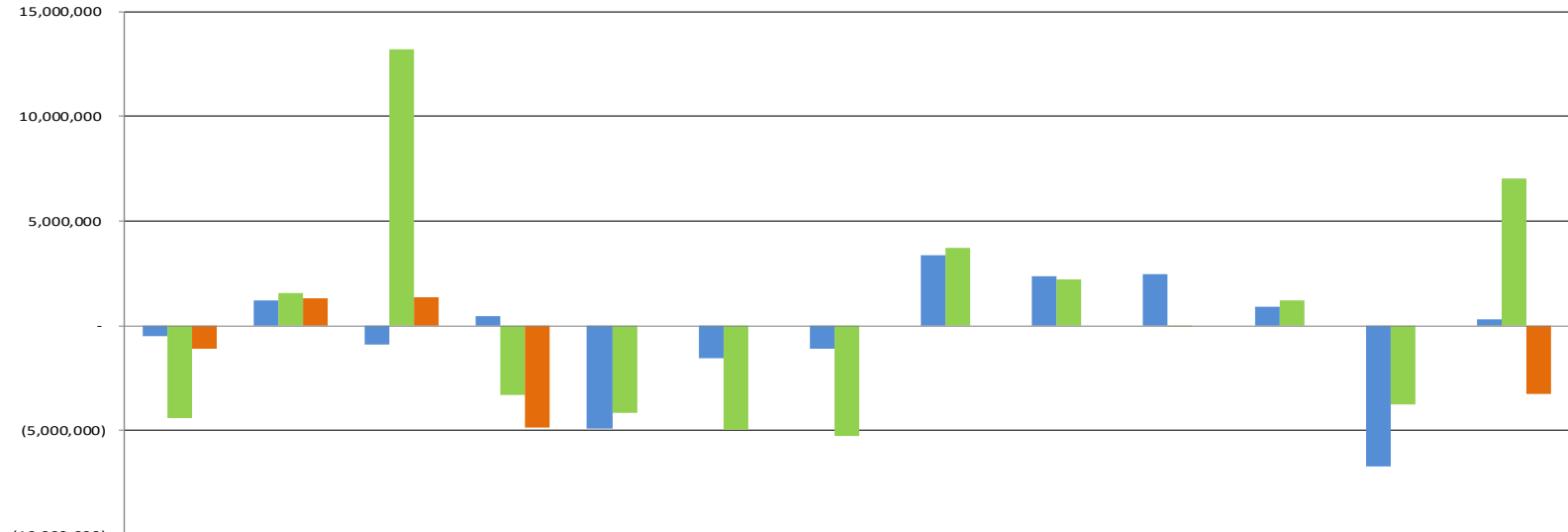
Average Daily Collections



	1	2	3	4	5	6	7	8	9	10	11	12
2020	1,649,149	1,635,521	1,501,516	1,327,627	1,352,018	1,374,913	1,588,784	1,747,741	1,738,158	1,708,806	1,724,384	1,428,069
2021	1,544,037	1,508,985	1,592,498	1,387,693	1,316,614	1,369,826	1,304,380	1,647,664	1,634,024	1,777,134	1,746,669	1,391,300
2022	1,557,065	1,676,142	1,621,505	1,563,536								

■ 2020 ■ 2021 ■ 2022

Historical Monthly Cash Comparison



	1	2	3	4	5	6	7	8	9	10	11	12	YTD
2020	(506,764)	1,231,806	(870,211)	469,614	(4,889,313)	(1,558,427)	(1,071,879)	3,361,462	2,381,298	2,447,114	918,358	(6,738,913)	324,445
2021	(4,400,783)	1,555,572	13,215,489	(3,321,770)	(4,163,617)	(4,946,674)	(5,280,755)	3,716,189	2,237,417	(35,023)	1,232,153	(3,762,172)	7,048,509
2022	(1,096,710)	1,326,859	1,346,640	(4,836,470)									(3,259,681)

■ 2020 ■ 2021 ■ 2022

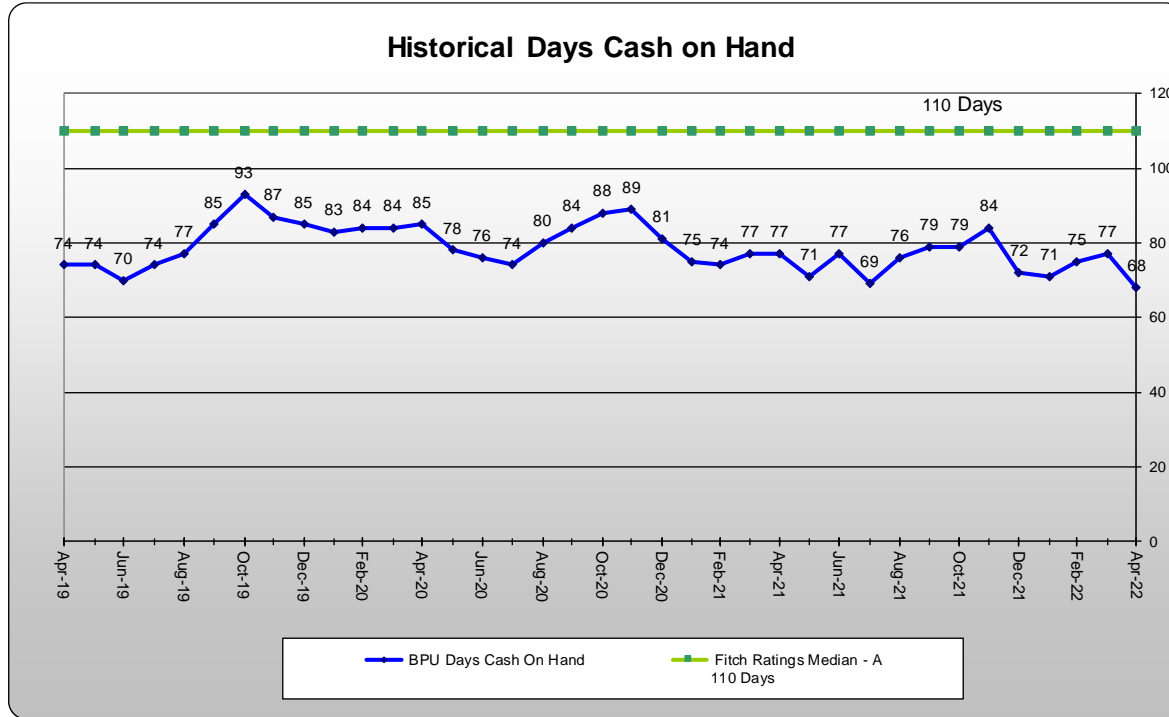
Cash Position

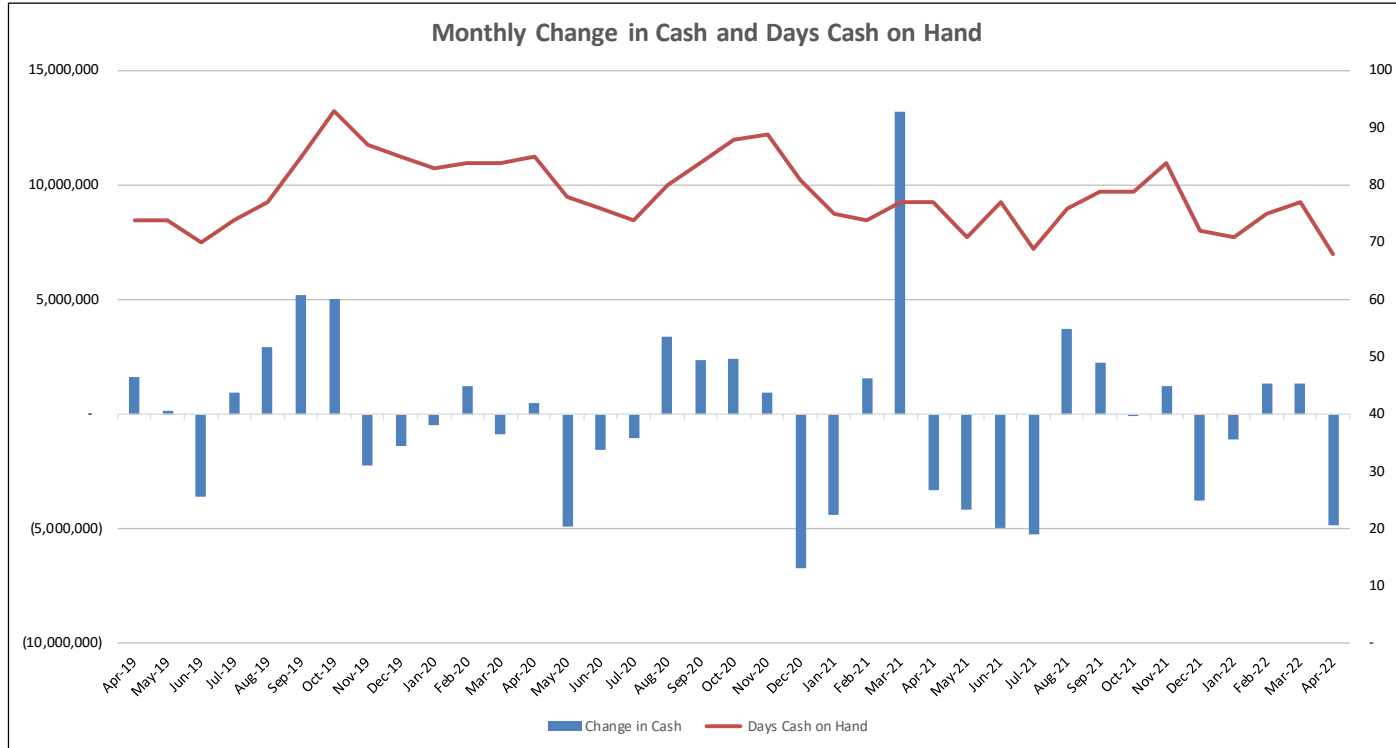
	(CY) 2022 April	(PY) 2021 April	2022 March
Combined (E&W)	\$ 41.20	\$ 45.26	\$ 45.71
Days Cash-on-Hand	68	77	77

1 Day = Approximately \$550K-\$600K

**Dollars in millions

Financial Results





Balance Sheet: Notables

	(CY) 2022 April	(PY) 2021 April
Fuel Inventory	\$ 4.162	\$ 5.648
Bond Dollars 2016C (Elec T&D)	\$ 0.709	\$ 1.543
Bond Dollars 2020A (Elec)	\$ 0.797	\$ 8.200

**Dollars in millions

Capital Spending

	(CY) 2022 YTD	(PY) 2021 YTD	2022 Budget	
Electric	\$ 6.00	\$ 3.76	\$ 28.09	
Water	2.15	1.54	22.28	
Common	0.86	1.26	5.82	
Total YTD Capital	\$ 9.00	\$ 6.57	\$ 56.19	Remaining 84%

**Dollars in millions

Major projects in 2022:

- Elect Ops Facility Improvements - \$194K
- Piper OH Feeders - \$913K
- Fisher UG Feeders - \$2.0M
- Annual Underground - \$1.2M
- NC Fire Protection Upgrade - \$502K
- Water Leak, Valve, System Imp. - \$564K
- Water Transmission Imp. - \$558K

Debt Coverage

Debt Coverage with PILOT

	(CY) 2022 April	(PY) 2021 April
Electric	2.12	2.09
Water	1.95	2.07
Combined	2.27	2.26

Debt Coverage w/o PILOT

	(CY) 2022 April	(PY) 2021 April
Electric	1.50	1.49
Water	1.49	1.61
Combined	1.63	1.65

Financial Guideline Target 1.6 to 2.1 times with PILOT