

REGULAR SESSION –WEDNESDAY, SEPTEMBER 1, 2021

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 1, 2021 at 6:00 P.M. The following Board Members were on the teleconference: Robert L. Milan, President; Mary Gonzales, Vice President; Rose Mulvany Henry, Secretary; Thomas Groneman, and Ryan Eidson. Jeff Bryant was absent.

Also on teleconference: William Johnson, General Manager; Angela Lawson, Deputy Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Jeremy Ash, Executive Director Electric Operations; Johnetta Hinson, Executive Director Customer Service; Steve Green, Executive Director Water Operations; Jerry Ohmes, Executive Director Electric Supply; Dong Quach, Executive Director Electric Production; Jerin Purtee, Director Electric System Control; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Dennis Dumovich, Director of Human Resources; Robert Kamp, IT Project Manager; and Patrice Townsend, Director Utility Services.

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

Mr. Milan called the Board Meeting to order at 6:00 P.M. He welcomed all that were listening or viewing the meeting. He stated that the Board felt it was necessary to offer the use of technology for staff as well as for the general public. Those wishing to offer comments during the Public 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. Milan introduced himself and the other Board Members along with the General Manager, and Legal Counsel.

Roll call was taken and all Board Members were present via teleconference, except Jeff Bryant.

Item #3 – Approval of Agenda

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

Item #4 – Approval of Regular Session Minutes of August 4, 2021

A motion was made to approve the minutes of the Regular Session of August 4, 2021 by Ms. Mulvany Henry, seconded by Mr. Groneman, and unanimously carried.

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Item #5 – Approval of Work Session Minutes of August 18, 2021

A motion was made to approve the minutes of the Work Session of August 18, 2021 by Ms. Gonzales, seconded by Mr. Eidson, and unanimously carried.

Item #6 – Approval of Regular Session Minutes of August 18, 2021

A motion was made to approve the minutes of the Regular Session of August 18, 2021 by Ms. Mulvany Henry, seconded by Ms. Gonzales, and unanimously carried.

Item #7 – Approval of Special Session Minutes of August 23, 2021

A motion was made to approve the minutes of the Special Session of August 23, 2021 by Ms. Gonzales, seconded by Mr. Eidson, and unanimously carried.

Item #8 – Public Comments

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

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

Item #9 – General Manager / Staff Reports

- i. *COVID-19 Update:* Mr. Johnson gave an update on company COVID-19 matters.

He also informed the Board that per their discussion and recommendation, a KERA application assistance service line was being implemented. Ms. Patrice Townsend, Director Utility Services, would be the administrator and customer advocate of this new program.

He also reported that he had learned that the Unified Government (UG) had been allocated 1.85 million dollars through the American Rescue Plan Act (ARPA). A portion of that money would go towards housing and a portion would go towards utility assistance. He would inform the Board when he found out how much would be allocated towards utility assistance.

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- ii. *July 2021 Financials:* Lori Austin, Chief Financial Officer/Chief Administrative Officer, presented the July 2021 Financials with a PowerPoint presentation (see attached).

Ms. Austin answered questions from the Board.

A motion was made to approve the July 2021 Financials as presented, by Ms. Gonzales, seconded by Mr. Eidson and carried unanimously.

- iii. *Customer Service Quarterly Report:* Ms. Johnetta Hinson, Executive Director Customer Service, gave a PowerPoint presentation to talk to the Board about the Customer Service division. She also announced the retirement of Ms. Alfredia Douglas, Supervisor of Cash Operations, and thanked her for her 33 years of dedicated service to the utility (see attached).

Ms. Hinson addressed question and comments from the Board.

- iv. *Miscellaneous Comments:* Mr. Johnson thanked Ms. Hinson and Ms. Austin for their presentations.

He also wished Ms. Gonzales an upcoming happy birthday.

Item #10 – Board Comments

Mr. Eidson spoke about the KERA project and thanked Ms. Townsend for taking it on. He also asked about the dollars being spent on Quindaro salaries.

Mr. Johnson would follow up.

Mr. Groneman thanked Ms. Douglas for her years of service. He also thanked Ms. Townsend for taking on the KERA task. He also hoped we could coordinate with other utility assistance programs.

Ms. Gonzales also congratulated Ms. Douglas on her retirement and thanked Ms. Hinson for her presentation and for acknowledging her employees. She thanked the crews who were out there after the recent storm. She also thanked Ms. Townsend for stepping forward on the KERA program. She also wanted Mr. Johnson to pass on any ideas in regards to the Board advocating for the utility to receive funds coming into the UG.

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Ms. Mulvany Henry wished Ms. Gonzales a happy birthday and Mr. Milan a happy anniversary.

Mr. Milan thanked everyone for their comments. He spoke about the value of the Work Sessions in terms of bringing things forward for the Board to discuss.

Item #11 – Adjourn

A motion was made to adjourn the Regular Session at 7:04 P.M. by Ms. Mulvany Henry, seconded by Ms. Gonzales, and unanimously carried.

ATTEST:

DocuSigned by:

Rose Mulvany Henry

Secretary

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APPROVED:

Robert Milan

President

RESOLUTION NO. 5266

**RESOLUTION BY THE KANSAS CITY BOARD OF UTILITIES, AN
ADMINISTRATIVE AGENCY OF THE UNIFIED GOVERNMENT OF WYANDOTTE
COUNTY/ KANSAS CITY, KANSAS**

WHEREAS, the Board has previously adopted an Economic Development Policy; and

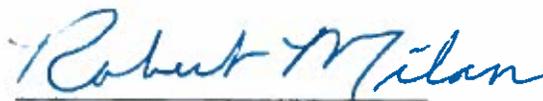
WHEREAS, after recommendations from staff and discussion by the Board, the Board wishes to update the Economic Development Fund Policy; and

WHEREAS, the new Economic Development Fund Policy is attached hereto;

**NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE KANSAS CITY
BOARD OF PUBLIC UTILITIES:**

That the Kansas City Board of Public Utilities hereby replaces the previous Economic Development Fund Policy with the policy attached hereto. The previous Economic Development Fund Policy will remain in effect only to the extent that an application has already been approved by the Board prior to the adoption of this policy.

**ADOPTED BY THE KANSAS CITY BOARD OF PUBLIC UTILITIES
THIS 15th September, 2021**


Robert Milan, Board President

Attest:

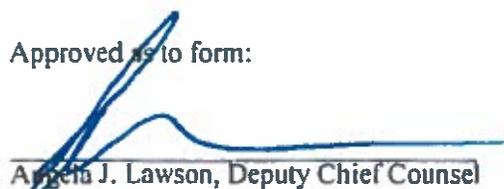


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Rose Mulvany Henry, Board Secretary

Approved as to form:


Angela J. Lawson, Deputy Chief Counsel

July 2021 Financial Results

September 1, 2021

2021 Billed kWh (YTD Jan – July)

Electric	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	328,245,835	328,976,460	
Commercial	538,096,296	518,403,008	
Industrial	258,745,884	291,142,424	
	1,125,088,015	1,138,521,892	-1.2%

Lower usage for Industrial customers in 2021 compared to 2020 due to continued slowdown of businesses

Residential usage slightly lower than 2020

Residential – <1% Commercial – Up 4% Industrial – Down 11%

2021 Billed CCF's (YTD Jan - July)

Water	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	1,966,596	2,025,107	
Commercial	1,359,129	1,357,719	
Industrial	1,007,777	1,079,786	
	4,333,502	4,462,612	-2.9%

Slightly lower usage compared to 2020 due to business slowdowns as a result of COVID-19

Residential – Down - 3% Commercial – Up < 1% Industrial - Down 7%



Financial Results

Revenues – July 2021

	(CY) 2021 July	(PY) 2020 July		Budget 2021 July	(CY) 2021 July	
Electric	\$ 24.351	\$ 28.632		\$ 24.701	\$ 24.351	
Water	4.670	4.920		4.724	4.670	
Combined	\$ 29.021	\$ 33.552	-13.5%	\$ 29.425	\$ 29.021	-1.4%

**Dollars in millions

Actual Compared to 2021 Budget

Electric down 1.5%
Water up 1%

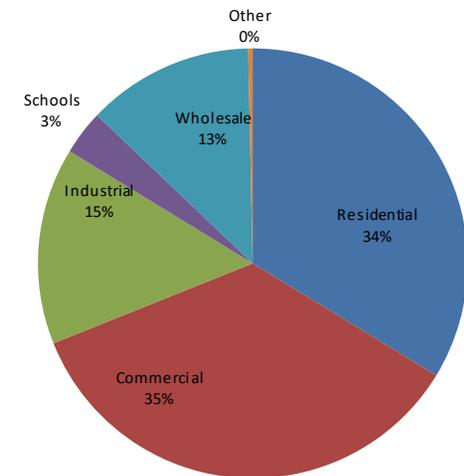
Revenues – 2021 YTD

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 164.667	\$ 161.070		\$ 147.889	\$ 164.667	
Water	28.605	29.225		29.626	28.605	
Combined	\$ 193.272	\$ 190.295	1.6%	\$ 177.515	\$ 193.272	8.9%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2021

Electric:	<i>Up 11%</i>	Water:	<i>Down 3.5%</i>
Residential	(\$2.9M)	Residential	\$65K
Commercial	(\$2.6M)	Commercial	(\$195K)
Industrial	(\$4.9M)	Industrial	(\$433K)
Schools	\$189K		
Wholesale	\$17.3M		



Recognized \$11.7M deferral of revenue YTD from the 2020 ERC in 2021

Operating Expenses – July 2021

	(CY) 2021 July	(PY) 2020 July		Budget 2021 July	(CY) 2021 July	
Electric	\$ 17.216	\$ 19.562		\$ 17.631	\$ 17.216	
Water	3.240	3.106		3.206	3.240	
Combined	\$ 20.456	\$ 22.668	-9.8%	\$ 20.837	\$ 20.456	-1.8%

Variance – Comparing Budget to Actual for 2021

**Dollars in millions

Electric – Down 2%

Production - 22% down
 Purchased Power - 46% down
 Fuel - 46% up
 T&D - 18% up
 G &A - 16% down

Water – Down 15%

Production - 21% down
 T&D - 15% up
 G &A - 16% down

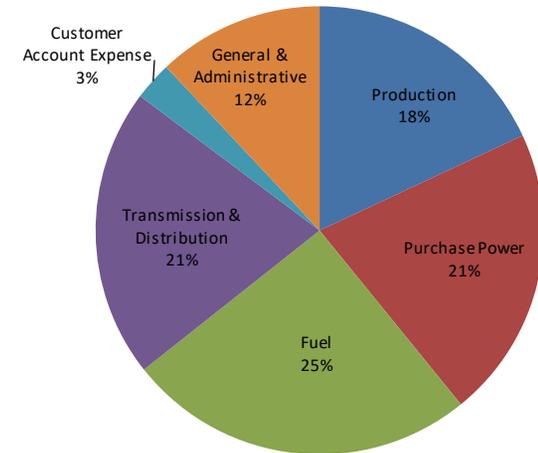
Operating Expenses – 2021 YTD (Total)

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 123.888	\$ 113.392		\$ 119.317	\$ 123.888	
Water	20.646	19.861		22.435	20.646	
Combined	\$ 144.534	\$ 133.253	8.5%	\$ 141.752	\$ 144.534	2.0%

**Dollars in millions

Actual Compared to 2021 Budget

- Electric up 4%
- Water down 8%



Operating Expenses – 2021 YTD less Depreciation

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 106.015	\$ 97.451		\$ 102.261	\$ 106.015	
Water	15.761	15.326		17.807	15.761	
Combined	\$ 121.776	\$ 112.777	8.0%	\$ 120.068	\$ 121.776	1.4%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2021

Electric:

Purchased Power **(\$730K)**
 Fuel **\$12.5M**
 Production **(\$3.3M)**
 T&D **(\$2.4M)**
 G&A **(\$2.3M)**

Water:

Production **(\$859K)**
 T&D **(\$575K)**
 G&A **(\$564K)**



Financial Results

Change in Net Position – July 2021

	(CY) 2021 July	(PY) 2020 July	Budget 2021 July	(CY) 2021 July
Electric	\$ 2.901	\$ 4.542	\$ 2.843	\$ 2.901
Water	0.446	0.665	0.838	0.446
Combined	\$ 3.347	\$ 5.207	\$ 3.681	\$ 3.347

**Dollars in millions



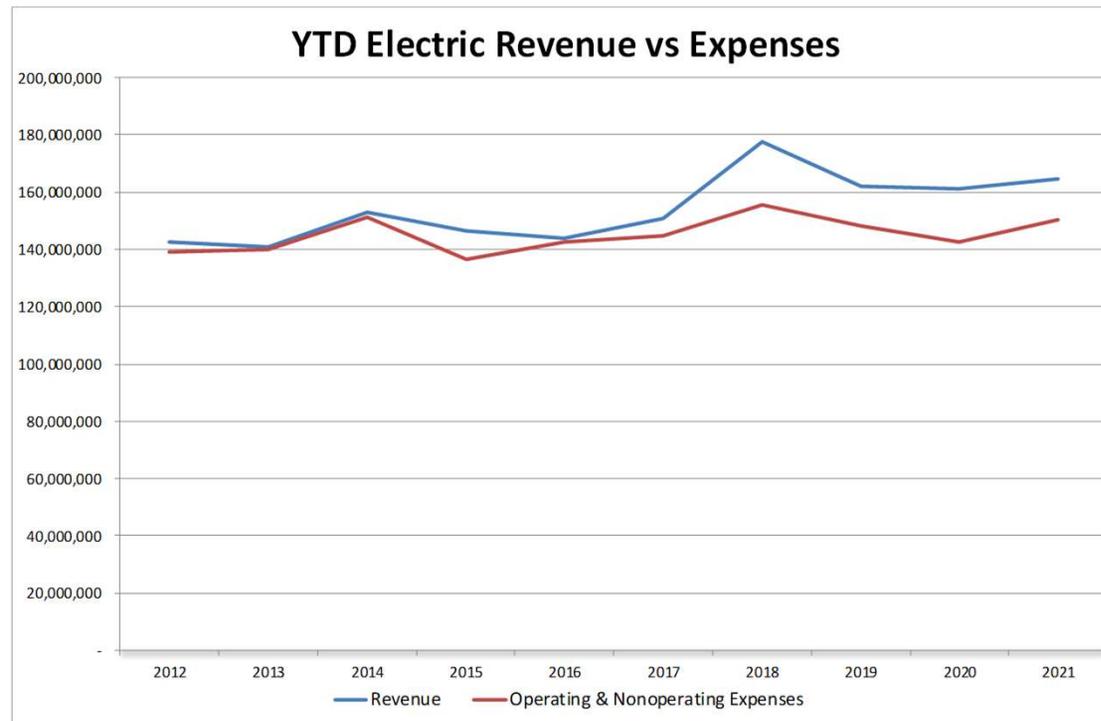
Financial Results

Change in Net Position – 2021 YTD

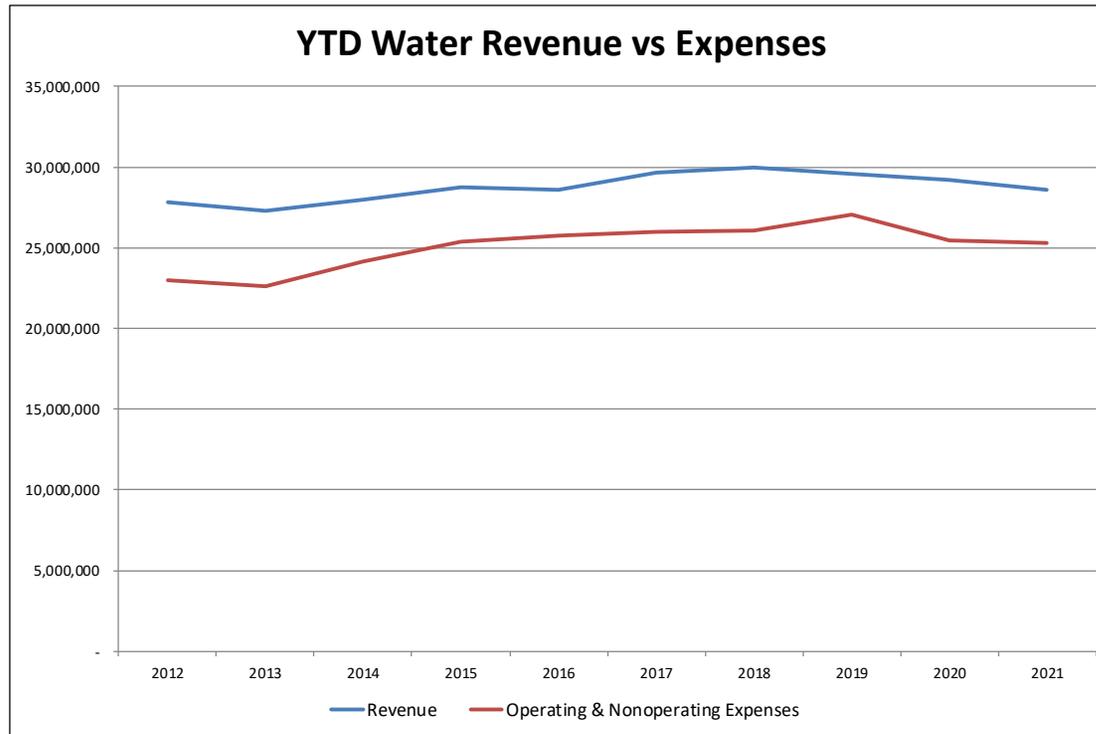
	(CY) 2021 YTD	(PY) 2020 YTD	Budget 2021 YTD	(CY) 2021 YTD
Electric	\$ 14.216	\$ 18.407	\$ 1.895	\$ 14.216
Water	3.839	3.898	3.149	3.839
Combined	\$ 18.055	\$ 22.305	\$ 5.044	\$ 18.055

**Dollars in millions

Financial Results – 10 Year Trend



Financial Results – 10 Year Trend



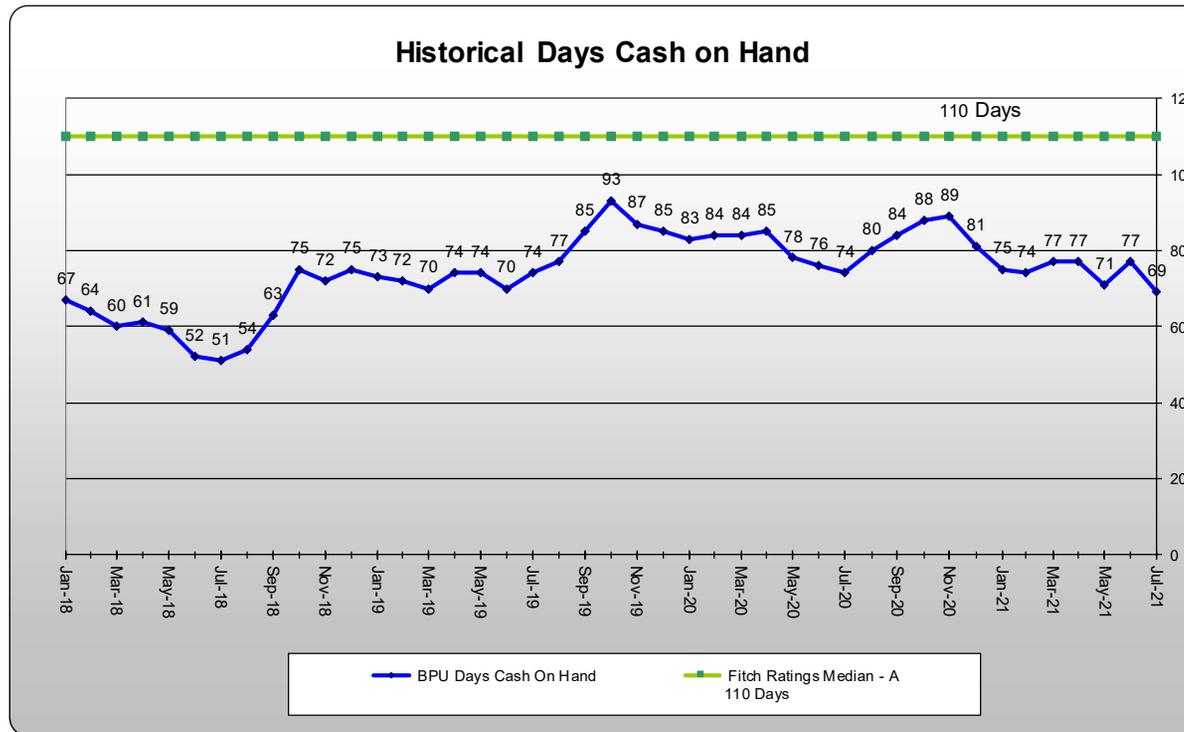
Cash Position

	(CY) 2021 July	(PY) 2020 July	2021 June
Combined (E&W) Days Cash-on-Hand	\$ 40.89 69	\$ 54.23 74	\$ 45.94 77

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

**Dollars in millions

Financial Results



Balance Sheet: Notables

	(CY) 2021 July	(PY) 2020 July
Fuel Inventory	\$ 5.354	\$ 4.477
Bond Dollars 2016C (Elec T&D)	\$ 0.708	\$ 1.541
Bond Dollars 2020A (Elec)	\$ 8.201	\$ -

**Dollars in millions

Capital Spending

	(CY) 2021 YTD	(PY) 2020 YTD	2021 Budget	
Electric	\$ 10.20	\$ 25.75	\$ 38.94	
Water	3.79	4.54	12.34	
Common	2.41	1.35	5.91	
Total YTD Capital	\$ 16.40	\$ 31.64	\$ 57.20	Remaining

71%

**Dollars in millions

Major projects in 2021:

- Dogwood Capital (BPU's portion) - \$1.2M
- Upgrade of Desktops/Network - \$778K
- New Development - \$1.2M
- Pole Inspection Replacement - \$1.5M
- Annual UG & OH Construction - \$915K
- Water Leak, Valve, System Imp. - \$1.2M
- UG/CMIP Water Distribution - \$167K

Debt Coverage

Debt Coverage with PILOT

	(CY) 2021 July	(PY) 2020 July
Electric	1.80	2.07
Water	2.00	1.78
Combined	2.00	2.04

Debt Coverage w/o PILOT

	(CY) 2021 July	(PY) 2020 July
Electric	1.22	1.48
Water	1.55	1.34
Combined	1.40	1.48

Financial Guideline Target 1.6 to 2.1 times with PILOT

Customer Service Division Quarterly Update

September 1, 2021

Alfredia Douglas Retirement

- Thank you for 33 Years of Dedicated, Committed Service to BPU!!
 - Started as a Teller at the window.
 - Worked her way up thru various positions from operator to assistant supervisor.
 - Served as the Supervisor of Cash Operations for the past 10 years.
 - Retired on August 31, 2021!!

Thank you Alfredia, we wish you well !!



Overview of Cash Operations

- Tierra Johnson (Booth) will be the Acting Supervisor of Cash Ops.
 - Tierra has been with the utility for 13 years. She served in various positions in Cash Ops; she has most recently been the Head Cashier and back-up for Alfredia.
 - Congratulations to Tierra on her new assignment as she assumes the role and responsibility of the Cash Operations Department!
- As a reminder, with our COVID safety protocols in place, the lobby windows are still closed to the public.
 - The lobby payments have transitioned more to kiosk payments which led to our expansion of the kiosk network within the city, adding 4 kiosk locations.
 - Some other payments options that have seen an increase as well include Online/IVR and Bank Draft.

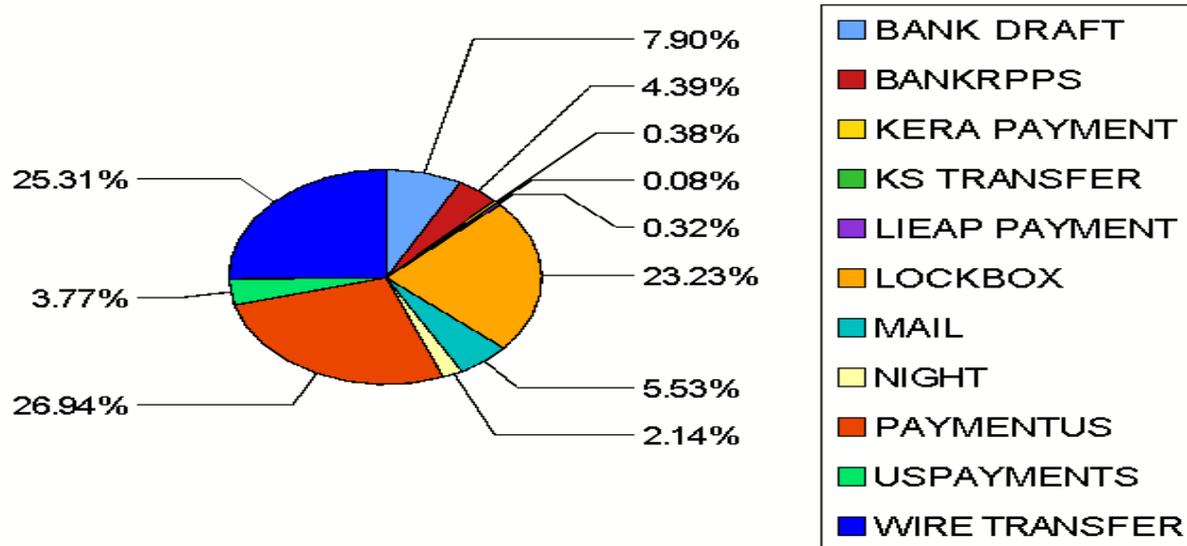
Overview of Cash Operations

- Cash Operations processes and balances the payments made by customers on their accounts.
- Handle payment methods including:
 - Kiosk
 - Online & IVR
 - UMB Lockbox
 - Nightdrop
 - Payments mailed to 540 Minnesota
 - Automatic Bank Draft



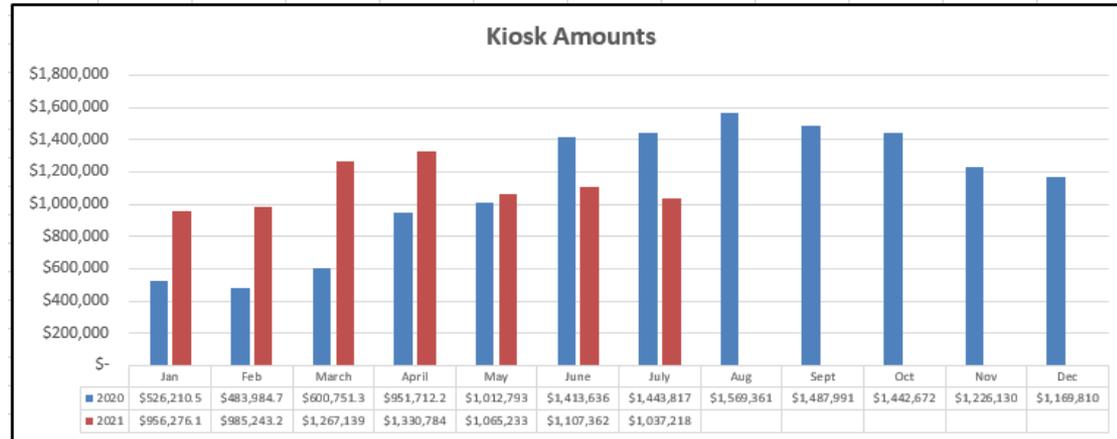
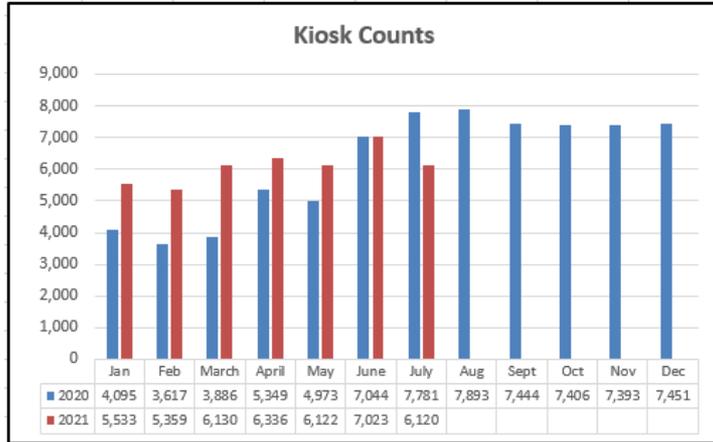
Overview of Cash Operations

Payments By Source



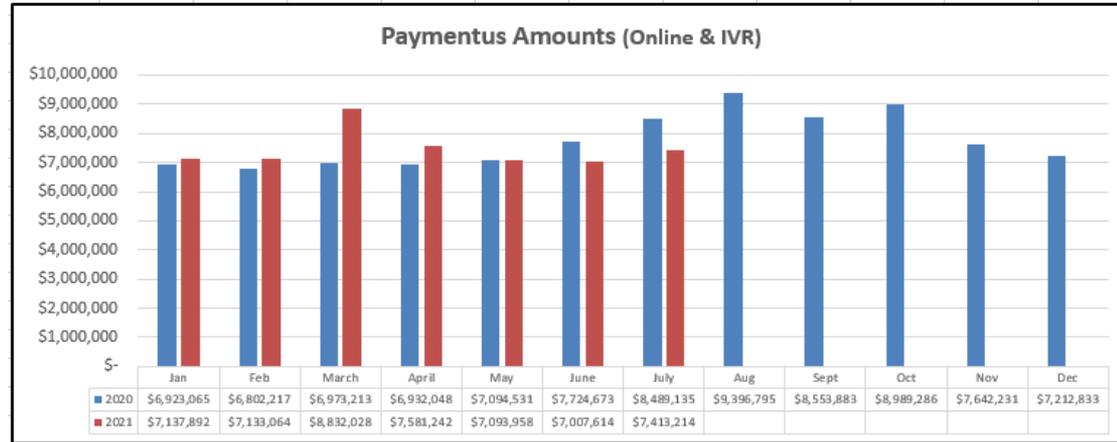
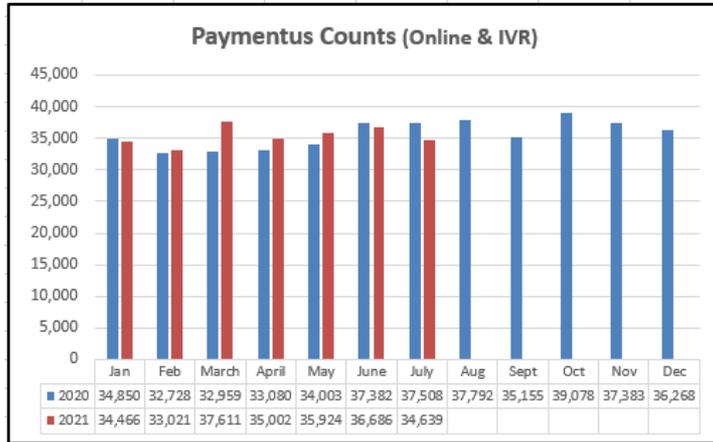
Metrics Overview-Kiosk

- Once the lobby closed, many of those payments moved to our kiosks.
 - Immediately after the lobby closed in March 2020, we saw a 37% increase in transactions made at our kiosks in April 2020 (3,886 to 5,349).
 - 2Q 2021 had 12% more transactions compared to 2Q 2020 (19,481 vs. 17,366)
- The amount received through our kiosks also increased.
 - We had a 111% increase in payment amounts in March 2021 (\$1.26M) compared to March 2020 (\$600K).
 - Comparing 2Q amounts, we received almost 4% more in 2021 (\$3.5M) compared to 2020 (\$3.37M).



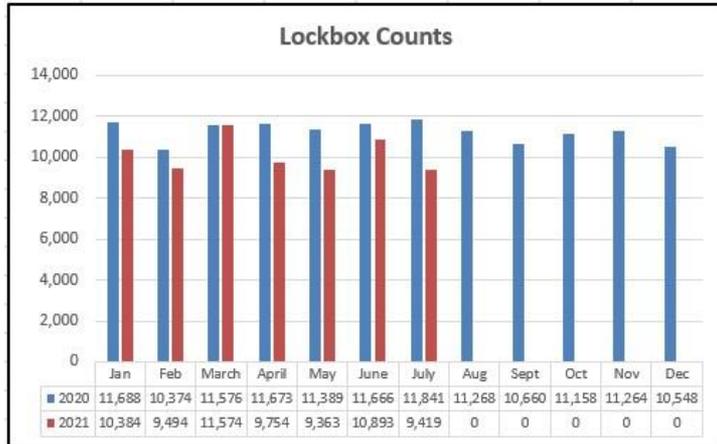
Metrics Overview-Payments

- Payments made online and thru the IVR (phone) have generally trended higher in 2021.
 - 2Q 2021 transactions (107,612) saw a 3% increase over 2Q 2020 transactions (104,465).
 - Amount paid in 2Q 2021 (\$21.68M) was basically the same as 2Q 2020 (\$21.75M).



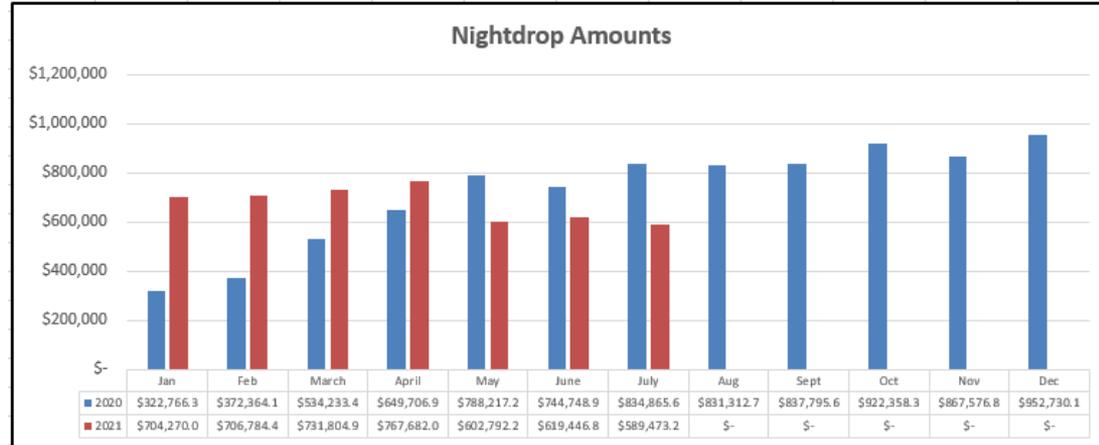
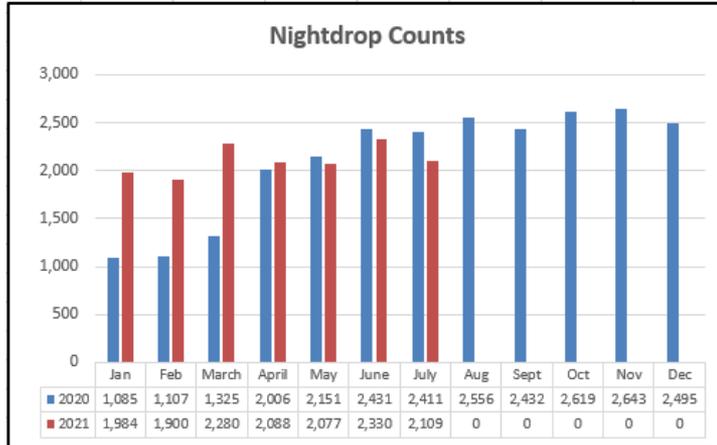
Metrics Overview-Lockbox

- Payments made through our Lockbox (payment sent to our P.O. Box) have generally been lower in 2021.
 - 2Q 2020 averaged over 11,500 transactions a month versus 9,900 in 2021; a decrease of 14%.
 - The amount collected through our Lockbox also decreased about 14% from \$22.6M in 2Q 2020 to \$19.5M in 2Q 2021.



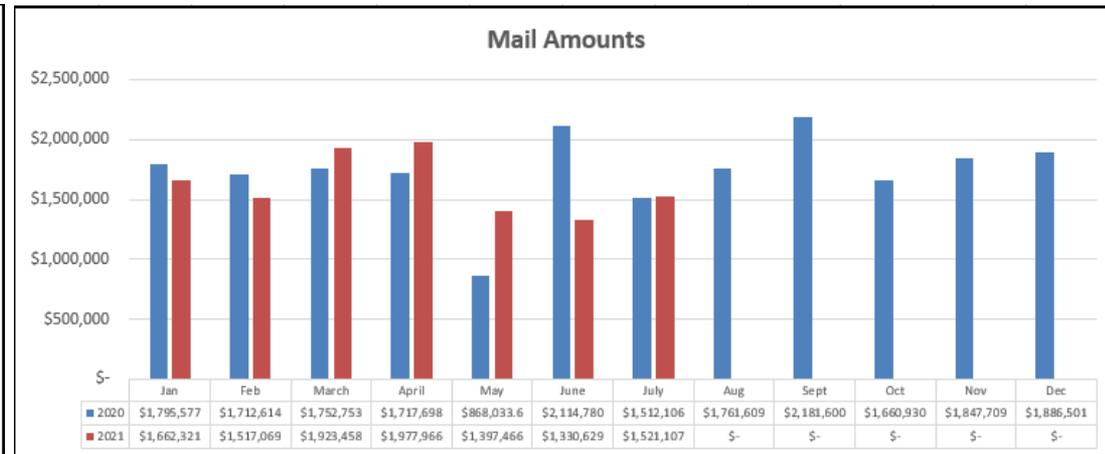
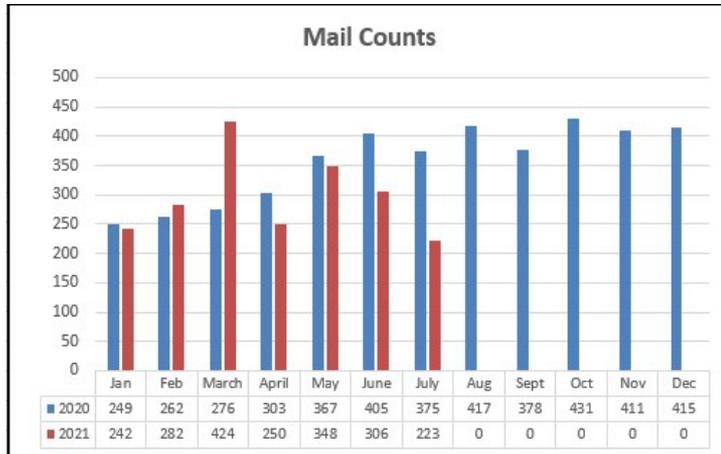
Metrics Overview-Nightdrop

- After payment counts & amounts received in 1Q 2021 were higher than 1Q 2020, 2Q 2021 has trended more in line with 2Q 2020.
 - The number of transactions dipped 1% in 2Q 2021 (6495) compared to 2Q 2020 (6588).
 - The amount received in 2Q 2021 (\$1.99M) is about 9% lower compared to 2Q 2020 (\$2.18M).

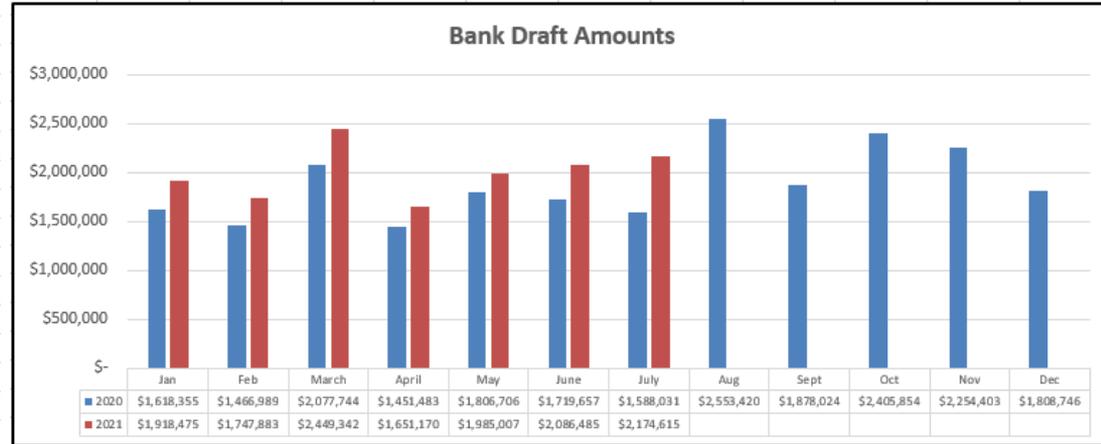
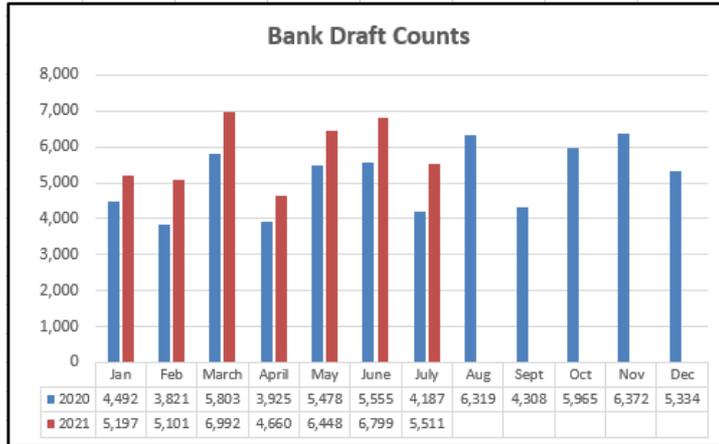


Metrics Overview-Mail

- These are payments that are mailed directly to 540 Minnesota instead of our UMB Lockbox address on the bill.
 - Compared to 2Q 2020, the number of transactions decreased 15% in 2Q 2021 (1075 vs. 904).
 - The amount received was almost the exact same in 2Q 2021 (\$4.706M) as 2Q 2020 (\$4.7M).

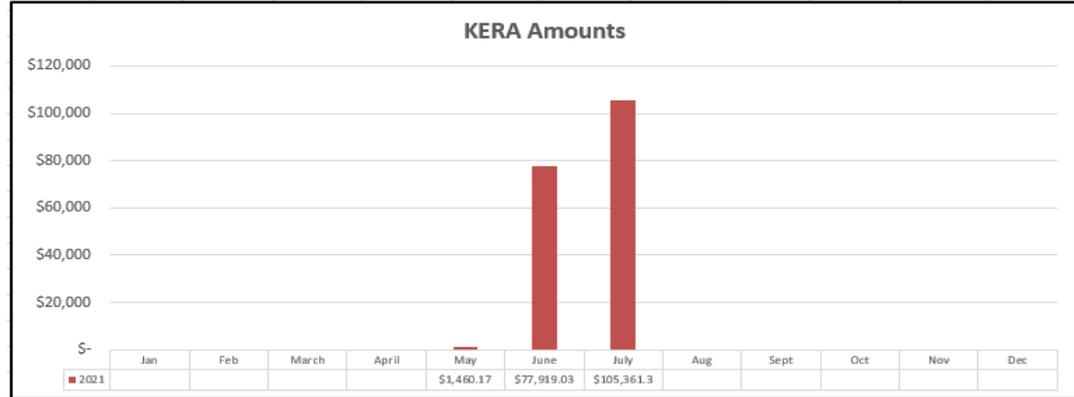
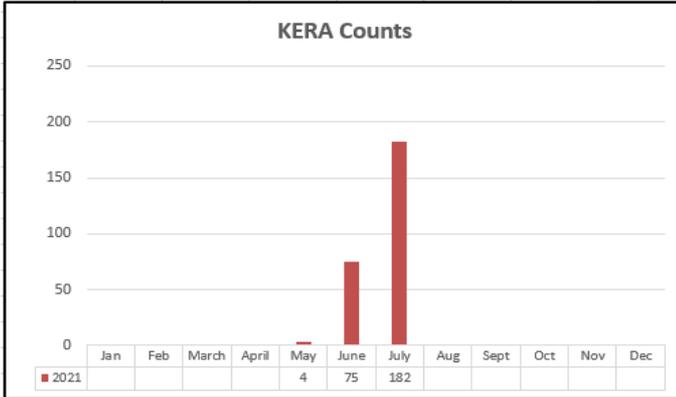


Metrics Overview-Bank Draft



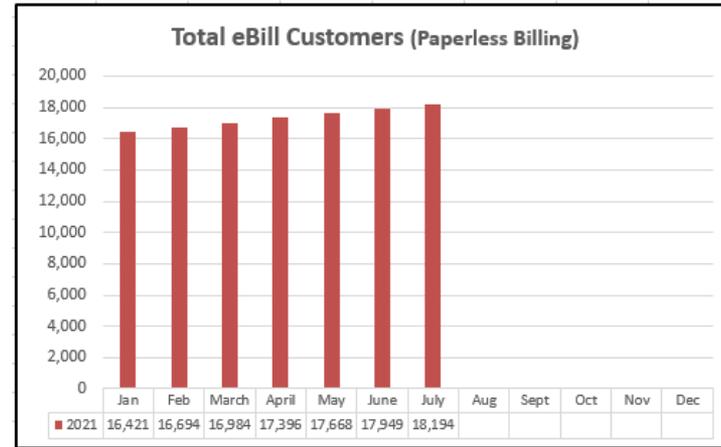
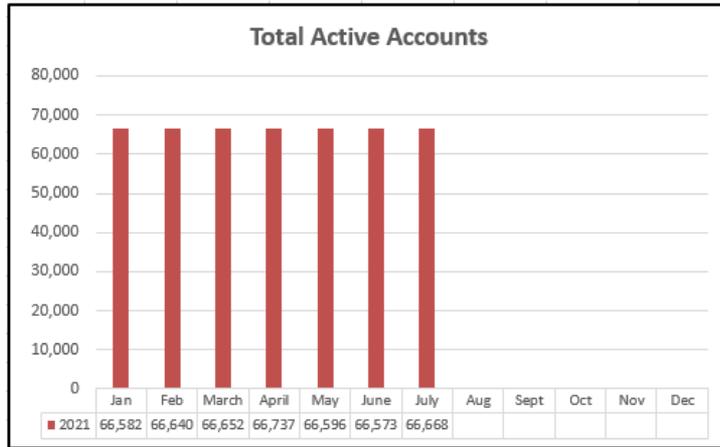
- Bank drafts are where the customer signs up to have BPU draft the amount due from their bank account.
- Bank Drafts have been outpacing 2020 results in both transactions & amounts.
 - Compared to 2Q 2020 (14,958), the number of bank drafts completed was up 20% in 2Q 2021 (17,907).
 - The amount received via bank draft was up 15% in 2Q 2021 (\$5.72M) compared to 2Q 2020 (\$4.98M).

Metrics Overview-KERA



- The KERA Program, Kansas Emergency Rental Assistance, began in March with the first payments received in May.
- Each account applying to KERA is identified with an alert on the account.
 - Notification of KERA application can be made by the customer notifying us directly or via the State weekly report.
 - The alert stays on the account until a payment is received or we receive notification from the State to remove the alert. We also added a KERA payment type which identifies the payment on the account once it has been made.
- BPU has been identified by KERA as the leading utility in Kansas to begin a process to identify and place a hold on KERA accounts which allow time for the application to be processed.

Metrics Overview-Accounts/eBill



- Total Active Accounts have stayed over 66,500.
- Accounts on eBill (Paperless Billing) continues to increase; almost 2,000 new accounts added in 2021 so far.
- Roughly 27% of all active accounts are on eBill.

Bill Print Testing

- Bill Print Project been focused on the testing of the new bill print for a couple months.
- The team is testing 3-4 days a week for 3+ hours a day (reviewing ~850 bills daily).
 - Comparing new bill to current bill for accuracy of content & aesthetics.
- Communication to our customers:
 - A sample bill is being mailed to all customers receiving paper bills.
 - An email is being sent to all paperless billing customers with the sample bill attached.

Thank You

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