# BOARD INFORMATION PACKET



Board of Public Utilities Kansas City, Kansas

Regular Meeting of

January 20, 2021





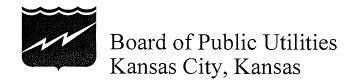
Gold Award for Competitiveness Achievement



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Agenda Item #VI	General Manager / Staff Reports

Approval of Agenda Agenda Item #III



### **BOARD AGENDA**

Regular Session January 20, 2021 – 6:00 P.M.

I.	Call to Or	der
II.	Tom Gro Robert L Jeff Brya Mary L.	dson, At Large, Position 2 coneman, District 2 c. Milan, Sr., District 1 cont, District 3 Gonzales, At Large, Position 1 colvany Henry, At Large, Position 3
III.	Approval	of Agenda
IV.	Approval	of the Minutes of the Regular Session of January 6, 2021
V.	Election o	f Officers
VI.	Public Co	nments
VII.	General M	lanager / Staff Reports
	i.	COVID-19 Update
	ii.	Marketing / Communications Update
	iii.	WyCo Regional Hazard Mitigation Plan Adoption
	iv.	Miscellaneous Comments
VIII.	Board Cor	nments
IX	Adiourn	

Approval of Minutes Regular Session 1-6-21 Agenda Item #IV

### REGULAR SESSION -WEDNESDAY, JANUARY 6, 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, January 6, 2021 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; 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; Dennis Dumovich, Director of Human Resources; Chris Stewart, Director Civil Engineering; Steve Green, Director Water Distribution; 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 Mrs. Gonzales, seconded by Mr. Bryant and unanimously carried.

### REGULAR SESSION - WEDNESDAY, JANUARY 6, 2021

STATE OF KANSAS	)	
	) ;	SS
CITY OF KANSAS CITY	)	

### Item #4 – Approval of the Regular Session Minutes

A motion was made to approve the Minutes of the Regular Session of December 16, 2020 by Mr. Bryant, seconded by Mr. Groneman and unanimously carried.

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

### <u>Item #6 – Public Comments</u>

Mr. Johnson 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 #7 – General Manager's Reports

- i. *COVID-19 Update:* Mr. Johnson, gave an update on company COVID -19 matters. He was continuing to monitor how the upcoming COVID vaccination process would go and would keep the Board informed.
- ii. *Unified Government (UG) Public Works Update:* Mr. Jeff Fisher, Director Public Works–UG, Robert Anderson, Public Works Asset Manager–UG, Trent Foglesong, Program Manager Water Pollution Control UG, John Kelly, Director Facilities UG and Troy Shaw, County/City Engineer–UG delivered a PowerPoint presentation highlighting capital maintenance and improvement projects for 2021 (see attached).
- iii. *November 2020 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, presented the November 2020 Financials with a PowerPoint presentation (see attached).
- iv. WyCo Regional Hazard Mitigation Plan Adoption: Mr. Jeremy Ash, Executive Director Electric Operations, gave a summary of BPU's role in the mitigation plan. Examples would be; flood plains around the areas of Nearman Power plant; Nearman Water would have some responsibilities also. A couple of times a year they went through tabletop exercises with the UG to make sure our systems could withstand any hazards we might face in the county.

### REGULAR SESSION -WEDNESDAY, JANUARY 6, 2021

# STATE OF KANSAS ) ) SS CITY OF KANSAS CITY)

The board felt more time was needed to review the utility portions of the mitigation plan.

Mr. Ash suggested the following pages for the Board to review for pertinent information for the utility: pgs. 89, 122 (section 4.12), 255, 329, & 345.

Ms. Angela Lawson, Deputy Chief Counsel, wanted to note that the plan was on the UG website, under Emergency Management.

v. Miscellaneous Comments: Mr. Johnson wished Mr. Milan a Happy Birthday.

### Item #7 – Board Comments

Mr. Eidson thanked the team from the UG for the projects update and wished Mr. Milan a Happy Birthday. He also asked Mr. Johnson if he had any update on how contract negotiations were going.

Mr. Johnson said that documents were exchanged, there was a counter proposal and that we were waiting on responses to comments made. He would update the Board as soon as he had more news.

Mr. Groneman wished Mr. Milan a Happy Birthday.

Mr. Milan thanked everyone for Birthday wishes.

Mr. Bryant wished Mr. Milan a Happy Birthday. He also thanked Public Works for the update.

Ms. Gonzales wished Mr. Milan a Happy Birthday.

Ms. Mulvany Henry wished Mr. Milan a Happy Birthday and also thanked Public Works for their presentation. She asked Mr. Johnson if he had an update on the Executive Director Water Operations position.

Mr. Johnson said that Human Resources was in the process of scheduling interviews and that he would keep them updated.

### REGULAR SESSION – WEDNESDAY, JANUARY 6, 2021

TE OF KANSAS ) ) SS Y OF KANSAS CITY)	
<u>Item #9 – Adjourn</u>	
Motion was made to adjou seconded by Mr. Milan, and carried to	urn the meeting at 7:00 P.M. by Ms. Mulvany Hen unanimously.
ATTEST:	APPROVED:
Secretary	President



# Who we are

### VISION

Preserving the past, improving today, building the future

### MISSION

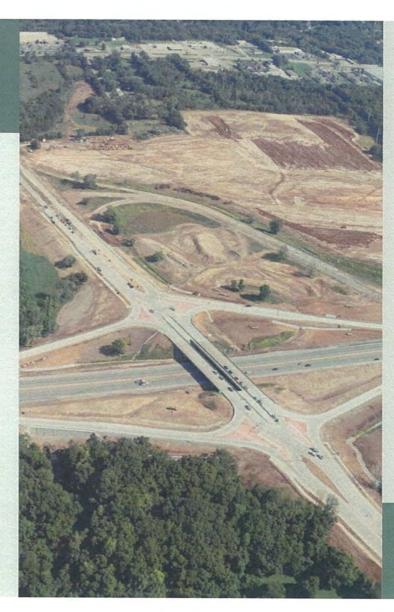
With the right culture, provide efficient, reliable, and sustainable infrastructure to best serve the community and protect the environment into the future

### **VALUES**

**Positive Culture** – we do our business of delivering essential and vital services to our community with energy, selflessness, and seamless teamwork

**Great Service** – take great care to treat all customers with a high level of professionalism, respect, empathy, and to be prudent & honest stewards of public funds

**Smart Investment** – utilize verified data and information to optimize public and private funds to strategically do the work of the community and to make objective recommendations to the elected and appointed officials.



# **CAPITAL VS MAINTENANCE**



### **CAPITAL**

LONG-TERM INVESTMENTS

Capital investment can involve replacing old things, like waste stations, or building entirely new things like fire stations.



### **MAINTENANCE**

PRESERVING INVESTMENTS

Maintenance ensures taxpayers get as much life out of the items they own as is possible. This includes things like street preservation and mowing in parks.

# Data-Driven Project Selection

A Systematic Approach

### **GET INPUT**

How to prioritize projects based on criteria & weights.

### **DATA-DRIVEN RANKING**

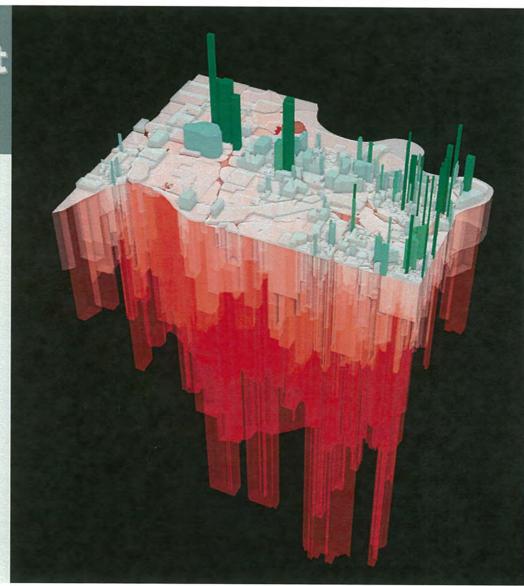
Scoring individual criteria with spatial analysis

### **SCORING COMMITTEE**

Compliment UG priority based budgeting

### **CMIP BUDGET SCENARIOS**

Using the weighted scores and priorities to assemble out years

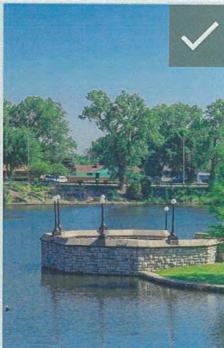


# **2021 CAPITAL PROJECTS & PROGRAMS**



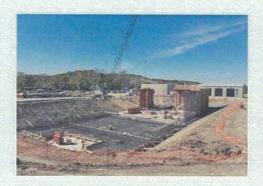






**PUBLIC WORKS** 

# 2021 Projects



### **Wolcott Treatment**

The new Wolcott Treatment plant will ensure regulatory compliance and increase service for residents in the Northwestern portion of Kansas City, Kansas.

\$52M total investment



### **Kaw Point Biosolids**

The Kaw Point Biosolids project will allow the UG to dispose of biosolids through land-application instead of landfilling, which will save money and provide increased flexibility. Additionally, the biogas byproduct will be harvested for additional revenue to help offset costs.

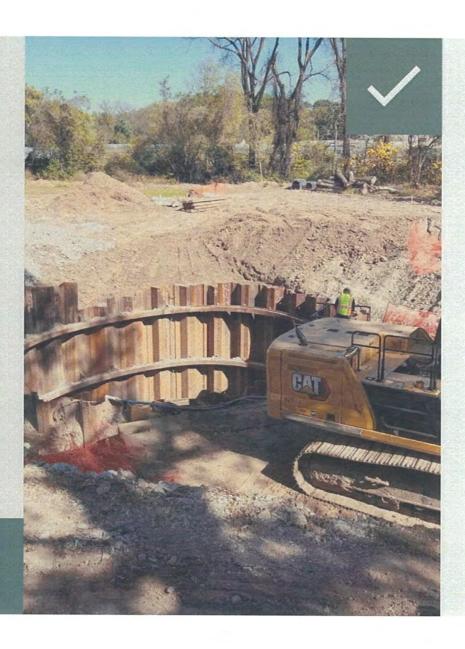
\$62.6M total investment

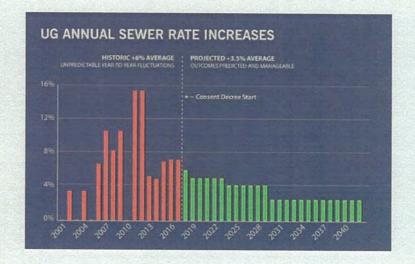


### **Asset Management**

Managing existing infrastructure to reduce costs and bring the complex system of buildings, pipes, structures, equipment, and control systems up to date.

\$12M Investment





### **CONSENT DECREE**

25-Year Sewer Investment Plan negotiated with EPA & DOJ. Rate increases are projected to be at or below 5 percent each year.

\$900M total investment

5% increase in 2021

# 2021 Projects



### 7th & Central

Reconstruction of the intersection and improvements like new curb and gutter, pedestrian ramps, traffic signals, pavement marking, and new signing.

\$2.5M total investment, \$1M grant & \$1.5M local



### **Hutton & Leavenworth**

Reconstruction of the intersection at Hutton and Leavenworth Road and hill reduction at Leavenworth to the East of the intersection to improve safety and sight distance

\$7M total investment



### Safe Routes to School

Sidewalks that allow safer access for students around Northwest Middle School and Caruthers Elementary.

\$2.2M total investment, \$1.7M grant & \$500K local

# 2021 Projects



### **NRSA** Improvements

Neighborhood Revitalization Strategy Area improvements to City Park, Clifton Park, and Reagan Parks. Improvements include sidewalk curbs, and general beautification.

\$650K total investment



### Wyco Lake Waterline

Waterline study and replacement of 50+ year old pipes serving lake buildings buildings, and increased internet connectivity.

\$400K total investment



### **Trail Network**

Asphalt resurfacing and trail improvements.

\$100K total investment

# Pavement Preservation

### **NEW METHODOLOGY**

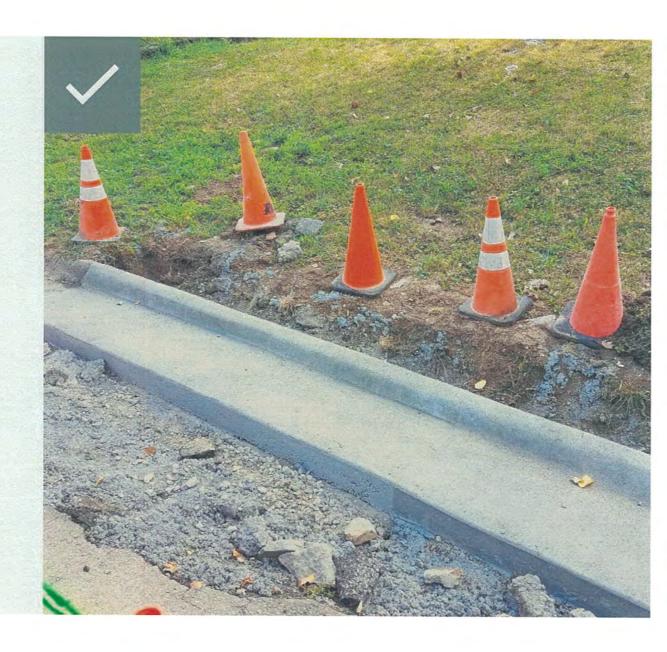
Data-driven, predictable 3-year pavement work cycle. \$7.5M investment (\$20M+ needed)

### CONCRETE REPAIR

Dedicated crew for repairing damaged curb and gutter - \$1M investment

### **ALLEYWAY WORK**

Presentations are communication tools that can be used as demonstrations. \$300K investment



	AREA #1	AREA #2	AREA#3	AREA #4	AREA #5	AREA #6
2021	Coordination /Utilities			Coordination/ Utilities		
2022	Patching/ Utilities/ Concrete	Coordination/ Utilities		Patching/ Utilities/ Concrete	Coordination/ Utilities	
2023	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/U tilities	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/ Utilities
2024	Coordination/ Utilities	Pavement Preservation	Patching/Utiliti es/Concrete	Coordination/ Utilities	Pavement Preservation	Patching/ Utilities/ Concrete
2025	Patching/ Utilities/ Concrete	Coordination/ Utilities	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/ Utilities	Pavement Preservation
2026	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/ Utilities	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/ Utilities
2027	Coordination/ Utilities	Pavement Preservation	Patching/Utiliti es/Concrete	Coordination/ Utilities	Pavement Preservation	Patching/ Utilities/ Concrete
2028	Patching/ Utilities/ Concrete	Coordination/ Utilities	Pavement Preservation	Patching/ Utilities/ Concrete	Coordination/ Utilities	Pavement Preservation

# Geographic Area Clustering

### DATA-DRIVEN

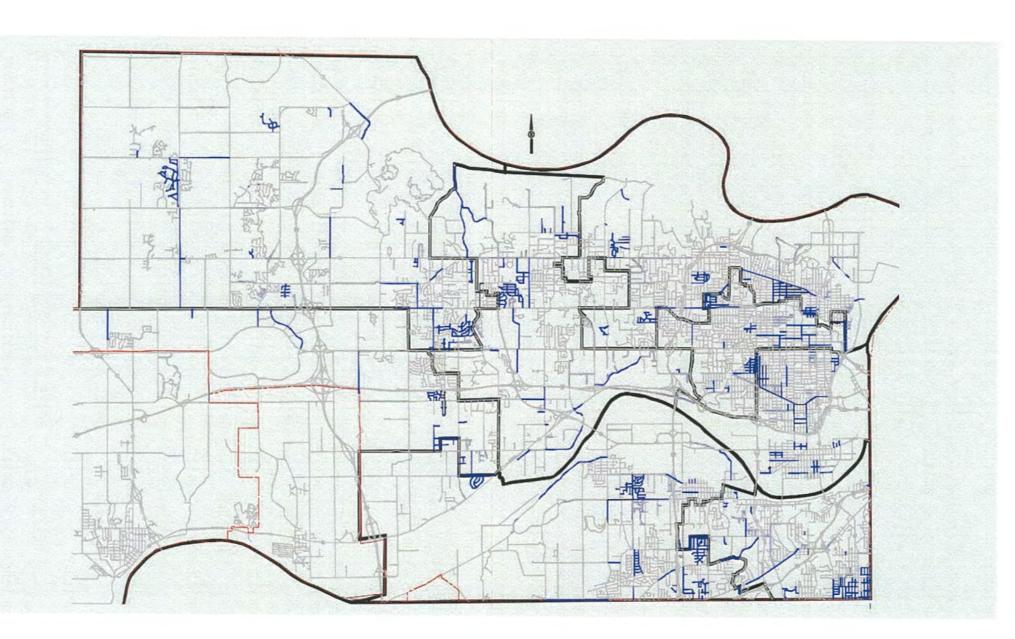
Uses IMS data to identify areas of need.

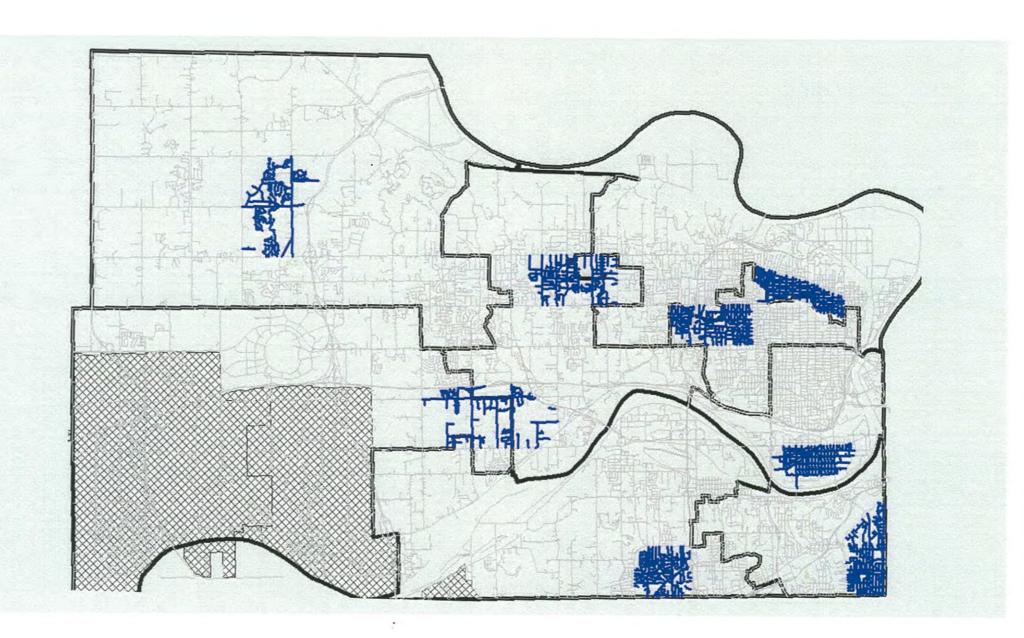
### **PREDICTABLE**

Predictable phases reduce the burden on residents and contractors.

### **3-YEAR CYCLE**

Repeatable cycle increases planning and coordination times.





# See all 2021 Projects online at http://maps.wycokck.org/CMIP.html

# 2021 Projects



### Courthouse

Major rehabilitation and updating that includes new windows, plumbing, masonry work, and elevator modernization.

\$4.4M total investment



### **Parking Lot Upgrades**

Annual public parking lot maintenance and upgrades.

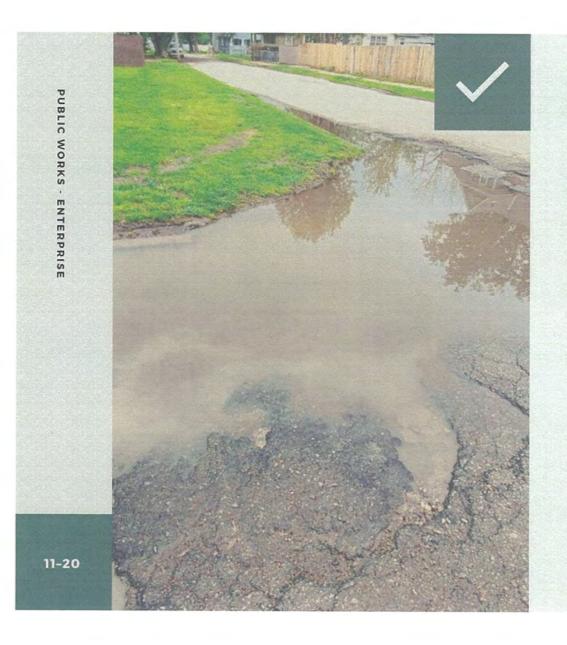
\$900K total investment



### **City Hall Stabilization**

Repair of the building's diaphragm for re-utilization of the ground floor as office space for new staffing or possible department consolidation.

\$2.5M total investment





### **STORMWATER**

Funding to address existing maintenance backlog, ensure environmental compliance, perform preliminary studies, and make system enhancements.

\$2.4M total investment

No Change to flat \$4.50 per month



How can PW help?



# November 2020 Financial Results

January 6, 2020



## 2020 Billed kWh (YTD Jan - Nov)

Electric	(CY) 2020 YTD	(PY) 2019 YTD	
Residential	530,910,662	538,401,627	
Commercial	834,283,555	890,026,704	
Industrial	472,723,957	523,350,509	
	1,837,918,174	1,951,778,840	-5.8%

Lower usage in 2020 compared to 2019 due to COVID-19 shutdown of businesses. Weather impact for the winter months within Residential and Small Commercial

Residential -down 1.4%

Commercial – down 6.25%

Industrial - down 9.7%



# 2020 Billed CCFs (YTD Jan - Nov)

Water	(CY) 2020 YTD	(PY) 2019 YTD	
Residential	3,309,571	3,143,541	
Commercial	2,348,149	2,465,986	
Industrial	1,725,974	1,807,504	
	7,383,694	7,417,031	-0.4%

Slightly lower usage compared to 2019 due to business shutdowns as a result of COVID-19

Residential – Up 5%

Commercial – Down 4.75%

Industrial - Down 4.5%



### Revenues - November 2020

Electric Water Combined

((	CY) 2020	(	PY) 2019		Bud	lget 2020	(C	Y) 2020	
· No	ovember	N	lovember		No	vember	No	vember	
\$	17.305	\$	18.842		\$	22.620	\$	17.305	
	3.915		4.030			4.295		3.915	
\$	21.220	\$	22.872	-7.2%	\$	26.915	\$	21.220	-21.2%

Actual Compared to 2020 Budget

Electric down 23% Water up 9%

<sup>\*\*</sup>Dollars in millions



Wholesale

Schools 5%

\_Other

### Revenues - 2020 YTD

Electric Water Combined

(CY) 2020 YTD	(PY) 2019 YTD		Bud	dget 2020 YTD	((	CY) 2020 YTD	
\$ 254.418	\$ 257.332		\$	266.313	\$	254.418	
48.436	47.492			49.034		48.436	
\$ 302.854	\$ 304.824	-0.6%	\$	315.347	\$	302.854	-4.0%

<sup>\*\*</sup>Dollars in millions

Variance - YTD comparing Budget to Actual for 2020

Electric: Doi	vn 4.5%	Water: Down	n 1.2%
Residential	(\$3.4M)	Residential	(\$103K)
Commercial	(\$5.9M)	Commercial	(\$969K)
Industrial	(\$2 6M)	Industrial	\$433K

Industrial 19%

Commercial 38%

Recognized \$5.5 deferred revenue YTD from the 2019 ERC



- 11% down- 5% down- 35% down

# Operating Expenses – November 2020

Electric Water Combined

(CY) 2020 November	200	(PY) 2019 November		157916200	lget 2020 vember	1	Y) 2020 vember	
\$ 18.737	\$	14.792		\$	17.395	\$	18.737	
2.969		2.944			3.255		2.969	
\$ 21.706	\$	17.736	22.4%	\$	20.650	\$	21.706	5.1%

### Variance - Comparing Budget to Actual for 2020

Electric - down 7%	6	Water - down 9%
Production	- 13% up	Production
Purchased Power	- 63% up	T&D
Fuel	- 60% down	G &A
T&D	- 12% down	
G &A	- 34% down	

<sup>\*\*</sup>Dollars in millions



# Operating Expenses – 2020 YTD

(Total)

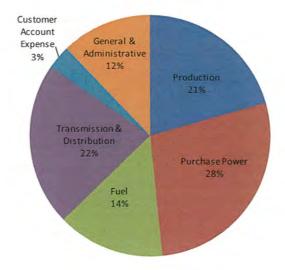
Electric Water Combined

(CY) 2020 (PY		(PY) 2019		Budget 2020		((	Y) 2020		
	YTD		YTD			YTD		YTD	
\$	182.919	\$	185.885		\$	200.258	\$	182.919	
	31.560		33.979			34.862		31.560	
\$	214.479	\$	219.864	-2.4%	\$	235.120	\$	214.479	-8.8%

<sup>\*\*</sup>Dollars in millions

### Actual Compared to 2020 Budget

- Electric down 8%
- Water down 9.5%





# Operating Expenses – 2020 YTD less Depreciation

Electric Water Combined

(CY) 2020 YTD	(	PY) 2019 YTD		Bu	dget 2020 YTD	((	CY) 2020 YTD	
\$ 156.130	\$	160.210		\$	174.500	\$	156.130	
24.313		26.829			27.731		24.313	
\$ 180.443	\$	187.039	-3.5%	\$	202.231	\$	180.443	-10.8%

**Dollars in millions  Variance – YTD comparing Budget to Actual 2020	Electric: Purchased Power Fuel Production T&D	(\$ 1.5M) (\$ 3.7K) (\$ 4.3M) (\$ 3.8M)	Water: Production T&D G&A	(\$943K) (\$1.4M) (\$1.1M)
	G&A	(\$ 5.1M)		



# Change in Net Position - November 2020

Electric Water Combined

(CY) 2020		(PY) 2019
ovember		November
(4.611)	\$	(0.060)
0.333		0.476
(4.278)	\$	0.416
	ovember (4.611) 0.333	ovember (4.611) \$

Bud	dget 2020	(CY) 2020 November				
No	ovember					
\$	0.905	\$	(4.611)			
	0.422		0.333			
\$	1.327	\$	(4.278)			

<sup>\*\*</sup>Dollars in millions



# Change in Net Position - 2020 YTD

Electric Water Combined

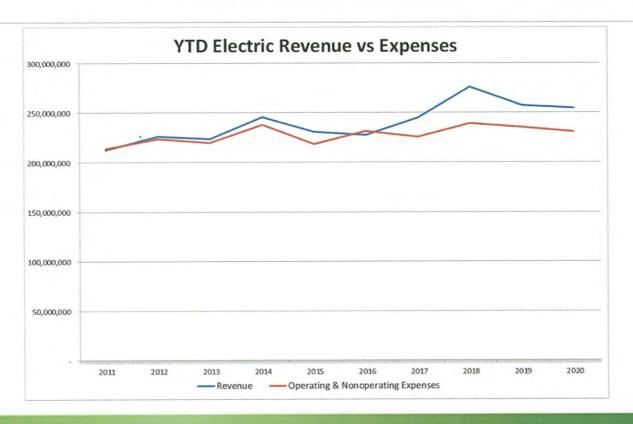
į.		(CY) 2020	(PY) 2019		
	•	YTD		YTD	
[	\$	23.624	\$	22.105	
		9.117		5.429	
	\$	32.741	\$	27.534	

Bud	get 2020	(CY) 2020				
	YTD		YTD			
\$	16.692	\$	23.624			
	6.235		9.117			
\$	22.927	\$	32.741			

<sup>\*\*</sup>Dollars in millions

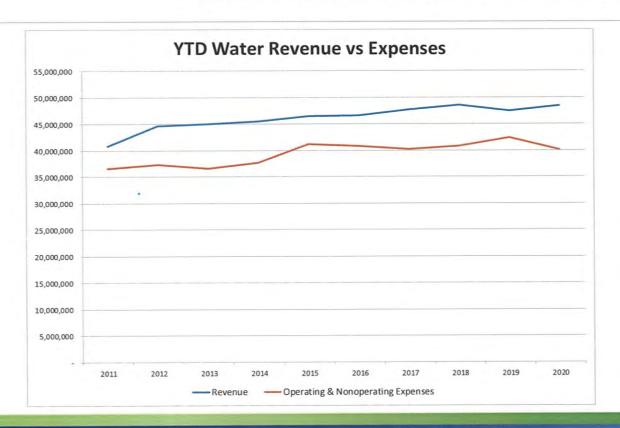


## Financial Results - 10 Year Trend





# Financial Results - 10 Year Trend





#### **Cash Position**

Combined (E&W)
Days Cash-on-Hand

(CY) 2020		(PY) 2019		2020	
Nov	/ember	November	October		
\$	52.98	\$ 51.63	\$	51.67	
	89	87		88	

<sup>\*\*</sup>Dollars in millions



#### Balance Sheet: Notables

	(CY) 2020	(PY) 2019
	November	November
Fuel Inventory	\$ 8.133	\$ 5.527
Bond Dollars 2016C (Elec T&D)	\$ 1.542	\$ 22.333
Bond Dollars 2020A (Elec)	\$ 10.000	\$ -

<sup>\*\*</sup>Dollars in millions



#### Capital Spending

Electric Water Common Total YTD Capital

(CY) 2020		(PY) 2019		
	YTD	YTD		
\$	33.67	\$	35.96	
	7.31		5.13	
	2.16		0.34	
\$	43.14	\$	41.42	

202	0 Budget		
\$	41.27		
	12.73		
	4.60		
\$	58.60	Remaining	26%

\*\*Dollars in millions

Major projects in 2020:

Rosedale Project - \$13.5M N1 Bottom Ash Handling System- \$4.4M Leavenworth Road-Phase 2 - \$2.5M Water Leak, Valve, System Imp. - \$1.8M UG/CMIP Water Distribution - \$2.5M



#### **Debt Coverage**

Electric Water Combined

(CY) 2020	(PY) 2019
November	November
2.11	2.09
2.02	1.87
2.09	2.08

#### Debt Coverage w/o PILOT

Electric Water Combined

(CY) 2020	(PY) 2019
November	November
1.51	1.48
1.57	1.43
1.52	1.50

Financial Guideline Target 1.6 to 2.1 times with PILOT

Election of Officers Agenda Item #V

#### Agenda Item #V

#### **Board Meeting of January 20, 2021**

TO:

President and Members of the

**Board of Public Utilities** 

DATE:

**January 15, 2021** 

**SUBJECT:** 

**Election of Officers** 

The Board elects from its membership, a President, a Vice President and appoints a Secretary.

Typically, the nominations are opened for the Office of President. More than one nomination may be received. After all nominations are received, the Board shall vote on each nomination in the order they are received. Nominations that do not receive a second are not voted on. At any time a nominee receives four affirmative votes by the remainder of the Board, the President of the Board is declared and no further votes on the remaining nominees are required. In the event that four affirmative votes are not received by any nominee, the current President would retain the office.

The newly elected President then presides over the balance of the meeting, and for the Election of Officers to fill the Office of Vice President and the appointment to fill the Office of Secretary. The appointment of the Secretary has traditionally been decided by the same process.

Respectfully submitted,

Bill Johnson

General Manager

General Manager/ Staff Reports Agenda Item #VII

#### **RESOLUTION NUMBER 5257**

#### A RESOLUTION ADOPTING THE KANSAS HOMELAND SECURITY REGIONAL HAZARD MITIGATION PLAN

Whereas, the Kansas City Board of Public Utilities is an administrative agency of the Unified Government of Wyandotte County/Kansas City, KS ("KCBPU"); and

**Whereas**, the KCBPU recognizes the threat that natural hazards pose to people and property within our community; and

Whereas, undertaking hazard mitigation actions will reduce the potential for harm to people and property from future hazard occurrences; and

**Whereas**, the U.S. Congress passed the Disaster Mitigation Act of 2000 ("Disaster Mitigation Act") emphasizing the need for pre-disaster mitigation of potential hazards;

Whereas, the Disaster Mitigation Act made available hazard mitigation grants to state and local governments; and

Whereas, an adopted Hazard Mitigation Plan is required as a condition of future funding for mitigation projects under multiple Federal Emergency Management Agency (FEMA) pre and post disaster mitigation grant programs; and

**Whereas**, the KCBPU fully participated in the FEMA prescribed mitigation planning process to prepare this Multi-Hazard Mitigation Plan; and

**Whereas**, the Kansas Division of Emergency Management and FEMA Region VII officials have reviewed the Kansas Homeland Security Region L Hazard Mitigation Plan, and approved it contingent upon this official adoption of the participating governing body; and

Whereas, the KCBPU desires to comply with the requirements of the Disaster Mitigation Act and to augment its emergency planning efforts by formally adopting the Kansas Homeland Security Region L Hazard Mitigation Plan; and

**Whereas**, adoption by the governing body for the KCBPU demonstrates the jurisdictions' commitment to fulfilling the mitigation goals and objectives outlined in this plan, and

**Whereas**, adoption of this legitimizes the plan and authorizes responsible agencies to carry out their responsibilities under the plan.

Now, therefore, be it resolved, that the KCBPU adopts the Kansas Homeland Security Region L Hazard Mitigation Plan as an official plan; and

Be it further resolved, the KCBPU will submit this Adoption Resolution to the Kansas Division of Emergency Management and FEMA Region VII officials to enable the plan's final approval.

# ADOPTED BY THE GOVERNING BODY OF THE KCBPU THIS 6th DAY OF JANUARY, 2021.

	Ryan Eidson, Board President
Attest:	
Mary Gonzales, Board Secretary	
Approved as to form:	
Angela J. Lawson KCBPU Legal Counsel	