

# BOARD INFORMATION PACKET



**Board of Public Utilities  
Kansas City, Kansas**

**Regular Meeting of**

**October 20, 2021**



# **Table of Contents**

## **October 20, 2021**

**Agenda Item #III.....Approval of Agenda**

**Agenda Item #IV.....Approval of the Minutes of the Work Session of October 6, 2021**

**Agenda Item #V.....Approval of the Minutes of the Regular Session of October 6, 2021**

**Agenda Item #VII.....General Manager / Staff Reports**





Board of Public Utilities  
Kansas City, Kansas

**BOARD AGENDA**

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

- I. Call to Order
- II. Roll Call
  - \_\_\_\_\_ Ryan Eidson, At Large, Position 2
  - \_\_\_\_\_ Tom Groneman, District 2
  - \_\_\_\_\_ Robert L. Milan, Sr., District 1
  - \_\_\_\_\_ Jeff Bryant, District 3
  - \_\_\_\_\_ Mary L. Gonzales, At Large, Position 1
  - \_\_\_\_\_ Rose Mulvany Henry, At Large, Position 3
- III. Approval of Agenda
- IV. Approval of the Minutes of the Work Session of October 6, 2021
- V. Approval of the Minutes of the Regular Session of October 6, 2021
- VI. Public Comments
- VII. General Manager / Staff Reports
  - i. KERA Program Update
  - ii. KCKCC Economic Development Application
  - iii. Electric Production Quarterly Report
  - iv. Miscellaneous Comments
- VIII. Board Comments
- IX. Adjourn



**WORK SESSION MINUTES – WEDNESDAY, OCTOBER 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 Work Session on Wednesday, October 6, 2021 at 5:00 P.M. The following Board Members were on the teleconference: Robert L. Milan, President; Mary Gonzales, Vice President; Rose Mulvany Henry, Secretary; Thomas Groneman Jeff Bryant, and Ryan Eidson.

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; Jerry Ohmes, Executive Director Electric Supply; Steve Green, Executive Director Water Operations; Dong Quach, Executive Director Electric Production; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Robert Kamp, IT Project Manager; Dennis Dumovich, Director Human Resources; Patrice Townsend, Director Utility Services, and Randy Otting, Director Accounting.

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

Mr. Milan called the meeting to order at 5:00 P.M.

Roll call was taken, all Board members were present.

**Item #3 – Approval of Agenda**

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

**Item #4 – Board Updates / GM Updates**

Ms. Mulvany Henry asked Mr. Johnson about the status of the updated Economic Development application from KCKCC.

Mr. Johnson said they would be meeting over the latest information received from KCKCC and then he would report back to the Board.

Mr. Eidson requested that the Board receive presentations in advance in order to have an opportunity to review before the Work Session.

WORK SESSION MINUTES – WEDNESDAY, OCTOBER 6, 2021

STATE OF KANSAS        )  
                                          ) SS  
CITY OF KANSAS CITY )

**Item #5 – 2022 Budget Workshop – 2022 Staffing Plan**

Mr. Dennis Dumovich, Director Human Resources, presented the staffing plan to the Board, outlining the 2022 budget goals for the utility to continue providing necessary services. The presentation also included reflection on information covered in previous benchmark comparisons as well as employment trends. (See the attached PowerPoint presentation.)

Mr. Johnson and Mr. Dumovich answered questions from the Board.

**Item #6 – Adjourn**

A motion was made to adjourn the Work Session at 5:35 P.M. by Ms. Mulvany, seconded by Mr. Bryant and carried unanimously.

ATTEST:

APPROVED:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President



# 2022 Staffing Authorization and Statistics

Board Work Session  
October 6, 2021





# Work Session Presentation Overview

- Budget Goals for 2022 Staffing
- Benchmark Comparisons
- 2022 Proposed Staffing
- Approved Positions with Headcount
- Vacancies and Personnel Requisitions
- Staffing by Locations
- Historical Review of Overtime
- Contractor and Overtime Trends
- Retirement Data
- Employment Trends
- Age and Length of Service Statistics

## 2022 Budget Goals

- Provide cost effective, safe and reliable utility services, including efficient operation of electric and water production facilities.
- Ensure continued fiscal sustainability by effectively managing debt service coverage, cash-on-hand, and credit ratings through open and transparent fiscal and budget policies.
- Continue to focus on employee training, development, safety and security. Improve utility recruiting efforts to improve employee qualifications and performance.
- Continue to focus on corporate reporting programs including data analytics and operational performance metrics. Ensure utility compares favorably with other peer municipal utilities within the region.

## Surveyed and Compared Electric and Water Utilities

- Board of Public Utilities
- Independence Power and Water (Missouri)
- Lansing Board of Water & Lights (Michigan)
- City of Springfield Utilities (Missouri)
- Rochester Utilities (Minnesota)
- City of Fort Collins Utilities (Colorado)

# 2022 Benchmarking

## Departments Compared

- Fleet Maintenance
- Storeroom Operations
- Meters and Services
- Electric Trans & Distribution
- Electric Production
- Water Distribution
- Water Processing
- Customer Services
- Accounting
- Human Resources

# 2022 Benchmarking

## Benchmarking Metrics

- # of customers per employee
- # of distribution lines per employee
- # of poles per employee
- # of distribution pipes per employee
- # of vehicles per employee
- \$\$ of inventory
- \$\$ of inventory per employee
- # of meters per employee
- KWH sold per employee
- # of gallons sold per employee

# 2022 Benchmarking

## Comparative Results

- Third-party surveyed utilities that are close to BPU in size and services offered
- BPU discussed data results with comparative utilities
- All are municipal electric and water utilities throughout the region
- All utilities have employees with IBEW membership
- BPU is competitive when comparing filled positions
- All utilities are working to manage cost of labor and benefits



# 2022 Proposed Staffing

Operating Division	2018	2019	2020	2021	2022 Proposed Staffing
Acct./Fin., Pur. & Admin.	53	53	52	51	49
Customer Services	51	51	51	49	44
Electric Operations	176	177	174	174	169
Electric Production *	159	148	134	127	102
Electric Supply	28	28	28	28	28
General Management *	12	13	13	13	23
Human Resources	9	9	9	9	9
Technology	30	31	31	31	31
Water Operations	109	110	108	108	108
<b>Total:</b>	<b>627</b>	<b>620</b>	<b>600</b>	<b>590</b>	<b>563</b>

\* 2022 Environmental Services will move from the Electric Production Division to the General Management Division.



## Approved Positions with Headcount

	2015	2016	2017	2018	2019	2020	As of 10/1/2021
Approved Positions	663	633	632	627	620	600	590
Full-Time Employees	557	545	535	534	528	510	484*

\* Budgetary savings for current vacant positions amount to approximately \$13.5 million. We are making a concerted effort to raise this number by 32 positions





## Vacancies and Personnel Requisitions

Operating Division	Current Vacancies as of 01/01/2022	Personnel Requisitions
Acct/Fin, Purchasing and Administration	8	1
Customer Services	3	1
Electric Operations	33	17
Electric Production	4	2
Electric Supply	4	2
General Management	8	2
HR	2	1
Technology	8	4
Water Operations	8	2
<b>Total:</b>	<b>78</b>	<b>32</b>

## Staffing by Locations

Operating Division	2019	2020	2021	2022 Proposed Staffing
Administration Building	135	135	133	127
Energy Control Center	28	28	28	28
Muncie	77	75	75	74
Power Plants	147	133	125	109
Nearman Water Treatment Plant	26	26	26	26
Service Center	184	181	181	177
Water Engineering	23	22	22	22
<b>Total:</b>	<b>620</b>	<b>600</b>	<b>590</b>	<b>563</b>



# Historical Review of Overtime

<u>Division</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021 YTD</u>
Accounting/Finance & Purchasing *	\$99,431	\$87,443	\$87,978	\$117,661	\$148,674	\$66,966	\$65,550
Customer Services	\$25,589	\$18,139	\$26,087	\$59,594	\$31,032	\$11,173	\$5,520
General Management	\$20,281	\$14,829	\$15,545	\$14,126	\$0	\$0	\$0
Human Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electric Operations	\$2,319,149	\$2,118,771	\$2,401,832	\$1,631,737	\$1,830,529	\$1,699,759	\$1,375,836
Electric Production	\$1,469,411	\$1,386,969	\$892,587	\$1,190,839	\$970,617	\$852,700	\$397,711
Electric Supply	\$7,153	\$11,173	\$11,651	\$11,178	\$12,304	\$12,014	\$7,750
Technology**	N/A	N/A	N/A	N/A	N/A	\$0	\$0
Water Operations	\$783,296	\$927,480	\$966,384	\$1,068,308	\$899,623	\$610,489	\$506,868
<b>Total:</b>	<b>\$4,724,301</b>	<b>\$4,565,164</b>	<b>\$4,402,064</b>	<b>\$4,092,464</b>	<b>\$3,892,778</b>	<b>\$3,253,101</b>	<b>\$2,359,235</b>

\*Administration Services moved to the Accounting/Finance & Purchasing division in 2019.

\*\*In 2020, Technology was moved out of the Electric Operations division.

## Contractor and Overtime Trends

- Number of Contractors has gone down in the last three years
- Plan to transition a number of Contractors to open full-time employee opportunities
- Improving contract language and better managing projects to eliminate certain contracts at the appropriate time
- Overtime spend has trended down each of the last six years
- Plan to continue with benchmarking ourselves to improve operational efficiencies and to optimize future staffing requirements

# Retirement Data

Year	Percentage Eligible	Percentage Retired
2016	13%	3.55%
2017	15%	3.07%
2018	18%	3.12%
2019	17%	2.41%
2020	18%	2.85%
2021 as of October 1, 2021	21%	2.66%

# Employment Trends

	2018	2019	2020	2021 YTD
Overall Turnover	6.42%	6.48%	6.47%	7.04%
Termination Turnover	3.30%	4.07%	3.62%	4.38%
New Hires	39	22	13	16



# Age and Length of Service Statistics

- The average age of a full-time BPU employee is 49 years old.
- The average age at retirement 60 years old.
- The average years of service of a full-time BPU employee is **14 years**.
- Retirement Turnover for 2019 is 2.41% and for 2020 is 2.85%

	2015	2016	2017	2018	2019	2020	2021 YTD
Age	45	45	45	46	46	47	49
Length of Service	11	11	11	12	11	12	14

# Questions?







**REGULAR SESSION –WEDNESDAY, OCTOBER 6, 2021**

STATE OF KANSAS        )  
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CITY OF KANSAS CITY)

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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; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Dennis Dumovich, Director of Human Resources; Robert Kamp, IT Project Manager; Phillip Brown, Senior Civil Engineer; Randy Otting, Director Accounting; 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 to 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.

**Item #3 – Approval of Amended Agenda**

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

**Item #5 – Approval of Regular Session Minutes of September 15, 2021**

A motion was made to approve the minutes of the Regular Session of September 15, 2021 by Mr. Eidson, seconded by Ms. Gonzales, and unanimously carried.

**REGULAR SESSION –WEDNESDAY, OCTOBER 6, 2021**

STATE OF KANSAS        )  
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**Item #6– Public Comments**

Ms. Louise Lynch, 737 Miami Ave., addressed the Board regarding issues with the KERA program, the United Way’s distribution of ARPA funds, and the moratorium.

Ty Gorman, 2843 Parkwood Blvd, echoed Ms. Lynch’s comments on the moratorium and also spoke about scheduling a meeting with BPU.

Mr. Beto Lugo with Clean Air Now, also wanted to comment on his support of extending the moratorium.

**Item #9 – General Manager / Staff Reports**

- i. *KERA Program Update:* Ms. Patrice Townsend, Director Utility Services, updated the Board on the application assistance and statistics for the KERA program. She also reported that El Centro is helping customers, including homeowners, with gap payments.

Ms. Townsend and Ms. Hinson answered questions from the Board.

- ii. *Moratorium Update:* Ms. Johnetta Hinson, Executive Director Customer Service, gave a Delinquent Customer Analysis presentation to assist the Board with the moratorium discussion (see attached).

Ms. Hinson, Mr. Johnson, and Ms. Austin addressed questions and comments from the Board.

After a motion was made and discussion ensued, the motion was modified to read:

A motion was made to end the moratorium on November 3, 2021 with the understanding that BPU would put a full court press on communication to the public about that end date, by Ms. Mulvany Henry, seconded by Mr. Groneman.

**REGULAR SESSION –WEDNESDAY, OCTOBER 6, 2021**

STATE OF KANSAS        )  
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CITY OF KANSAS CITY)

Roll call:

Mr. Eidson – Yes

Mr. Groneman – Yes

Mr. Milan – No

Mr. Bryant – Yes

Ms. Gonzales – No

Ms. Mulvany Henry - Yes

The motion carried 4 – 2.

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

Ms. Austin and Mr. Dong Quach, Executive Director Electric Production, answered questions from the Board.

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

- iv. *Electric Operations Budget Transfer*: Mr. Jeremy Ash, Executive Director Electric Operations, made a request to the Board to transfer monies from three projects that they would not be able to get to due to various reasons, including lead times and costs. He requested that those dollars be put into the Distribution Pole Replacement and Inspection Program (see attached).

A motion was made to accept the Electric Operations Budget Transfer as presented by Mr. Eidson, seconded by Mr. Bryant and carried unanimously.

- v. *Resolution #5267 KDHE Water Loan Approval*: Ms. Austin and Ms. Kathy Peters, Kutak Rock LLP, reviewed the steps which had been taken to obtain the Kansas Health

REGULAR SESSION –WEDNESDAY, OCTOBER 6, 2021

STATE OF KANSAS     )  
                                          ) SS  
CITY OF KANSAS CITY )

and Environment (KDHE) Water Supply Loan. She asked that the Board approve the execution of the loan agreement between KDHE and BPU.

A motion was made to approve Resolution #5267, authorizing the execution of the Loan Agreement by Ms. Gonzales, seconded by Ms. Mulvany Henry and carried unanimously.

- vi. *Miscellaneous Comments:* Mr. Johnson recognized that this week was Public Power Week and thanked staff for their continuous service to the utility and the community.

**Item #10 – Board Comments**

Mr. Eidson thanked everyone for their presentations. He asked Mr. Johnson about the bill redesign and if the UG was assisting with payment of that.

Mr. Johnson said that the goal for rollout was November 11, 2021. Regarding the UG assistance, they had been requested to pay half of the build-out and implementation charge for the redesign. As it turned out, there was not a charge for that.

Mr. Groneman had no comments.

Mr. Bryant spoke about the Board’s job of balancing financial responsibility and supporting the community needs. He expressed his appreciation of the other members of the Board.

Ms. Gonzales echoed Mr. Johnson’s comments about Public Power Week.

Ms. Mulvany Henry asked Mr. Johnson if merit increases for non-bargaining employees were going to be evaluated at the end of 2021.

Mr. Johnson said that he was hoping to evaluate that for 2021. He also confirmed that the increases given in 2020 were not retro-active to the beginning of the year.

Mr. Milan spoke about the moratorium and getting the word out to customers.

REGULAR SESSION –WEDNESDAY, OCTOBER 6, 2021

STATE OF KANSAS     )  
                                          ) SS  
CITY OF KANSAS CITY)

**Item #11 – Adjourn**

A motion was made to adjourn the Regular Session at 8:28 P.M. by Mr. Eidson, seconded by Ms. Gonzales, and unanimously carried.

ATTEST:

APPROVED:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

# Delinquent Customers Analysis

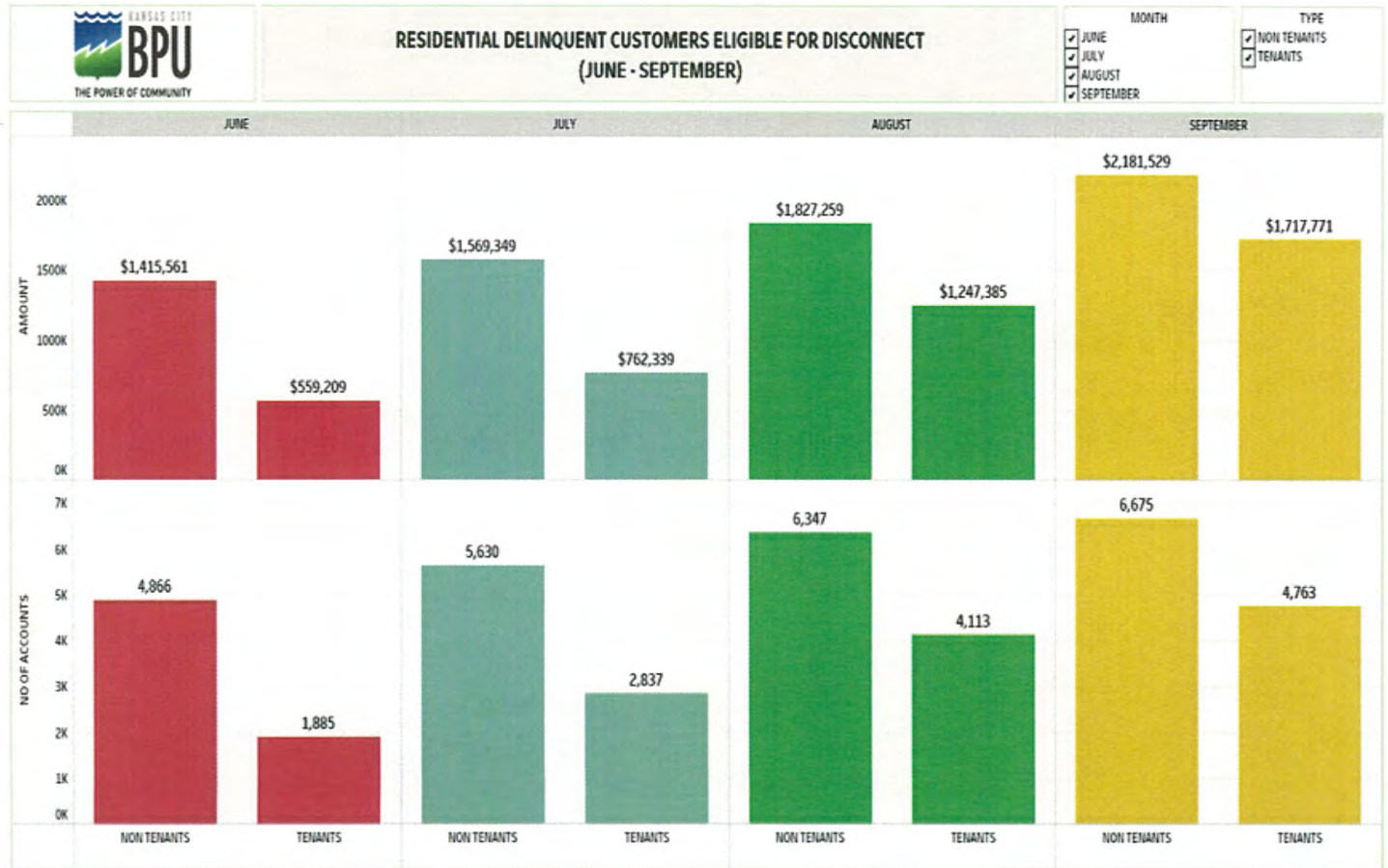
June - Sept 2021

October 6, 2021

# Delinquent Customers Analysis June-Sept 2021

October 6, 2021





**Residential  
 Customers  
 Only**



# Delinquent - Eligible for Disconnect

- Tenants and Non-Tenants

**DELINQUENT RESIDENTIAL CUSTOMERS ELIGIBLE FOR DISCONNECT  
(JUNE - SEPTEMBER)**

**MONTH**

 JUNE  
 JULY  
 AUGUST  
 SEPTEMBER

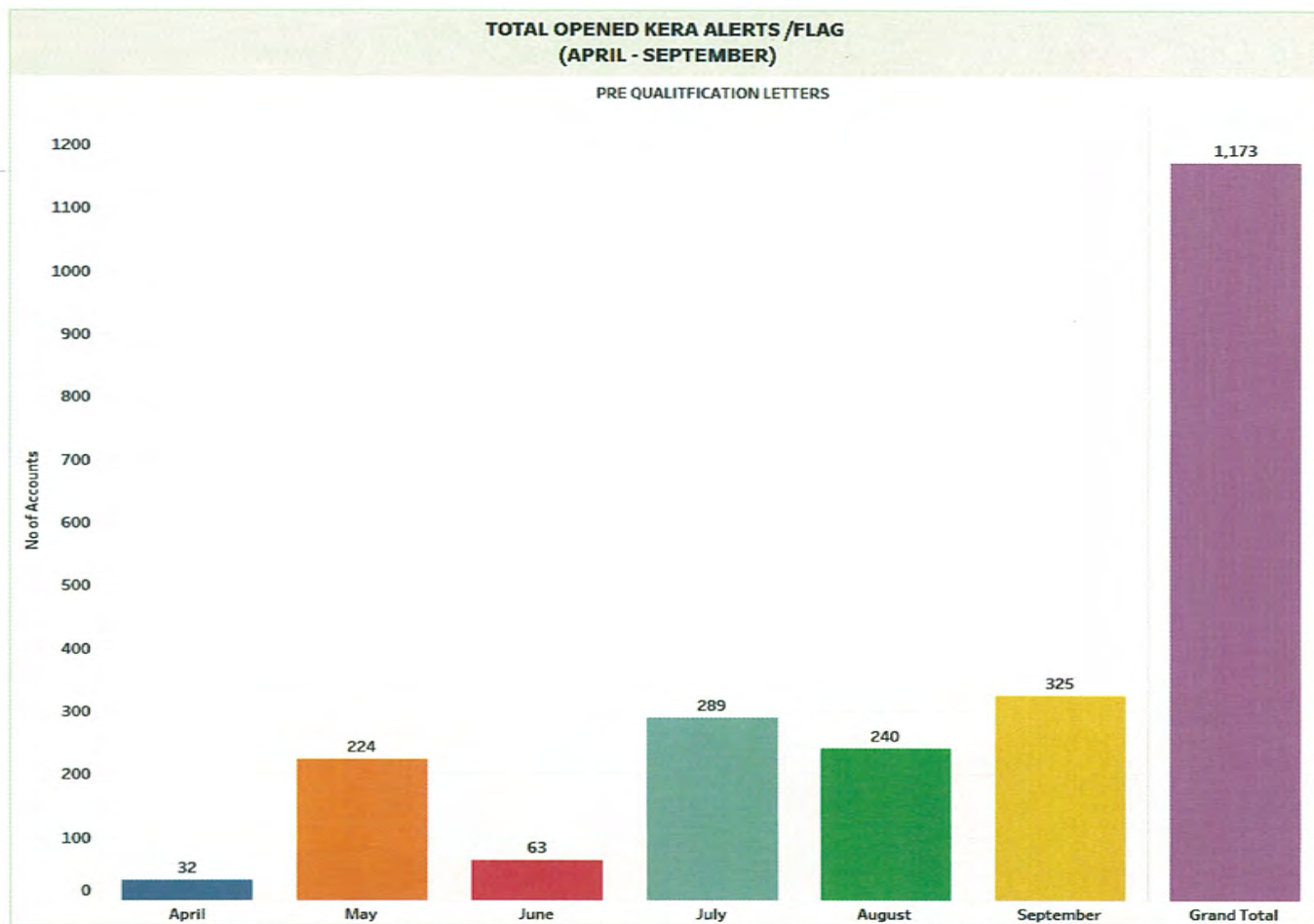
**TYPE**

 NON TENANTS  
 TENANTS

MONTH	TYPE	Min Amount	Max. AMOUNT	Average	NO_OF_ACCOUNTS
JUNE	NON TENANTS	\$50.00	\$7,346	\$200	7,273
	TENANTS	\$50.00	\$3,455	\$213	2,678
JULY	NON TENANTS	\$50.00	\$8,109	\$187	8,644
	TENANTS	\$50.00	\$2,805	\$212	3,661
AUGUST	NON TENANTS	\$50.00	\$8,109	\$218	8,532
	TENANTS	\$50.00	\$2,997	\$256	4,934
SEPTEMBER	NON TENANTS	\$50.00	\$8,109	\$263	8,409
	TENANTS	\$50.00	\$3,493	\$313	5,527



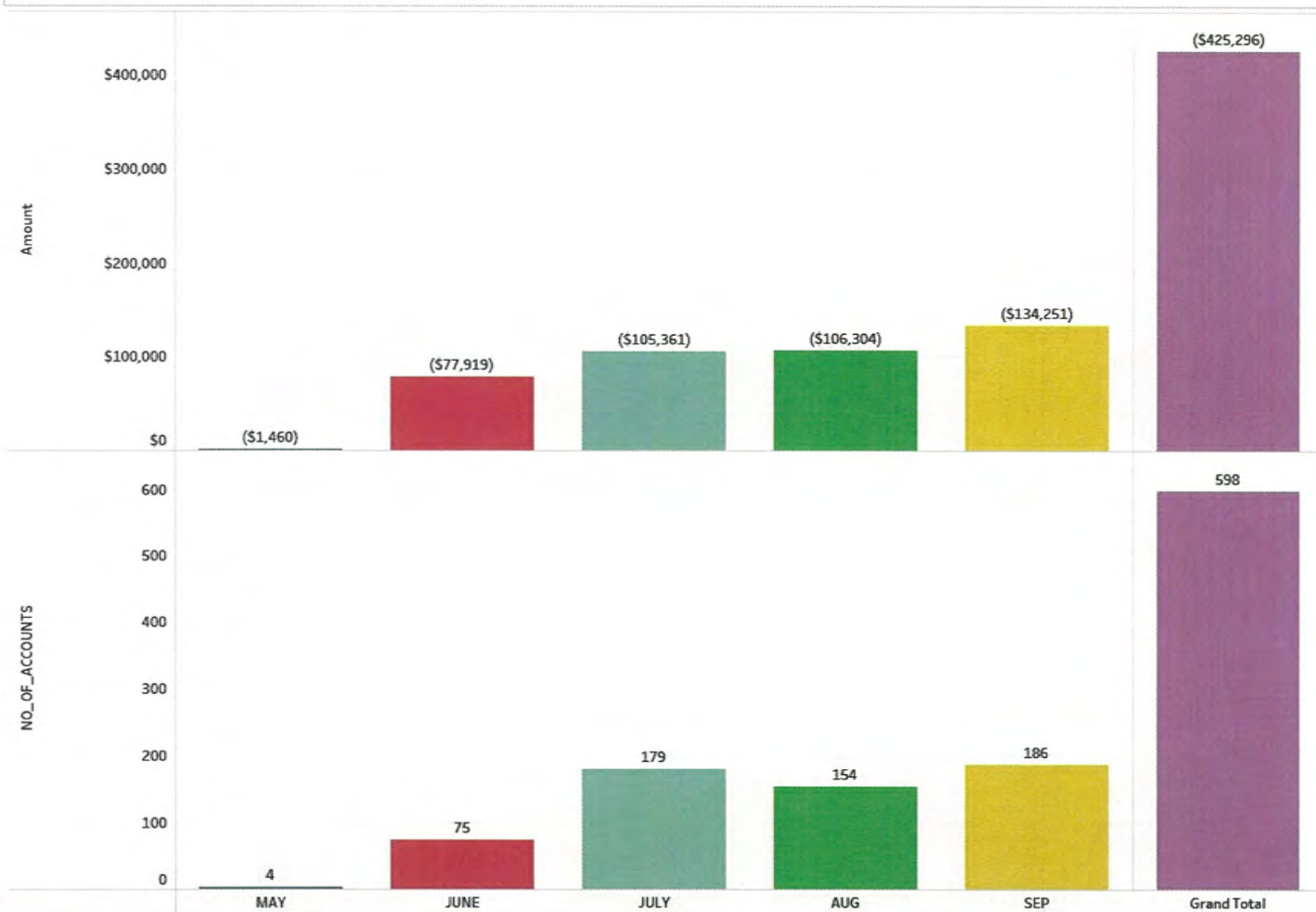
# KERA Alerts





## KERA Payments

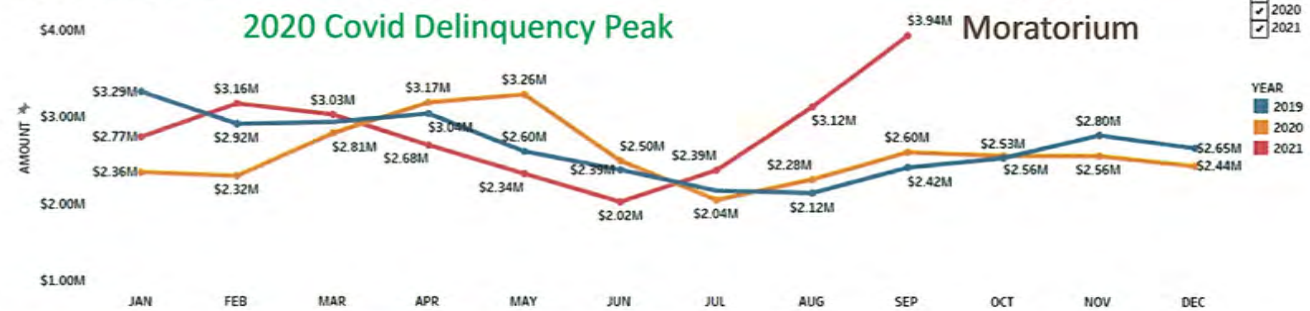
KERA PAYMENTS (JUNE - SEPTEMBER)



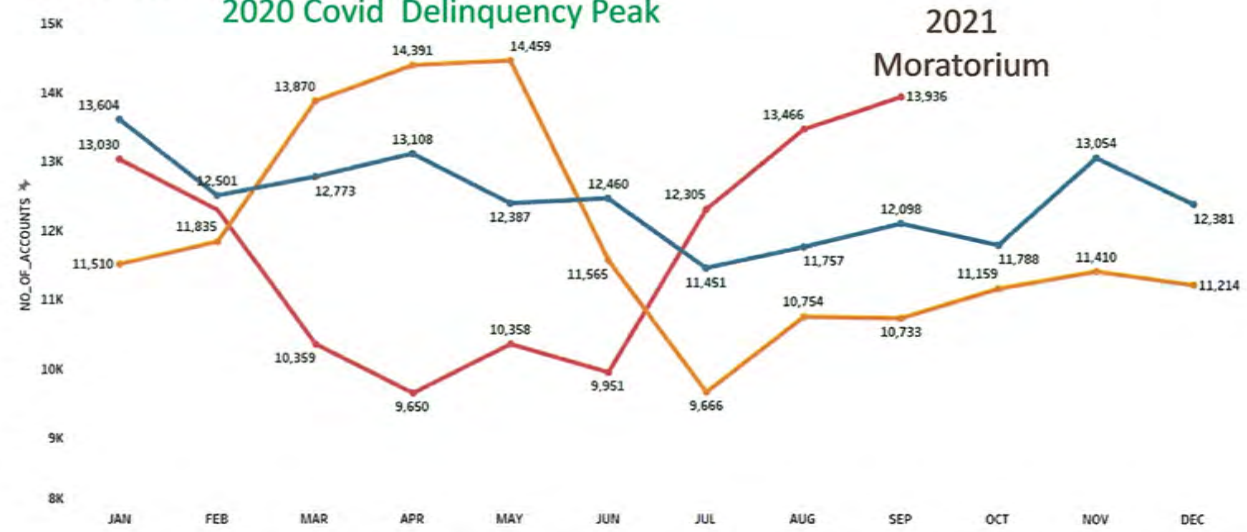


# Delinquency Trends

TOTAL DELINQUENT AMOUNT BY MONTH/YEAR

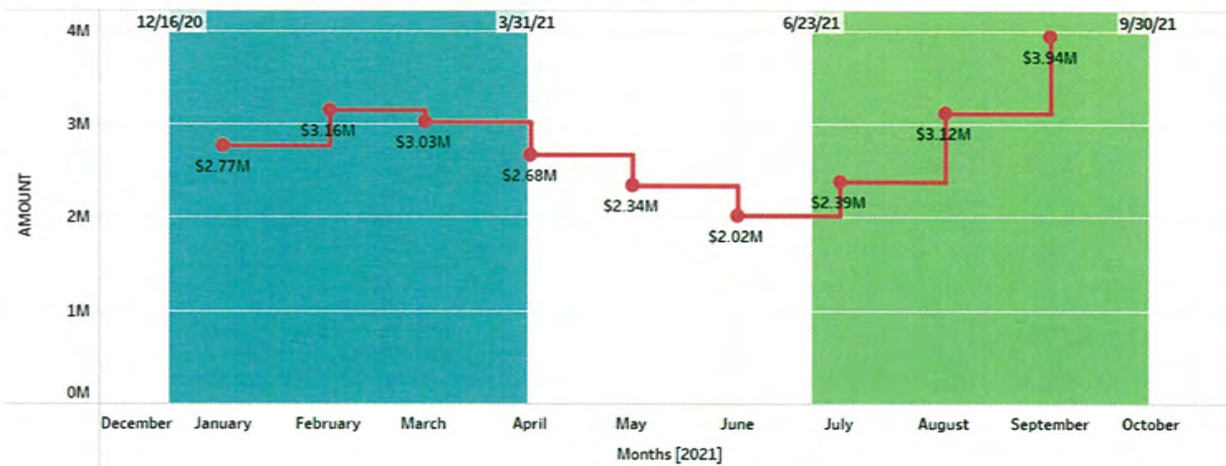


TOTAL DELINQUENT ACCOUNTS BY MONTH/YEAR



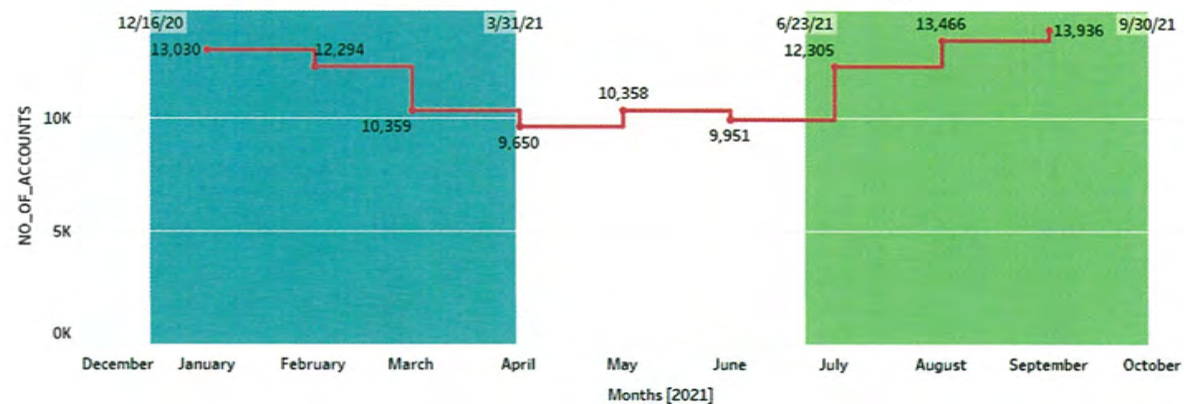


TOTAL DELINQUENT AMOUNT BY MONTH/YEAR (MORATORIUM PERIODS)



## Delinquency by Month & Year

TOTAL DELINQUENT ACCOUNTS BY MONTH/YEAR (MORATORIUM PERIODS)



# August 2021 Financial Results

October 6, 2021



# Financial Results

## 2021 Billed kWh (YTD Jan – Aug)

Electric	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	400,697,409	397,798,459	
Commercial	634,621,078	606,682,540	
Industrial	301,418,524	334,684,731	
	1,336,737,011	1,339,165,730	-0.2%

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

Residential – <1%    Commercial – Up 5%    Industrial – Down 10%



## 2021 Billed CCF's (YTD Jan - Aug)

Water	(CY) 2021 YTD	(PY) 2020 YTD	
Residential	2,312,690	2,364,732	
Commercial	1,633,814	1,631,593	
Industrial	1,168,794	1,240,447	
	5,115,298	5,236,772	-2.3%

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

Residential – Down - 2%      Commercial – Up < 1%      Industrial - Down 6%



# Financial Results

## Revenues – August 2021

\*\*Dollars in millions

	(CY) 2021 August	(PY) 2020 August		Budget 2021 August	(CY) 2021 August	
Electric	\$ 29.439	\$ 30.428		\$ 25.261	\$ 29.439	
Water	5.283	5.574		4.974	5.283	
<b>Combined</b>	<b>\$ 34.722</b>	<b>\$ 36.002</b>	<b>-3.6%</b>	<b>\$ 30.235</b>	<b>\$ 34.722</b>	<b>14.8%</b>

**Actual Compared to 2021 Budget**

Electric up 16%  
Water up 6%

# Financial Results

## Revenues – 2021 YTD

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 194.106	\$ 191.498		\$ 173.150	\$ 194.106	
Water	33.888	34.799		34.799	33.888	
Combined	\$ 227.994	\$ 226.297	0.7%	\$ 207.949	\$ 227.994	9.6%

\*\*Dollars in millions

### Variance – YTD comparing Budget to Actual for 2021

Electric: *Up 12%*

Residential (\$65K)

Commercial (\$1.1M)

Industrial (\$5.1M)

Schools \$370K

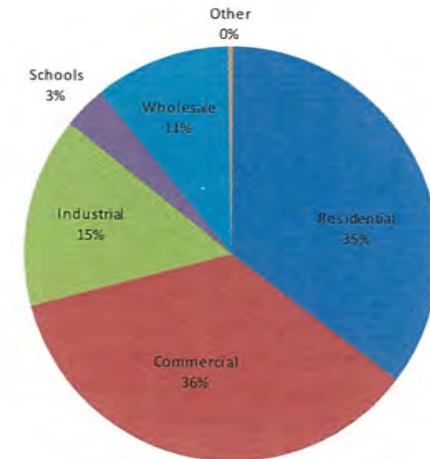
Wholesale \$17.1M

Water: *Down 2%*

Residential \$200K

Commercial (\$163K)

Industrial (\$171K)



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



# Financial Results

## Operating Expenses – August 2021

	(CY) 2021 August	(PY) 2020 August		Budget 2021 August	(CY) 2021 August	
Electric	\$ 15.977	\$ 17.487		\$ 17.022	\$ 15.977	
Water	2.858	2.784		3.207	2.858	
<b>Combined</b>	<b>\$ 18.835</b>	<b>\$ 20.271</b>	<b>-7.1%</b>	<b>\$ 20.229</b>	<b>\$ 18.835</b>	<b>-6.9%</b>

\*\*Dollars in millions

### Variance – Comparing Budget to Actual for 2021

**Electric** – Down 6%

- Production - 15% down
- Purchased Power - 7% down
- Fuel - 65% up
- T&D - 13% down
- G &A - 18% down

**Water** – Down 11%

- Production - 20% down
- T&D - 13% up
- G &A - 14% down

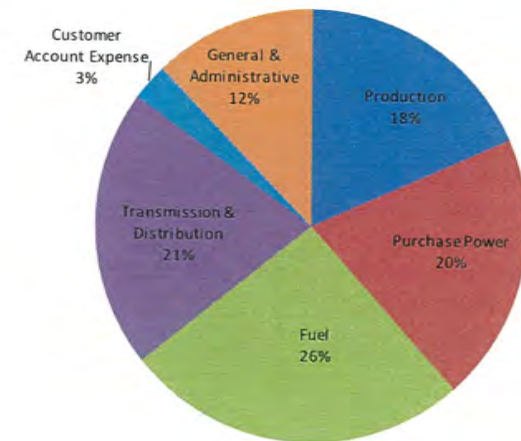
## Operating Expenses – 2021 YTD (Total)

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 139.866	\$ 130.879		\$ 136.340	\$ 139.866	
Water	23.503	22.646		25.642	23.503	
Combined	\$ 163.369	\$ 153.525	6.4%	\$ 161.982	\$ 163.369	0.9%

\*\*Dollars in millions

### Actual Compared to 2021 Budget

- Electric up 3%
- Water down 8%





# Financial Results

## Operating Expenses – 2021 YTD less Depreciation

	(CY) 2021 YTD	(PY) 2020 YTD		Budget 2021 YTD	(CY) 2021 YTD	
Electric	\$ 119.439	\$ 112.379		\$ 117.104	\$ 119.439	
Water	17.921	17.462		20.353	17.921	
Combined	\$ 137.360	\$ 129.841	5.8%	\$ 137.457	\$ 137.360	-0.1%

\*\*Dollars in millions

Variance – YTD comparing Budget to Actual 2021

**Electric:**

Purchased Power	(\$2.0M)
Fuel	\$14.0M
Production	(\$3.9M)
T&D	(\$3.0M)
G&A	(\$2.8M)

**Water:**

Production	(\$970K)
T&D	(\$736K)
G&A	(\$643K)





# Financial Results

## Change in Net Position – August 2021

	(CY) 2021 August	(PY) 2020 August	Budget 2021 August	(CY) 2021 August
Electric	\$ 8.969	\$ 6.781	\$ 3.951	\$ 8.969
Water	2.063	2.487	1.059	2.063
Combined	\$ 11.032	\$ 9.268	\$ 5.010	\$ 11.032

\*\*Dollars in millions



# Financial Results

## Change in Net Position - 2021 YTD

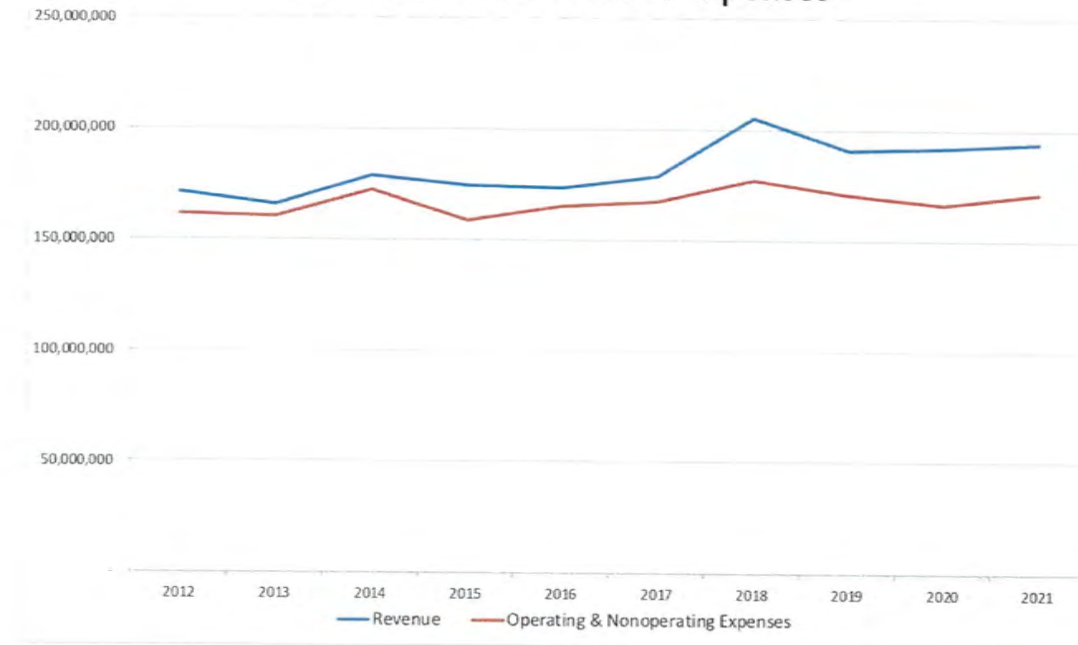
	(CY) 2021 YTD	(PY) 2020 YTD	Budget 2021 YTD	(CY) 2021 YTD
Electric	\$ 23.185	\$ 25.188	\$ 5.846	\$ 23.185
Water	5.902	6.385	4.208	5.902
Combined	\$ 29.087	\$ 31.573	\$ 10.054	\$ 29.087

\*\*Dollars in millions

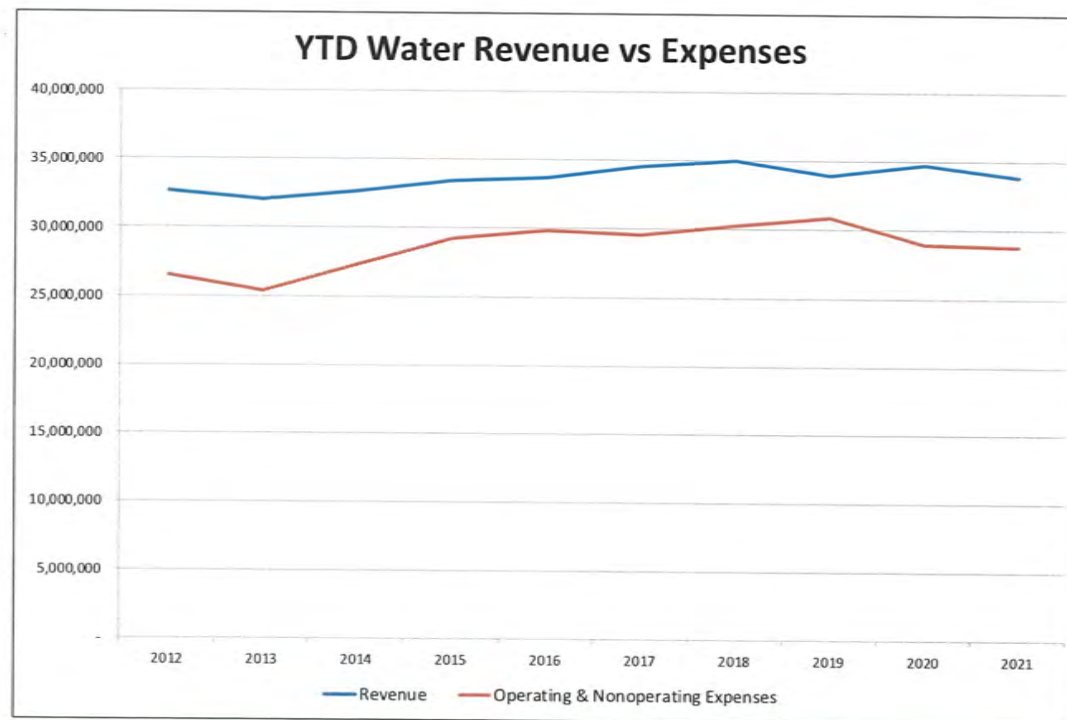


# Financial Results - 10 Year Trend

YTD Electric Revenue vs Expenses



# Financial Results - 10 Year Trend



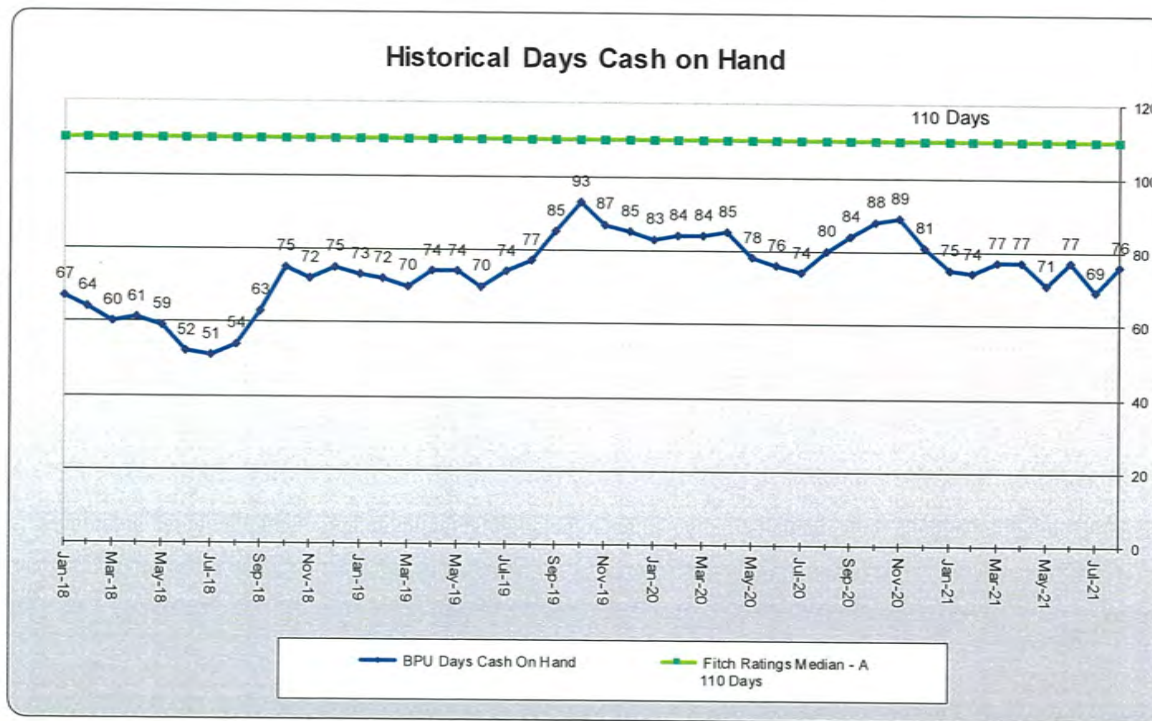
## Cash Position

	(CY) 2021 August	(PY) 2020 August	2021 July
Combined (E&W) Days Cash-on-Hand	\$ 44.48 76	\$ 47.82 80	\$ 40.89 69

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

\*\*Dollars in millions

# Financial Results



## Balance Sheet: Notables

	(CY) 2021 August	(PY) 2020 August
Fuel Inventory	\$ 4.462	\$ 5.379
Bond Dollars 2016C (Elec T&D)	\$ 0.709	\$ 1.542
Bond Dollars 2020A (Elec)	\$ 8.201	\$ -

\*\*Dollars in millions

## Capital Spending

	(CY) 2021 YTD	(PY) 2020 YTD	2021 Budget	
Electric	\$ 12.29	\$ 27.49	\$ 38.94	
Water	4.89	5.16	12.34	
Common	2.61	1.54	5.91	
<b>Total YTD Capital</b>	<b>\$ 19.80</b>	<b>\$ 34.19</b>	<b>\$ 57.20</b>	<b>Remaining 65%</b>

\*\*Dollars in millions

Major projects in 2021:

- Dogwood Capital (BPU's portion) - \$1.5M
- Upgrade of Desktops/Network - \$781K
- New Development - \$1.3M
- Dist Pole Inspection Replacement - \$1.8M
- Annual UG & OH Construction - \$1.0M
- Water Leak, Valve, System Imp. - \$1.3M
- UG/CMIP Water Distribution - \$520K

## Debt Coverage

### Debt Coverage with PILOT

	(CY) 2021 August	(PY) 2020 August
Electric	1.84	2.09
Water	1.98	1.94
Combined	2.03	2.09

### Debt Coverage w/o PILOT

	(CY) 2021 August	(PY) 2020 August
Electric	1.26	1.51
Water	1.52	1.50
Combined	1.43	1.53

Financial Guideline Target 1.6 to 2.1 times with PILOT

TO: General Manager

FROM: Jeremy Ash  
(Division Manager)

DATE: September 28, 2021

SUBJECT: Budget Transfers

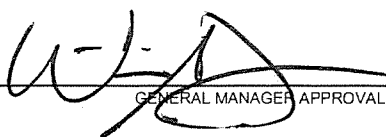
DESCRIPTION AND REASON FOR TRANSFER:

The distribution pole inspection program is new to electric operations and the pole plant inspected is failing at a higher rate than industry average. Electric Operations can transfer the funds from the projects listed below due to the fact that the projects have slowed or completely stopped as a result of both manpower and supply chain restraints.

FROM	1	2	3
Project Budget	100679	101190	100694
Project Description	Muncie OH Feeders	Fiberglass OH Feeders	Piper OH Feeders
Task Number			
Task Project Description			
Operating Unit	Electric	Electric	Electric
Department	2110	2110	2110
Class (If operating expense)	2000	2000	2000
Amount	500,000.00	500,000.00	750,000.00

TO	1	2	3
Project Budget	104029		
Project Description	Dist Pole Inspection & Replace		
Task Number			
Task Project Description			
Operating Unit	Electric		
Department	2100		
Class (If operating expense)	2110		
Amount	1,750,000.00		

IF THE TRANSFER INVOLVES A PROJECT, THE PROJECT NUMBER MUST BE SPECIFIED ABOVE.

  
GENERAL MANAGER APPROVAL

10.7.2021  
DATE

CC: Corporate Accounting



RESOLUTION NO. 5267

**RESOLUTION AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE BOARD OF PUBLIC UTILITIES OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT, FOR THE PURPOSE OF OBTAINING A LOAN FROM THE KANSAS PUBLIC WATER SUPPLY FUND FOR THE PURPOSE OF FINANCING A PUBLIC WATER SUPPLY PROJECT; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.**

**WHEREAS**, the Safe Drinking Water Act Amendments of 1996 [PL 104-182] to the Safe Drinking Water Act (the "Federal Act") established the Drinking Water Loan Fund to assist public water supply systems in financing the costs of infrastructure needed to achieve or maintain compliance with the Federal Act and to protect the public health, and authorized the Environmental Protection Agency (the "EPA") to administer a revolving loan program operated by the individual states; and

**WHEREAS**, to fund the state revolving fund program, the EPA will make annual capitalization grants to the states, on the condition that each state provide a state match for such state's revolving fund; and

**WHEREAS**, by passage of the Kansas Public Water Supply Loan Act, K.S.A. 65-163d *et seq.*, as amended (the "Loan Act"), the State of Kansas (the "State") has established the Kansas Public Water Supply Loan Fund (the "Revolving Fund") for purposes of the Federal Act; and

**WHEREAS**, under the Loan Act, the Secretary of the Kansas Department of Health and Environment ("KDHE") is given the responsibility for administration and management of the Revolving Fund; and

**WHEREAS**, the Kansas Development Finance Authority (the "Authority") and KDHE have entered into a Master Indenture (the "Master Indenture") pursuant to which KDHE agrees to enter into Loan Agreements with Municipalities for public water supply system projects (the "Projects") and to pledge the Loan Repayments (as defined in the Master Indenture) received pursuant to such Loan Agreements to the Authority; and

**WHEREAS**, the Authority is authorized under K.S.A. 74-8905(a) and the Loan Act to issue revenue bonds (the "Bonds") for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA capitalization grants, to Municipalities within the State for the payment of Project Costs (as said terms are defined in the Loan Act) and

**WHEREAS**, the Board of Public Utilities (the "BPU") of the Unified Government of Wyandotte County/Kansas City, Kansas (the "Unified Government"), an administrative agency of the Unified Government, operates the Unified Government's public water supply and distribution system (the "System"); and

**WHEREAS**, the BPU is a municipality as said term is defined in the Loan Act, and the System is a Public Water Supply System, as said term is defined in the Loan Act; and

**WHEREAS**, the Board of Directors of the BPU (the "BPU Governing Body") has heretofore determined it to be in the best needs of the customers of the System to undertake certain modifications and improvements to the System, including (i) 7 MG Argentine Reservoir at an estimated cost of \$10,000,000, (ii) replace aging distribution mains at an estimated cost of \$9,000,000, (iii) transmission main from 90<sup>th</sup> and Parallel to I-435 and France Family Drive at an estimated cost of \$2,000,000, (iv) electrical improvements at Nearman Water Treatment Plant and pumping stations at an estimated cost of \$1,500,000 and (v) replace 24-inch main at 12<sup>th</sup> Street and Kansas River at an estimated cost of \$2,500,000 (collectively, the "Projects"), and to pay Loan origination costs; and

**WHEREAS**, the BPU has, pursuant to the Loan Act and as authorized by Resolution No. 5260, submitted an Application to KDHE to obtain a loan from the Revolving Fund in an amount not to exceed \$25,000,000.00 to finance the costs of the Project; and

**WHEREAS**, pursuant to Resolution No. R-29-21 approved April 8, 2021, the Unified Government authorized the BPU to obtain the hereinafter described Loan; and

**WHEREAS**, the BPU has taken all steps necessary and complied with all requirements of the Loan Act and the provisions of K.A.R. 28-15-50 through 28-15-65 (the "Regulations") applicable thereto necessary to qualify for the hereinafter described Loan; and

**WHEREAS**, KDHE has informed the BPU that it has been approved for a loan in an amount of not to exceed \$25,000,000.00 (the "Loan") in order to finance the Project; and

**WHEREAS**, the governing body of the BPU hereby finds and determines that it is necessary and desirable to accept the Loan and to enter into a Loan Agreement and certain other documents relating thereto, and to take certain actions required in order to implement the Loan Agreement;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BOARD OF PUBLIC UTILITIES OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:**

**Section 1. Authorization and Approval of Loan Agreement.** The BPU is hereby authorized to accept the Loan and to enter into a certain Loan Agreement with an effective date of August 23, 2021, with the State of Kansas acting by and through the Kansas Department of Health and Environment (the "Loan Agreement"), to finance the Project Costs (as defined in the Loan Agreement). The General Manager of the BPU is hereby authorized to enter into the Loan Agreement in substantially the form presented to the Board of Directors this date, with such changes therein as shall be approved by the General Manager of the BPU and the BPU's legal counsel, such General Manager's execution of the Loan Agreement being conclusive evidence of their approval thereof.

**Section 2. Establishment of Dedicated Source of Revenue for Repayment of Loan.** Pursuant to the Act, the BPU hereby establishes the System Revenues (as defined in the Loan Agreement) as the dedicated source of revenue for repayment of the Loan. The Loan constitutes Subordinate Debt as defined in the Second Amended and Restated Indenture of Trust dated as of June 1, 2014 by and between the Unified Government and Security Bank of Kansas City, as Trustee (as heretofore and hereafter amended and supplemented, the "Indenture"). In accordance therewith, the BPU shall fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System, including all improvements and additions thereto hereafter constructed or acquired by the BPU, as will provide revenues sufficient to (a) pay the cost of

the operation and maintenance of the System, (b) pay the principal of and interest on the Loan, any Existing Revenue Obligations and Additional Revenue Obligations (as said terms are defined in the Loan Agreement) as and when the same become due, and (c) pay all other amounts due at any time under the Loan Agreement. Such dedicated source of revenue is hereby pledged as security for repayment of the Loan, provided that such pledge shall be subordinate and junior in all respects to the pledge of the Trust Estate by the Indenture as security for the Bonds, as such terms are defined in the Indenture.

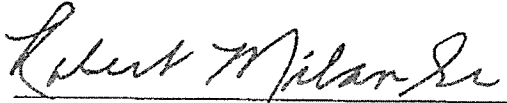
**Section 3. Further Authority.** The President, Secretary, General Manager and other officers, agents and employees of the BPU are hereby further authorized and directed to execute any and all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution, and to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

**Section 4. Governing Law.** The Resolution and the Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Kansas.

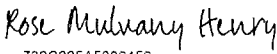
**Section 5. Effective Date.** This Resolution shall take effect and be in full force from and after its adoption by the Board of Directors of the BPU.

**ADOPTED** by the Board of Directors of the Board of Public Utilities of the Unified Government of Wyandotte County/Kansas City, Kansas, this 6th day of October, 2021.

**BOARD OF PUBLIC UTILITIES**

By:   
President

ATTEST:

DocuSigned by:  
  
732C225A5806456 ..

Secretary

**CERTIFICATE OF RECORDING OFFICER**

The undersigned, duly qualified and acting Secretary of the Board of Public Utilities of the Unified Government of Wyandotte County/Kansas City, Kansas, does hereby certify:

That the attached resolution is a true and correct copy of the resolution adopted at a legally convened meeting of the Board of Directors of the Board of Public Utilities of the Unified Government of Wyandotte County/Kansas City, Kansas held on the 6<sup>th</sup> day of October, 2021; and, further, that such resolution has been fully recorded in the journal of proceedings and records in the official BPU records.

IN WITNESS WHEREOF, I have hereunto set my hand this 6<sup>th</sup> day of October, 2021.

DocuSigned by:

*Rose Mulvany Henry*

732C225A5806456

Secretary

