

REGULAR SESSION –WEDNESDAY, OCTOBER 5, 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, October 5, 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; Jeremy Ash, Interim Chief Operating Officer; Johnetta Hinson, Executive Director Customer Service; Steve Green, Executive Director Water Operations; Maurice Moss, Executive Director Corporate Compliance; Jerin Purtee, Executive Director Electric Supply; Darrin McNew, Acting Executive Director Electric Operations; Dong Quach, Executive Director Electric Production; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Dennis Dumovich, Director of Human Resources; Sperlynn Byers, Acting Director of Information Technology; Jody Franchett, Director Administrative Services; Andrew Ferris, Director Electric Supply Planning; Nesby Harvey, Acting Supervisor Application Development; and Robert Kamp, IT Project Manager.

A video of this meeting is on file at the Board of Public Utilities and can be found on the BPU website, www.bpu.com.

Ms. Gonzales called the Board meeting to order at 6:04 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.

REGULAR SESSION –WEDNESDAY, OCTOBER 5, 2022

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Item #3 – Approval of Agenda

A motion was made to approve the Agenda by Mr. Bryant, seconded by Mr. Milan, and unanimously carried.

Item #4– Approval of Work Session Minutes of September 21, 2022

A motion was made to approve the minutes of the Work Session of September 21, 2022, by Mr. Milan, seconded by Mr. Groneman, and unanimously carried.

Item #5– Approval of Regular Session Minutes of September 21, 2022

A motion was made to approve the minutes of the Regular Session of September 21, 2022, by Mr. Bryant, seconded by Ms. Mulvany Henry, and unanimously carried.

Item #6 – Public Comments

There were no visitors wishing to speak.

Item #7 – General Manager / Staff Reports

- i. *August 2022 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, reviewed the August 2022 Financials with the Board. (See attached PowerPoint.)

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

- ii. *Information Technology Quarterly Report:* Mr. Jerry Sullivan, Chief Information Officer, reviewed with the Board the major initiatives under way in regards to Information Technology. In addition, Mr. Robert Kamp, IT Project Manager, highlighted products currently underway. (See attached PowerPoint.)

Mr. Johnson, Mr. Sullivan and Mr. Kamp responded to questions from the Board.

- iii. *Miscellaneous Comments:* Mr. Jeremy Ash, Interim Chief Operating Officer spoke to the Board about BPU lineman assisting with Hurricane Ian restoration.

REGULAR SESSION –WEDNESDAY, OCTOBER 5, 2022

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Mr. Johnson asked Mr. Ash to schedule a time for the crew to come and talk about their experience.

Mr. Johnson remarked that beginning that evening, the meeting was now being made available on video.

Item #8 – Board Comments

Mr. Haley thanked everyone for the very informative reports. He also gave kudos for the assistance given in Florida. He appreciated the Work Session discussion on the Cold Weather Rule and the lobby.

Mr. Groneman echoed Mr. Haley’s comments. He also said that he had attended the Unified Government’s (UG) Public Works and Safety Standing Committee. He commented about the cost savings the UG was seeing by having their Commercial Driver’s License (CDL) training done in house.

Mr. Ash said that with help from KMU, BPU was essentially doing the same thing.

Mr. Milan thanked everyone for their presentations. He also expressed his appreciation to the linemen for the work they did in Florida.

Mr. Bryant also thanked the linemen and said he looked forward to hearing their report. He thanked Mr. Ferris for the Purchase Power presentation given in the Work Session. It reminded him that maintaining a portfolio of multiple fuel sources was so important. He also thanked staff for their continued financial diligence.

Ms. Gonzales echoed all of the comments given. She appreciated all of the knowledge shared.

Ms. Mulvany Henry also echoed the previous sentiments made. She thanked the team for their Florida efforts. It’s something that all of Wyandotte County could be very proud of. She also said that she had attended a meeting at the request of UG Commissioner Melissa Bynum and would be serving on a PILOT Task Force.

REGULAR SESSION –WEDNESDAY, OCTOBER 5, 2022

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Item #8– Executive Session

Ms. Angela Lawson, Deputy Chief Counsel proposed a motion for adoption as followed:

“I move that after taking an eight minute break the Board go into Executive Session for 20 minutes in the first floor board room to discuss confidential matters related to review of the general manager, a personnel matter of nonelected personnel as justified under the exception in the Kansas Open Meetings Act; and that the General Manager, William Johnson, and the Deputy Chief Counsel, Angela Lawson, be present to participate in the discussion, all others to be dismissed from the room and electronic and telephonic transmissions to cease, and that we reconvene in open session returning to both electronic and telephonic broadcasting at 8:00 P.M. in the board room to either take action in an open session or to adjourn”.

There was discussion regarding the time of reconvening.

A motion to go into Executive Session and reconvene at 7:50 P.M. was made by Mr. Bryant, seconded by Ms. Mulvany Henry and carried unanimously.

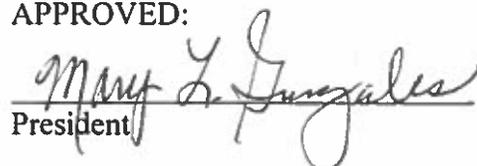
Item #10 – Adjourn

At 7:50 P.M. the meeting was reopened to the public and a motion to adjourn was made by, Mr. Bryant seconded by Ms. Mulvany Henry and carried unanimously.

ATTEST:


Secretary

APPROVED:


President

August 2022 Financial Results

October 5, 2022

2022 Billed kWh (YTD Jan - August)

Electric	(CY) 2022 YTD	(PY) 2021 YTD	
Residential	417,185,099	400,697,409	
Commercial	667,921,474	634,621,078	
Industrial	355,426,356	301,418,524	
	1,440,532,929	1,336,737,011	7.8%

Residential – Up 4% Commercial – Up 5% Industrial – Up 18%

2022 Billed CCF's (YTD Jan - August)

Water	(CY) 2022 YTD	(PY) 2021 YTD	
Residential	2,293,916	2,312,690	
Commercial	1,741,481	1,633,814	
Industrial	1,245,862	1,168,794	
	5,281,259	5,115,298	3.2%

Residential – Down 1%

Commercial – Up 6%

Industrial - Up 6%



Financial Results

Revenues – August 2022

	(CY) 2022 August	(PY) 2021 August		Budget 2022 August	(CY) 2022 August	
Electric	\$ 36.954	\$ 29.439		\$ 27.736	\$ 36.954	
Water	5.280	5.283		5.068	5.280	
Combined	\$ 42.234	\$ 34.722	21.6%	\$ 32.804	\$ 42.234	28.7%

Actual Compared to 2022 Budget

Electric - Up 33%

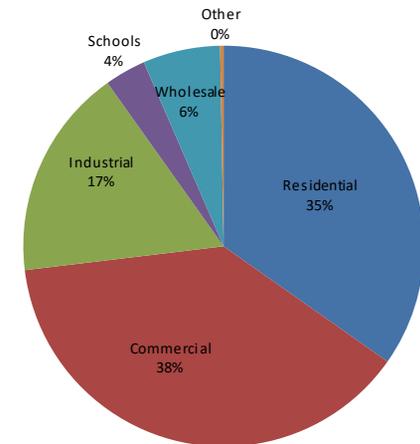
Water – Up 4%

Financial Results

Revenues – 2022 YTD

	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 216.106	\$ 194.106		\$ 186.720	\$ 216.106	
Water	35.051	33.888		34.522	35.051	
Combined	\$ 251.157	\$ 227.994	10.2%	\$ 221.242	\$ 251.157	13.5%

**Dollars in millions



Variance – YTD comparing Budget to Actual for 2022

<u>Electric:</u>	<i>Up 16%</i>	<u>Water:</u>	<i>Up 1%</i>
Residential	\$ 4.8M	Residential	\$101K
Commercial	\$10.9M	Commercial	\$388K
Industrial	\$ 3.0M	Industrial	\$ 75K
Schools	\$ 335K	Wholesale	\$130K
Wholesale	\$ 8.6M		



Financial Results

Operating Expenses – August 2022

	(CY) 2022 August	(PY) 2021 August		Budget 2022 August	(CY) 2022 August	
Electric	\$ 23.508	\$ 15.977		\$ 17.421	\$ 23.508	
Water	3.175	2.858		3.204	3.175	
Combined	\$ 26.683	\$ 18.835	41.7%	\$ 20.625	\$ 26.683	29.4%

Actual Compared to 2022 Budget

Electric – Up 35%

Water - Down 1%

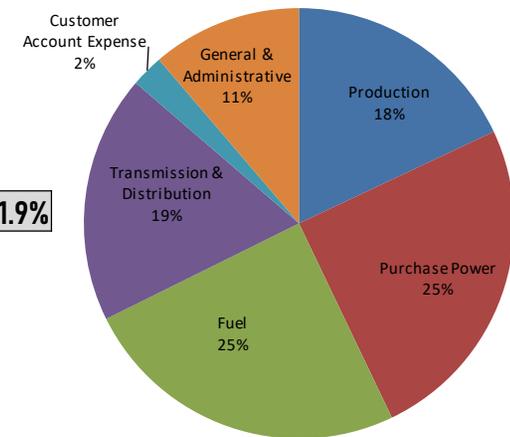
Operating Expenses – 2022 YTD (Total)

	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 160.777	\$ 139.866		\$ 139.277	\$ 160.777	
Water	24.280	23.503		26.039	24.280	
Combined	\$ 185.057	\$ 163.369	13.3%	\$ 165.316	\$ 185.057	11.9%

**Dollars in millions

Actual Compared to 2022 Budget

- Electric - Up 16%
- Water - Down 7%



Operating Expenses – 2022 YTD less Depreciation

	(CY) 2022 YTD	(PY) 2021 YTD		Budget 2022 YTD	(CY) 2022 YTD	
Electric	\$ 139.516	\$ 119.439		\$ 118.183	\$ 139.516	
Water	18.779	17.921		20.421	18.779	
Combined	\$ 158.295	\$ 137.360	15.2%	\$ 138.604	\$ 158.295	14.2%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2022

Electric:

Purchased Power \$ 8.7M
 Fuel \$17.1M
 Production (\$271K)
 T&D (\$4.2M)
 G&A (\$2.3M)

Water:

Production (\$895K)
 T&D (\$174K)
 G&A (\$597K)



Financial Results

Change in Net Position – August 2022

	(CY) 2022 August	(PY) 2021 August	Budget 2022 August	(CY) 2022 August
Electric	\$ 8.694	\$ 8.969	\$ 5.814	\$ 8.694
Water	1.467	2.063	1.171	1.467
Combined	\$ 10.161	\$ 11.032	\$ 6.985	\$ 10.161

**Dollars in millions



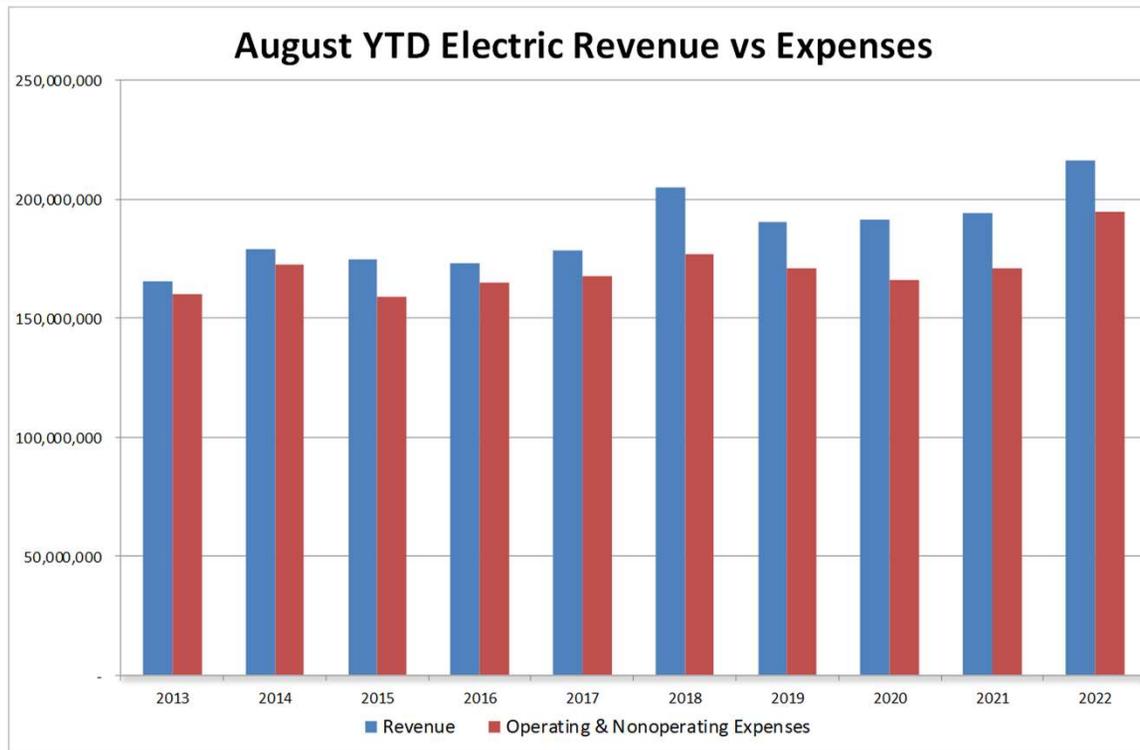
Financial Results

Change in Net Position – 2022 YTD

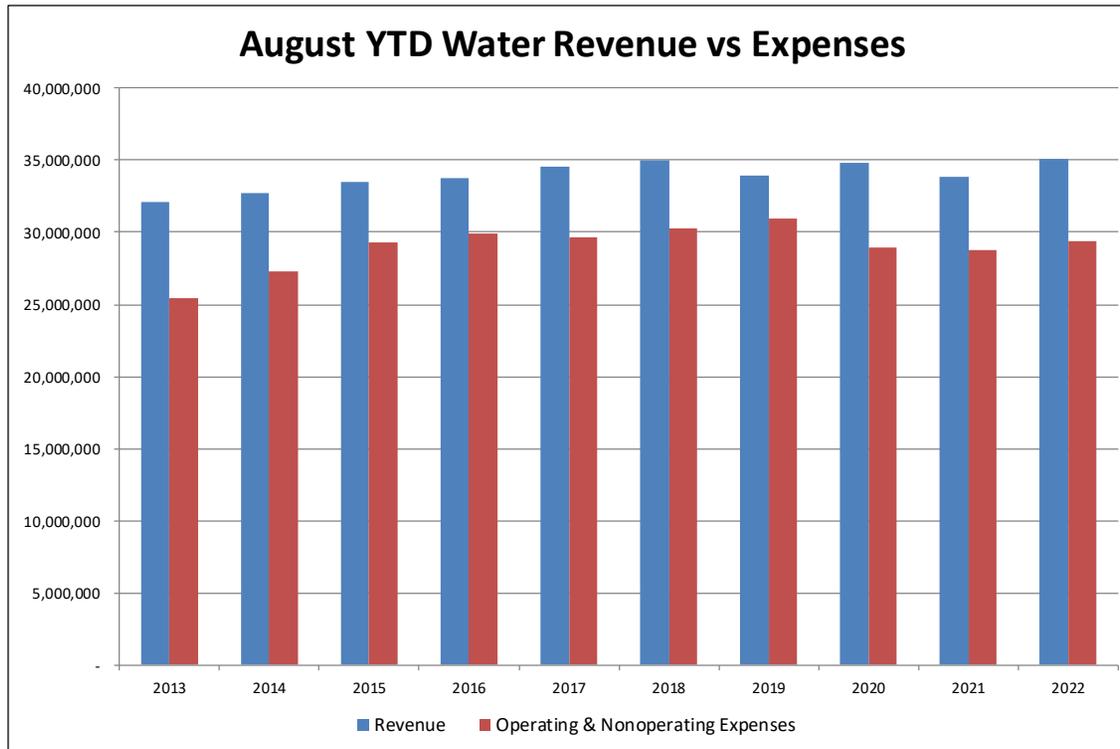
	(CY) 2022 YTD	(PY) 2021 YTD	Budget 2022 YTD	(CY) 2022 YTD
Electric	\$ 21.437	\$ 23.184	\$ 15.452	\$ 21.437
Water	6.171	5.902	3.896	6.171
Combined	\$ 27.608	\$ 29.086	\$ 19.348	\$ 27.608

**Dollars in millions

Financial Results – 10 Year Trend

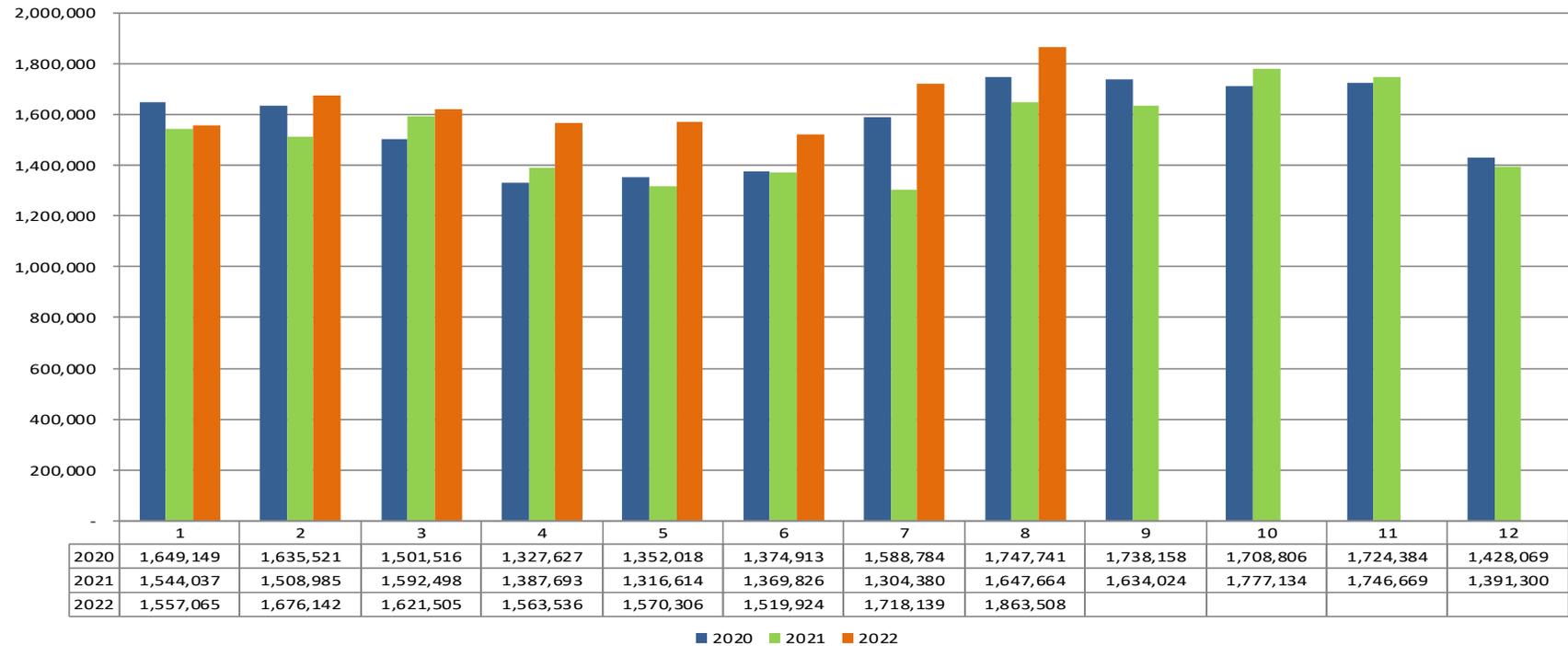


Financial Results – 10 Year Trend



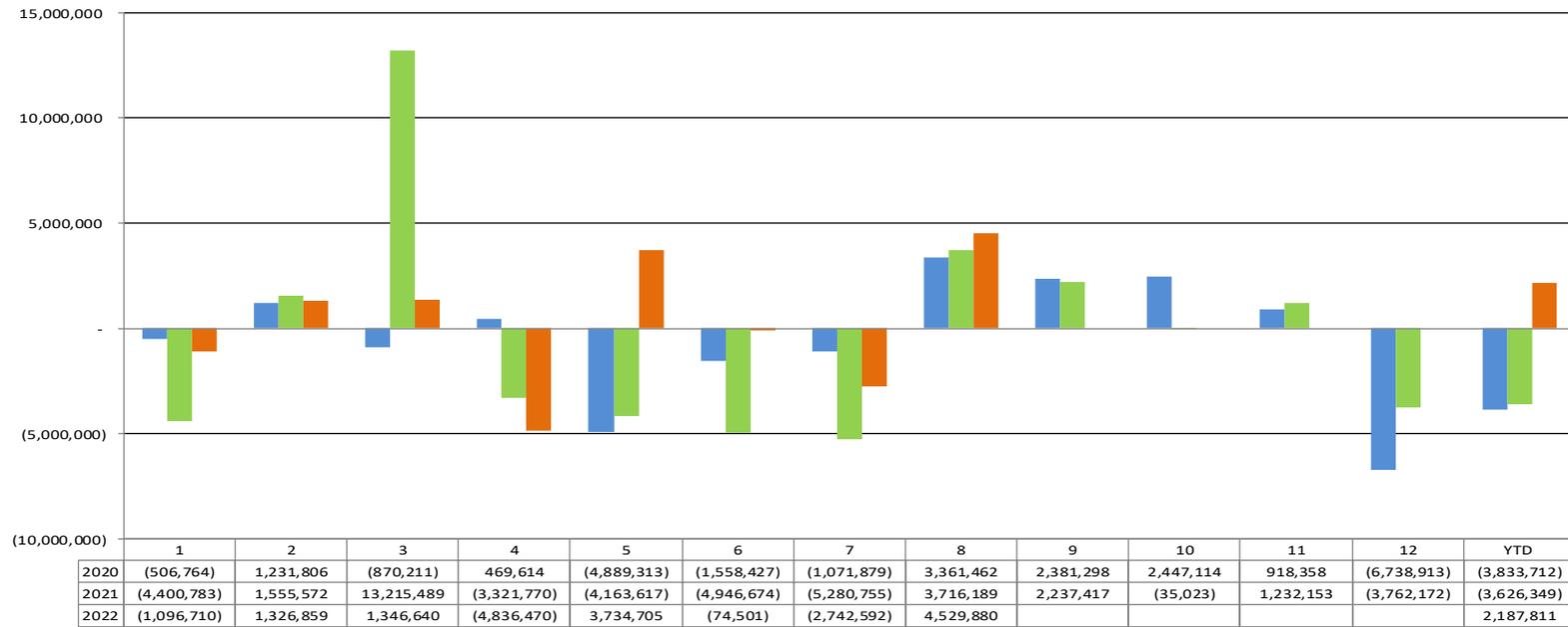
Financial Results

Average Daily Collections



Financial Results

Historical Monthly Cash Comparison



■ 2020 ■ 2021 ■ 2022

Cash Position

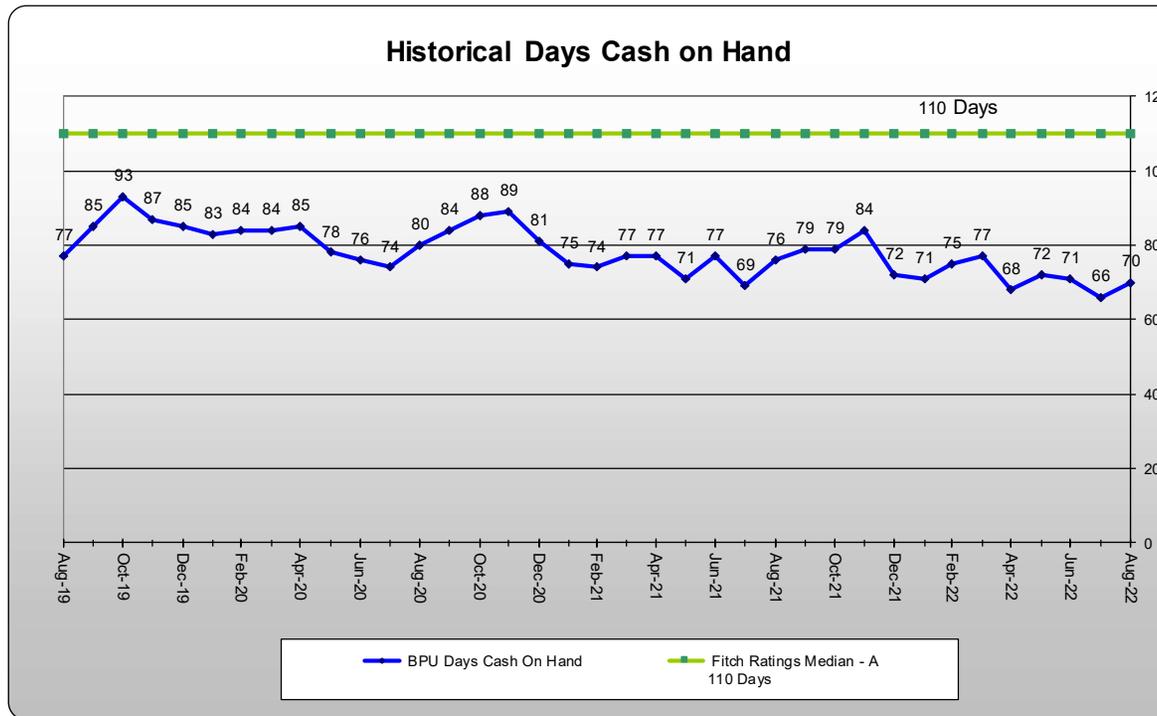
	(CY) 2022 July	(PY) 2021 July	2022 June
Combined (E&W) Days Cash-on-Hand	\$ 41.93 66	\$ 40.89 69	\$ 44.35 71

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

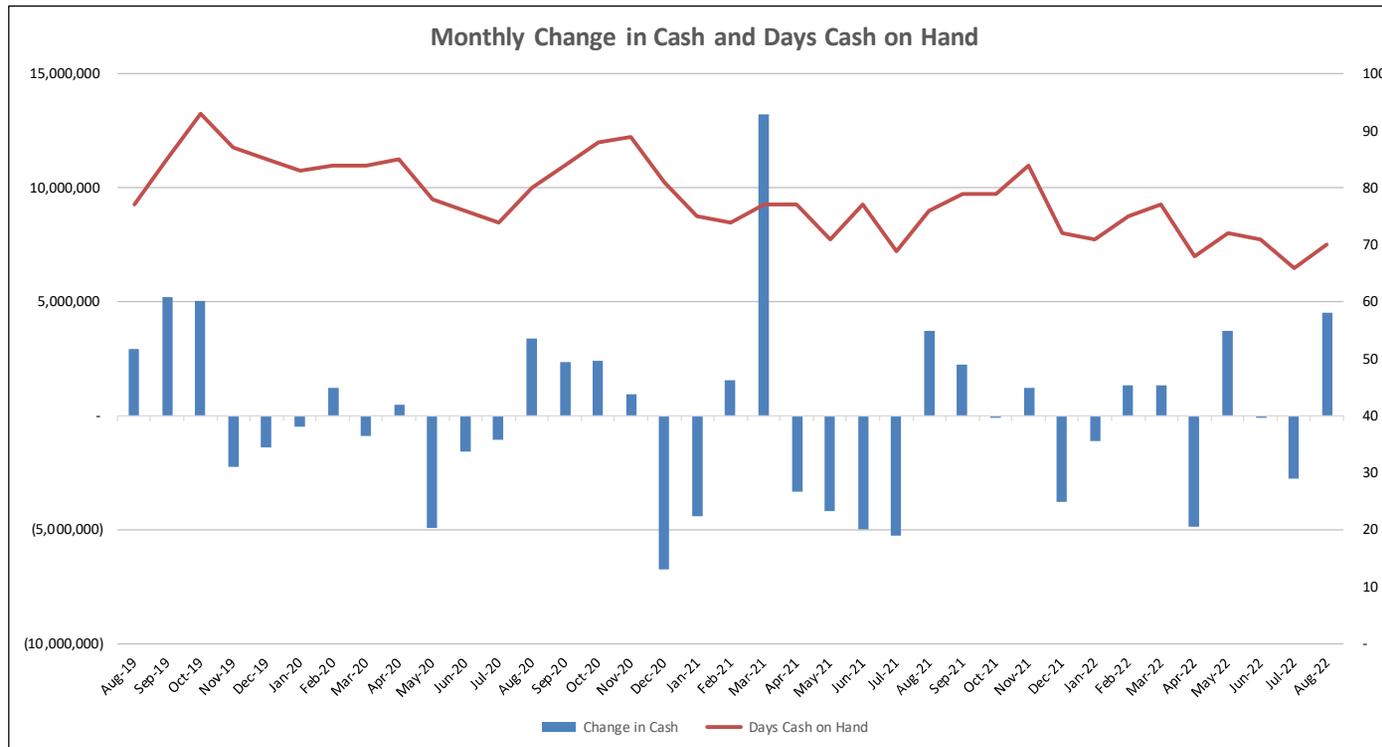
(Based on 12 month rolling average of expenses)

**Dollars in millions

Financial Results



Financial Results





Financial Results

Balance Sheet: Notables

	(CY) 2022 August	(PY) 2021 August
Fuel Inventory	\$ 7.888	\$ 4.462
Bond Dollars 2016C (Elec T&D)	\$ 0.711	\$ 0.709
Bond Dollars 2020A (Elec)	\$ 0.799	\$ 8.201

**Dollars in millions

Capital Spending

	(CY) 2022 YTD	(PY) 2021 YTD	2022 Budget	
Electric	\$ 13.99	\$ 12.29	\$ 28.09	
Water	5.46	4.89	22.28	
Common	2.41	2.61	5.85	
Total YTD Capital	\$ 21.86	\$ 19.80	\$ 56.22	Remaining 61%

**Dollars in millions

Major projects in 2022:

- Piper OH Feeders - \$926K
- Fisher UG Feeders - \$3.3M
- Annual Underground - \$2.4M
- Water Leak, Valve, System Imp. - \$1.5M
- Water Transmission Imp. - \$1.4M
- UG/CMIP Water Dist. - \$327K

Debt Coverage

Debt Coverage with PILOT

	(CY) 2022 August	(PY) 2021 August
Electric	2.39	1.84
Water	1.97	1.98
Combined	2.51	2.03

Debt Coverage w/o PILOT

	(CY) 2022 August	(PY) 2021 August
Electric	1.72	1.26
Water	1.51	1.52
Combined	1.83	1.43

Financial Guideline Target 1.6 to 2.1 times with PILOT

Technology Roadmap Major Initiatives for 2022/2023

KC BPU Board of Directors Meeting

Collaboration + Teamwork

=

Continuous Improvement + Delivery Assurance

Jerry Sullivan

Robert Kamp

October 5, 2022

Agenda Topics



1. Delivery Strategy
2. Technology Roadmap
3. Several Highlighted Projects

Technology Roadmap Process



A. DISCOVERY

REVIEW MAJOR IT PLATFORMS / APPLICATIONS for improvement

1. Customer Information System (Cayenta)
2. Meter Data Management (Siemens)
3. AMI Smart Grid (integrated system)
4. Customer Self Service (portal)
5. Interactive Voice Response (IVR) System (4 systems)
6. Financial System (Oracle Fusion)
7. Business Intelligence (Tableau)



B. ASSESSMENT & VISION

PERFORM IT DIGITAL ASSESSMENT AND VISION enabling better reliability and Customer Satisfaction

1. Understand context, business drivers, and obstacles
2. Conduct high level assessment
3. Assess maturity of application development, network and application reliability, use of technology tools, applications, cyber security, telecom, and collaboration among departments



C. PLAN & PRIORITIZE

INTEGRATED DIGITAL PLAN AND PRIORITIZATION for cost effective projects

1. Identify business needs
2. Identify key initiatives and milestones based on highest impact & ROI
3. Expand project management methodology
4. Plan / expand both Organizational and IT Change Management processes for delivery assurance in project plans



D. IMPLEMENT ROADMAP

ESTABLISH GOVERNANCE PROCESS AND IT DIGITAL ROADMAP to improve delivery AND use of technologies.

1. Develop actionable plan and execution model (project management)
2. Execute governance processes
3. Implement our IT digital vision across people, process and technology

Roadmap Strategy

First, there is a need to focus on internal processes



The **Internal** focus in IT is to improve:

1. **Training** - create and implement individual lessons plans tailored to needs
2. **Collaboration** - Roll out Microsoft Teams, keep the training up, use it for files, communications, sharing, scheduling, and a host of other uses
3. **Testing for Quality Delivery** - develop a testing process/strategy using testing software to reduce defects at go-live and to speed up delivery of BPU projects
4. **Reliability** - Improve processes, hardware, integrations for a more resilient data center, run-time of applications network, and infrastructure
5. **Cyber Security** - Improve situational awareness, intrusion detection, network health monitoring, and visibility into potential threats

The **External** focus in IT is to deliver:

1. **AMI** - A smarter grid that now connects Electric Feeders and customer meters to our Outage Management System.
2. **Customer Enhancement** - Accelerating an upgrade for UMS/CIS to deliver many important customer enhancements in early 2023
3. **MDM** - Replacing MDM with an open source, Tier 1 solution that enables a robust customer self- service, and a host of other customer focused functions
4. **GIS** - Connecting it to other systems, e.g., Maximo
5. **Executive Dashboards** - To provide information through data analytics that will enable the next step in executive action --- enabling a Continuous Improvement Culture
6. **Head End System (Netsense)** - Improve reliability, data transfer, and resiliency of meter data
7. **Maximo** - A 10-year project in the making...long awaited system upgrade is November 2022 and requested enhancements follow the upgrade

What does all this mean?

Key focus areas:

1. **Delivery Assurance** - getting all this done.
2. **Improving the use of existing technologies**
3. **Continuous Improvement of current metrics**
4. **Enhance Customer Service applications**
(CIS, MDM, Portal)
5. **Get Maximo completed this year and then enhanced.**



IT's Strategic Roadmap thru 2024

2022	-	2024	ROADMAP	QTR 3 2022	QTR 4 2022	QTR 1 2023	QTR 2 2023	QTR 3 2023	QTR 4 2023	QTR 1 2024	QTR 2 2024	QTR 3 2024	QTR 4 2024
Dept	Description												
	2310 Network Support												
	Privileged account management												
	Vulnerability management and automation												
	DRBC Automation												
	2420 Servers/Network												
	EOL 2012 Servers												
	EOL SQL 2012												
	EOL AMI network												
	Security platform maintenance (Firewalls, F5)												
	IVR Upgrade												
	VMWare Upgrade												
	2420 Desktop												
	O365/SharePoint full implementation												
	Laptop replacements start												
	2430 Application Development												
	MDMS												
	Customer Portal												
	Cayenta CIS upgrade												
	Netsense 12												
	Tableau Dashboards												
	Maximo Enhancements												
	ESRI UN												
	AMI Mesh network to new architecture/Network												
	Move Ins Project												
	Cognos Data Models												
	BPU Central & Department Site pages - Sharepoint												
	TextPower												
	Anaplan Implementation												
	HR Benefits - New Vision plan and Open Enrollment												
	ESB Upgrade												
	Kronos upgrade												
	ELM Upgrade												
	HR upgrade or replacement												

Major 2022 Technology Initiatives

1. Maximo
 2. GIS Enhancements
 3. Anaplan (Hyperion Replacement)
 4. Executive Dashboards (Tableau)
 5. BPU Central
 6. Texting (Billing, Outages, IT apps)
 7. MDM
 8. Formal Testing via Quality Assurance (QA) Program
 9. MilSoft Enhancements (AMI/Text)
 10. Cyber Security
 11. Year of Training
 12. SNOC
 13. Field Solutions (Mobility HW/SW)
 14. Wi-Fi wireless (initiative added in 2022)
- Complete**
By End of 2022
Deferred to 2023

Netsense AMI to MiSoft OMS

AMI to OMS integration is now live.

Completed by Brandon with close help from Stephen Castaneda & Ops team.

This is a major benefit of AMI meters and will help BPU respond faster to outages and provide a better level of service to our customers.

Since go live there have been no false or momentary outages. Only miss-mapped meters & diversion alerts.

Next steps: Held a project closeout meeting on 9/14 and identified some process improvements. Working with the other teams on development and implementation now.

Enhancements for Utility Operations

Operations

NetSense AMI Upgrade resolved identified system errors
Upgrade of Metering Handheld units



Texting for Personnel and Customer notifications



Used Hosted IVR for customer Rate 101 survey campaign for electric customers



Service Application allowing customers to request or upgrade service



Other Enhancements for Utility Operations

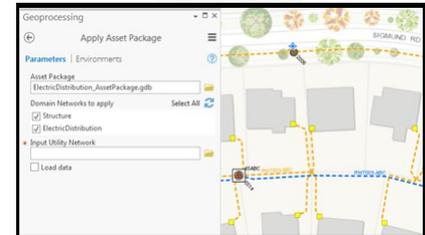
Outage Management (OMS)

- Milsoft OMS upgrade resolving several system errors
- Supervisory Control Data Acquisition (SCADA) to OMS
- Advanced Metering Infrastructure (AMI) to OMS
- Personnel text notifications for 1000 or 5000 meter outages



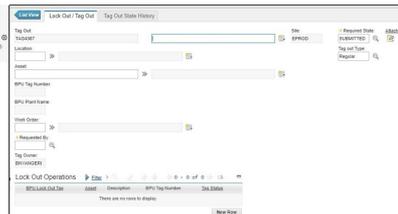
Mapping and Drafting - Environmental Systems Research Institute (ESRI) projects

- Build of upgraded ESRI mapping environment with Load Balancing
- Updated processes for patching, backups, DB maint. with compression
- Introducing ESRI Field Map to replace Collector, Explorer, and Tracker



Maximo

- Enhanced Lock-Out/Tag-Out
- Improving Safety



Customer Service

System Upgrades and Enhancements

- Cayenta CIS – 9.2
- New CSS Portal

Automation

- KIOSK payments enhancement and automation
- Bulk payer automation

Customer Service

- Upgrades, enhancements and automation will improve customer self-service experience
- Benchmarking
 - Compare cost, performance and practices against the industry

Remaining Steps

- Development of Training Documentation (3 weeks after signed agreement)
- User Training (2 Weeks)
- User Testing (2 Weeks)
- Issue remediation (2 Weeks)
- Go-Live (1 Weekend)

Fixes (cont.)

- Have quote from Cohesive, Waiting on Electra & Sheffield. ITS Declined
- Dependent on Training Docs Four Sessions - will record
- Std. Testing Exercise
- Resolve issue found in testing
- Will work with business to sch.

Appendix

Questions?

IT's Continuous Improvement Program

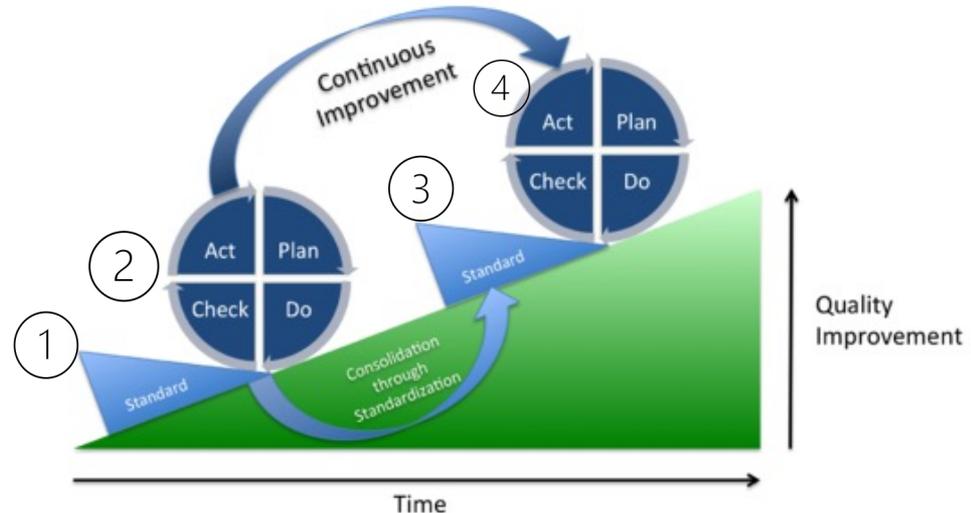
We have what might be called an ambitious schedule.

Over the last 18 months, we are delivering more with the same staff. WHY?

IT adopted a Continuous Improvement Model.

We would encourage all business units to adopt any model that improves the use of existing technology.

- Result should be higher customer satisfaction
- Improved reliability
- Better resiliency to overcome adverse situations

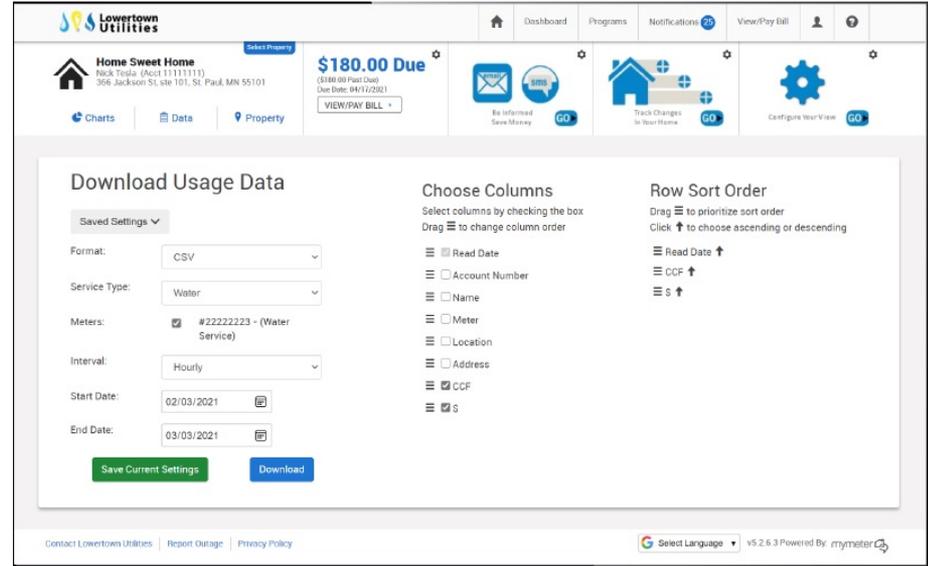
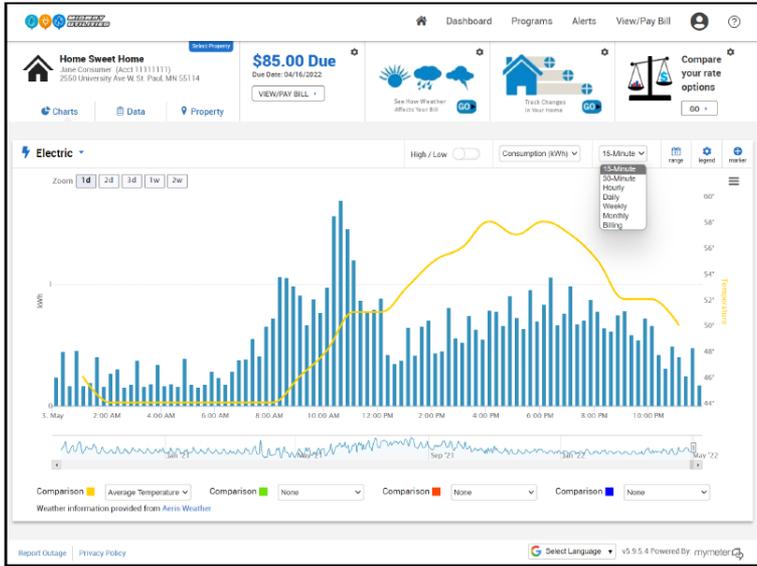


The PDCA model depicted in the diagram above is probably the most well-known model in the world today. We (project) Plan, we Do, we Check (and test), we Act (improve).

Meter Data Management (MDM) Customer Portal solutions 4th Quarter 2023

1. Enhanced Reports, Dashboards, and Visualizations for accessing customer usage and billing

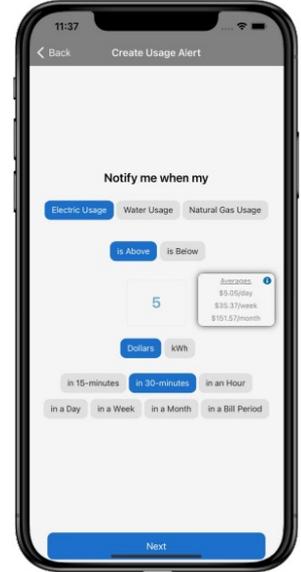
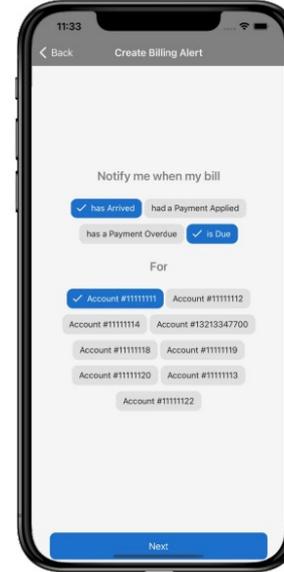
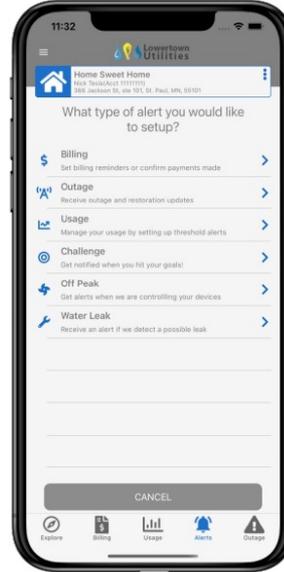
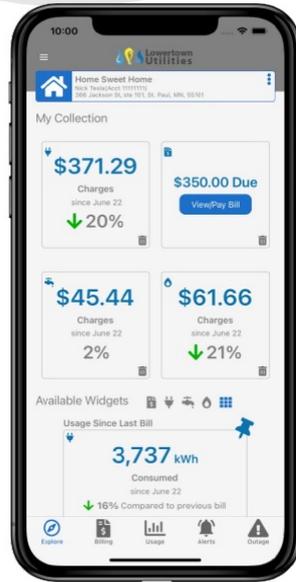
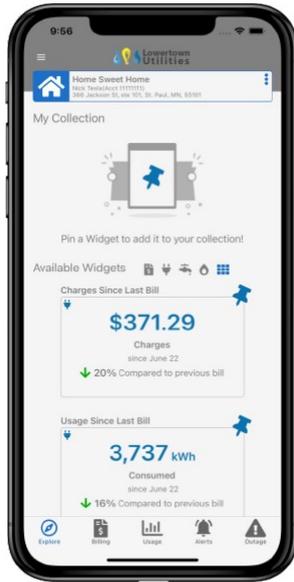
2. Customers can configure data to preference and download



Meter Data Management (MDM) Customer Portal solutions 4th Quarter 2023

3. Mobile Application allows account management and payment options from mobile devices

4. Mobile App communication and alerts are available through email and text



Meter Data Management (MDM) Customer Portal solutions 4th Quarter 2023

5. CSR Tools including Impersonate mode support customer engagement and satisfaction interacting with real-time data

