

# BOARD INFORMATION PACKET



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

**Regular Meeting of**

**October 17, 2022**



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**Approval of Agenda**  
Agenda Item #III



Board of Public Utilities  
Kansas City, Kansas

**AMENDED BOARD AGENDA**

Regular Session  
October 17, 2022 – 6:00 P.M.

- I. Call to Order
- II. Roll Call
  - \_\_\_\_\_ Jeff Bryant, District 3
  - \_\_\_\_\_ Mary L. Gonzales, At Large, Position 1
  - \_\_\_\_\_ Tom Groneman, District 2
  - \_\_\_\_\_ David Haley, At Large, Position 2
  - \_\_\_\_\_ Robert L. Milan, Sr., District 1
  - \_\_\_\_\_ Rose Mulvany Henry, At Large, Position 3
- III. Approval of Amended Agenda
- IV. Approval of the Minutes of the Work Session of October 5, 2022
- V. Approval of the Minutes of the Regular Session of October 5, 2022
- VI. Public Comments
- VII. Invited Guests
  - i. Wyandotte Economic Development Council – Greg Kindle
- VIII. General Manager / Staff Reports
  - i. Corporate Communications Quarterly Update
  - ii. Cold Weather Rule - Resolution No. 5278
  - iii. Miscellaneous Comments
- IX. Board Comments
- X. Executive Session
- XI. Adjourn

**Approval of Minutes**  
**Work Session 10-5-22**  
Agenda Item #IV

## WORK SESSION MINUTES – 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 Work Session on Wednesday, October 5, 2022 at 4:30 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; Darrin McNew, Acting Executive Director Electric Operations; Jerry Sullivan, Chief Information Officer; Dennis Dumovich, Director of Human Resources; Brian Laverack, Director of Network Operations; 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](http://www.bpu.com).

Ms. Gonzales called the meeting to order at 4:30 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 Mr. Groneman, seconded by Mr. Bryant, and unanimously carried.

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

Ms. Gonzales suggested changing the procedure of Board voting. She proposed beginning in alphabetical order and the rotation would change every three months. After discussion, it was agreed to do so.

### **Item #5 –2023 Fuel & Purchase Power Plan**

To begin the 2023 Budget process, Mr. Johnson introduced Andrew Ferris, Director of Electric Supply Planning to present the Fuel and Purchase Power budget forecast. (See attached PowerPoint.)

## WORK SESSION MINUTES – WEDNESDAY, OCTOBER 5, 2022

STATE OF KANSAS        )  
                                      ) SS  
CITY OF KANSAS CITY    )

Mr. Ferris responded to comments and questions from the Board.

### **Item #6 – Cold Weather Rule Review**

The Board revisited the current policy language compared with proposed policy wording changes. The proposed changes reflected that shutoff would not occur if the temperature was forecast to fall below 32 degrees within the next 24 hours.

It was decided that the revised wording would be brought to the Board at the October 17<sup>th</sup> Board meeting for a vote.

### **Item #7 – Lobby Operations**

Mr. Johnson presented information to discuss how operations had transitioned from Pre-COVID versus how they were working today.

In 2019 scenarios were looked at in regards to operating the lobby which included; keeping it open or scaling down operations. They were also looking at improving technology and improving customer satisfaction through other avenues. Then COVID ensued.

In order to safeguard utility operations, the focus shifted to closing the lobby and adding support for the community to pay their bills such as, adding kiosks locations. In addition, fees for paying by kiosk were waived. Email services were developed to help start, stop, and transfer services.

Ms. Johnetta Hinson, Executive Director Customer Service spoke on the customer transactions due to COVID and payment distribution post pandemic. (See attached PowerPoint.)

Ms. Austin, Chief Financial Officer/Chief Administrative Officer, reviewed the cost savings since closing the lobby. (See attached PowerPoint.)

Mr. Bryant asked if we could increase our capacity on the phones with the personnel from the lobby who had already been in an interactive mode position since the number of calls had increased.

Mr. Jerry Sullivan, Chief Information Officer, outlined the recent and near-term

**WORK SESSION MINUTES – WEDNESDAY, OCTOBER 5, 2022**

STATE OF KANSAS            )  
  ) SS  
CITY OF KANSAS CITY    )

technology projects that would be used to assist with the customer transactions. He also

introduced Ms. Nesby Harvey, Acting Supervisor Application Development, who would be helping with Customer Service technology. (See attached PowerPoint.)

**Item #8 – Adjourn**

A motion was made to adjourn the Work Session at 5:58 P.M. by Mr. Bryant, seconded by Ms. Mulvany Henry, and unanimously carried.

ATTEST:

APPROVED:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President





# 2023 Fuel & Purchase Power Budget Workshop

October 5, 2022



# Fuel & Purchase Power Methodology

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- Dispatch to Price model
  - Produces a chronological hourly calculation for the economic dispatch of resources
  - Resource dispatch / production is independent of load / system demand
- Load Data
- Resource Data





## Load Requirement

- Load forecast
  - Historical monthly billing data
  - Current / Long term Trends
  - Weather Data / GDP / Number of Customers
  - Correlate / Normalize data for an average weather year
  - Known customer changes
  - Total energy needs from BPU system (Customers, BPU depts., system losses, UG, Nearman Participants, Borderline)
  - Annual peak requirement

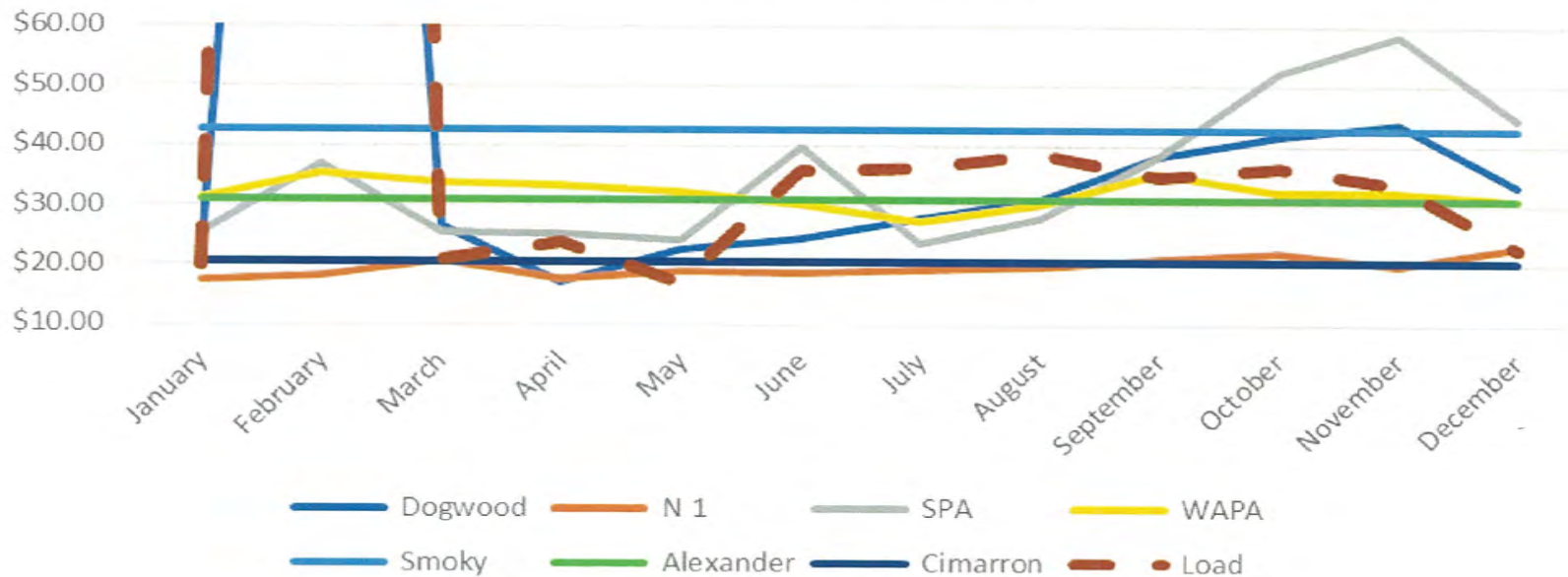
# BPU Resource Data

- Examples of Types of BPU Resource Data
  - Generation plants
    - Maximum / minimum capacity
    - Usage - must run vs. economic dispatch
    - Fuel - type / price forecast index
    - Heat rate / curve
    - Scheduled maintenance outages
    - Forced outage rates
    - Fixed and Variable Operating costs
    - Start costs / minimum run times
  - Purchase Power Agreements
    - Capacity costs / energy price
    - Energy patterns (wind, hydro, other contractual scheduling requirements)
    - Transmission costs
  - Market Prices
    - On Peak
    - Off Peak

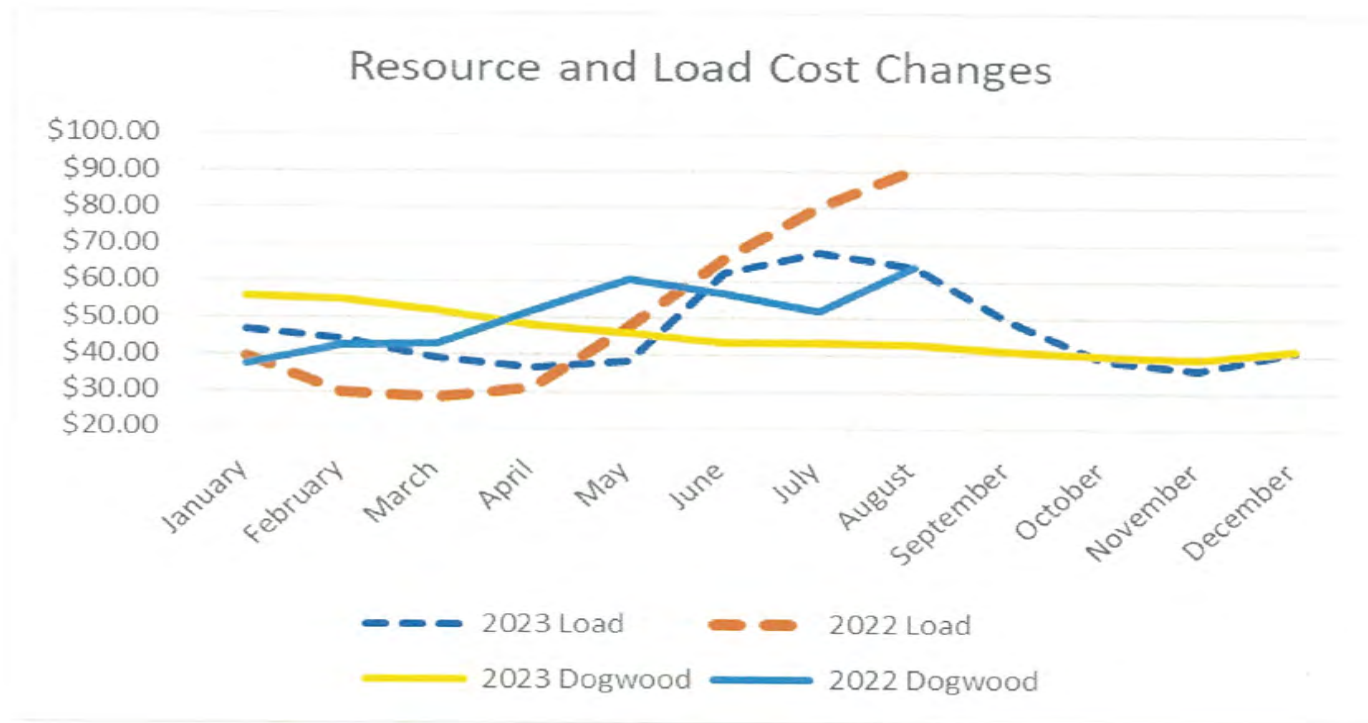


# Resource and Market Cost

2021 Resource and Load Costs



## Forecasted Resource and Market Cost





# 2023 Considerations / Impacts

- **Natural Gas Prices**
  - Henry Hub gas prices averaged \$2.11 in 2020, \$4.06 in 2021, and \$7.66 in 2022 up 263% from 2020 and up 89% from 2021.
  - Gas prices are expected to average approximately \$6.24 in 2023
- **SPP Integrated Market**
  - Market prices are up approximately 100% over the first eight months of 2021 with an average LMP of \$54.79 (Excluding February)
  - Average LMP is expected to be approximately \$46.98 in 2022
  - Despite wind's growth coal's output is expected to mildly exceed that of wind in 2023 due to higher natural gas pricing.
- **Dogwood production**
  - Expecting production volumes to be about 27% lower in 2023 compared to 2022 estimated actuals and about 33% lower than the 2022 budget.
  - Although output is expected to decrease margins are expected to improve. The overall net margin is expected to fall 10% but on a per MWh basis the margin is expected to increase by 27%.
- **Wind energy production**
  - SPP is expected to have over 34,000 MWs of wind resources as of the end of 2022, a growth of 26% over a 24 month period.
  - SPP set a wind penetration record of 88.5% of load, far higher than any other RTO. 45.1% of Kansas' generation comes from wind.
  - In 2021 wind energy accounted for over 34.6% of all generation in SPP, while coal produced 35.6% of total generation.
  - Negative congestion remains an area of concern with wind resources in particular due to location and timing of generation

# 2022 Forecasted Natural Gas Pricing

Henry Hub natural gas price and NYMEX confidence intervals  
dollars per million Btu



Note: Confidence interval derived from options market information for the five trading days ending Sep 2, 2021. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Sources: U.S. Energy Information Administration, Short-Term Energy Outlook, September 2021, CME Group, and Refinitiv an LSEG Business



# 2023 Forecasted Natural Gas Pricing

Henry Hub natural gas price and NYMEX confidence intervals  
dollars per million Btu



Note: Confidence interval derived from options market information for the five trading days ending Sep 1, 2022. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Sources: U.S. Energy Information Administration, Short-Term Energy Outlook, September 2022, CME Group, and Refinitiv an LSEG Business

# International Natural Gas Pricing

**Figure 12. International natural gas prices**  
dollars per million British thermal units





## 2023 Forecast

- **SPP Purchase Power Energy**
  - Purchase Power Energy and Wholesale Sales account for all the energy sales as well as all load purchases
  - The most volatile of any of the Purchase Power accounts as it is highly dependent on numerous variables
  - Daily expenses fall within the Purchase Power Energy account while daily revenue is moved to Wholesale Revenue
  - In 2023 the forecast is that Purchase Power expenses will exceed its share of the wholesale revenue figure by approximately \$204,000
  - Purchase Power Energy is expected to climb by approximately \$9.3 million over the 2022 budget however is more than offset by Wholesale sales which is expected to climb to \$16.8 million.
- **Purchase Power Renewables**
  - Purchase Power Renewables account for the contracted purchase power agreements of the renewable fleet
  - Expect a budget increase of approximately 8% or \$2.2 million, primarily due to inflationary pricing resets and slightly higher output levels
- **Purchase Power Capacity**
  - Purchase Power Capacity accounts for the capacity payments associated with a portion of our purchase power agreements
  - Expect that budget to climb by 1.8% or \$84,000
- **Purchase Power Transmission**
  - Purchase Power Transmission is the cost of SPP transmission to serve load
  - As of January 1<sup>st</sup> 2020 BPU became a transmission customer owner within SPP which provides for greater transmission funding flexibility while also lowering the overall budget by approximately 25% compared to previous years
  - Expect a budget decrease of approximately 13% or \$900,000



## 2023 Forecast

- **Renewable Energy Certificates**
  - Expect a budget decrease of \$800,000 due to higher REC sales volumes
  - Seeing sustained pricing in the \$1.25 - \$2.00 per REC range
- **Other Purchase Power**
  - These are expenses associated with SPP operations, MRO compliance, and other service providers
  - Expect a budget increase of 2.6% or \$3,600.
- **Total Purchase Power budget is expected to climb by 21.8% or \$9.96 million in 2023 while Wholesale Sales are expected to climb by \$11.8 million compared to the 2022 budget.**
- **Purchase Power activities fall within the Energy Rate Component and therefore do not materially impact the cash position in the longer-term**



## Notes:

SPP - 14 state region from northern Texas to Canada

Has about 105GW of Generation with Nat Gas making up 36%, Coal 24%, Wind 29%, Hydro 6%, Nuclear 2%, Fuel Oil 2%, Solar 0.3%

SPP has 95.7GW of Generation in the Queue with approx. 26GW Wind, 45GW Solar, 14GW Storage, 6GW of Hybrid and 4GW of Thermal Gas.

SPP has approximately 31GW of wind installed

SPP only has 316MW of solar but 45GW in the Interconnection Queue

Since 2012 SPP has the highest buildout of any RTO at 84% of all new generation being renewables, California was 2<sup>nd</sup> at 70%.

SPP has reached a new peak monthly demand in 4 of the first 6 months of 2022 with a peak of 53,243 MW.

Kansas had 8,245 MW of installed wind at the end of 2021 making up approximately 45% of total generation in the state.

#### Current Policy:

During summer months, on any day when the National Weather service forecasts the temperature will rise above 95 degrees Fahrenheit, or the heat index will rise above 105 degrees Fahrenheit, KCBPU will not disconnect electric service for non-payment of bills.

During the period of November 1st through March 31st, KCBPU will not disconnect Residential electric customers for non-payment of bills when the National Weather Service forecasts the temperature will remain at or below 32 degrees Fahrenheit for 24 hours. KCBPU will check the weather forecasts daily between 8:00 AM and 9:00 AM. Water service can be disconnected at any time.

To avoid being disconnected, the customer must contact KCBPU to check eligibility and establish a payment arrangement. Please refer to Payment Arrangement section for additional requirements.

#### Option:

During summer months, on any day when the National Weather service forecasts the temperature will rise above 95 degrees Fahrenheit, or the heat index will rise above 105 degrees Fahrenheit, KCBPU will not disconnect electric service for non-payment of bills.

During the period of November 1st through March 31st, KCBPU will not disconnect Residential electric customers for non-payment of bills when the National Weather Service forecasts the temperature will ~~remain-be~~ at or below 32 degrees Fahrenheit ~~for~~ in the next 24 hours. KCBPU will check the weather forecasts daily between 8:00 AM and 9:00 AM. Water service can be disconnected at any time.

To avoid being disconnected, the customer must contact KCBPU to check eligibility and establish a payment arrangement. Please refer to Payment Arrangement section for additional requirements.

# Payment Transitions

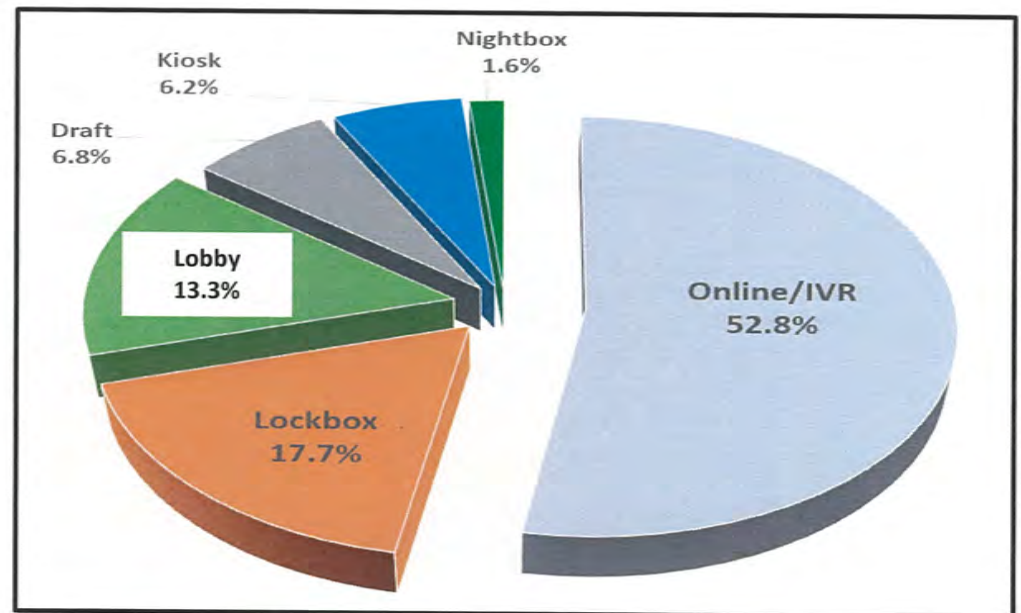
October 5, 2022



# Payment Transactions - Pre-COVID

## Payment Methods

- Payments made online and thru the IVR accounted for just over half the transactions before COVID.
- Payments made in the lobby accounted for a little over 13% of all transactions before COVID. (approx. 10,000 transactions per month)

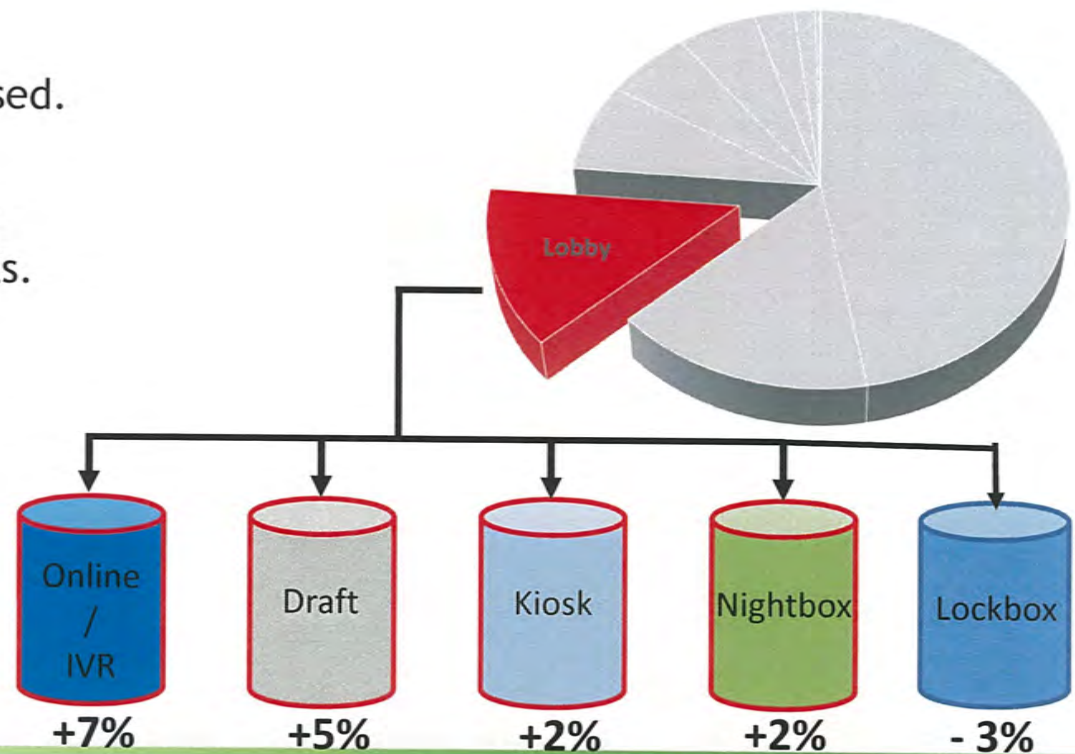




# Payment Transactions - Post Covid

## COVID Impact

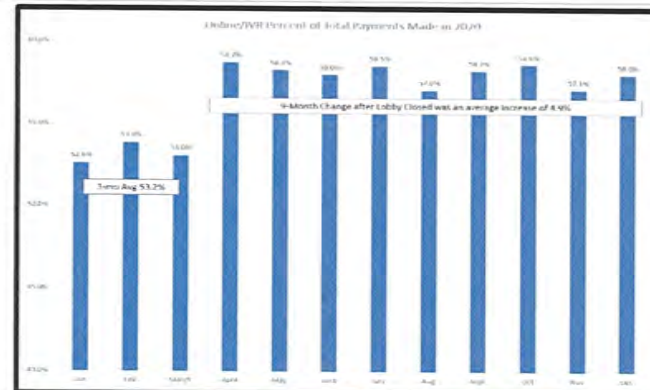
- During COVID, the Lobby was closed.
- The impact of those transactions were shifted to different channels.
- Most of the shift went to:
  - Online / IVR
  - Bank Draft
  - Kiosk
  - Nightbox
  - Lockbox



# Payment Transition in 2020

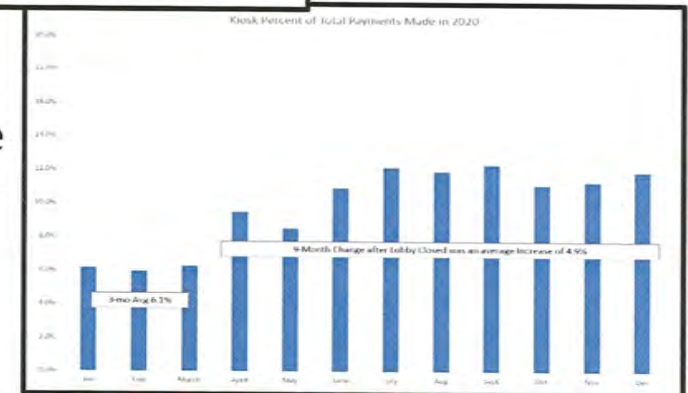
## Online / IVR

- Once the Lobby closed, we saw about 60% of payments go thru the online/IVR immediately. The rest of 2020 saw payments make up a 4.9% increase over the initial 3 months.



## Kiosks

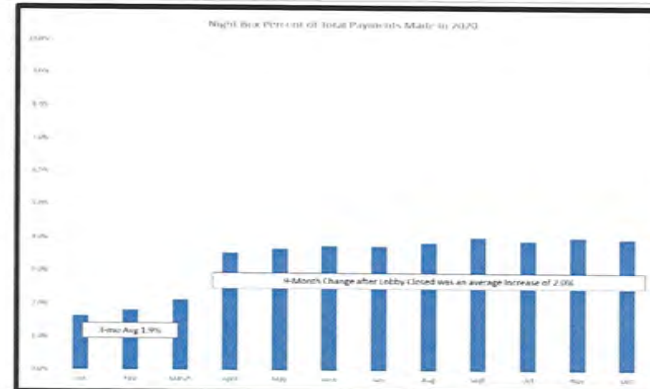
- Initially we saw payment transactions increase 3.2% at the kiosk. This continued to grow. We ended the last 9 months of 2020 with the payments making up 4.9% increase over the initial 3 months.



# Payment Transition in 2020 (cont)

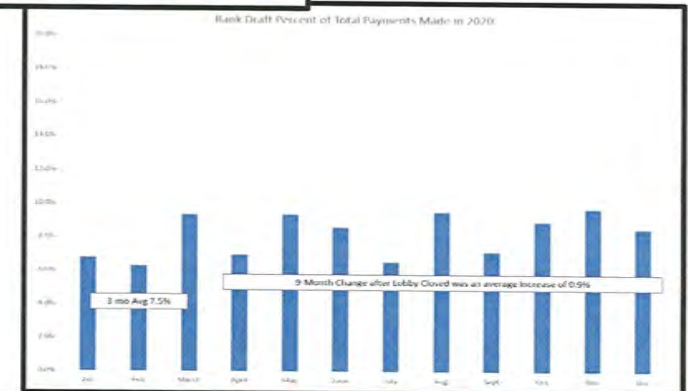
## Night Box

- We saw about 2% of transactions thru the night box before the lobby closed. That basically doubled to around 4% the rest of 2020 - an increase of 2% of transactions.



## Bank Draft

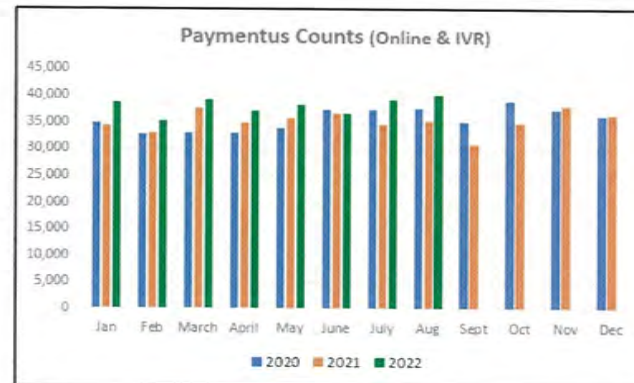
- Payments made thru bank draft were rather uniform in 2020 but after the lobby closed, we saw a slight uptick in monthly transactions.



# Payment Distribution since 2020

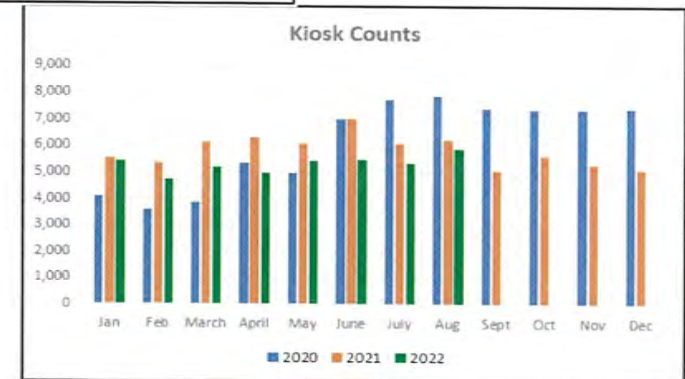
## Online / IVR

- This payment method continues to increase in transactions counts. We saw over 40,000 transactions for the first time in August 2022.



## Kiosks

- We are still seeing more transactions per month than before COVID but the numbers have been decreasing in 2022.

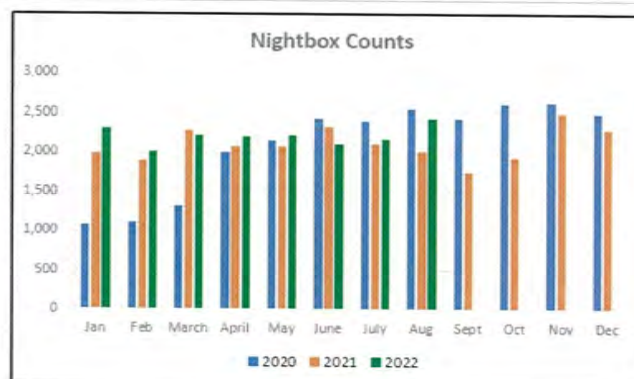




# Payment Distribution since 2020 (cont)

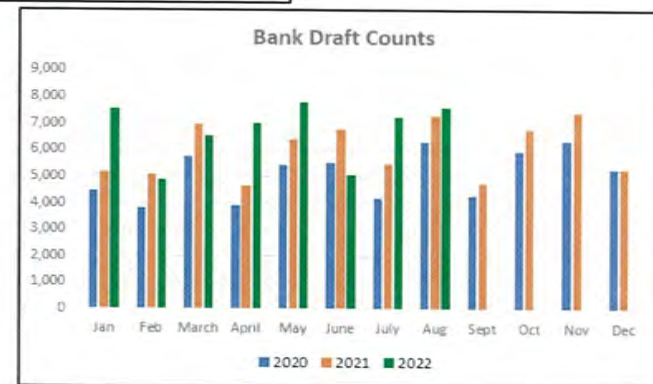
## Night Box

- We are seeing almost double the transactions than before COVID. The monthly numbers are holding fairly consistent.



## Bank Draft

- We are seeing our highest number of transactions thru bank draft in 2022. This method has almost doubled in monthly transactions from before COVID.

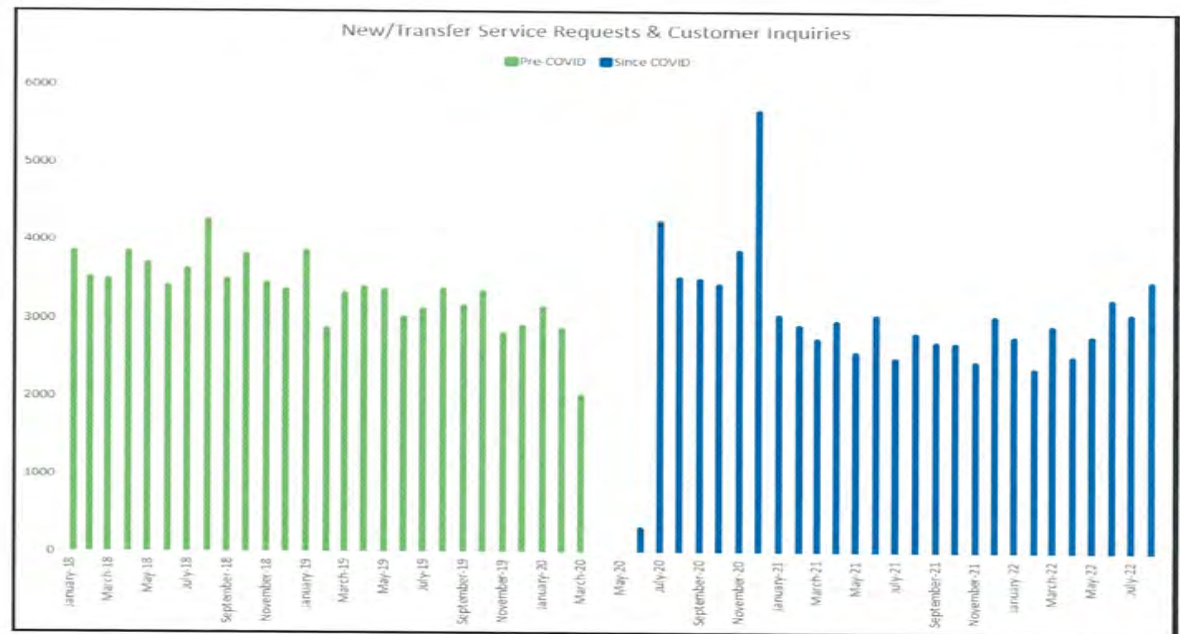




## Customer Requests & Inquiries since 2018

Before COVID, we handled over 3,000 requests and inquiries in the lobby. These consisted of primarily service requests (start/transfer) with issues and questions also being handled.

Since closing the lobby, we are still handling about 3,000 requests and inquiries monthly. These consist of emailed service requests as well as issues and questions submitted online.



## Estimated Lobby Cost Savings

1. Security Personnel Savings - \$136,000 per year
2. Staff Savings by Eliminating 4 Positions (Cashiers and Lobby) - \$328,000 per year
3. Reduced expense for Brinks armored car service - \$7,000 per year

**Total Savings - \$471,000 year over year**

4. Reduced Liability - Less chance of lobby injuries and accidents
5. Increased Safety - Reduced chance of physical altercations/active shooter
6. Less expense for physical enhancements - \$75,000 Savings
7. Reduced work-station equipment/office supplies/lobby maintenance -  
minimum \$12,000 savings

**Total one-time savings - \$87,000**



# *Technology Roadmap for the Customer Services Division*

Jerry Sullivan, CIO  
October 5, 2022



## Customer Focused Technology Topics

## Project Summary (slides 2, 3)

- Projects *completed recently*
- To be Completed in *Next 6 Months*
- Projects scheduled to Go Live *Next 6-12 Months*
- Projects scheduled to Go Live *Next 6-12 Months*

## Texting Schedules/Samples (slides 5, 6)

## Overall Schedule (slide 7)

IVR Plan (slide 8)



## Enabling Improvements

For external and internal customers

## Customer Services (CS) Division Recent and Near-term Technology Projects

### Projects completed recently

1. Paymentus (Amazon, Venmo, Paypal)
2. Self Service - Spanish Version
3. Infosend - E-bills
4. Texting for several customer use cases (pending communications campaign with outage notification)

### Projects going live in *NEXT three months*

5. Adding "Connect Service" to the self-service Portal to reduce time and effort to request services
6. Adding more account information to Self-Service Portal to improve customer experiences
7. Adding "Real-Time" (Kiosk) Payments to expedite turn-ons and payment processing
8. Improve IVR Call Flow Menus

## Upcoming CS / Customer Experience (CE) Enhancements

### To be Completed in Next 6 Months

#### Customer Experience:

9. Upgrade the existing Customer Information System (CIS aka UMS)
10. IVR "Call Tree Mapping" Revisions
11. IVR Evaluation for speech recognition, language

#### Performance Improvement:

12. Customer Service Benchmarking
  - Call Center
  - Credit and Collections
  - Billing and Payment
  - Meter Reading

### Projects scheduled to Go Live Next 6-12 Months

#### Major Projects

13. Replace the 12-year-old "Meter Data Management (MDM) System

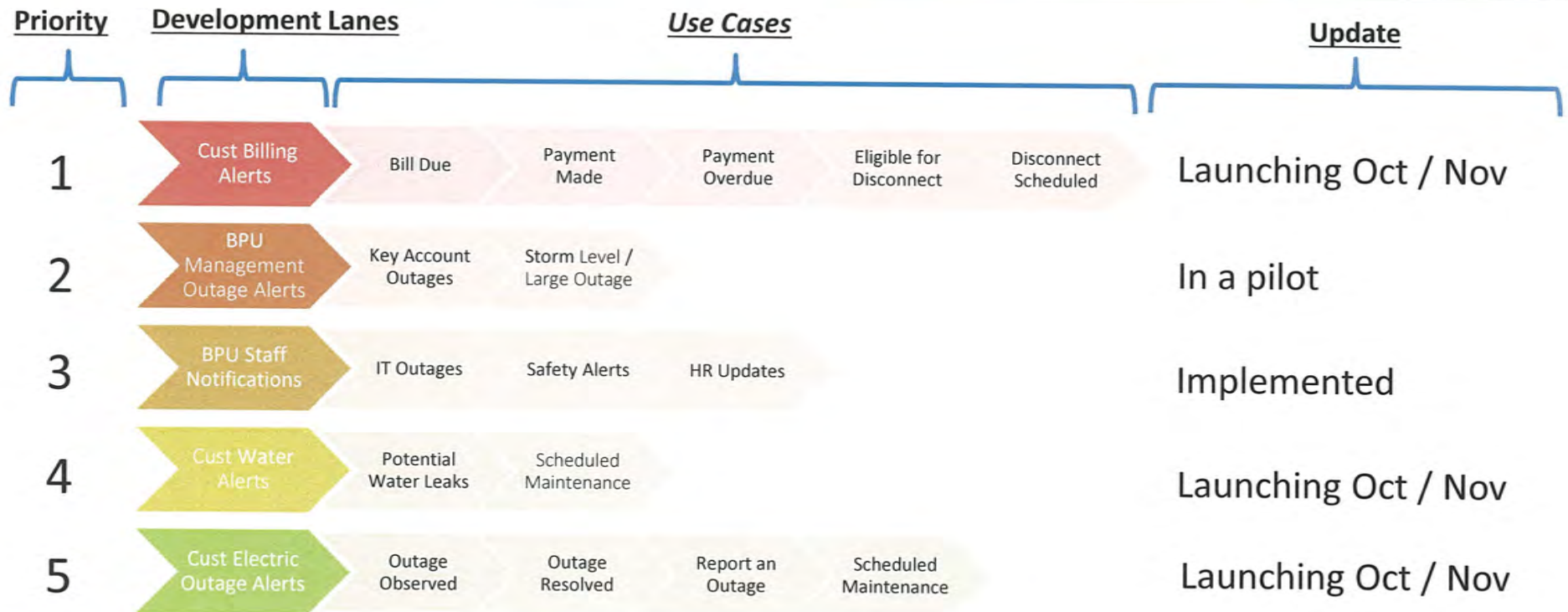
There are numerous benefits improving operations, metering, customer experience, and finance

14. Add a full-service "Customer Portal" for Residential, Commercial, and Industrial Customers

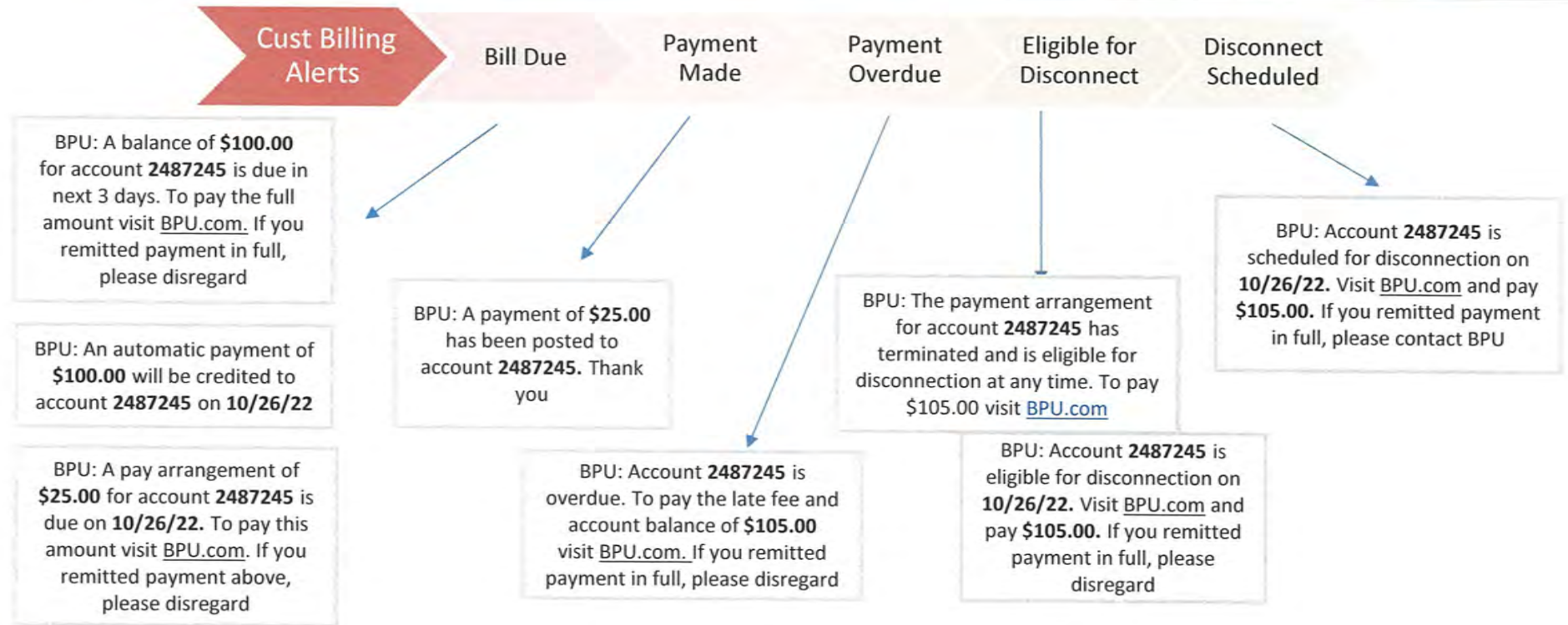
There are many, many benefits of having a user friendly, easy to use, easy to understand, and cost-effective system that is closer to our customer needs.



# Launching “Texting” to Customer



# Customer Billing Alerts Samples



# Customer-Focused Technology Plan

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										
			2420 Servers/Networks										
			IVR Upgrade										
			2430 Application Development										
			MDMS Upgrade										
			Customer Portal										
			Cayenta CIS Upgrade										
			NetSense 12 Upgrade										
			Tableau Dashboards										
			Maximo Enhancements										
			Move Ins Project										
			TextPower										



## IVR Phone Enhancements

Improvements	Benefits	Go Live
<b>Near term (next 3 months)</b>		
1. <b>Call Back in Queue</b>	<ul style="list-style-type: none"> <li>Decrease call abandonment</li> <li>Increased customer satisfaction</li> </ul>	Dec 2022
2. <b>Estimated wait time</b> PENDING DISCUSSION / REQUIREMENTS AND REVIEW	<ul style="list-style-type: none"> <li>Provide better estimate of answer time</li> </ul>	Dec 2022
3. <b>Customer Survey</b> at end of call	<ul style="list-style-type: none"> <li>Solicit feedback on areas to improve</li> </ul>	Nov 2022
<b>Long term (2023)</b>		
• <b>Call Menu Flow Improvement</b>	<ul style="list-style-type: none"> <li>Increased customer satisfaction and speed using the IVR menu. and provide more self-service options</li> </ul>	Mar 2023
• <b>Spanish language self-service</b>	<ul style="list-style-type: none"> <li>Increased customer satisfaction</li> </ul>	April 2023
• <b>Consolidated IVR platforms</b> (under review)	<ul style="list-style-type: none"> <li>One voice for BPU</li> <li>Increased customer satisfaction</li> <li>Consistent messaging</li> </ul>	Sept 2023

## In Summary

1. We are implementing several key technology and process improvements to enhance the customer experience, to increase responsiveness and customer satisfaction.
2. The detailed project schedules (not covered) include tasks for
  - a. Implementing the technology
  - b. Changing the processes
  - c. Training the users
  - d. Laying the governance parameters to ensure we are effectively using the new systems.



Thank you and  
Questions?



# Appendix

# Text Alert Launch Strategy

## Marketing Platforms

### Platforms that will be used for customer awareness:

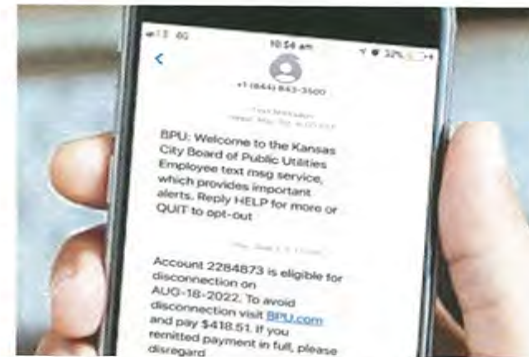
1. On the bill print envelope
2. On the bill print itself
3. IVR into message
4. Welcome text from TextPower
5. Add text alert info to Customer Service Reps' scripting
6. BPU.com
7. Social Media (Twitter, Facebook)
8. Direct mail
9. News release
10. BPU Connection newsletter

### Platforms recommended to stay away from:

1. Emails and robot call. These usually create a lot of calls / questions from the customers regarding potential fraud.

## Strategy

1. Market all use cases together: BPU Customer Billing & Outage Text Alerts.
2. Timeline: communicate "during the months of October and November".
3. Launch Customer Electric Outages Alerts & Customer Water Alerts 2 weeks after Customer Billing Text Alerts to spread the amount of initial text alerts to the customer.



# Text Alert Processes

## Opt-In & Opt-Out Process

1. Opt-In: All customers with active cellphone numbers (CELL / IVR\_CELL) are automatically opted-in to all texting services (Billing and Outages).
2. Opt-Out: Customers can opt themselves out by texting "QUIT" to 844-843-3500.

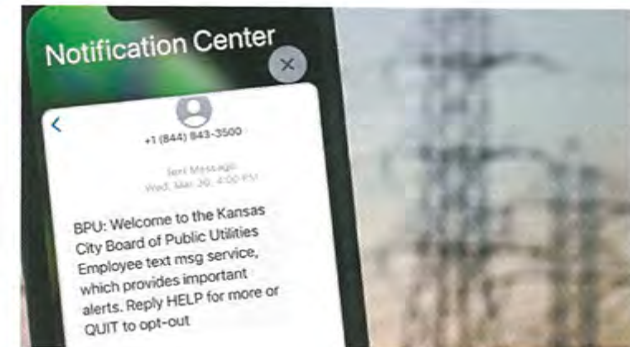
## How to opt back in after opting out?

- Once a number is opted out it cannot be opted back in by BPU.
- The only way that the mobile number can be opted back in is for the user to text **BPUbill** or **BPUout** to **844-843-3500**.
- This protects BPU from TCPA violations by eliminating the possibility of inadvertently opting a number back in after it has been opted out.

BPU Dedicated Texting Number:

**844.843.3500**

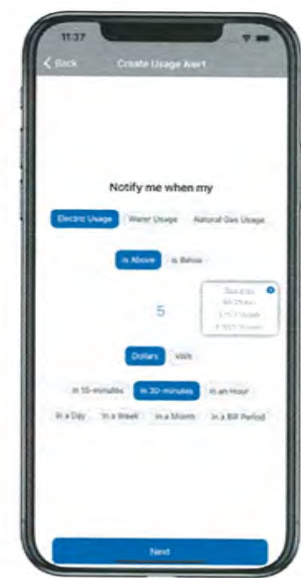
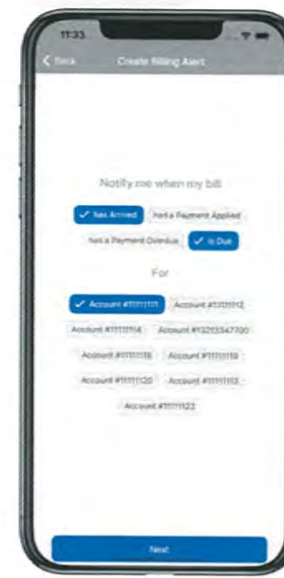
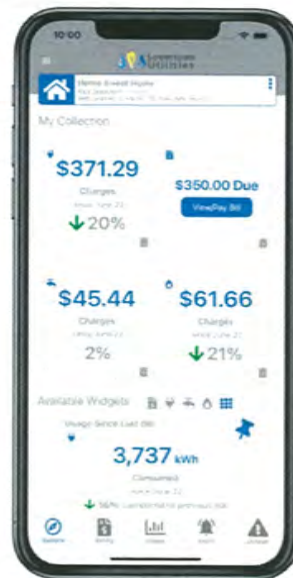
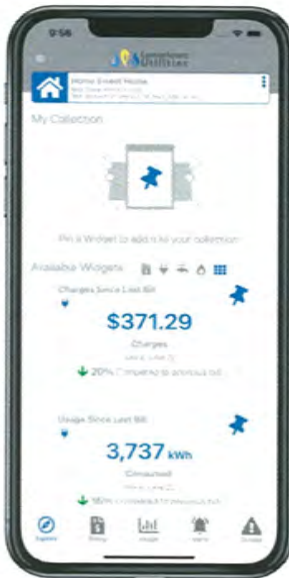
All BPU text notifications will come from the same number. Customers can save this on their phone as "BPU Texting".





## Meter Data Management (MDM) Mobile solutions 4th Quarter 2023

1. Mobile Application allows account management and payment options from mobile devices
2. Mobile App communication and alerts are available through email and text



**Approval of Minutes**  
**Regular Session 10-5-22**  
Agenda Item #V

[illegible]

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.

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.

Page 1 of 4

**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.



[illegible]

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

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**

# Financial Results

## 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%



# Financial Results

## 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

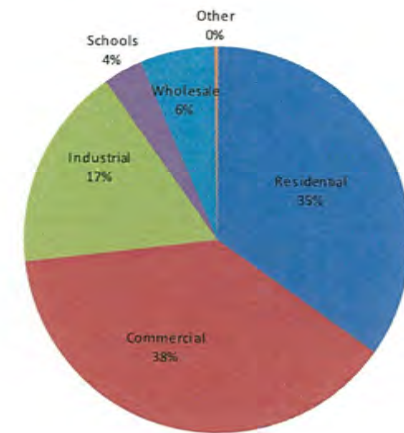
## Revenues – 2022 YTD

	(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%



# Financial Results

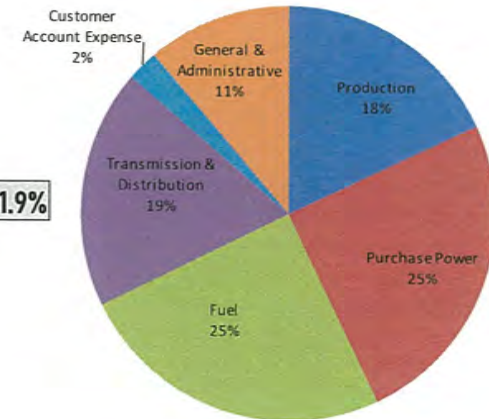
## Operating Expenses – 2022 YTD (Total)

	(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%



# Financial Results

## 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
Electric	\$ 8.694	\$ 8.969
Water	1.467	2.063
Combined	\$ 10.161	\$ 11.032

Budget 2022 August	(CY) 2022 August
\$ 5.814	\$ 8.694
1.171	1.467
\$ 6.985	\$ 10.161

\*\*Dollars in millions

## Financial Results

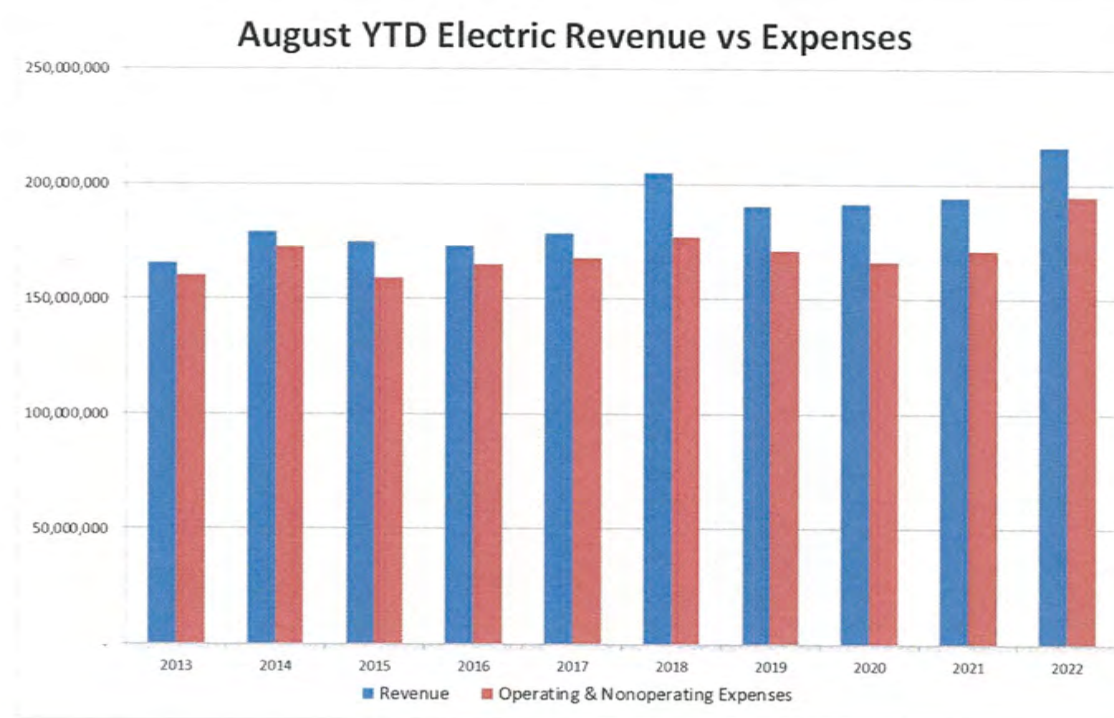
### Change in Net Position – 2022 YTD

	(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

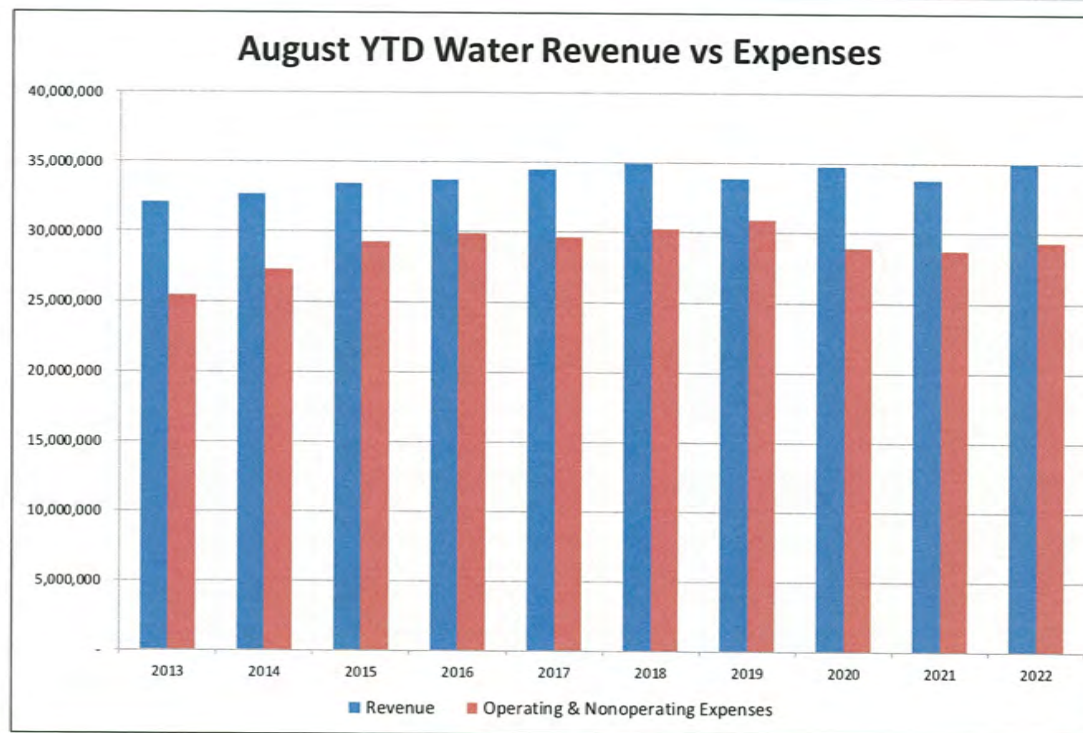
\*\*Dollars in millions



# Financial Results – 10 Year Trend

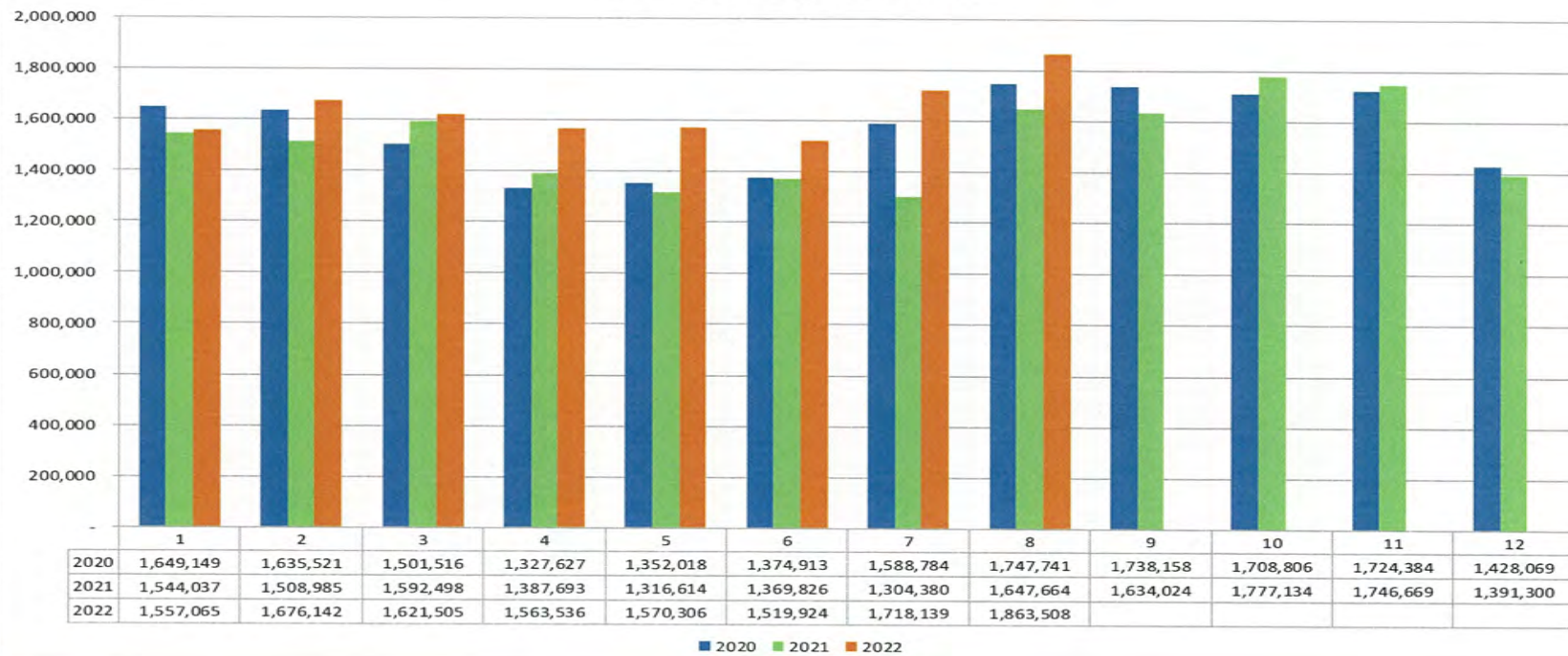


## Financial Results – 10 Year Trend



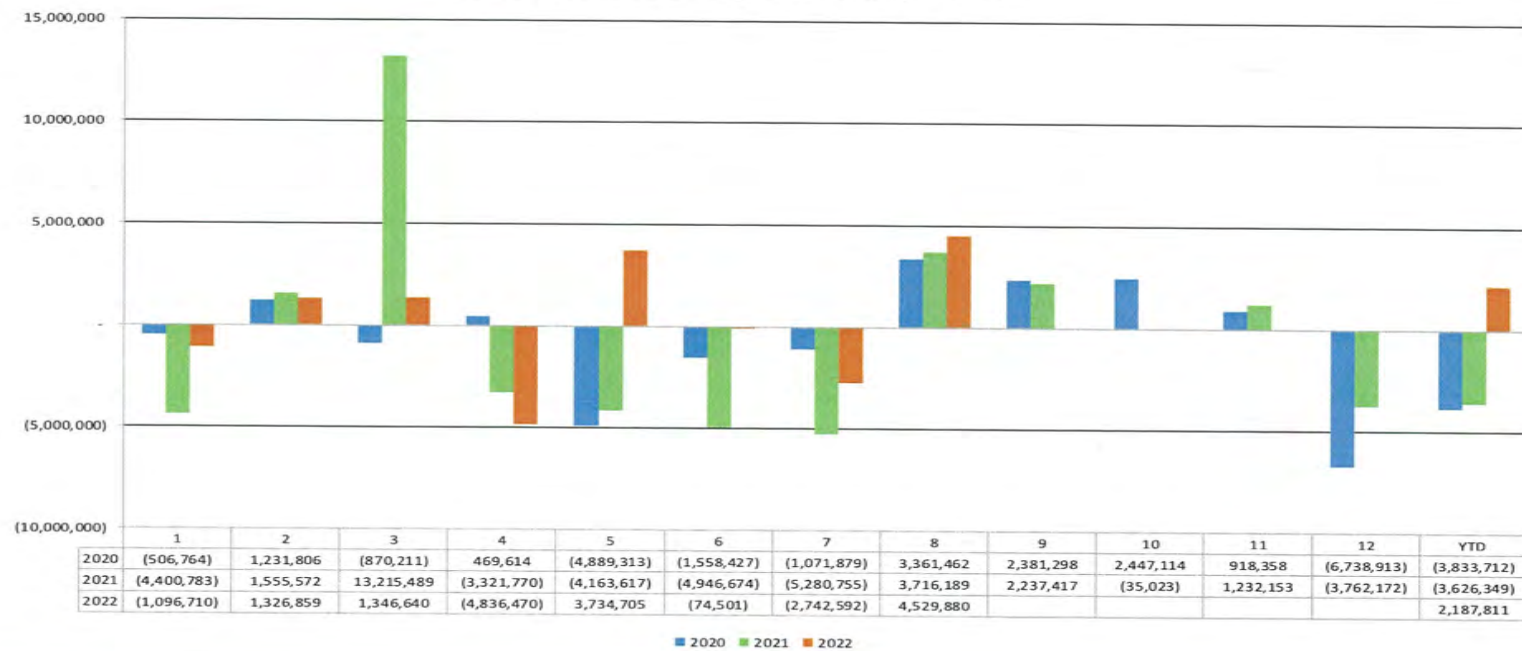
# Financial Results

**Average Daily Collections**



# Financial Results

**Historical Monthly Cash Comparison**





# Financial Results

## 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

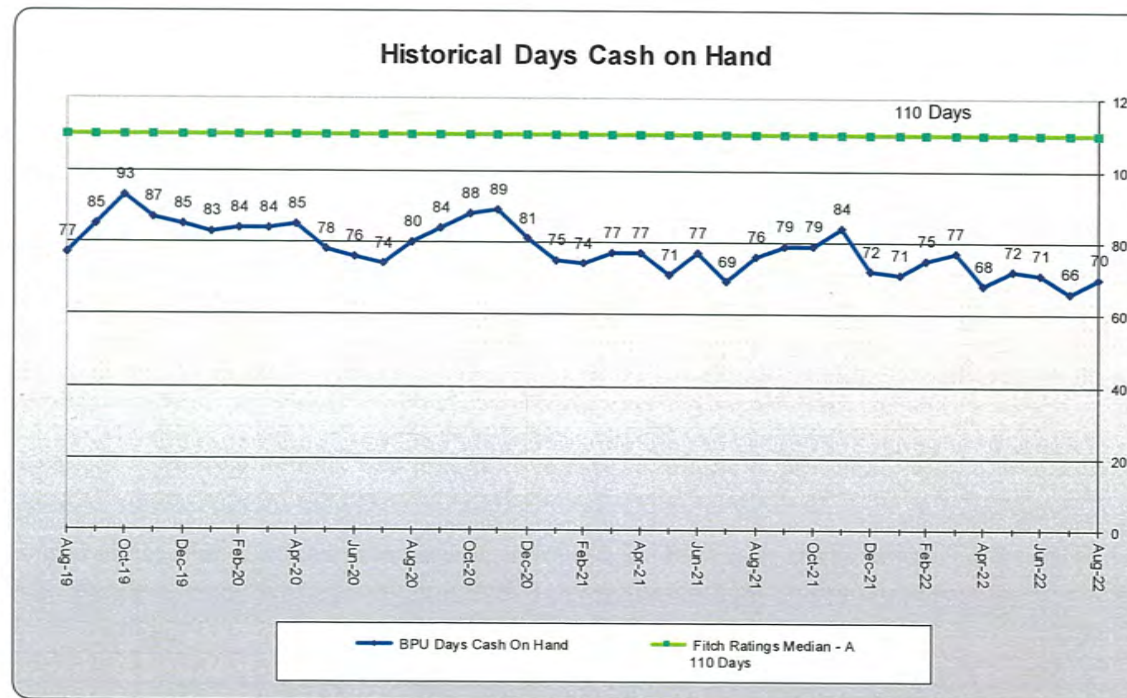
1 Day = Approximately \$550K-\$600K

(Based on 12 month rolling average of expenses)

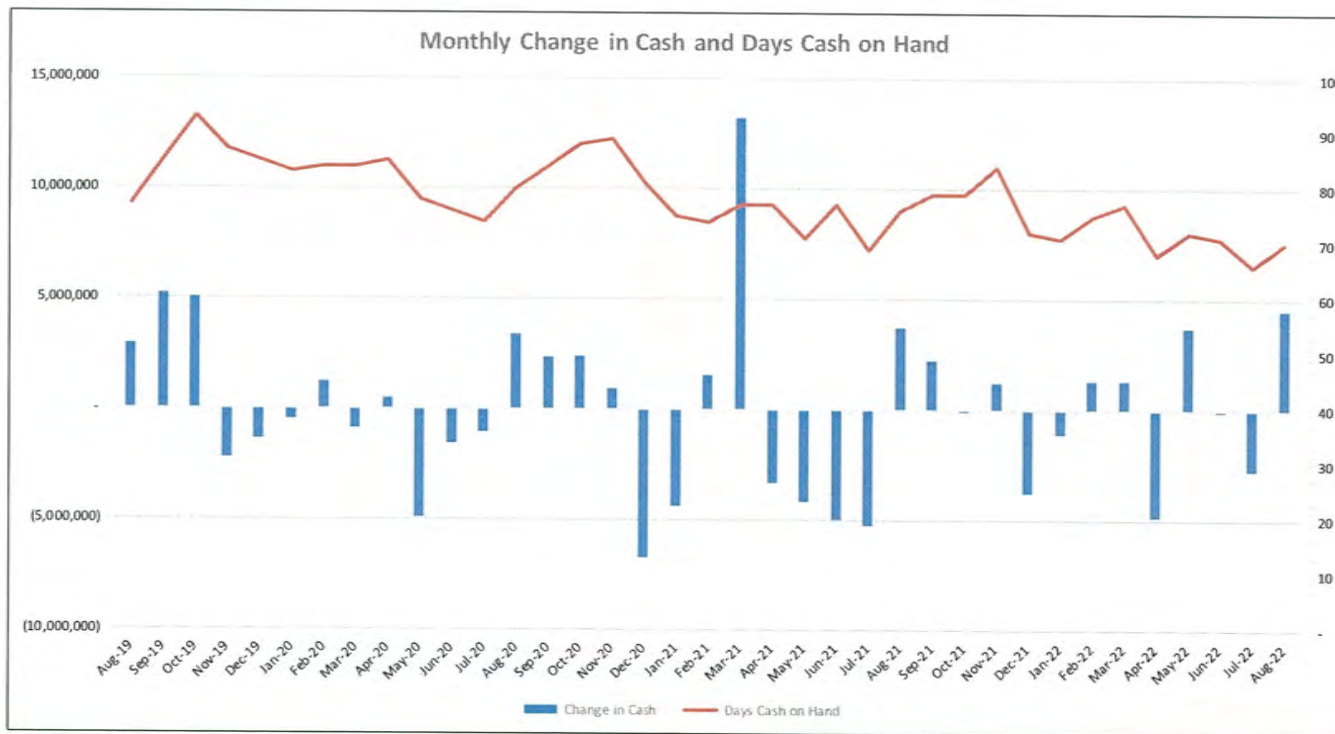
\*\*Dollars in millions



# 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

# Financial Results

## 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	
<b>Total YTD Capital</b>	<b>\$ 21.86</b>	<b>\$ 19.80</b>	<b>\$ 56.22</b>	<b>Remaining 61%</b>

\*\*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

# Financial Results

## 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

# Roadmap Strategy

**There is a need to focus on delivering enhancements**

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



## 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 MilSoft 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.

# Questions?

# Appendix



## IT's Continuous Improvement Program

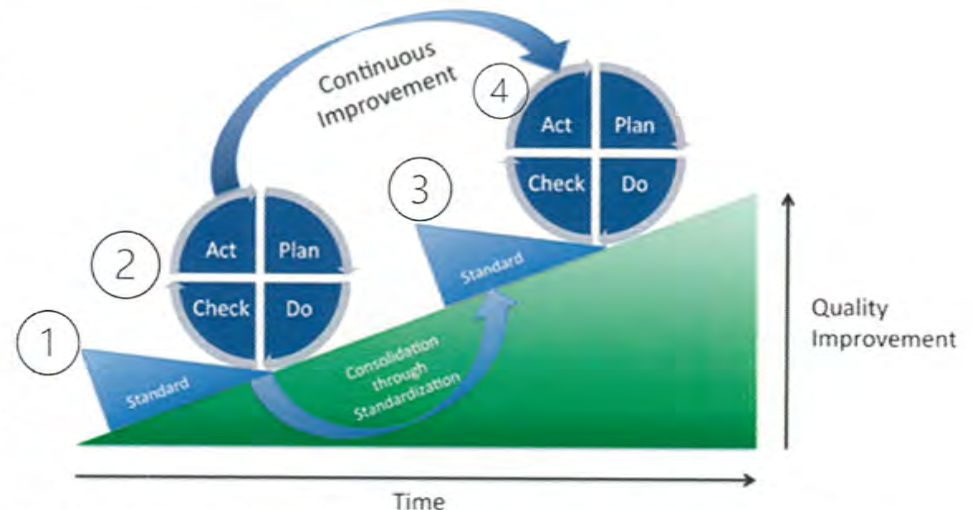
We have what might be called an ambitious schedule.

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.

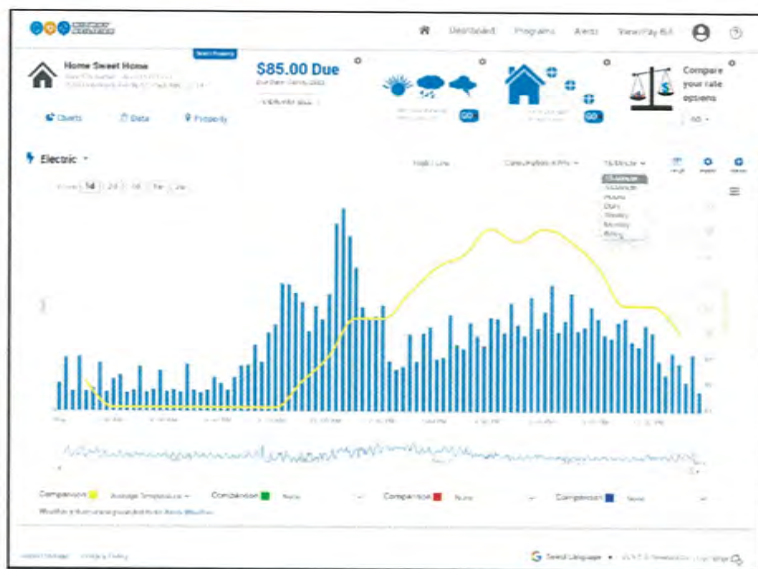
- Result should be higher customer satisfaction
- Improved reliability
- Better resiliency to overcome adverse situations



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

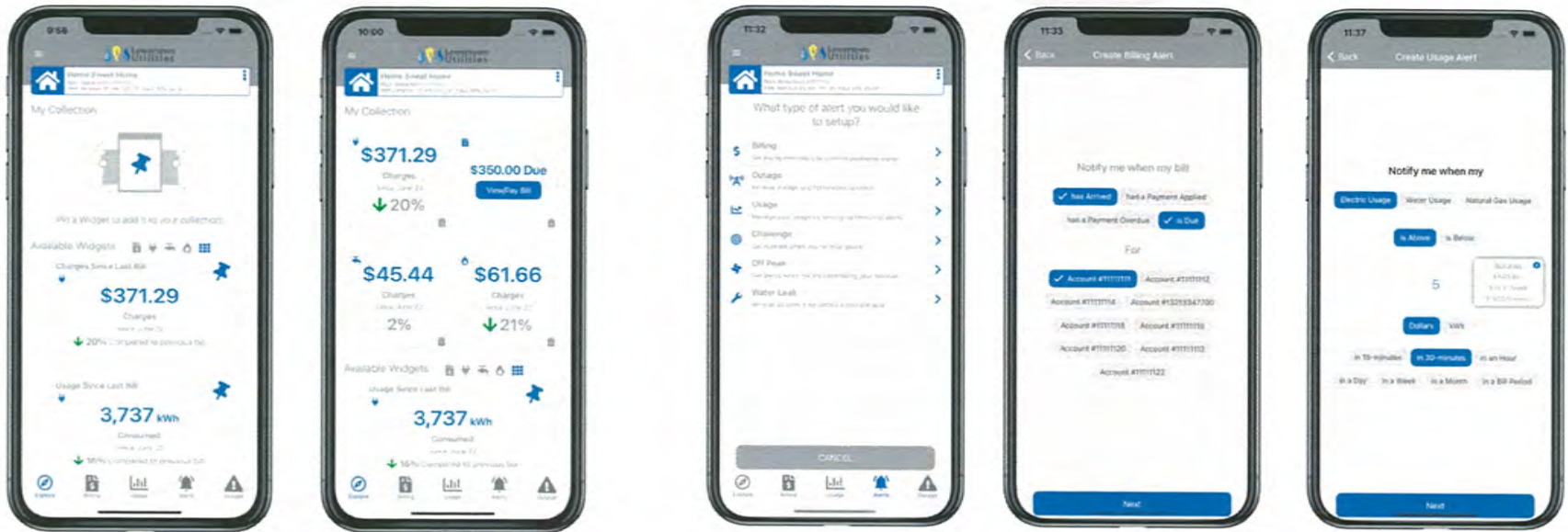
1. Enhanced Reports, Dashboards, and Visualizations for accessing customer usage and billing
2. Customers can configure data to preference and download



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

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

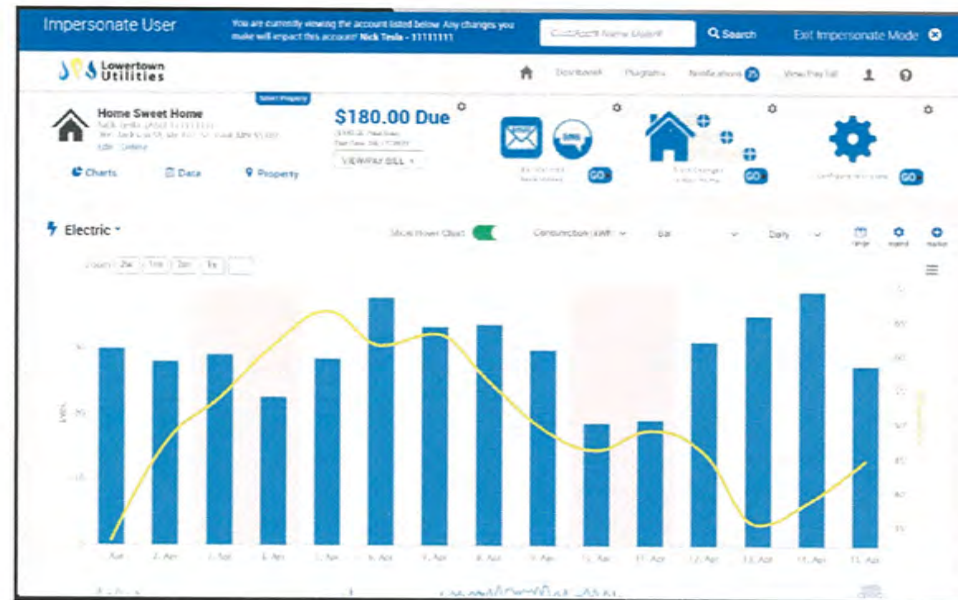
4. Mobile App communication and alerts are available through email and text





## 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







RESOLUTION NO. 5278

**RESOLUTION BY THE KANSAS CITY BOARD OF UTILITIES AN  
ADMINISTRATIVE AGENCY OF THE UNIFIED GOVERNMENT OF WYANDOTTE  
COUNTY KANSAS CITY, KANSAS REVISING AND REPLACING A POLICY  
GOVERNING SECTION 20.00 COLD AND HOT WEATHER RULE**

**WHEREAS**, the Board has previously adopted and amended a Cold and Hot Weather rule; and

**WHEREAS**, after discussing said rule the Board wishes to make modifications to said rule;

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

That the Kansas City Board of Public Utilities hereby modifies Section 20.00 of the Customer Services Policies as follows:

20.00 Cold and Hot Weather Rule: During summer months, on any day when the National Weather service forecasts the temperature will rise above 95 degrees Fahrenheit, or the heat index will rise above 105 degrees Fahrenheit, KCBPU will not disconnect electric service for non-payment of bills.

During the period of November 1st through March 31st, KCBPU will not disconnect Residential electric customers for non-payment of bills when the National Weather Service forecasts the temperature will ~~remain-be~~ at or below 32 degrees Fahrenheit ~~for~~ **in the next 24** hours. KCBPU will check the weather forecasts daily between 8:00 AM and 9:00 AM. Water service can be disconnected at any time.

To avoid being disconnected, the customer must contact KCBPU to check eligibility and establish a payment arrangement. Please refer to Payment Arrangement section for additional requirements.

**ADOPTED BY THE GOVERNING BODY OF THE KCBPU  
THIS 17th DAY OF OCTOBER, 2022.**

---

**Mary Gonzales, Board President**

**Attest:**

\_\_\_\_\_  
**Thomas Groneman, Board Secretary**

**Approved as to form:**

\_\_\_\_\_  
**KCBPU Legal Counsel**

