

REGULAR SESSION –WEDNESDAY, FEBRUARY 17, 2021

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Item #4 – Approval of the Regular Session Minutes

A motion was made to approve the Minutes of the Regular Session of February 3, 2021 by Ms. Gonzales, seconded by Ms. Mulvany Henry, and unanimously carried.

Item #5 – Public Comments

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

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

Item #6 – General Manager’s Reports

- i. *COVID-19 Update:* Mr. Dumovich, Director of Human Resources, gave an update on company COVID-19 matters.
- ii. *Preliminary December 2020 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, presented the December 2020 Financials with a PowerPoint presentation (see attached).

Ms. Austin and Mr. Andrew Ferris, Director Electric Supply Planning, answered questions from the Board.

- iii. *Impact of COVID on Regional Utilities:* Mr. David Mehlhaff, Chief Communications Officer, shared a PowerPoint presentation to discuss the impact that the COVID-19 pandemic had on both the community utility and the regional utilities (see attached).

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

- iv. *Introduction of new CIO –* Mr. Johnson introduced Mr. Jerry Sullivan, Chief Information Officer. Mr. Sullivan shared with the Board, via PowerPoint, information about his background and also his goals and initiatives for the IT department (see attached).

REGULAR SESSION –WEDNESDAY, FEBRUARY 17, 2021

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- v. *Miscellaneous Comments:* Mr. Johnson asked Mr. Jerry Ohmes, Executive Director Electric Supply, to give the Board an update on the rolling black out situation that had just occurred due to the extreme cold weather.

Mr. Ohmes began his update with an explanation of what happened with the short supply of natural gas. Residential customers and businesses throughout the center part of the country were competing for this resource. Freeze offs had made it impossible to get the gas out of the ground. The frigid temperatures were also hard on thermal units; coal and oil.

Prior to March 2014 BPU was its own balancing authority. We had our own generation to offset our own customer demand. That responsibility was transferred to the Southwest Power Pool, the balancing authority for a 17-state region. He then explained the levels of Energy Emergency Alerts.

- EEA1 dictated that all member utilities have their available generation on line and available to them.
- EEA2 called on load management procedures to be put in affect. It called for public appeals to reduce load. Any member utility that had a demand side management program was to execute those and utility load conservation measures were to be in place.
- EEA3 meant that load interruption was imminent or in progress.

Mr. Ohmes went through the various alerts that transpired over the two-day period of February 15 and 16.

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

Item #7 – Board Comments

Mr. Eidson wanted to thank all of the teammates who were working out in the cold, making sure that we had water and electricity.

Mr. Groneman echoed Mr. Eidson comments and welcomed Mr. Sullivan to BPU. He also thanked Mr. Ohmes for his update.

REGULAR SESSION –WEDNESDAY, FEBRUARY 17, 2021

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Mr. Bryant echoed the thanks and was happy that all the employees worked safely in the harsh weather.

Ms. Gonzales echoed thanks to the water crews and linemen and all of those working in the extreme weather conditions.

Ms. Mulvany Henry echoed the comments thanking all of the employees throughout the utility.

Mr. Milan echoed all of the above comments.

Item #9 – Adjourn

A motion was made to adjourn the meeting at 7:47 P.M. by Ms. Gonzales, seconded by Ms. Mulvany, and carried unanimously.

ATTEST:
NOT signed by
Secretary due to
Secretary Pandemic

APPROVED:
Robert L. Milan Sr
President

Jenny Burley-Kremer
EXECUTIVE ASSISTANT
3/9/21

December 2020 Preliminary Financial Results

February 17, 2020

2020 Billed kWh (YTD Jan – Dec)

	(CY) 2020 YTD	(PY) 2019 YTD	
Electric			
Residential	571,889,033	585,518,826	
Commercial	902,913,678	967,403,163	
Industrial	514,557,113	567,377,778	
	1,989,359,824	2,120,299,767	-6.2%

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

Residential –down 2%

Commercial – down 7%

Industrial – down 9%

2020 Billed CCF's (YTD Jan – Dec)

	(CY) 2020 YTD	(PY) 2019 YTD	
Water			
Residential	3,575,336	3,403,147	
Commercial	2,528,512	2,651,373	
Industrial	1,867,427	1,948,116	
	7,971,275	8,002,636	-0.4%

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

Residential – Up 5% Commercial – Down 4.5% Industrial - Down 4%



Financial Results

Revenues – December 2020

	(CY) 2020 December	(PY) 2019 December		Budget 2020 December	(CY) 2020 December	
Electric	\$ 11.174	\$ 28.989		\$ 23.518	\$ 11.174	
Water	3.988	3.353		4.295	3.988	
Combined	\$ 15.162	\$ 32.342	-53.1%	\$ 27.813	\$ 15.162	-45.5%

**Dollars in millions

Actual Compared to 2020 Budget

Electric down 53%
Water down 7%

Recognized ERC Over Collection for 3rd/4th Quarter of 2020 of \$11.7 million. This will be recognized as revenue and amortized over the next 6 months (Jan-Jun 2021)

Revenues – 2020 YTD

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 265.592	\$ 286.321		\$ 289.832	\$ 265.592	
Water	52.425	50.845		53.328	52.425	
Combined	\$ 318.017	\$ 337.166	-5.7%	\$ 343.160	\$ 318.017	-7.3%

**Dollars in millions

Variance – YTD comparing Budget to Actual for 2020

Electric: Down 8%

Residential **(\$3.3M)**

Commercial **(\$7.0M)**

Industrial **(\$2.8M)**

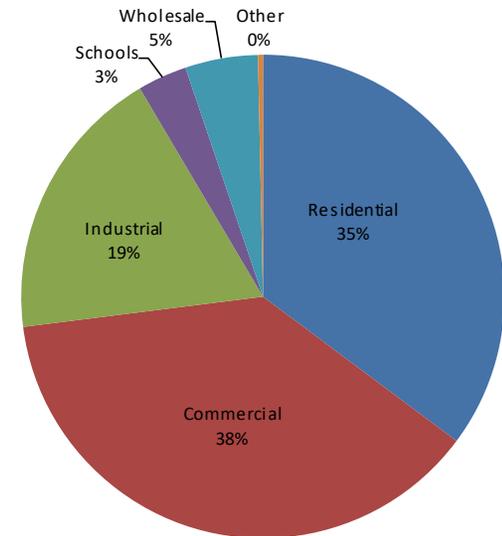
Schools **(\$1.2M)**

Water: Down 2%

Residential **(\$170K)**

Commercial **(\$1.1M)**

Industrial **\$700K**



Recognized \$5.5M deferral of revenue YTD from the 2019 ERC in 2020

Reduced revenue by \$11.7M (Over Collection) from the 2020 ERC

Operating Expenses – December 2020

	(CY) 2020 December	(PY) 2019 December		Budget 2020 December	(CY) 2020 December	
Electric	\$ 24.792	\$ 34.752		\$ 18.238	\$ 24.792	
Water	3.674	3.978		3.037	3.674	
Combined	\$ 28.466	\$ 38.730	-26.5%	\$ 21.275	\$ 28.466	33.8%

**Dollars in millions

Variance – Comparing Budget to Actual for 2020

Electric – up 36%

Production	- 70% up
Purchased Power	- 41% up
Fuel	- 4% down
T&D	- 62% up
G &A	- 40% up

Water – up 21%

Production	- 3% up
T&D	- 19% up
G &A	- 60% up

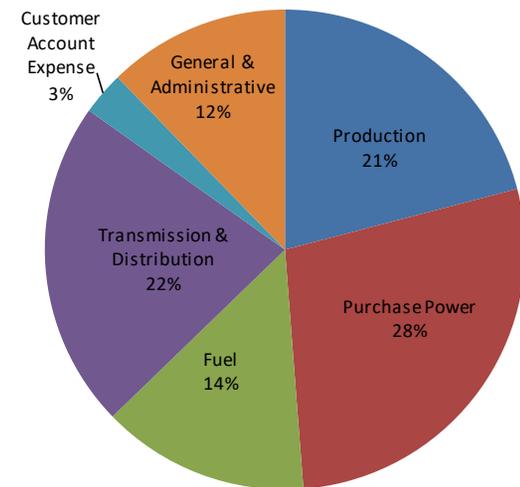
Operating Expenses – 2020 YTD (Total)

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 207.711	\$ 220.637		\$ 218.496	\$ 207.711	
Water	35.234	37.957		37.898	35.234	
Combined	\$ 242.945	\$ 258.594	-6.1%	\$ 256.394	\$ 242.945	-5.2%

**Dollars in millions

Actual Compared to 2020 Budget

- Electric down 5%
- Water down 7%



Operating Expenses – 2020 YTD less Depreciation

	(CY) 2020 YTD	(PY) 2019 YTD		Budget 2020 YTD	(CY) 2020 YTD	
Electric	\$ 178.191	\$ 192.611		\$ 190.360	\$ 178.191	
Water	27.281	30.148		30.118	27.281	
Combined	\$ 205.472	\$ 222.759	-7.8%	\$ 220.478	\$ 205.472	-6.8%

**Dollars in millions

Variance – YTD comparing Budget to Actual 2020

Electric:

Purchased Power \$500K
 Fuel (\$ 3.8M)
 Production (\$ 2.1M)
 T&D (\$ 2.1M)
 G&A (\$ 4.4M)

Water:

Production (\$926K)
 T&D (\$1.2M)
 G&A (\$850K)





Financial Results

Change in Net Position – December 2020

	(CY) 2020 December	(PY) 2019 December	Budget 2020 December	(CY) 2020 December
Electric	\$ (17.398)	\$ (10.092)	\$ 0.907	\$ (17.398)
Water	0.123	(1.254)	0.640	0.123
Combined	\$ (17.275)	\$ (11.346)	\$ 1.547	\$ (17.275)

**Dollars in millions



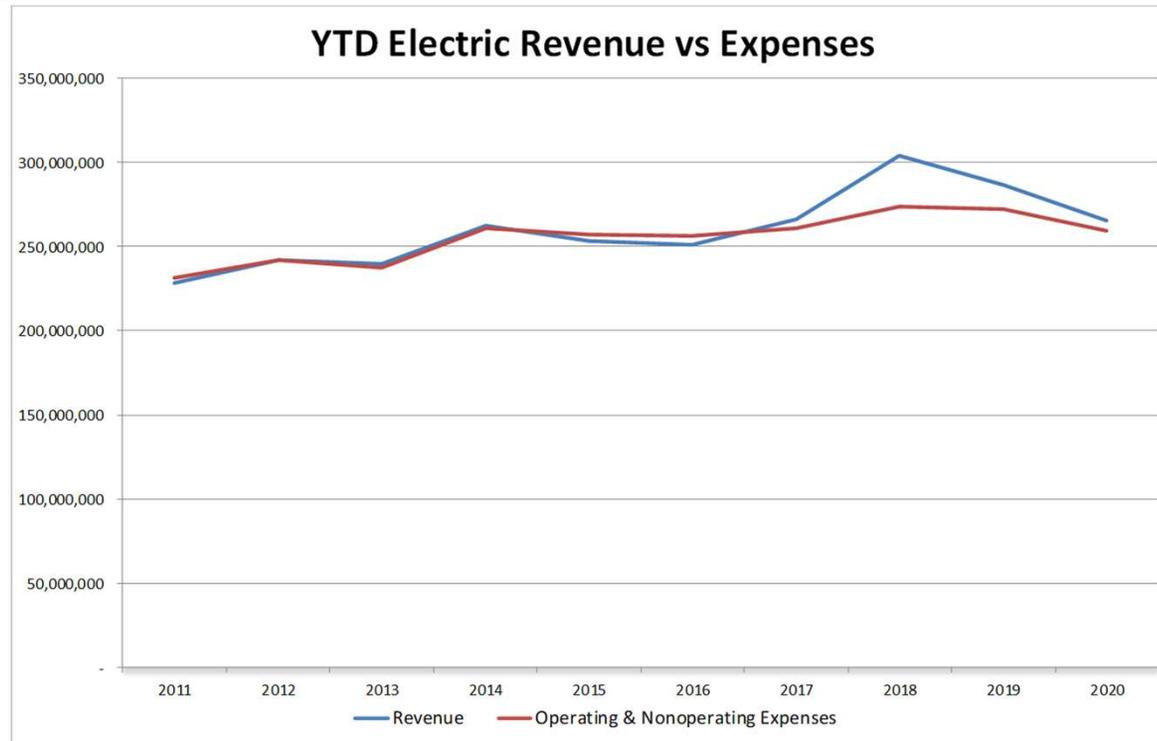
Financial Results

Change in Net Position – 2020 YTD

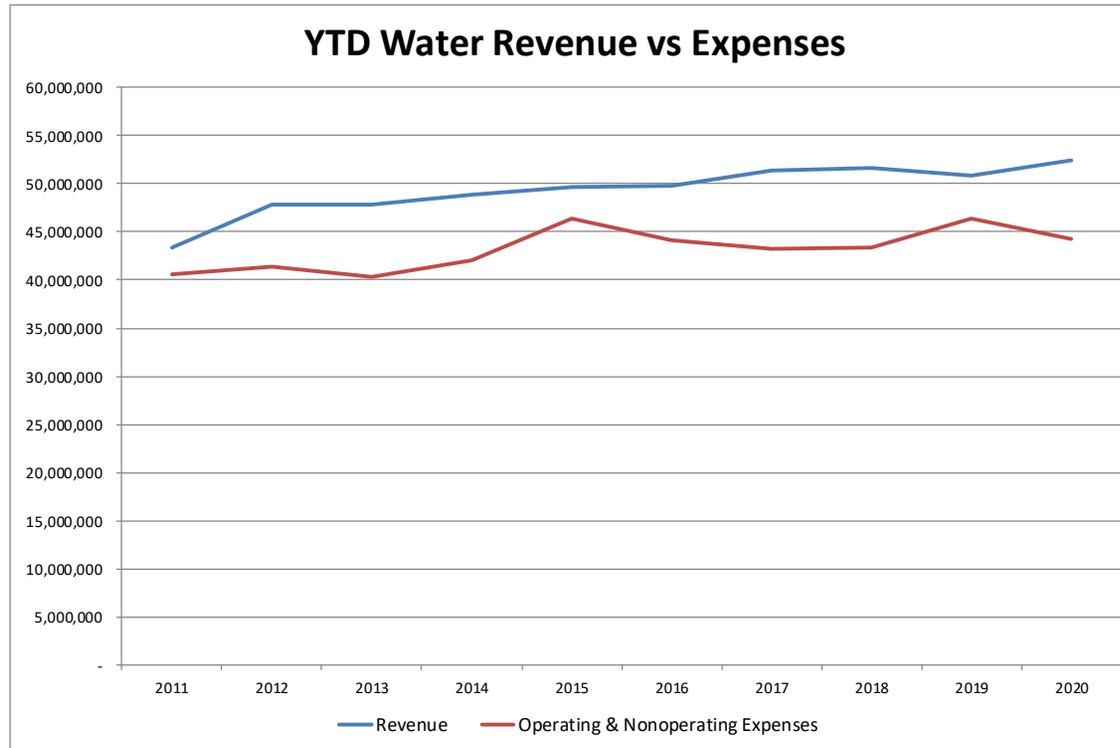
	(CY) 2020 YTD	(PY) 2019 YTD	Budget 2020 YTD	(CY) 2020 YTD
Electric	\$ 6.227	\$ 12.013	\$ 17.599	\$ 6.227
Water	9.240	4.175	6.875	9.240
Combined	\$ 15.467	\$ 16.188	\$ 24.474	\$ 15.467

**Dollars in millions

Financial Results – 10 Year Trend



Financial Results – 10 Year Trend



Cash Position

	(CY) 2020 December	(PY) 2019 December	2020 November
Combined (E&W)	\$ 45.43	\$ 51.88	\$ 52.98
Days Cash-on-Hand	81	85	89

**Dollars in millions

Balance Sheet: Notables

	(CY) 2020 December	(PY) 2019 December
Fuel Inventory	\$ 7.694	\$ 6.043
Bond Dollars 2016C (Elec T&D)	\$ 1.542	\$ 14.660
Bond Dollars 2020A (Elec)	\$ 10.000	\$ -

**Dollars in millions

Capital Spending

Capital Spending (CIP)			
	(CY) 2020 YTD	(PY) 2019 YTD	2020 Budget
Electric	\$ 39.45	\$ 49.87	\$ 41.27
Water	8.23	6.72	12.73
Common	2.53	0.46	4.60
Total YTD Capital	\$ 50.21	\$ 57.04	\$ 58.60
			Remaining
			14%

**Dollars in millions

Major projects in 2020:

- Rosedale Project - \$13.5M (Bond Reimbursed)
- N1 Bottom Ash Handling System- \$4.5M
- Leavenworth Road-Phase 2 - \$2.7M
- Water Leak, Valve, System Imp. - \$2.1M
- UG/CMIP Water Distribution - \$2.5M

Debt Coverage

	(CY) 2020 December	(PY) 2019 December
Electric	1.94	2.01
Water	2.15	1.72
Combined	1.98	1.98

Debt Coverage w/o PILOT

	(CY) 2020 December	(PY) 2019 December
Electric	1.35	1.40
Water	1.71	1.29
Combined	1.42	1.40

Financial Guideline Target 1.6 to 2.1 times with PILOT

Impact of COVID-19 on Regional Utilities

February 17, 2021

Impact on KC Metro Utilities

- Loss of demand from both commercial and industrial sectors
 - Demand lower than 2008-2009 financial crisis
- Residential use rose because of many people working from their homes
- Revenue challenges
 - Collection shortfalls
 - Continuing service to non-paying customers

Business Impact on BPU

- Some large industrial & commercial customers shut down production for a couple weeks while others curtailed operations which resulted in reduced loads
- August/2020 - 815 KCK companies large and small were polled by WYEDC (manufacturing, logistics, service and office companies)
 - 78% fully operational
 - 61% Received federal loan assistance
 - 55% experienced sales decreases
 - 24% experienced supply chain problems
 - 21% laid off employees (1,139)
- December/2020 - 491 KCK companies contacted
 - 83% fully operational
 - 6% Received CARES Act Grants
 - 14% downsized because of sales decreases
 - 36% experienced supply chain problems
 - 8% laid off employees (395)
- A number of small commercial businesses never reopened or have closed since pandemic began

BPU Response to Pandemic

- Issued voluntary moratorium suspending disconnects
- Ceased all non-essential spending including \$19 million in capital improvement projects
- Increased PaySite Kiosk locations
 - Removed fees
- Started promoting various payment options
- Encouraged customers to stay current on their accounts to avoid getting too far behind and encouraged them to seek utility assistance or make payment arrangements
- Closed customer service lobby and all facilities from outside visitors
- Changed Board meeting format to virtual
- Refreshed payment option information on website

Communications

- Letter to the community from the General Manager
 - We are all in this together, offering assistance shared steps taken to protect the public
- Keeping workers safe
- Promoting various pay options and constant reminders to stay current on their bill
- Voluntarily began & extended moratoriums on disconnects
- Urged businesses to flush water lines before reopening
- Promoted energy assistance/hardship funds and continue to do so
- Announced lifting of temporary moratorium on disconnects on June 1st
- Slowly ramped up disconnects
- On-going dialogue with congressional leaders regarding utility assistance funding
- Implemented new suspension of disconnects through February 28th

BILL PAY OPTIONS



RESIDENTIAL > BILLING > BILL PAY OPTIONS

Choose A Way To Pay That's Convenient For You

Paying your utility bill should be as easy as flipping on the light switch. That's why BPU gives you payment options that fit your life. So you can pay, however - and wherever - works best for you.



ONLINE

Secure, 24/7 payment using a credit card or bank account online

OR

Set up an Automatic Payment Plan for more convenience with your monthly payments.

[Customer Login](#)



KIOSK

Pay at any of our PaySite kiosks in the greater Kansas City area.

Click for a list of participating locations or call 1-877-876-7076.

[Kiosk Locations](#)



FLEXPAY

Looking for even more payment flexibility? With FlexPay, you create an account that pays your bill in small amounts during the month.

Click below for more info on the FlexPay program.

[Learn More](#)



MAIL

Simply send your payment using check or money order.

Kansas City Board of Public Utilities
PO Box 219661
Kansas City, Missouri 64121



PHONE

Pay by phone 24/7 using a credit card or bank account by calling 1-855-BPU-BILL.

Need to speak to a customer service representative? Please call 913-573-9190.



DROP BOX

Make a check or money order payment 24/7 via the Drop Box outside the door of the Customer Service Lobby:

540 Minnesota Avenue
Kansas City, Kansas 66101

Direct Mail Postcards

BPU gives you a variety of ways to pay your bill.

- ONLINE:** Visit BPU.com 24/7 to securely pay with a credit card or set up an Automatic Payment Plan with a bank account.
- FLEXPAY™:** Create an account for a flexible way to pay as you go. Visit bpu.com for more info.
- KIOSK:** Pay with cash, check or a card. To find the nearest kiosk, call **1-877-876-7076** or go to paysitekiosklocator.com
- PHONE:** Call **1-855-BPU-BILL** and pay with a credit card or bank account.
- DROP BOX:** Drop off a check or money order payment at our Drop Box at **540 Minnesota Ave., Kansas City, KS 66101.**
- MAIL:** Send a check or money order to: **KC Board of Public Utilities, PO Box 219661, Kansas City, MO 64121.**



Pick Your Way To Pay

- ONLINE**
Visit bpu.com and click PAY BILL.
- FLEXPAY™**
Create an account and pay as you go.
- KIOSK**
Visit one of our convenient PaySite™ kiosks.
- PHONE**
Pay 24/7 by calling 1-855-BPU-BILL.
- DROP BOX**
Drop off a check or money order payment.
- MAIL**
Mail a check or money order.

FOR MORE INFORMATION GO TO BPU.COM


540 Minnesota Avenue
Kansas City, KS 66101

John A. Sample
1000 Any Street
City, ST Zip



 **EASY WAYS TO PAY**
Pick a payment option that fits your needs.

-  **ONLINE**
-  **FLEXPAY™**
-  **KIOSK**
-  **PHONE**
-  **DROP BOX**
-  **MAIL**

VISIT BPU.COM

Direct Mail Postcards

Finding the nearest PaySite® kiosk is simple. Use your phone and

- A convenient way to pay
- Located throughout the greater Kansas City area
- See all kiosk sites by scanning the code below or visiting bpu.com/kiosks

Payments made before 3:00 p.m. will post to your account the same day.
Payments made after 3:00 p.m. will post to your account after 8:00 a.m.
the next business day.

Pay with cash or checks (cards not accepted).



**For kiosk
locations near
you, just scan
the code.**

OR

Call 1-877-876-7076
for kiosk location
information.



540 Minnesota Avenue
Kansas City, KS 66101

John A. Sample
1000 Any Street
City, ST Zip

Our PaySite® Payment Kiosks







KANSAS MISSOURI

Offer convenience close to home.

Visit bpu.com for details



COVID-19 Impact to Date

- Majority of our residential customers stayed current on their bills
- Kiosk payments rose 70% and continue to rise
- Website traffic increased by 22%
- Residential sales up slightly
- Commercial sales down
- Industrial sales down

David Mehlhaff
Kansas City Board of Public Utilities





CIO Introduction

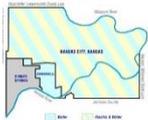
Jerry Sullivan

February 17, 2021

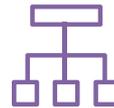


But First...

- I am glad to be here!! Love to be at Kansas City BPU !!
- Being a CIO again is an honor and I look forward to the opportunity
- My observation is that BPU is:



– the right *Size Utility*



– the right *Leadership*



– the right *Technology*



– and the right *IT team*

Topics / Agenda

	Jerry's Background	Who is Jerry?	
 	Technology Strategy	Goals / Technology Roadmap	
	IT Assessment	My Initial Observations	

Who is Jerry?



STRATEGIC
PLANNING



MUNIES, IOUs, RTOs / ISOs
(USA, Rep of South Africa, UK,
Argentina, Venezuela,
Indonesia, Singapore)

ENGINEERING /
OPERATIONS

BUSINESS
PLANNING



West Point,
Bachelor Science
Engineering

Stern School, MBA
Finance

C&GS, Ft. Leavenworth,
Strategy / Tactics



The Reliable One

Electric & Water Municipal Utility
(~ 250,000 meters)



BPU Info. Technology High Level Goals



Provide a *reliable* IT ecosystem that meets the needs of our employees, customers and community



Expand technological capabilities to improve *customer satisfaction*



Lead technology *innovation* through knowledge, collaboration, and strategic *partnerships* with our major technology suppliers

IT's Key Initiatives

- Cyber Security Program
- Disaster Recovery / Business Continuity
- Meter Data Management Continuous Improvement
- Upgrade Storage Area Network (SAN)
- Replace End-of-Life Data Center Servers and Equipment

Provide a reliable IT ecosystem



- OMS Upgrade (outage maps, weather overlays, scalability with mobile devices)
- Bill Print separating UG and BPU billing determinates
- App Services functionality to improve move-in capability
- Mobility for hand-held devices in field
- Laptop deployment for employees

Expand technological capabilities to improve customer satisfaction



- Continue Digitalization across the Enterprise
- Improving the Connectivity Model and utilizing Data Analytics and MDM
- Expand Data Visualization
- MV90 (industrial meter) automation for data imports
- Workforce Productivity

Lead technology innovation



BPU IT Statistics

Growth in Data, Hardware, Applications, and Staff - 2010 vs. 2021

	Hardware / Software						Staffing			
	Servers	Storage in Terabytes (TB)	Data Backed up in TB	Switches	Routers	Major Core Applications	Business Applications	Contractors	Employees	Total Staffing
2010	174	59	14	130	1	4	170	16	11	27
2021	314	681	409	270	709	11	140	15	31	46
	80%	986%	New	108%	New	175%	18%	-6%	182%	70%

Major new applications: GIS 1, Integration (ESB) 2, Meter Data Management 2, NetSense Meter Head End System 2, Budgeting 1, Maximo Asset Management 2, Oracle Fusion Financials 1 = **staff for new apps is 11**
 Plus **new staff** for Cyber Security 1, Network 1, and Help Desk Support 3, Server Storage 3 = **8** . Total 19



Cyber Security	Data Center	Network	Applications	Data Analytics
<p>Top 10% But we are continuing the vigilance</p>	<p>Disaster Recovery (DR) and Business Continuity are next steps</p>	<p>Very good, very similar to other large public power companies, e.g., OUC</p>	<p>On premise, very similar to other large public power companies, e.g., OUC</p>	<p>Recently purchased Data Visualization tool, and path forward is to embed this in business unit capabilities.</p>



Strategy	Budget	Disaster Recovery	Standardization / Governance	Organizational Change Mgmt
<p>Alignment with corporate goals</p> <p>SMART goals</p> <ul style="list-style-type: none"> • Specific • Measurable • Assignable • Realistic • Time-based 	<p>Thorough process.</p> <p>Would benefit from drill down capabilities afforded by Data Analytics & Visualization platforms</p>	<p>Projects in place for 2021 for reliability and redundancy (High Priority)</p> <p>Project in place for Business Continuity in 2021 (High Priority)</p>	<p>Would benefit from a 3 year horizon to standardize hardware, software, and keep up with software releases and patches</p>	<p>Would benefit from a program to make technology adoption easier with awareness, training, and follow-up</p>



Contractors	Many hats	Knowledge	Training	Testing
<p>Knowledgeable, specialists, and long term staff augmentation (would look to re-evaluate contractor/staff ratios)</p>	<p>We do everything that a large utility such as Evergy, or Exelon does e.g. Cyber Security, Billing, financials --- with aplomb</p>	<p>Staff quite capable, experts in their field, and have long tenure, and experience</p>	<p>Opportunity here for cross – training, and learning current technologies and applications, e.g., data analytics, cloud-based platforms, AI, and data integrations</p>	<p>Opportunity to reduce load on users conducting testing, to enable automated testing and full testing before go-live events.</p> <p>(Better safe then sorry --- Quality at go live!)</p>

What's Next?

- Focus areas.....
- The Basics (all planned, all budgeted):
 - Bill Print Project (separate UG and BPU bill determinants)
 - Cyber Security projects (more third party monitoring, penetration testing)
 - Disaster Recovery (what happens when the data center goes down)
 - Business Continuity (what happens when the lights go out)
 - Maximo Asset Management (optimizing and maintaining the utilities assets)
 - Standardization, patches, releases (keeping pace with updates)
 - And 57 IT projects (w/ two project managers)
- Glad to be here!

Thank you!