

# Grand Rapids Public Utilities

October 23, 2024 Commission Meeting

2024 Annual Plan Scorecard Presentation

Julie Kennedy – General Manager

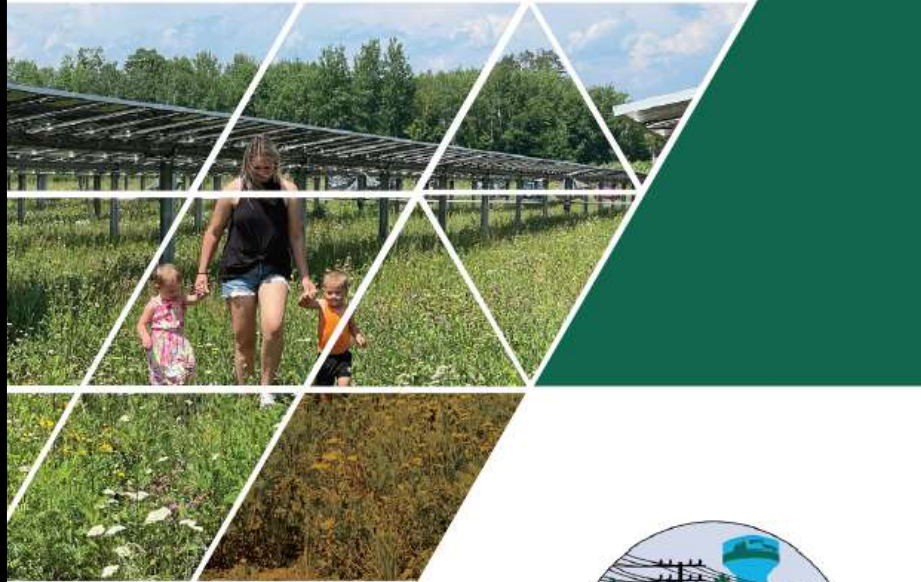


**GRAND RAPIDS  
PUBLIC UTILITIES**  
*Service is Our Nature*

# 2023-2028 Strategic Plan

## STRATEGIC PLAN

2023-2028



**GRAND RAPIDS  
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## WHO WE ARE

Grand Rapids Public Utilities (GRPU) is a statutory municipal utility established by the city of Grand Rapids, Minnesota. The Grand Rapids Public Utilities Commission (GRPUC) provides full control, operation and management of the GRPU electric power distribution system, the water production, treatment and distribution systems, and the wastewater collection and treatment systems.



### Our Vision

Our vision is to be a dynamic public asset for the thriving community of Grand Rapids, enhancing lives and fostering growth through excellence in the provision of essential utility services.



### Our Mission

Our mission is to empower GRPU team members to deliver safe, reliable, affordable, sustainable, and customer-focused utility services for our community.



### Our Values

- Safety* We hold paramount the well-being of our employees and the public in all operations.
- Integrity* We uphold ethical standards and foster trust with all stakeholders.
- Customer Focus* We prioritize customer needs and satisfaction in all our decisions and actions.
- Efficiency* We maximize resources to provide cost-effective services without compromising quality.
- Reliability* We consistently deliver high-quality utility services and strive for uninterrupted access.
- Sustainability* We employ environmentally responsible practices in our operations and services.
- Transparency* We openly share information and decision-making processes, promoting informed community involvement.



# 2023-2028 Strategic Plan



## STRATEGIC PILLARS

Following are GRPU's objectives for the next five years. They are aspirational, and will be attained through the process of breaking the objectives down into specific, measurable, achievable, relevant, and timely (SMART) goals. These will be documented annually in the period's operating plan and supported by the approved budget.

### Uninterrupted, High-Quality Utility Services (US)

GRPUC recognizes that nothing else we do matters more to our customers than the delivery of reliable, affordable, and sustainable services. GRPU's Strategic Plan sets the following goals for the next five years related to ensuring uninterrupted, high-quality utility services now and in the future.

1. GRPU will develop and begin to execute a long-term (i.e., no less than five year, no greater than twenty year) infrastructure replacement plan that also accounts for anticipated system growth of up to 20% and gradual undergrounding of the electrical system.
2. GRPU will complete the renovation of its water treatment facility to improve operations and ensure adequate future capacity.
3. GRPU will complete the process of jetting its sanitary sewers.
4. GRPU will assess and address customer expectations regarding future technology upgrades they may expect or desire as our system evolves.
5. GRPU will adopt policies and develop contingency plans to:
  - a. manage risks to infrastructure that may result from the activities of bad actors.
  - b. manage risks associated with grid failures or the inability of our single source of power to meet its obligations.

### Strategic and Sustainable Fiscal Management (FM)

GRPUC aims to be proactive with its resources, recognizing that all decisions are made on behalf of past and future ratepayers. GRPU's Strategic Plan sets the following goals for the next five years related to ensuring strategic and sustainable fiscal management to support ongoing operations and inter-generational equity.

1. GRPU will develop a financial forecast model that accounts for capital expenditures as described in objective US-1 above, including inflation assumptions, target dates, key performance indicators, and decision criteria. The model will account for supply chain issues that may require placing orders years in advance of anticipated project execution.
2. GRPU will take preparatory steps to ensure debt or emergency funding can be obtained quickly should an unexpected infrastructure failure require unplanned expenditures that cannot be addressed with existing resources.
3. GRPU will explore and, when both feasible and practical, adopt an updated rate structure that accounts for the evolving use patterns resulting from electrification (e.g., transition to electric vehicles, distributed energy resources/adoption of solar by home and business owners, etc.).

## OPERATIONAL PLANNING, REPORTING AND ACCOUNTABILITY

### PLANNING



Each year in September, the GRPUC and GM will review the organization's SWOT, strategic and operational progress. Over the next month, the strategic plan will be updated. Implications and priorities for operations will then be discussed with the GRPUC in October.

Following updated and reaffirmed strategic direction from the GRPUC, the GM and staff will create an annual operating plan. This plan will include SMART goals based on the operating priorities and strategic intent of the GRPUC.

The annual budget will be developed to support the successful realization of the operating plan. Each year GRPU's Audit and Finance Committee will review the budget in November and provide feedback. The final draft of the operating plan and supporting budget will be referred to the GRPUC for action at their December meeting.

### REPORTING



Monthly staff reports to the GRPUC will align with and reference the approved operating plan. Items requiring action by the GRPUC will be placed on the agenda.

The GM will report to the GRPUC on progress toward achieving each approved goal/deliverable in a report card prepared in advance of GRPUC meetings in the months following the end of each quarter (April, July, October, and January).

Timelines and/or other details regarding achievement of the SMART goal(s) will be adjusted as needed when conditions require doing so.

SMART goals will not be fully discarded unless they are being replaced with another tactic that will achieve the strategic objective they support. GRPUC action is required to alter or eliminate a strategic objective.

### STAFF ACCOUNTABILITY


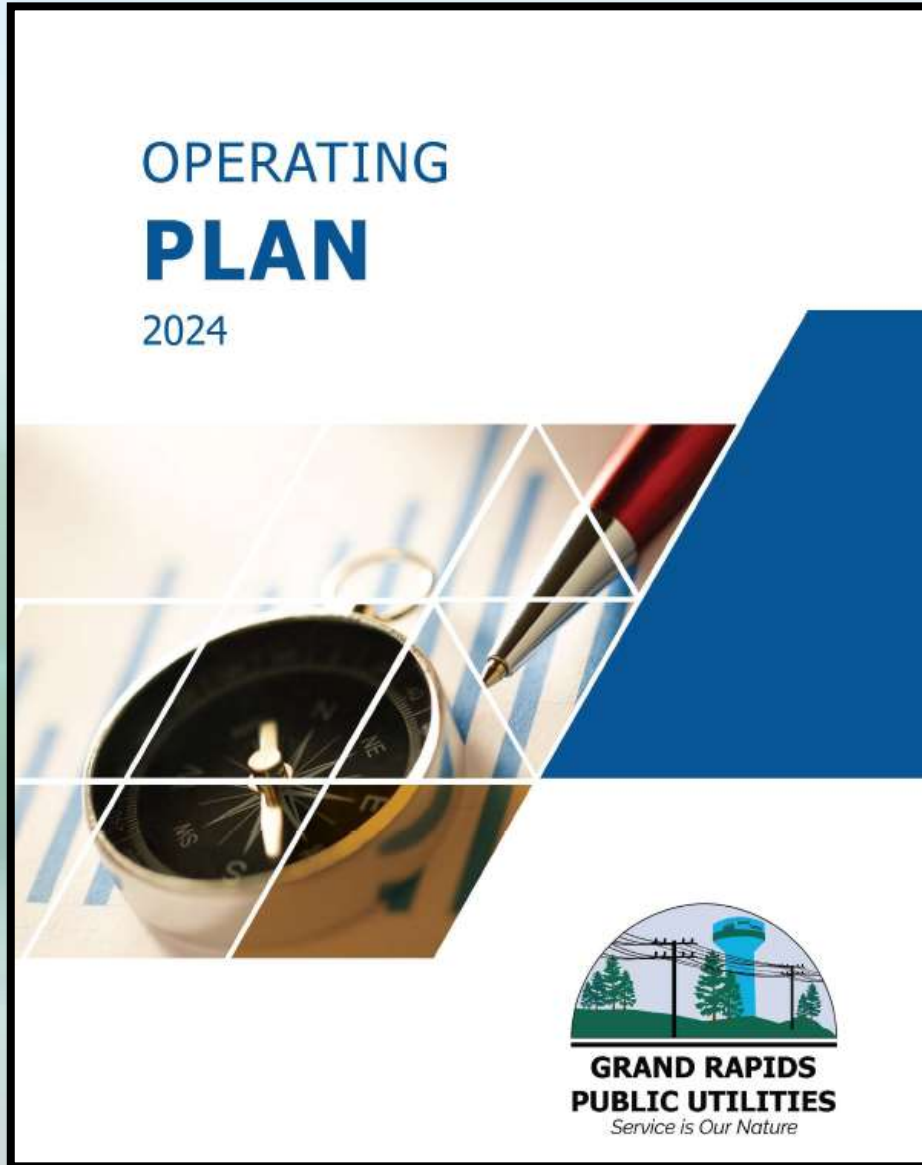


Each year, employees work toward individual performance goals that support GRPU's objectives and aid in their own professional development.

Beginning in 2024, annual employee goals will align with the SMART goals in GRPU's operating plan, and we will foster an organizational culture that is consistent with GRPU's vision, mission, and values as described in the Strategic Plan.

Supervisors will provide ongoing feedback to employees in a manner determined by the GM and consistent with relevant union contracts. Our intent is to ensure that each GRPU team member feels fully connected to the organization's strategic path, knows how they uniquely contribute to achieving our goals, and are supported by the entirety of GRPU in carrying out their roles.

# 2024 Annual Work Plan



### ANNUAL PLANNING PROCESS

In 2023, the Grand Rapids Public Utilities Commission (GRPUC) developed a new strategic plan. It is intended to serve as a roadmap for the future development and growth of utility services in our community.

To accomplish this going forward, a practical, realistic, and easily implemented process for breaking our long-range plan into clear, attainable goals is necessary. To that end:

- In the fall of each calendar year the Grand Rapids Public Utilities Commission will review and update the organization's Strategic Plan. Inherent in this process is a discussion of the most pressing matters to be addressed and the actions that are necessary to achieve the GRPUC's organizational intent.
- Grand Rapids Public Utilities (GRPU) staff takes this Commission-directed information, aligns it with known and anticipated operational exigencies, and proposes a results-focused work plan and budget for the upcoming year. The suggested operational and budget plan is then reviewed, revised if necessary, and eventually approved by the Commission at its December meeting.
- Once this vote has occurred, staff performance plans, accountability metrics, and reporting mechanisms are put into place so that everything is ready for the start of the new fiscal year.

### ASSUMPTIONS AND CRITICAL SUCCESS FACTORS

This plan assumes the following conditions:

- There will be no major technical or infrastructure failures, cyber or security breaches during the year.
- There will be no game-changing regulatory or legislative mandates that impact operations in the near term.
- The supply chain will be predictable and reliable.
- There is no significant change in staffing levels or skill sets.
- GRPU will not have to cope with significant natural disasters that cause lengthy outages or require unplanned infrastructure replacements.
- The status of the utility and its relationship to the City of Grand Rapids will be unchanged.
- There will be no unanticipated impacts on large ratepayers and no significant changes (gain/loss) of the customer base).
- Agencies will review submitted plans in a timely manner.
- The contract settlement does not result in significant unanticipated downstream effects that require resources to manage.
- There are no major safety incidents resulting in injury and/or investigation.

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Feb 12 2024  
MDH Press  
Release tying  
Legionnaires'  
disease  
outbreak to  
GRPU Drinking  
Water



# 2024 Annual Work Plan Scorecard (Q3)



## GRPU 2024 Q3 Operating Plan Scorecard As of Sept 30, 2024

Exceeding	Blue
In Process	Light Green
Ongoing	Green
Completed	Dark Green with !!

Caution	Yellow
At Risk	Red
Postponed	Pink

NA for now	Grey
Abandoned	Purple
Added	Orange

Goal	Deliverable	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Strategic Pillar: Uninterrupted, High Quality Utility Services (US)								
US-1	Initial draft of 10-year CAPEX plan	Steve, Chad	07/31/24	In Process	In Process	Completed		Completed & presented at 8/14/24 Work Session for discussion.
US-1, US-4, FM-1, OE-2	Substantially operating ERP system (est 90% of modules functioning and collecting data)	Jean	<del>12/31/2024</del> 6/30/2025	In Process	In Process	In Process		Scheduling difficulties. New target date. Working with vendor on 2025 timeline.
US-1, US-4, FM-1, OE-2	Select ERP platform with cap plan feature and customer portal	Jean	<del>2/29/2024</del> 04/24/2024	In Process	Completed	Completed		SpryPoint agreement approved 02/28/24. NetSuites agreement approved 04/24/24.
US-2	WTP renovation project progress includes scoped, engineered, bids received and contractor selected	Steve	<del>12/31/24</del> 5/31/2025	In Process	Postponed	Postponed		Postponed for <i>Legionella</i> mitigation efforts. New target date April 2025.
US-3, NE-1	100%televised WWC system	Steve	<del>10/31/2024</del> 9/15/2025	Caution	Postponed	Postponed		Postponed for <i>Legionella</i> mitigation efforts. New target date Q3 2025.
US-4, EC-2	Public outage map is live and optimized according to defined expectations, then publicly promoted	Chad, Mike, Julie	5/31/24, ongoing promo	In Process	In Process	In Process		Map completed in Q2. Phase II improvements planned for 2025.
US-5	Risk management policy adoption	Julie	<del>4/30/2024</del> 12/30/2024	Postponed	Postponed	In Process		Social media policy adopted Sept 25. Additional policies to be presented in Dec.

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Goal	Deliverable	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Strategic Pillar: Strategic and Sustainable Fiscal Management (FM)								
US-1, US-4, FM-1, OE-2	Select ERP platform with cap plan feature and customer portal	Jean	2/29/2024 04/24/2024	In Process	Completed	Completed		SpryPoint agreement approved 02/28/24. NetSuites agreement approved 04/24/24.
US-1, US-4, FM-1, OE-2	Substantially operating ERP system (est 90% of modules functioning and collecting data)	Jean	12/31/2024 6/30/2025	In Process	In Process	In Process		Scheduling difficulties. New target date. Working with vendor on 2025 timeline.
FM-1, FM-2	Final adoption of operating reserve policy (includes emergency funding)	Jean	3/31/2024 12/30/2024	Postponed	In Process	In Process		Postponed for new auditor insight/knowledge. New target date Dec 2024.
FM-3	Collect data and be prepared to kick off a full rate study in early 2025	Jean	12/31/24	In Process	In Process	In Process		
NE-2, FM-3, EC-2	Quarterly POGM meetings on Solar Plus Battery Storage Optimization	Chad, Julie	12/31/24	Completed	Ongoing	Ongoing		

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Strategic Pillar: Engaging and Educating the Community (EC)								
EC-1	Follow comprehensive customer campaign plan developed in 2023 for the 2024 year by month (including fact sheets and legal notices)	Julie, Jean, Paula	12/31/24	Green	Green	Green		Public education via staffers, website, social media, radio, TV updates.
EC-1, EC-2, NE-3	Be present in some form at the 2024 home show to educate the community for electric and water (e.g. "Wipes Clog Pipes" and rebate programs)	Chad, Steve, Paula	01/31/24	!!	Green	Green		Participated in local home show for the first time, evaluating feasibility of attending.
EC-1, EC-2, EC-3	Plan and carry out website content updates on a cyclical basis	Megan, Julie	3/31/24 and ongoing	Green	Green	Green		Water utility section updated in Q1, electric section in progress, full revamp in Q3.
US-4, EC-2	Public outage map is live and optimized according to defined expectations, then publicly promoted	Chad, Mike, Julie	5/31/24, ongoing promo	Light Green	Light Green	Light Green		Map completed in Q2. Phase II improvements planned for 2025.
EC-2	Publish annual report summarizing projects and financial results	Julie	7/31/2024 12/31/2024	Yellow	Pink	Pink		Develop 2024 annual report for template for 2025 distribution. New target date.
EC-3, OE-2	Hold two joint council and commission meetings to align City of GR and GRPU on policies and projects jointly owned, report on prior year's results	Julie	4/30/24 10/30/24	Light Green	!!	!!		

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Goal	Deliverable	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Strategic Pillar: Use and Stewardship of the Natural Environment (NE)								
US-3, NE-1	100%televised WWC system	Steve	10/31/2024 9/15/2025	Yellow	Pink	Pink		Postponed for Legionella mitigation efforts. New target date Q3 2025.
US-5c, NE-2,	WWTP landfill cover reconstruction substantially complete including new demand agreements in place	Steve	12/31/2024 12/31/2025	Pink	Pink	Pink		Delayed to 2025 to meet industrial customer's needs. New target date.
NE-2, FM-3, EC-2	Quarterly POGM meetings on Solar Plus Battery Storage Optimization	Chad, Julie	12/31/24	Green	Green	Green		
EC-1, EC-2, NE-3	Be present in some form at the 2024 home show to educate the community for electric and water (e.g. "Wipes Clog Pipes" and rebate programs)	Chad, Steve, Paula	01/31/24	Dark Green with !!	Green	Green		Participated in local home show for the first time, evaluating feasibility of attending.
EC-1, EC-2, NE-3,	Market the "wipes clog pipes" campaign	Steve	03/31/24	Light Green	Light Green	Dark Green with !!		July customer campaign



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Goal	Deliverable	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Strategic Pillar: Operational Excellence (OE)								
US-1, US-4, FM-1, OE-2	Select ERP platform with cap plan feature and customer portal	Jean	2/29/2024 04/24/2024	In Process	!!	!!		SpryPoint agreement approved 02/28/24. NetSuites agreement approved 04/24/24.
US-1, US-4, FM-1, OE-2	Substantially operating ERP system (est 90% of modules functioning and collecting data)	Jean	12/31/2024 6/30/2025	In Process	In Process	In Process		Scheduling difficulties. New target date. Working with vendor on 2025 timeline.
OE-1	Purchase identified safety equipment including a woodchipper, shop hood, clinic lift station lifting structure, and others as identified throughout the year	Chad, Steve	<del>6/30/24</del> 12/30/2024	In Process	In Process	In Process		Shared with City. Shop hood completed. Lifting structure purchased. Install Q4.
OE-1	Implementation of classification compensation and approval of the labor contract	Julie	<del>3/31/2024</del> 06/30/2024	In Process	!!	!!		Labor agreement approved on 06/26/2024.
OE-1	Success sharing	Julie	<del>3/31/2024</del> 09/30/2024	In Process	In Process	In Process		Delayed by labor negotiations, initial presentation to staff Q3, implement in Q1 2025.
OE-1	Quarterly all employee to improve clear communication process and lead to improved NPS per annual survey	Julie, Meg	No Q1, 5/9, 9/12, 12/3	Abandoned	!!	!!		Abandoned Q1 meeting for <i>Legionella</i> mitigation efforts, remaining mtgs scheduled.
OE-1	Robust comprehensive organizational training and development program	Julie	<del>6/30/2024</del> 10/31/2024	In Process	In Process	In Process		Delayed by labor negotiations, developed and to be presented at Nov mtg and included in 2025 budget.
OE-1	Succession planning for business services manager transition	Julie, Jean, Cheryl	<del>8/31/2024</del> 12/31/2024	In Process	Caution	In Process		Behind schedule - city/GRPU collaboration - PUC only included in 2025 budget.
OE-1	Implement employee resource portal	Jean	<del>12/31/2024</del> 06/30/2025	In Process	In Process	In Process		Part of ERP project and Laserfiche workflow. Partially complete EOY, remainder Q2 2025.
EC-3, OE-2	Hold two joint council and commission meetings to align City of GR and GRPU on policies and projects jointly owned, report on prior year's results	Julie	4/30/24 10/30/24	In Process	!!	!!		

# Questions / Comments



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