

Grand Rapids Public Utilities

April 24, 2024 Commission Meeting

Administration Department Head Presentation

Julie Kennedy – General Manager

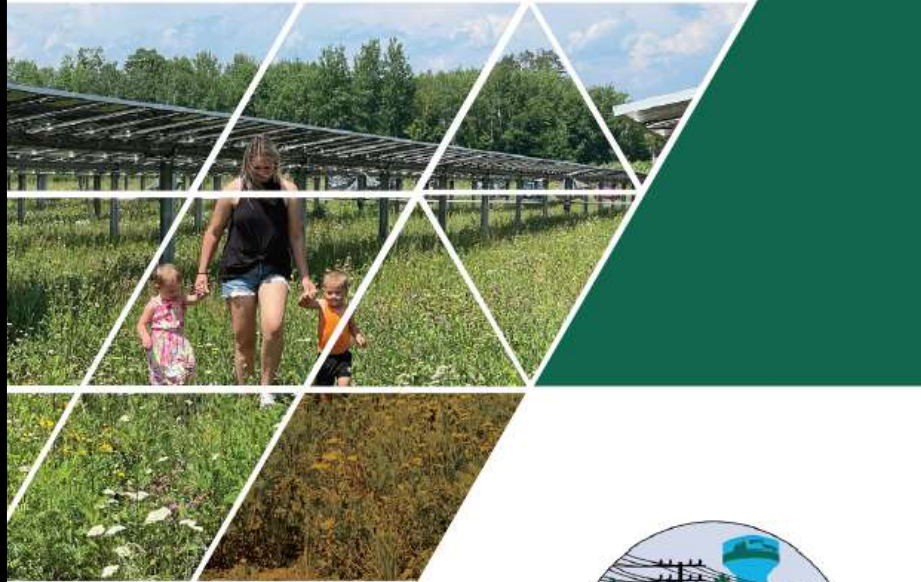


**GRAND RAPIDS
PUBLIC UTILITIES**
Service is Our Nature

2023-2028 Strategic Plan

STRATEGIC PLAN

2023-2028



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

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.

- GRPUC 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.
- GRPUC will complete the renovation of its water treatment facility to improve operations and ensure adequate future capacity.
- GRPUC will complete the process of jetting its sanitary sewers.
- GRPUC will assess and address customer expectations regarding future technology upgrades they may expect or desire as our system evolves.
- GRPUC will adopt policies and develop contingency plans to:
 - manage risks to infrastructure that may result from the activities of bad actors.
 - 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.

- GRPUC 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.
- GRPUC 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.
- GRPUC 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


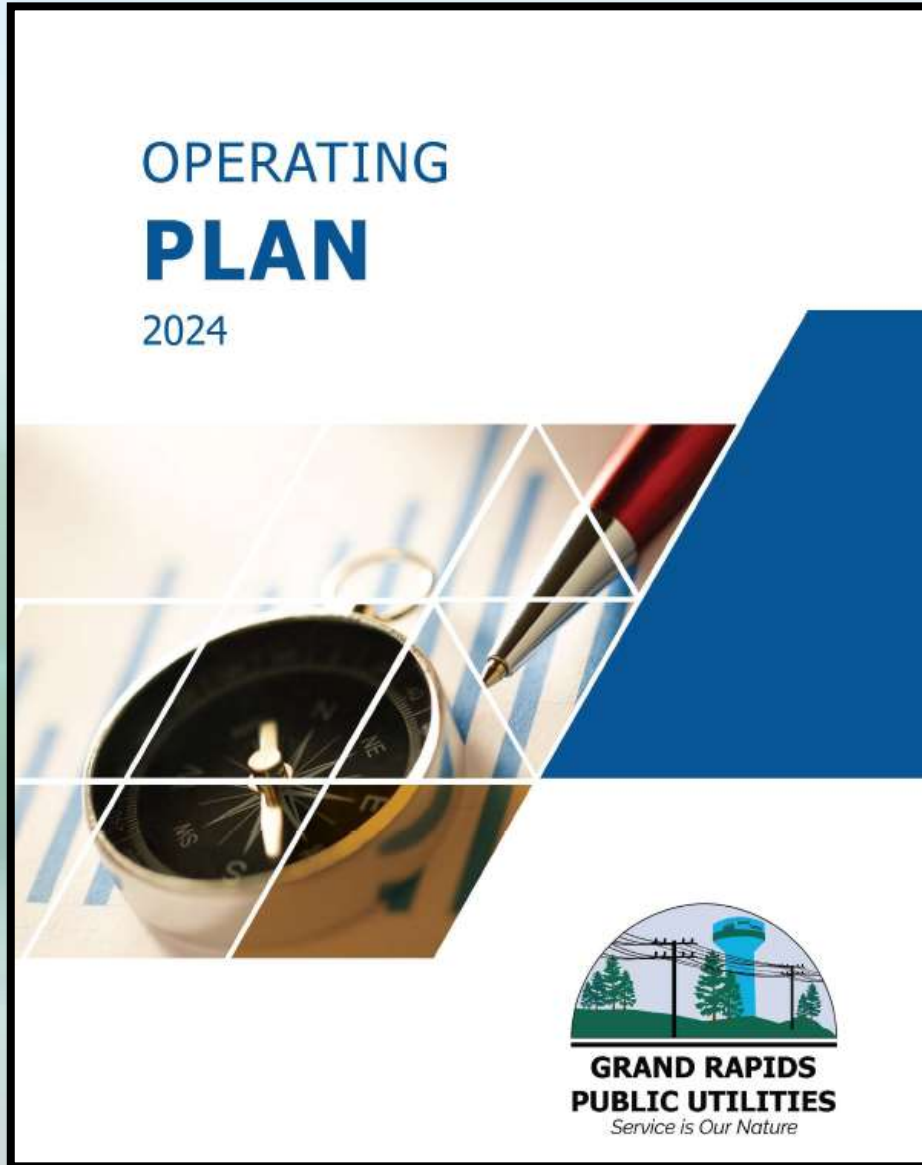


Each year, employees work toward individual performance goals that support GRPU's objectives and aid in their own professional development.

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 (Q1)



GRPU 2024 Operating Plan Scorecard As of April 24, 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				Collaborative with City - develop plan both can fund/follow
US-1, US-4, FM-1, OE-2	Substantially operating ERP system (est 90% of modules functioning and collecting data)	Jean	12/31/24	In Process				
US-1, US-4, FM-1, OE-2	Select ERP platform with cap plan feature and customer portal	Jean	02/29/24	In Process	At Risk			Contractual work (legal reviews) pushed this decision into Q2
US-2	WTP renovation project progress includes scoped, engineered, bids received and contractor selected	Steve	12/31/24	In Process				
US-3, NE-1	100% televised WWC system	Steve	10/31/24	Caution				Possibly need to reallocate labor to accomplish Legionella mitigation tasks
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				
US-5	Risk management policy adoption	Julie	04/30/24	Postponed				Postponed to Q3

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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	02/29/24	In Process	Completed			Contractual work (legal reviews) pushed this decision into Q2
US-1, US-4, FM-1, OE-2	Substantially operating ERP system (est 90% of modules functioning and collecting data)	Jean	12/31/24	In Process				
FM-1, FM-2	Final adoption of operating reserve policy (includes emergency funding)	Jean	03/31/24	Postponed				Postponed to Q2 to include insight and knowledge of new auditors
FM-3	Collect data and be prepared to kick off a full rate study in early 2025	Jean	12/31/24	In Process				
NE-2, FM-3, EC-2	Quarterly POGM meetings on Solar Plus Battery Storage Optimization	Chad, Julie	12/31/24	Completed	Ongoing			

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Goal Deliverable Responsible Target Date Q1 Q2 Q3 Q4 Comments

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			
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			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				Updated water utility section in Q1
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				
EC-2	Publish annual report summarizing projects and financial results	Julie	07/31/24	Yellow				Possibly will need to abandon this year pending Legionella mitigation tasks effort needed
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 8/31/24	Light Green	!!			Review date for 2nd meeting - Aug, Sept, or Oct?

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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	10/31/24	Yellow				Possibly need to reallocate labor to accomplish <i>Legionella</i> mitigation tasks
US-5c, NE-2	WWTP landfill cover reconstruction substantially complete including new demand agreements in place	Steve	12/31/24	Pink				Delayed to 2025 to meet industrial customer's needs
NE-2, FM-3, EC-2	Quarterly POGM meetings on Solar Plus Battery Storage Optimization	Chad, Julie	12/31/24	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			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				Will be the 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	02/29/24	In Process	Completed				Legal contractually work pushed this decision into Q2
US-1, US-4, FM-1, OE-2	Substantially operating ERP system (est 90% of modules functioning and collecting data)	Jean	12/31/24	In Process					
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	1/31/2024 routine; 6/30/24 custom	In Process					Shared equipment procurement with City
OE-1	Implementation of classification compensation and approval of the labor contract	Julie	03/31/24	In Process					Delayed - anticipated completion by 5/31/2024
OE-1	Success sharing	Julie	03/31/24	In Process					Following labor negotiations
OE-1	Quarterly all employee to improve clear communication process and lead to improved NPS per annual survey	Julie, Meg	Dates pending from Julie	Abandoned	In Process				Abandoned Q1 meeting for Legionella mitigation efforts, Q2 meeting scheduled for May 9
OE-1	Robust comprehensive organizational training and development program	Julie	06/30/24	In Process					Behind schedule - will be pushed into Q3 but to be completed before 2025 budget
OE-1	Succession planning for business services manager transition	Julie, Jean, Chery	08/31/24	In Process					To be completed before 2025 budget
OE-1	Implement employee resource portal	Jean	12/31/24	In Process					
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 8/31/24	In Process	Completed				Review date for 2nd meeting - Aug, Sept, or Oct?

Questions / Comments

April 24, 2024 Commission Meeting

Department Head Presentation

Julie Kennedy – Administration Department Manager



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