

Grand Rapids Public Utilities

November 22, 2023 Commission Meeting

2024 Operations & Capital Presentation

GRPU Management Team



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

Strategic and Operational Planning and Reporting

Annual Planning

September – GRPUC reviews the SWOT, strategic and operational progress and updates the strategic plan.

October - GM and staff creates an annual operating plan including SMART goals based on the operating priorities and strategic intent of the GRPUC. The annual budget is developed to support the plan.

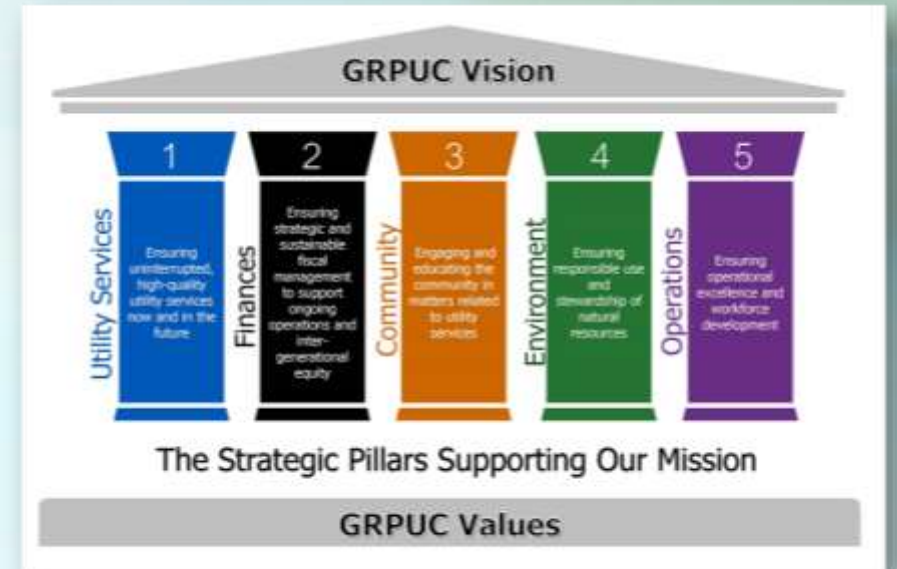
November - GRPUC's Audit and Finance Committee will review the budget and provide feedback.

December - Final draft of the operating plan and supporting budget will be referred to GRPUC for approval.

Reporting

Monthly staff reports to the GRPUC will align with and reference the approved operating plan.

Quarterly report cards to the GRPUC will show progress toward achieving each approved goal/deliverable.



2024 Budget Overview

- ✓ Electric Utility = \$1,438,000 Net Income
- ✓ Water Utility = (\$182,000) Net Loss
- ✓ Wastewater Collection = \$473,000 Net Income
- ✓ Wastewater Treatment = \$1,620,000 Net Loss (Depreciation Expense \$)
 - Major Customer revenues = agreed demand agreement % operating costs
 - Domestic Plant = \$102,000 expenses included
 - Wastewater Collection share of treatment costs = \$282,000

Revenue Budget Key Influences

Each utility cost of service study was used for proposed 2024 rate increases

- ❖ Electric – NO increase in rate structure – only PPA adjustment and load management increases
- ❖ Water – 10% increase in rate structure
- ❖ Wastewater Collection – 5% increase in rate structure

Customer Impact with Proposed 2024 Rate Increases

City Residential Customer

Residential Customer #1

Water	\$3.93/month	
Sewer	\$2.06/month	TOTAL \$8.08/MO
Electric	\$2.09/month	

Residential Customer #2

Water	\$2.83/month	
Sewer	\$1.54/month	TOTAL \$8.00/MO
Electric	\$3.63/month	

Residential Customer #3

Water	1.95/month	
Sewer	\$1.02/month	TOTAL \$7.07/MO
Electric	\$4.10/month	

#1 – home owner NE

#2 – home owner SE

#3 – home owner NW

#4 – apartment dweller - \$1.42/month total

City Commercial Customer

Commercial Customer - Small

Water	\$38.31/month	
Sewer	\$14.52/month	TOTAL \$130.45/MO
Electric	\$77.62/month	

Commercial Customer - Large

Water	\$35.55/month	
Sewer	\$10.22/month	TOTAL \$526.91/MO
Electric	\$481.14/month	

Small - restaurant

Large - retailer

Expense Budget Key Influences

Purchasing power – used MP 2024 estimates

- Solar costs

Labor and benefits

- Projected increase in wage/labor
- Increase in medical benefit
- Allocation of labor to capital projects

Supplies & maintenance costs

- Increase based on known rate increases
- Increase for inflation

Capital Budgets

- Estimated projects of \$35.8 million over next 5 years

- 2024

- Electric \$1,794,00
 - Water \$5.792,000
 - Wastewater Collection \$1,087,000
 - Wastewater Treatment \$2,568,000

- Funding

- Customer Contributions \$2,550,000
 - Debt \$2,260,000
 - Reserves \$4,880,000
 - Grants \$2,864,000

Electric - Budget Highlights

Capital

- 7th to 17th Primary Underground
 - Reliability, A new path (below ground)
- New Batteries
 - Reliability, End of Life
- Woodchipper
 - Safety & Reliability, Reduce Labor and Risk
- Replacement Batteries
 - Switchgear Batteries for La P Sub

Operations and Maintenance

- Tree Trimming
 - Reliability, Excellent work in '23, continue the trend
- Expansion
 - Start down the path
- Poles, Scans & Testing
 - Get back on track for regular, periodic maint

Water - Budget Highlights

Capital

- 3rd Ave NE (5th-8th) & 7th St NE
 - Collaboration with city, Reliability
- Water Plant Renovation
 - Reliability, End of Life, ED
- South Tower Coating Repairs
 - Safety & Reliability, Maintain asset
- S-E-H Projects from Study
 - Reliability, ED
- Paradise Park
 - Growth, Customer service

Operations and Maintenance

- System maintenance
 - Reliability, valves, hydrants, partial flushing
- Leak Study
 - Reliability
- Main breaks
 - Reliability
- AMI Nodes and Meters
 - Reliability, Customer service
- Chemical Price Increases
 - Safety, Reliability

Wastewater Collection - Budget Highlights

Capital

- 3rd Ave NE (5th-8th) & 7th St NE
 - Collaboration with city, Reliability
- Lift Station Generators (2&3)
 - Reliability, ED
- Lift Station Controls (3,13)
 - Reliability, ED
- WWC Category 1 – Piping Repairs
 - Reliability, Customer service
- Lift 1 Pump Lifting Structure
 - Safety, Reliability, Environment

Operations and Maintenance

- Jetting/Televising
 - Reliability, Customer service
- System Maintenance
 - Reliability, Customer Service

Wastewater - Budget Highlights

Capital

- Septic Hauler Dump Station
 - Collaboration with city, Reliability, ED
- Landfill Cover Work Ph 1-4, KD
 - Safety, Environment
- Primary Plant - Sludge Screw Conveyor
 - Reliability, Customer Service
- Secondary Plant - Aerators
 - Reliability, Environment
- Shop Fume Hood
 - Safety

Operations and Maintenance

- Blandin Increased Output
 - Reliability, Customer service
- Labor removed from B&G/Equipment
 - Reliability, Customer Service
- Chemical Price Increases
 - Safety, Reliability
- System Maintenance
 - Reliability, Customer Service

COMMISSION DISCUSSION



Questions / Comments

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GRPU Managers



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