

# Grand Rapids Public Utilities

March 12, 2025

Commission Work Session

GRPU Management Team



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



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## Commission Work Session

### AGENDA

1. Consider a motion to approve \$117,797.74 in verified claims for February 2025.
2. Operational and Capital Updates



# MISSION VISION VALUES

## 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.



# Uninterrupted, High-Quality Utility Services (US)

## Operations: 2025 Legislative Efforts by Julie Kennedy

### APPA Federal Legislative Rally

- February 24-26 in Washington, DC
- Meetings with Sen. Klobuchar, Sen. Smith, & Rep. Stauber




**Issue Briefs**

The American Public Power Association's policy positions are reflected in the issue briefs listed below on various topics as well as in resolutions approved annually by members. APPA also acts on members' behalf through regulatory comments and filings with various federal administrative agencies as well as in the courts.

**AMERICAN PUBLIC POWER ASSOCIATION**

Disaster Recovery, Hazard Mitigation, and the Stafford Act [PDF]	Distributed Energy Resources [PDF]	Elective Pay Tax Credits [PDF]
Electric Reliability & Affordability and the Importance of Natural Gas [PDF]	Electric Transmission Policies [PDF]	Electric Vehicles [PDF]
Energy Efficiency [PDF]	Federal Efforts to Address Climate Change [PDF]	Federal Power Program [PDF]
Grid Security [PDF]	Hydropower [PDF]	Municipal Bonds [PDF]
Nuclear Power [PDF]	Pole Attachment Regulations [PDF]	Sequestration of Bond and Tax Credit Payments [PDF]
Streamlining Energy Infrastructure Permitting [PDF]		

**MMUA**  
Minnesota Municipal Utilities Association

 2025 Federal Legislative Priorities

Issue Discussed	Requested Legislative Action
Municipal bonds	Protect and continue the current tax exemption for municipal bonds. Bonding is the primary way local governments finance infrastructure. Current law exempts the interest paid on municipal bonds from being subject to federal taxes and has provided this exemption since the US federal tax code was developed in 1913. This makes municipal bonds more attractive to investors, and it collectively saves local governments billions of dollars each year. Subjecting municipal bonds to taxes would amount to being a tax imposed on local government and would increase the costs of projects. These increases would be passed on to customers through increased utility rates, higher taxes, enhanced user fees, and other added costs.
Support direct/elective pay tax credits	Preserve and protect "direct pay," aka "elective pay," tax credits as authorized by Congress in 2022. This tool helps level the playing field for municipal utilities looking to invest in clean energy. Under direct pay, all sectors of the electricity industry—private investor-owned utilities (IOUs), rural electric cooperatives, and municipal utilities—have access to these new tax credits that provide financial incentives to promote a wide array of clean energy solutions. These resources include nuclear, carbon capture, battery storage, hydro, and other renewable energy infrastructure.
Public finance	Complete the modernization of public finance laws. Our priorities include (1) restoring the authority to use advance refunding bonds which will save municipal utilities millions of dollars in interest rates, (2) increasing the threshold under which a lender remains a small issuer from \$10 million to \$30 million, thus allowing smaller lending institutions to remain competitive at the local level, and (3) exempting public finance bonds and grants to local governments from sequestration and rescission, which will help protect stability and encourage investment in our communities.



# Uninterrupted, High-Quality Utility Services (US)

## Operations: Updating the Commission Bylaws

- Last updated in 2006
- Add reference to relevant City ordinances and resolutions
- Remove specific meeting dates and replace with language allowing for designation at the annual reorganizational meeting (March)
- Review remuneration for Commissioners
- Consider designating committees
  - Personnel
  - Audit and Finance
  - City / GRPUC

### **Bylaws of the Grand Rapids Public Utilities Commission**

#### Background

The Public Utilities Commission (the "PUC") was established in 1910 with the mandate to operate the electrical, water and waste water treatment systems for the City of Grand Rapids. As of 2006, the PUC has approximately 45 employees and serves 6880 electrical customers, 3322 water customers and 3270 wastewater treatment customers.

#### By-Laws (adopted October 11, 2006)

These By-Laws apply to the conduct of the Board of Commissioners which governs the PUC. Extensive rules, regulations, rate schedules and procedures govern the PUC service delivery. Employee rights and responsibilities are documented in the Personnel Policy Manual and elsewhere.

#### Article I - Name

The name of the organization is the Grand Rapids Public Utilities Commission.

#### Article II - Purpose

The PUC was established in 1910 under Minnesota Statutes Chapter 412 and is charged with the responsibility to operate and manage the electrical distribution system, the water supply system and the wastewater collection and treatment system for the City of Grand Rapids. The PUC also serves the nearby communities and rural areas through contracts or state mandated service territories.



# Strategic and Sustainable Fiscal Management (FM)

## Operations: Sunsetting Water Heater Control Program by Chad Troumbly

Recap from September 2024 Work Session discussion

- Water Heater Control is part of GRPU's Load Management Program
  - 680 Participants
  - \$5 Monthly credit
- GRPU suspended controlling in 2024 to ensure hot water was kept as hot as possible during the Legionella outbreak
- Under the new wholesale electric contract, the Water Heater Control Program is losing money – GRPU is paying out more in credits than the amount able to be saved by shaving the peak
- Requested actions from the September discussion were to determine what to do with the control equipment and to determine how to best sunset the program





# Strategic and Sustainable Fiscal Management (FM)

## Operations: Sunsetting Water Heater Control Program by Chad Troumbly

### Equipment (Radio Box)

- Propose leaving equipment in field
  - No cost (estimated 2.5 hours labor to remove)
  - Equipment cost is low (\$150)
  - Minimal risk of failure

### Sunsetting Water Heater Control program

- Proposing to end by June 30<sup>th</sup>, 2025
- Developing a customer communication program
  - Customer letters, bill stuffer, Facebook/website posts

Next step is to bring an agenda item for action at March meeting





# Use and Stewardship of the Natural Environment (NE)

## Operations: PCB Audit Update by Chad Troumbly

- Polychlorinated biphenyls (PCBs) - class of chemicals often used in electrical equipment, including transformer oil
- Manufacturing banned the use of PCBs in 1979
- Found in transformers – both in service (field) and inventory
- Ongoing process to eliminate PCBs - GRPU internal audits show no PCBs in our electric utility system
- In October 2024, a random audit by MPCA revealed GRPU had removed transformers from the field but had not yet disposed of them
- MMUA safety Brad brought in to assist in MPCA inspection
- Team of GRPU employees worked to submit all requested documents to MPCA and to dispose of transformers



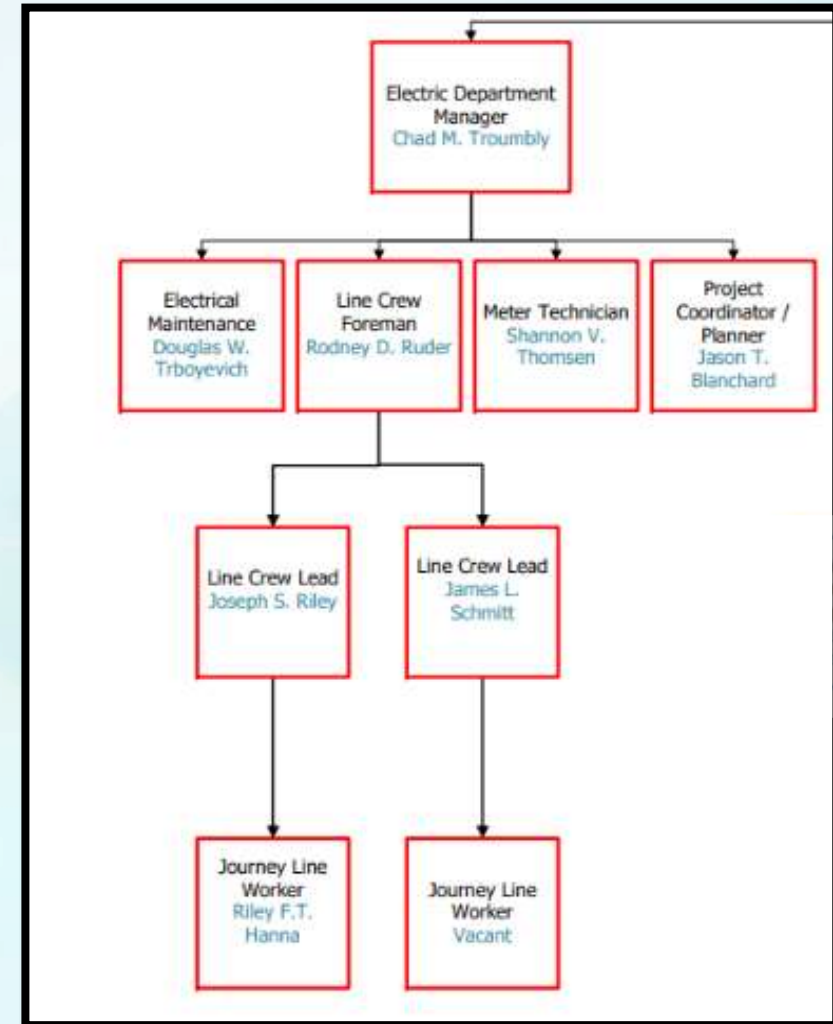




# Operational Excellence (OE)

## Operations: Electric Department Undergrounding Initiative by Julie Kennedy

- In 2025, GRPU is evaluating the potential to perform underground electric utility system work in house
- Possible benefits include enhanced quality control, improved scheduling and flexibility, and cost efficiencies
- GRPU Lineworker, Blake Brewster, resigned Feb 28 as he is moving out of state
- GRPU HR is delaying the declaration of a Lineworker vacancy until the April Commission meeting to evaluate its fit within the undergrounding initiative



# Grand Rapids Public Utilities

## Upcoming Commission Meetings

**Work Session: March 12, 2025**

**Regular Meeting: March 19, 2025**



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