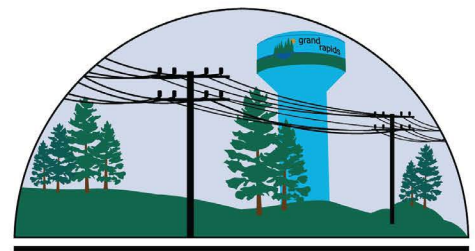


# OPERATING PLAN

2024



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

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## 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.

The year 2024 is the first cycle during which the organization will be working to make progress toward achievement of the strategic plan goals developed in 2023. This plan, created with input from nearly 100 GRPU stakeholders, reflects a vision for taking GRPU to a new level of excellence and relevance in Grand Rapids.

We deem the critical success indicators for our work in 2024 to be:

1. Ensuring an accurate assessment of GRPU's financial capacity and successful management of risks.
2. Maintaining and improving employee culture.
3. Effective and efficient collaboration with the City of Grand Rapids.
4. Selection of the "right" enterprise resource planning (ERP) software.
5. Successfully maintaining and improving the community's perception of the dynamic public asset that is GRPU.
6. GRPUC support for the projects in this plan and the staff who will carry them out.
7. Effective management of the water treatment plant (WTP) plan development and implementation.

In general, this plan identifies only new or additional activities that will be undertaken in 2024. It does not state most ongoing "business as usual" activities or describe activities that will be discontinued if that decision falls within staff purview. It also does not describe every operational activity necessary to achieve the above critical success indicators or the supporting activities listed. The intent in the plan that follows is to enumerate the specific activities and deliverables that will be undertaken in support of the GRPU Strategic Plan during the 2024 fiscal year, and to provide GRPUC and staff members with an understanding of what will be necessary to achieving those ends.

## STRATEGIC PILLARS<sup>1</sup>

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

GRPU 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 uninterrupted, high quality utility services.

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.

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<sup>1</sup> Note: when a goal pertains to more than one strategic pillar, it is show under all pillars for ease in tracking and clarity around the operational activities related to each area.

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.

To reach these strategic objectives, GRPU will work toward the following operational outcomes for the calendar year 2024:

Goal	Deliverable	Responsible	Target Date
US-1, US-4, FM-1, OE-2	Select ERP platform with capital plan feature and customer portal	Jean	02/29/24
US-1, US-4, FM-1, OE-2	Substantially operating ERP system (approximately 90% of modules functioning and collecting data)	Jean	12/31/24
US-2	Water treatment plan (WTP) renovation progress includes that the project is scoped, engineered, bids received, and contractor selected	Steve	12/31/24
US-1	Initial draft of 10-year CAPEX plan	Steve, Chad	07/31/24
US-3, NE-1	100% televised wastewater collection (WWC) system	Steve	10/31/24
US-5	Risk management policy adoption	Julie	04/30/24
EC-2, US-4	Public outage map is live and optimized according to defined expectations, then publicly promoted	Chad, Mike, Julie	5/31/24 for optimization, ongoing promo

### **Strategic and Sustainable Fiscal Management (FM)**

GRPU 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.).

To reach these strategic objectives, GRPU will work toward the following operational outcomes for the calendar year 2024:

Goal	Deliverable	Responsible	Target Date
FM-1, FM-2	Final adoption of operating reserve policy (includes emergency funding)	Jean	03/31/24
FM-3	Collect data and be prepared to kick off a full rate study in early 2025	Jean	12/31/24

### **Engaging and Educating the Community (EC)**

GRPU will strive to operate in a manner where communication is perceived to be relevant, effective, frequent, and respectful. To that end, GRPU’s Strategic Plan sets the following goals for the next five years related to engaging and educating the community in matters related to utility services.

1. GRPU will develop and execute a comprehensive community education plan for adults and children to increase community knowledge of GRPU utility services, provide tactics ratepayers can employ to influence usage and costs, and teach interested parties about environmental impact.



2. GRPU will develop and execute a robust community communication plan for the purpose of informing stakeholders about GRPU’s activities, explaining the impact of GRPU initiatives such as the battery plus storage installation, inviting their involvement in important GRPU initiatives, and fostering an increase in the perceived value of hometown utility services vis-à-vis the alternatives.
3. Supported by the work in objectives EC-1 and EC-2, GRPU will work with city and county stakeholders to position the features and benefits of GRPU’s services as an important value-add for those seeking a new residential or commercial home.

To reach these strategic objectives, GRPU will work toward the following operational outcomes for calendar year 2024:

Goal	Deliverable	Responsible	Target Date
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
EC-2	Publish annual report summarizing projects and financial results	Julie	07/31/24
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 -- via ICTV	Julie	4/30/24 8/31/24
EC-1, EC-2, EC-3	Plan and carry out website content updates on a cyclical basis	Megan, Julie	3/31/24 and ongoing
EC-2, US-4	Public outage map is live and optimized according to defined expectations, then publicly promoted	Chad, Mike, Julie	5/31/24 for optimization, ongoing promo

Goal	Deliverable	Responsible	Target Date
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) and make ourselves accessible to them	Chad, Steve, Paula	01/31/24

**Use and Stewardship of the Natural Environment (NE)**

Our natural environment is one of the reasons people choose to live and work in Grand Rapids. It is a public good, and GRPU recognizes the important role the utility plays in ensuring these resources are unharmed. GRPU’s Strategic Plan sets the following goals for the next five years for ensuring responsible use and stewardship of natural resources.

1. GRPU will operate in a manner that is 100% compliant with all environmental regulations.
2. GRPU will develop and promote programs that demonstrate the sustainability of the utility’s operations.
3. GRPU’s employees will have the resources and training necessary to demonstrate to the community that we are protecting the environment while conducting our operations.

To reach these strategic objectives, GRPU will work toward the following operational outcomes for calendar year 2024:

Goal	Deliverable	Responsible	Target Date
NE-3, EC-1, EC-2	Market the "wipes clog pipes" campaign	Steve	03/31/24
US-3, NE-1	100% televised WWC system	Steve	10/31/24
NE-2, US-5c	WWTP landfill cover reconstruction is substantially complete and new demand agreements are in place	Steve	12/31/24

## ***Operational Excellence (OE)***

Behind the scenes, people, activities, and systems support the more visible work of running an effective utility. We recognize the important role these things play in our success, and our intent is to strengthen them as we work toward our larger objectives. GRPU's Strategic Plan sets the following goals for the next five years with the aim of ensuring operational excellence and workforce development.

1. GRPU will create a workplace environment that fosters employee satisfaction, engagement, and well-being, leading to increased productivity, reduced turnover, and enhanced overall organizational performance by:
  - a. Enhancing workplace culture through clear communication, tracking, and reporting structures using tools and manners that resonate with team members.
  - b. Investing in employee growth through a robust training and development program that provides opportunities for continuous improvement, learning and upskilling through both internal and external resources.
  - c. Prioritizing work-life balance with flexible work arrangements to the extent that is feasible, encouraging employees to take regular breaks and vacations, and fostering a culture that respects employees' time outside of work.
  - d. Recognizing and rewarding excellence through regular feedback, competitive compensation and benefits, and appropriate public recognition to attract and retain the talented individuals who will help us achieve our vision while treating our customers with skill and respect.
  - e. Fostering a collaborative environment both within GRPU and in our work with other stakeholders (e.g., City of Grand Rapids, Minnesota Power, etc.) by promoting teamwork, cross-functional projects, and knowledge sharing; facilitating team-building activities and events to strengthen relationships and trust among team members; and providing tools and technology that enhance communication.
  
2. GRPU will collaborate with the City of Grand Rapids to select and implement new enterprise resource planning (ERP) software to lower operational costs, improve decision-making at all levels with more accurate and timely data, and promote proactive planning, funding, and accomplishment of capital improvement projects throughout the community.

To reach these strategic objectives, GRPU will work toward the following operational outcomes for calendar year 2024:

Goal	Deliverable	Responsible	Target Date
OE-1	Implementation of classification compensation and approval of the labor contract	Julie	03/31/24
OE-1	Quarterly all employee to improve clear communication process and lead to improved NPS per annual survey	Julie, Meg	Dates pending from Julie
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 for routine ordering; 6/30/24 for custom items
OE-1	Implement employee resource portal	Jean	12/31/24
US-1, US-4, FM-1, OE-2	Select ERP platform with cap plan feature and customer portal	Jean	02/29/24
US-1, US-4, FM-1, OE-2	Substantially operating ERP system (approximately 90% of modules functioning and collecting data)	Jean	12/31/24
OE-1	Succession planning for business services manager transition	Julie, Jean	08/31/24
OE-1	Robust comprehensive organizational training and development program	Julie	06/30/24
OE-1	Success sharing program developed and submitted for approval	Julie	03/31/24

# COMMUNICATION, REPORTING, AND ACCOUNTABILITY

## *Communication Plan*

Inherent in the success of this operating plan is accurate and timely communication of information between the relevant stakeholders

## *Reporting*

The general manager will report on the status of each approved goal/deliverable in a document prepared for the GRPUC in advance of the Commission meeting immediately following the conclusion of each quarter (April, July, and October 2024 and January 2025). Items requiring Commission action will be placed on the agenda.

## *Staff Accountability*

A success sharing structure will be implemented that incentivizes high performance and accountability from the staff to achieve the objectives in this plan. Each member of the staff will have individual performance plans listing key performance indicators (KPIs) that are tied to a plan rewarding both team performance and organizational attainment of the operational goals.

## *Commission Accountability*

It is important to recognize that some of the goals/objectives in this plan will require assistance from GRPUC members, city staff, and others. The general manager and the president of GRPUC will need to work closely with city staff and others to ensure goals are met. When goals are met, GRPU advances its mission and ratepayers are well served. That is the definition of success.

