

Sun Prairie
Utilities

Strategic Plan 2022-2024



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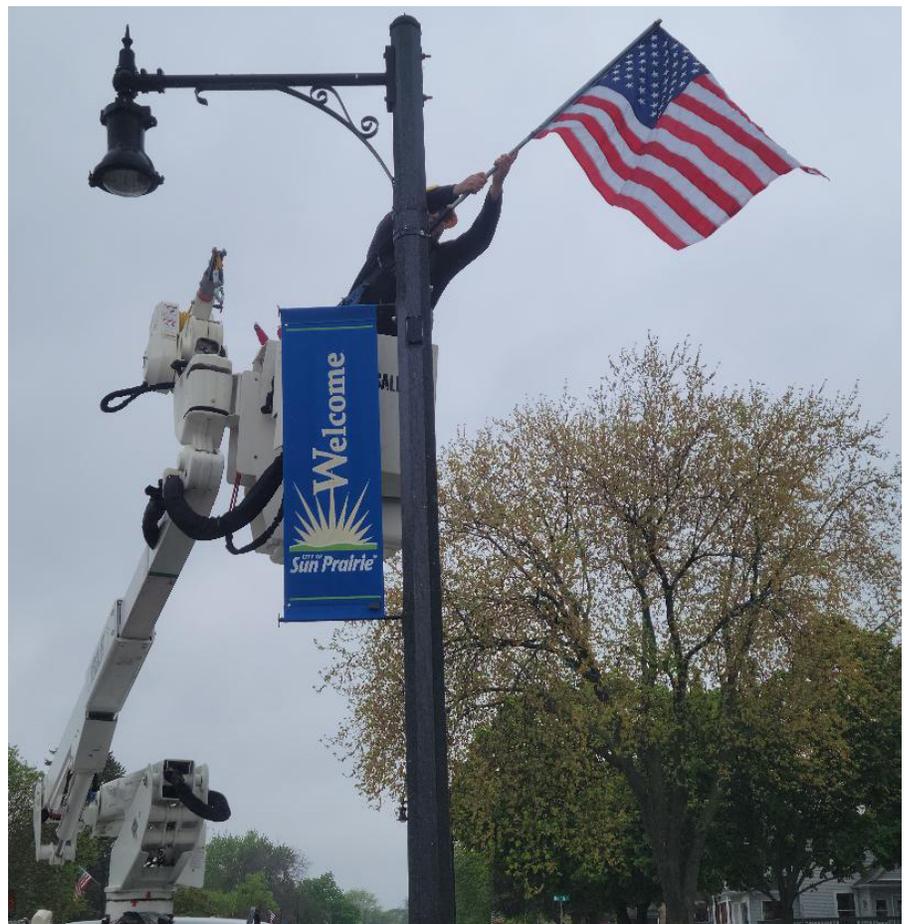
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Introduction

Serving the community since 1910, Sun Prairie Utilities (SPU) is a not-for-profit, locally-owned municipal electric and water utility that provides safe, reliable, and cost-competitive services to approximately 34,900 residents and businesses, mostly within the city limits of Sun Prairie, Wisconsin. SPU is an enterprise fund of the City of Sun Prairie; a seven-person Utility Commission provides oversight of the Utility's operations.

Sun Prairie Utilities is one of 2,000 community-owned, not-for-profit public power utilities powering homes and businesses in the United States – and one of 81 in Wisconsin alone. Public power utilities provide reliable, low-cost electricity to more than 49 million Americans, while protecting the environment. Public power supports local commerce, employs 93,000 people in hometown jobs, and invests more than \$2 billion annually directly back into the communities they serve. Collectively, these utilities serve 1 in 7 electricity customers across the nation.

As a community-owned utility, SPU is customer focused, locally controlled, and operated on a not-for-profit basis. SPU tailors its services to the needs and preferences of the local community. The benefits of living and working in a community that provides electric and water services include rate stability, support for local jobs, policies that are in line with community priorities, and financial support for local government functions.



Introduction



As guided by the Wisconsin Administrative Code, municipal electric and water utilities contribute an annual property tax equivalent to their city's general fund based on gross book value. For 2020, Sun Prairie Utilities' property tax equivalent to the City of Sun Prairie is \$2,061,097.

Sun Prairie Utilities is venturing into a new era focused on meeting the increasing customer expectations in areas including:

- Leveraging technology to operate more efficiently and provide customers additional information to monitor and control their usage
- Supplying power from green generation sources like solar, while improving storage capabilities
- Interacting with customers through social media, phone messaging, web portals, and other digital applications

- Providing money-saving opportunities through energy efficiency, time-of-day rate comparisons and structures
- Coordinating financial assistance for the removal of lead-based water infrastructure
- Being the "go-to" education source for our valued customers while providing a state-of-the-art customer experience
- Being a "best practice" partner to those we serve and to those who serve us
- Continuing to keep our employees and customers safe
- Remaining financially strong

In 2021, Sun Prairie Utilities embarked on a process to update its 3-year strategic plan encompassing the period 2022-2024 in order to serve a rapidly increasing City

population and to best navigate electric and water utility industry changes and challenges.

The Sun Prairie Utilities Commission led the strategic planning update, which involved the current Strategic Planning Team consisting of senior staff and participants from every utility department. The Sun Prairie Utilities Commission selected Hometown Connections, Inc., public power's utility services organization, to facilitate the update of the strategic plan. The Commission worked closely with the Strategic Planning Team throughout the process and approved the final plan.

In the 2022-2024 plan, SPU sets specific business goals for four key strategic areas of focus: improving customer relations, building upon an excellent track record of operational excellence, maintaining sound financial management, and becoming an employer of choice in the community.

Collaborating with our Partners

Throughout its long history, Sun Prairie Utilities has met its responsibility to provide the community with reliable electric service, safe drinking water, and environmental stewardship – all at a competitive cost. The organization’s strategic plan focuses on continuous improvement in operations and services while addressing changing market conditions to build on its foundation of excellence far into the future.

Sun Prairie Utilities incorporates resources from several valuable partners.

— **WPPI Energy**

Sun Prairie Utilities is a member-owner of WPPI Energy, a joint action agency that pools the resources of 51 municipally-owned utilities. WPPI Energy utilizes these resources to accomplish its main purpose of acquiring and supplying energy capacity to serve the member communities. As a member-owner of WPPI, Sun Prairie Utilities owns a portion of all of the WPPI-owned generation plants, wind farm contracts, hydroelectric, nuclear, and solar energy generation projects under contract for delivery of energy.

www.sunprairieutilities.com/power-supply

— **Municipal Electric Utilities of Wisconsin (MEUW)**

The state association representing the interests of Wisconsin’s community-owned, locally-controlled municipal electric utilities. MEUW provides a comprehensive and interactive safety training program for electric lineworkers.

www.meuw.org

— **American Public Power Association (APPA)**

The voice of not-for-profit, community-owned utilities. APPA advocates and advise on electricity policy, technology, trends, training and operations. Of particular importance is the RP3 program. RP3 is based on industry-recognized leading practices in four important disciplines; Reliability, Safety, Workforce Development and System Improvement. In 2021 Sun Prairie Utilities was awarded the top-tier, Diamond Level designation. This designation ranks us in the upper 6% of public power providers.

www.publicpower.org

— **Wisconsin Rural Water Association (WRWA)**

WRWA represents over 85% of the municipal water systems in Wisconsin, providing safety and training to industry operators and professionals designed to keep systems in compliance with State laws. Specifically, Sun Prairie Utilities works with WRWA to provide its water operators with continuing education training required to maintain their water operator certifications.

www.wrwa.org

— **Municipal Environment Group – Water (MEG-Water)**

MEG-Water is a coalition of municipal water systems formed in 1991 to lobby on municipal water utility issues before the Wisconsin State Legislature, the Department of Natural Resources, and the Public Service Commission of Wisconsin. They assist with shaping the laws and regulations that affect municipal water utilities in an effort to protect drinking water and save money for water utilities and their ratepayers.

www.megwater.org

— **American Water Works Association (AWWA)**

Our membership in this organization gives Sun Prairie Utilities access to valuable tools, technical resources, training, and publications utilized by nationwide utilities to advance careers and technical knowledge for utility professionals in the water sector.

www.awwa.org

Planning for the Future

The Sun Prairie community is experiencing unprecedented growth in population, attracting expansive new residential housing development, more local business investments, and retailers such as Costco, Woodman's, Target, Marcus Theatres, and Cabela's.



Sun Prairie Utilities' Commission members and management team work closely with city officials to make sure Sun Prairie Utilities can support community growth and maintain Sun Prairie as an attractive place to live, work, and operate a business.

Central to serving the needs of customers is to recognize that not all customers have the same requirements. Sun Prairie Utilities will conduct research to identify all its key customer segments and design policies and programs to meet their specific needs.

In addition, Sun Prairie Utilities must contend with industry pressures on a grand scale. The electric utility industry and public power are experiencing unprecedented change. The arising issues include:

- Dramatically different energy supply marketplace
- Concerns over global climate change
- Advances in communications technology
- Changing demographics (including an aging utility workforce)
- Higher customer expectations for interactions with the utility



The Sun Prairie Utilities Commission and staff believe the best path forward during challenging times requires a long-term agenda built on a combination of planning for growth, maintaining the commitment to operational excellence and superior customer service, deploying technological innovations to support operations and services, and attracting a highly skilled and motivated workforce.

Vision / Mission / Values

Central to Sun Prairie Utilities' planning for the future is ensuring all efforts align with its enduring mission, vision, and values.

Mission/Vision

To ensure all future decisions about utility operations center on the needs of customers, the mission/vision statement for Sun Prairie Utilities is:

Sun Prairie Utilities is dedicated to exceeding customer expectations with innovative, reliable, and sustainable services.

Tagline

The following tagline is paired with the SPU logo:

Community Partner. Resource. Advocate.



Values

Sun Prairie Utilities feels duty bound to serve as good stewards of the community by protecting the environment, providing reliable products and services, demonstrating a commitment to safety, and being fiscally responsible with utility assets. All utility planning is based on these core values:

Safety: We foster a team-focused approach to safe work procedures and informed decisions through the training of standards and procurement of safety equipment.

Education: We promote a culture of continuous learning to remain a valuable resource in the areas of safety, technology, and conservation.

Relationship: We work diligently to be a community-focused, customer advocate through strong leadership and personal interactions.

Viability: We commit to successful stewardship that requires enacting fiscally responsible strategies and maintaining a stable workforce.

Innovative: We embrace technological advancements to nimbly respond to the expectations of our customers with a proactive, solutions-based approach.

Community: We take pride in being a useful advisor and resource for our diverse customers, operating in a reliable and environmentally-conscious manner.

Entrusted: We represent a community trust and provide excellence through honest service and transparent principles. We do the right thing.

Strengths, Limitations, Opportunities, and Threats

A foundational element of the strategic plan is identifying Sun Prairies Utilities' strengths in the marketplace, its limitations, and its opportunities.



Strengths

Sun Prairie Utilities has many strengths beginning with high reliability and excellent customer service. It also has quality industry partnerships and sound environmental compliance. Finally, its financial management, strong governing body, and committed staff who are forward looking, respected in the community, and focused on managing growth, provide a solid foundation for continued success.



Limitations

Sun Prairie Utilities considered its limitations as it charted its strategic direction. The costs of complying with changing regulations and the inflexibility of wholesale power supply contracts are areas of limitations. Others include keeping pace with customer growth, deploying new technologies, and meeting customer expectations for engagement. Additionally, current facilities and staffing level with experience gaps are areas of concern.



Opportunities

Opportunities for Sun Prairie Utilities to increase its value to its customers include: partnering with businesses to help solve problems and enhance customer engagement practices; piloting new technologies and offering new products and services such as distributed generation resources; utilizing internships as a staffing recruitment tool; furthering relationships with the City while assisting with and leveraging expertise in new economic development; and improving rate designs and incentives for electric vehicles and time of use.



Threats

All utilities have threats they should consider, and Sun Prairie Utilities is no different. New regulations, territorial Issues, keeping pace with changing technology and balancing growth with system renewal are all existing threats. Power supply market changes and water quality, specifically lead, are other threats along with natural disasters, physical/cyber security, and reputational damage from social media misinformation.

Key Strategic Areas of Focus

To take advantage of its organizational strengths and address opportunities for growth and improvement, Sun Prairie Utilities identified four areas of focus to serve as the framework for its strategic plan:

Customer Focus

Show our dedication to growing relationships with customers by actively engaging through outreach, education, and communication.

Fiscal Responsibility

Maintain sound financial practices to protect SPU as an invaluable asset to our community.

Operations Excellence

Build upon a track record of operational reliability, safety and performance to sustain our position as a best-in-class Utility.

Workplace Culture

Become the employer of choice by fostering an inclusive, positive work environment and investing in and empowering our employees.



Sun Prairie Utilities established detailed business goals for each of the four areas of focus in its strategic plan:

Show our dedication to growing relationships with customers by actively engaging through outreach, education, and communication.

- Develop customer engagement plan which may include educational videos, welcome packets, customer feedback options
 - Release customer education videos
 - Welcome package for new customers
 - Customer feedback option after calling or emailing SPU
 - Targeted, short questionnaire delivery
 - Perform customer research (survey), benchmark and perform every two years thereafter
 - Customer service training for all SPU staff
- Create Customer Outreach/Marketing position
- Continue developing outage management program
 - Launch map and customer communications
- Review customers interfaces
 - Website, its offerings
 - Social Media
 - MyAccount - (meeting needs, payment process)

Maintain sound financial practices to protect SPU as an invaluable asset to our community.

- Develop Cash Reserve Policy
- Perform Fraud Risk Assessment
- Evaluate if and how to improve Bond rating above "A1"
 - Review standards/metrics of bond rating agencies
- Replace financial software along with implementing technological advancements available
 - OpenPoint for inventory/purchasing?

Business Goals

Build upon a track record of operational reliability, safety and performance to sustain our position as a best-in-class Utility.

- Formalize electric distribution maintenance plan (pole inspections, feeder inspections, infrared, cable testing, tree trimming, phasing – our own tool, long range study)
- Complete AMI deployment
 - Electric completed
 - Water (1.5k/year beginning in 2022)
- Strengthen IT/Cyber security posture and report annually
 - Perform IT risk assessment
- Operational FAQs development for Customer Service and update annually thereafter
- Enhance Continuity of Operations Plan (COOP-Disaster/Emergency/Action)
 - Assess current plans
 - Develop plan
 - Exercise plan
- Develop Records Retention Policy
- Monitor, plan and report annually on Water Quality regulations
- Construct new facility
 - Stakeholder identification (Employees, WPPI - backup, Customers)
 - Architect/design consultant hired
 - Develop a timeline
 - Develop a more targeted budget
 - Confirm design (video rendering)
 - Bid/Construct
- Expand Mobile Workforce solutions
 - Mapping
 - Service work order information

Become the employer of choice by fostering an inclusive, positive work environment and investing in and empowering our employees.

- Develop succession plan and review annually
 - Conduct staffing study and structure
- Create plan for employee personal development
- Improve internal communications (establish internal benchmark, survey, report)
 - Today - project information, manager meeting info, monitors, communications (email, crew morning meeting)
 - Future - other ideas?

Exciting Future Built on a Foundation of Excellence

Above all, Sun Prairie Utilities maintains its commitment to providing innovative, low cost, reliable, safe, and environmentally responsible water and electric services. Sun Prairie Utilities is pursuing customer service programs, financial management strategies, infrastructure improvements, and employee development policies that ensure the organization remains a “Best in Class” public power system. With the 2022-2024 Strategic Plan as its guide, Sun Prairie Utilities will chart a course for a successful long-term future.



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