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**Manitowoc Public  
Utilities**

**MANITOWOC  
PUBLIC  
UTILITIES**

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# **Strategic Plan 2019-2023**



**Community Owned...  
Customer Focused**

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## Contents

- 03** Executive Summary
- 04** Introduction
- 06** Mission, Vision & Values
- 07** Strengths, Weakness, Opportunities & Threats
- 08** Strategic Plan Goals & Objectives
- 14** Success Measures
- 15** Conclusion



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## Executive Summary



**The Manitowoc Public Utilities (MPU) Commission provides oversight of the organization and is responsible for its overall management and strategic direction.**

Serving the City of Manitowoc for more than 100 years, MPU today is a strong, community-owned public power system, meeting and exceeding industry standards for service and reliability. But today, MPU faces competitive challenges ahead. To prepare for a future with new technology demands, new power supply resources, and higher expectations for customer services, the Commission led the process for developing a long-term strategic plan by providing a series of “outside of the box” ideas vetted by our talented and experienced staff. The result is a consensus on the best way to adapt to industry changes while maintaining our commitment to our customers, to MPU’s financial health, and to service reliability. This strategic plan is the culmination of a team effort to chart a course for the future that guarantees MPU remains a trusted resource to our customers and to the community.

## Introduction

**The Manitowoc Public Utilities Commission, under the ownership of the City of Manitowoc, has been providing electric and water services to the community since 1914. To navigate successfully the many changes and challenges of the utility industry, MPU has guided its way forward through the use of long-term strategic planning for the last two decades. This report describes the MPU strategic plan for the period 2019-2023.**



MPU owns and operates generation, production, transmission, and distribution facilities as part of its electric and water services. In the early 2000's, MPU divested its electric transmission assets to the American Transmission Company as required by the state of Wisconsin. During the mid-2000's MPU added fiber-optic facilities and began providing wholesale water service outside the City of Manitowoc. In addition, MPU started providing to multiple municipal entities in Wisconsin a variety of contract services including utility management, energy market management, financial and operations support, and maintenance of water/wastewater facilities.



As directed by the Federal Energy Regulatory Commission, during the past 15 years Independent System Operators (ISO's) have been established across the United States to ensure reliable operation of the transmission grid and economic dispatch of available generating resources from multiple entities including intermittent renewable energy resources. The Midcontinent Independent System Operator (MISO) dispatches MPU's generating assets. Technological advancements in software and hardware

make this coordination possible, with MISO sending signals every five minutes to generating resources to maintain reliability of the transmission grid.

Today in Wisconsin, a wholesale electric entity such as MPU has more power supply choices than ever before. At the same time, a retail electric customer has many choices to manage its energy purchases from MPU including rooftop solar panels, battery storage, and demand management programs and devices, such as programmable thermostats and energy efficient lighting and appliances to name a few. MPU will need to implement changes to continue to remain a valuable resource to our customers in this evolving electric industry.

The water utility industry has also evolved in recent years, contending with more stringent regulations, aging infrastructure, and reduced consumption due to conservation efforts. Our customers must access safe drinking water for our community to develop economically and thrive. MPU will continue to collect, treat, and deliver safe water with minimal interruption while meeting the highest standards of quality and taste.



# Introduction

The utility industry as a whole is in transition, addressing changes from market forces, regulatory requirements, innovative technologies, customer expectations and/or new services. Consequently, MPU must be prepared to make timely decisions on how to evolve its service offerings to continue to exceed our customer's expectations.

MPU continues its customer commitment by providing reliable utility services that are nationally recognized. In addition, MPU continues to develop and invest in new customer-driven programs and services such as economic development and shared savings loan programs, mobile access to billing and payments for all customers, and online usage data for industrial customers. Furthermore, MPU is launching an advanced metering program that will allow all customers to view their electric usage data on their computers/smart phones.

## A Path Forward

The 2019-2023 Manitowoc Public Utilities strategic plan builds upon the successes of prior plans with continued focus on reliability, organizational development, fiscal responsibility, stakeholder relationships, adoption of new technologies as appropriate and monitoring key industry changes. In addition, this plan is designed to proactively identify and address the challenges and opportunities of the utility industry trends, so that MPU will be the community owned trusted advisor to our customers and stakeholders.

The mission of this strategic plan being the trusted advisor of our customers and

stakeholders is a reflection of MPU's ongoing commitment of being a community-owned and customer focused utilities service provider.

This strategic plan was developed over a nine-month period through the engagement of employees and MPU Commission (policymakers) and facilitated by Hometown Connections. To develop the plan, MPU conducted a series of workshops with employees and Commissioners to update its vision, mission and values; review organizational strengths, weaknesses, opportunities and threats; identify key strategic issues for the next three to five years; develop objectives to achieve the strategic goals; and identify success measures to track progress of the strategic plans.

The plan was developed with a cross functional team of the following members: Commission members: Alex Allie, Dan Hornung and Dave Diedrich  
Employees: Steve Bacalzo, Brian Branam, Cindy Carter, Kyle Drumm, Don Duenkel, Scott Karbon, Nilaksh Kothari; Joel LeMahieu, Dean Matzke, Rob Michaelson, Becky Olson, Andy Onesti, Eric Snyder and Greg Worzalla

The strategic plan includes five overarching goals that will enable MPU to achieve its vision. The plan focuses both internally and externally, and the goals lay out a comprehensive strategy to adjust to industry changes while enhancing customer service. The synergy between the goals and initiatives will ensure that the existing work is prioritized while identifying projects that will achieve the vision.



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## Mission, vision & values

Central to MPU's planning for the future is ensuring all efforts align with the organization's enduring mission, vision, and values.



### Mission

The mission is MPU's primary purpose on what we do every day. To ensure all future decisions about utility operations center on the needs of customers, the mission statement is:

*"MPU is committed to be the trusted primary resource for providing customer-focused utility services."*

### Vision

The vision sets the course for MPU, setting the end point to which MPU will strive each day. All goals, objectives, and associated initiatives in the strategic plan protect the benefits of being locally owned and customer focused. The vision of MPU is:

*"To be a thriving and innovative regional utility service provider that exceeds customer expectations"*

### Values

MPU values to meet the objectives of the mission and vision are as follows:

#### **Stewardship—MPU will endeavor to:**

- Maintain environmental awareness and compliance
- Provide reliable services with highest integrity
- Demonstrate a commitment to safety
- Practice fiscal responsibility with community assets

#### **Collaboration—MPU will work with our customers, employees, and partners to:**

- Achieve the best possible solutions
- Respond to community and customer needs
- Maintain open communications
- Promote a continuous learning environment

#### **Innovation—MPU will continuously explore opportunities to improve services and operations by:**

- Growing regional solutions for utilities and services
- Embracing proven technological solutions
- Seeking increased efficiencies
- Promoting a culture of adaptability, flexibility, and responsiveness

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## Strengths, weaknesses, opportunities & threats

**A foundational element of the strategic plan is identifying MPU's strengths in the marketplace, its vulnerabilities, and its opportunities.**

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### Strengths

- Good system planning across all utility functions and use of advanced technologies
- Competitive and low electric and water rates in Wisconsin
- Strong system reliability and restoration of service
- Talented workforce, good personal relationships/communications among staff
- Utilities Commission empowers the staff, encourages new ideas
- Excellent relationship with the City Council; strong partnerships with Great Lakes Utilities and relationships with customers.
- Good wages, benefits, and education opportunities
- Location on Lake Michigan provides access to high quality water
- Ownership of local power generation

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### Weaknesses

- Lack of advancement opportunities
- Employee retention – in particular new hires
- Understanding values that drive the younger generations decisions
- Performance review process as it relates performance incentives
- Aging infrastructure of assets
- Challenges with keeping up with technological changes

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### Opportunities

- Provide strong IT, customer information/billing systems
- New electricity generation resources: Example – solar, storage
- Distribution grid upgrades, modernization, advanced metering, distribution automation
- Expand contract Water/wastewater operations and engineering services
- Pilot Smart Home Research Center
- Expand partnership with Great Lakes Utilities to serve other utilities
- Support economic development and attract new or expansion of existing customers

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### Threats

- New regulations from federal, state and local agencies
- Terrorism, vandalism, cyber attacks
- Loss of industry, population and electric/water demand in the community that may impact competitive rates
- Workforce: finding qualified applicants, retention, technical positions, wage gaps

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## Strategic plan goals & objectives

To take advantage of its organizational strengths and address opportunities for growth and improvement, MPU has identified five strategic goals to serve as the framework for its strategic plan. The strategic goals and objectives are detailed on the following pages. An action plan with initiatives; timeline; budget and accountability will be developed.





## Strategic plan goals & objectives

### A. OPERATIONAL EXCELLENCE

#### Goal

**Maintain a best in class operations classification and focus on continuous improvement to provide safe, reliable and efficient utility services.**

#### Objectives

1. Implement Grid improvements of electric and water facilities to increase reliability and customer satisfaction.
2. Optimize the use of data analytics to improve operations and management of utility facilities.
3. Institute a comprehensive and transparent resource planning process that ensures reasonable rates for customers while supporting innovative and diverse programs that meet customer expectations.
4. Ensure monitoring, understanding and adequate preparation for compliance with a changing regulatory environment at local, state, regional and federal level.
5. Establish a dynamic comprehensive security plan to protect against cyber and physical threats.
6. Develop and implement a plan to independently restore power to critical load centers during blackout conditions.

## Strategic plan goals & objectives

### B. CUSTOMER SERVICE EXCELLENCE

#### Goal

**Be the primary trusted advisor to customers and stakeholders for utility and utility related facilities.**

#### Objectives

1. Seek feedback from customers and stakeholders regarding their expectations for MPU to assist them with utility related services.
2. Proactively communicate, educate and involve customers / stakeholders with their and our utility and utility related services.
3. Leverage technology to enhance customer experience
4. Develop a strategy for increasing the visibility of MPU in the community.
5. Develop a strategy to promote an atmosphere of accountability and customer service that will place all utility employees' focus directly on customer needs and values within the regulatory framework.
6. Develop a strategy to promote increased participation in community activities.

*\*Stakeholders – MPU Rate Payers, GLU, CBCWA, Village of Reedsville, Village of Cleveland, and City of Manitowoc.*

## C. EMPLOYEE ENGAGEMENT

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### Goal

**Focus on employee safety, health, training and advancement programs realizing employees are a vital asset for Utility to meet its goals and objectives.**

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### Objectives

1. Develop a culture of excellence and accountability that creates efficiency and recognition.
2. Develop a strategy of recruiting, retaining and developing competent employees to execute MPU's vision.
3. Expand existing and implement new safety programs seeking zero safety incidents and injuries.
4. Proactively communicate and solicit feedback from employees to promote teamwork.



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## Strategic plan goals & objectives

### D. FISCAL RESPONSIBILITY

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#### Goal

**Maintaining financial stability through comprehensive financial planning to create value for customers and City of Manitowoc.**

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#### Objectives

1. Maintain retail rate structure that allows full cost of service for all Utilities and maintain high bond ratings.
2. Develop a financially flexible plan that mitigates the impact of emerging issues and provides a 5 to 10 year rate forecast.
3. Continue with the integration and optimization of the recently implemented asset management plan that allows leveraging assets to the benefit of employees, Utility and customers.
4. Develop an Enterprise Risk Management Plan.
5. Continue to develop economic development tools within regulatory framework that would promote load growth.
6. Ensure efficient continuity of services through development and implementation of a process documentation plan.

### E. GROWTH OPPORTUNITIES

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#### Goal

**Explore providing utility services within Wisconsin with existing and new public entities that will deliver benefits to employees, customers and City of Manitowoc while leveraging existing assets.**

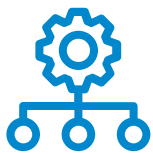
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#### Objectives

1. Leverage the existing information technology (IT) infrastructure and experience for providing IT services to City and MPU for public entities through conducting market needs research; internal capabilities; gap analysis; menu of services with costs and a detailed business plan.
2. Expand technical and management services to communities based on the array of various services provided to Village of Cleveland; CBCWA; GLU; and Village of Reedsville by clearly defining the benefits of synergies and value to Utility.
3. Conduct a feasibility study to leverage the existing Dark Fiber network in the City to provide cost effective high speed internet to local businesses and home owners for Manitowoc to continue as a progressive community.
4. Initiate discussions regarding the feasibility of expanding wholesale water sales with neighboring towns, villages and cities and gauge their interest of creating a regional water authority that will provide a long term cost effective source of water for economic development of the county.
5. Explore potential partners for ensuring a high speed broadband connectivity from Manitowoc in all four directions – east, west, north and south.
6. Investigate opportunities to expand steam and electrification including creating a business case for these services.

## Success measures

An important aspect of the strategic plan is deciding how success will be measured. Measuring success is particularly challenging as the utility industry is in transition driven by changing technologies and customer expectations. Therefore, MPU will define success as bringing customers and stakeholders value beyond providing reliable utility services while remaining flexible to meet the challenges of the future. Following are examples of success measures MPU will track to achieve the vision established in this strategic plan.



### Operations

- Reliability statistics
- Generation availability
- Project management
- Cyber security



### Customer Satisfaction

- Customer satisfaction survey
- Customer feedback
- Community involvement
- Customer and stakeholder engagement



### Employee Engagement

- Safety statistics
- Employee satisfaction survey
- Performance plans and retention
- Process documentation



### Financial

- Competitively priced services to customers
- Financial measures to verify strength
- Rate of Return that meets PSCW authorization



### Emerging/Growth Issues

- Engagement in emerging Issues
- Providing services to existing and new customers
- Regional growth



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## Conclusion

**The Manitowoc Public Utilities 2019-2023 strategic plan will guide our business plans and operations. MPU will work with our customers, employees, and stakeholders to provide best-in-class operations and serve as a trusted resource for utility services and community support.**

MPU will use the plan to develop specific tactics for operational planning, employee engagement, new customer initiatives, and a capital improvement program. MPU will also follow the plan's guidelines when monitoring regulatory and industry changes, exploring growth opportunities, and setting internal goals. The framework of the plan will support MPU's core focus on continued delivery of reliable and competitive utility services to our customer by being "community owned... customer focused". The MPU Commission will review semiannually the progress of the plan implementation.



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