
**Bryan Municipal
Utilities**

Strategic Plan
2019-2022



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Introduction

Bryan Municipal Utilities provides high-quality, safe, reliable and competitively-priced utility services, tailored to the unique needs of the community it serves.

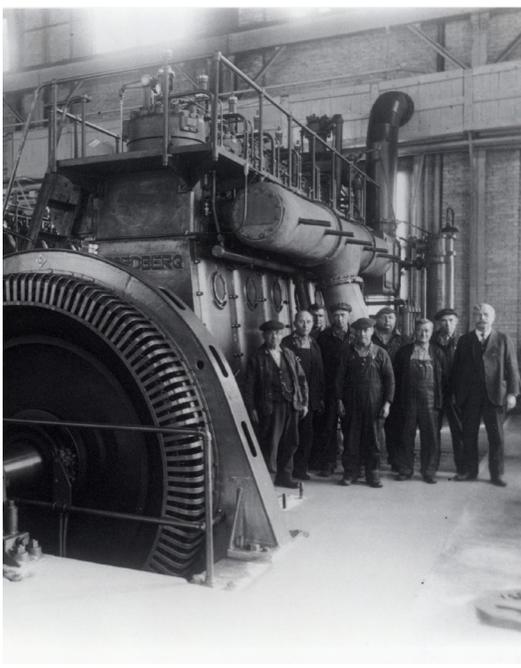


Bryan Municipal Utilities (BMU) is a not-for-profit, community-owned electric, water and communications (cable television, internet and fiber optic) services provider that serves Bryan, Ohio, and its surrounding area. From its creation by local citizens more than 125 years ago, BMU has not only grown with Bryan, it has been one of the reasons behind the community's growth.

BMU has a rich tradition of providing high-quality, safe, reliable and competitively-priced utility services, tailored to the unique needs of the community it serves. The organization's progressive mindset as an early adopter of renewable hydroelectric and solar power resources and as a communications services provider reflect the entrepreneurial spirit that has played such a significant role in Bryan's heritage.

In 2018, the Bryan Board of Public Affairs—BMU's governing body—initiated a strategic planning process, the first such strategic planning process in more than 20 years. The strategic plan encompasses the period 2019-2022 to help preserve for Bryan residents, businesses and institutions the many benefits of living and working in a municipal utility community. The Board of Public Affairs, BMU senior staff, and participants from each utility department comprised the strategic planning team.

The strategic planning team worked through a series of sessions to update BMU's vision, mission and values; review organizational strengths, weaknesses, opportunities and threats; identify key strategic issues for the next three years; develop objectives to



Introduction

achieve the strategic goals; and establish success measures to track the strategic plan's progress.

To ensure that the strategic plan reflects community priorities, BMU staff conducted face-to-face interviews to collect customer opinion information. The Board selected Hometown Connections, Inc., public power's utility services organization, to facilitate development of the strategic plan with the Board and staff. The primary objective of the strategic plan is to support BMU's continuing excellence in providing safe, reliable, competitively-priced and environmentally-responsible utility services that are focused on the customer and community and protected through superior financial, technology, and workforce management.

A PROUD HISTORY

Bryan Municipal Utilities began more than 125 years ago with establishment of the Bryan municipal water system in 1892. Electric service was added in 1896 when Bryan residents voted to establish their own electric utility. A communications utility was created in 1998 to provide Bryan with a fiber-optic system designed to provide cable television and high-speed Internet access and data transfer.

Presently, the utility serves approximately 6,000 customers. Since its formation in 1906, the Board of Public Affairs has developed the policies that govern the utility's operation. The Board has focused on providing the residents and businesses of Bryan superior service at a competitive cost.

The birth and development of Bryan Municipal Utilities is a success story of which all Bryan citizens can be proud. The enduring determination of Bryan's residents to own and operate their electric, water and communications utilities for the benefit of the community, and their wisdom in electing competent



and dedicated citizens to oversee their investment, has been well rewarded with competitive rates and superior services for more than 125 years and ensures the community is well positioned to address the challenges of the 21st Century.

READY FOR THE FUTURE

BMU recognizes the utility industry as a whole is in transition. BMU must address a fluid wholesale power market, constant changes in regulatory requirements, the need to invest in innovative technologies to improve efficiency and reliability, and customer demand for instant online access to utility information. With the market in transition, BMU will evolve its services and invest in infrastructure improvements while maintaining the competitive and reliable services customers expect. The BMU strategic plan focuses on actions to take during the next three years to ensure success far into the future.

Mission, Vision & Values

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

Mission

BMU's mission statement is:

Bryan Municipal Utilities is dedicated to providing reliable and responsive service while pursuing innovative solutions to create the best value for our customers.

Vision

BMU's long-term vision for success includes:

- Deliver reliable electric, water, and communications services
- Deliver A+ customer service
- Attract and retain a skilled workforce through competitive compensation, benefits, and training
- Maintain a modern IT Infrastructure
- Deploy advanced metering infrastructure (AMI) for water and electric services
- Make capital improvements to increase water capacity and reliability
- Develop a lead-free water strategy
- Maintain BMU's financial health
- Measure performance over time
- Offer competitive retail rates
- Invest in power plant, substation, and distribution system upgrades
- Improve reliability through 138 kV redundancy
- Upgrade to 1 Gig communications speed

Values

The essential and enduring guiding principles for the BMU Board of Public Affairs and staff are:

- **Integrity:** doing the right thing in an honest, fair, and responsible way
- **Dedication:** committed to applying our knowledge, expertise and resources in a professional manner
- **Service:** providing reliable service at competitive rates
- **Customer Focused:** making our customers our primary focus every day
- **Communication:** providing clear and consistent communications in all we do

Understanding the Customer

In recognition that different types of customers have different utility services needs and priorities, BMU is designing programs reflective of the needs of various customer categories:



Industrial

- Use electricity for processing, producing, or assembling goods
- Including such diverse industries as manufacturing, food processing, agriculture, and construction
- Focused on powering various motors, heating, cooling, and electro-chemical processes (e.g., to produce aluminum)
- Electricity use tends not to fluctuate through the day or year as in the residential and commercial sectors, particularly at manufacturing facilities that operate around-the-clock
- Focused on service reliability, efficiency and cost competitiveness



Commercial

- Includes government facilities, service-providing facilities and equipment, and other public and private organizations
- Biggest uses of electricity are lighting, heating, ventilation, and air conditioning
- Electricity demand highest during operating business hours; decreases substantially on nights and weekends
- Focused on service reliability, efficiency and cost competitiveness



Residential

- Those interested in savings through energy management
- Those interested in utility services choices to protect the environment
- Customers focused on smart grid applications for ease of use and convenience
- Older or at-risk customers focused on service reliability
- Younger customers eager for financial savings and environmentally-friendly service options
- All value service reliability and cost competitiveness

BMU will monitor and measure customer opinions in a variety of ways, including social media interactions, personal contact, surveys, and Board meetings.

Community Outreach

To ensure that the strategic plan reflects community priorities, BMU staff conducted in-person interviews to collect opinion information from select customers and stakeholders. The staff solicited input on these questions:



- Please use the first three words you can think of to describe BMU.
- What is your sense of how BMU is balancing rates and reliability?
- How do you feel BMU is meeting its responsibility for environmental stewardship?
- What do you think are BMU's strengths?
- What do you think are BMU's weaknesses?
- What do you think should be our highest priorities going forward?
- BMU and its role in the community: What do you think about the utility's role?
- How do you think BMU is doing in implementing new technologies?
- What sources of information have played the biggest role in your perceptions of the utility?
- This feedback will be used during the development of the BMU Strategic Plan. What do you think should be BMU's highest strategic priorities?
- If you could offer advice to the BMU Board of Public Affairs, what would it be?

During the stakeholder interviews, several themes emerged regarding BMU's strengths: It's a locally controlled, environmentally responsible, reliable utility services provider responsive to the community. Several themes also emerged from the interviews regarding areas where BMU could improve: the need to boost Internet service speed and price competitiveness, expand online options for bill payments and customer services, improve communications with the public and between utility and city officials, and offer innovative environmental and energy savings services. When advising BMU about its future, respondents urged BMU to maintain its focus on excellent service, reliability, and costs while investing in new technologies. These community interviews were crucial to the BMU strategic planning process, and the 2019-2022 Strategic Plan document reflects and addresses the priorities revealed during this community outreach effort.



Strengths, Weaknesses, Opportunities & Threats

A foundational element of the strategic plan is identifying Bryan Municipal Utilities' strengths in the marketplace, its vulnerabilities, and its opportunities.

Strengths

- Reliability
- Management
- Quality/skill of workforce
- Good place to work
- Diversity of power supply
- Generation—costs, control, leverage
- Equipment quality
- Board of Public Affairs support for providing adequate resources
- Innovation
- Training
- Visibility in community
- Offering value to community
- Coordination with city departments
- Teamwork within utility
- Financially sound
- Competitive rates
- Customer outreach/response times
- Project management

Weaknesses

- Customer engagement programming
- Communications business model
- Flat/decreasing growth
- Economic development
- Compensation package
- Aging workforce
- Aging infrastructure
- Radial 138 kV transmission interconnection with AEP
- Metering system
- Communications technology
- Customer information system

Opportunities

- New technologies for distribution system management, metering, customer information, communications
- New market opportunities
- Strengthen customer relationships
- External sales
- Training
- Economic development programs
- Mutual aid programs
- Project management communications
- Continual improvement of coordination between city officials and the board

Threats

- PJM capacity costs
- AEP transmission costs
- Changing communications model
- Power plant age
- Load loss
- Territorial issues
- Pole attachment policy changes
- Potential for Board of Public Affairs/City Council conflicts
- Loss of customers
- Competition—communications, Distributed energy resources, sales
- Rising costs
- Cyber intrusion and sabotage
- Industry workforce challenges
- Parts for aging infrastructure
- Sale of utilities
- Regulatory threats

Strategic Areas of Focus

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

1
Continuous Improvement in Services to Our Customers

2
Maintain a Skilled Workforce

3
Utilize Industry Best Practices to Maintain a Financially Sound Utility

4
Leverage New Technology to Improve Quality of Services to Customers



Business Goals

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

Continuous Improvement in Services to Our Customers

Strengthen and Implement Capital Improvements Strategy

- **Electric Service**

- Substation Investments (Replace Daggett 2019), (Titan Tire 2019)
- Power Plants (controls upgrade 2019), Maintenance (annually)
- Underground Plant (implement plan to conduct 1 reliability project per year)
- 69 kV plan (Daggett Substation to Industrial Park (2019), Power Plant to Edgerton Street (2020)
- Overhead Primary (continue to replace 100+ poles per year)
- Study Titan Tire DG Project (2019)
- Study Long-Term Power Supply Options (2020)

- **Water Service**

- Path to Lead Free in BMU Water Distribution System (annual goals)
- Replace 0.7 Miles (3,700 Feet) Per Year of Existing Water Distribution System
- Overhaul one High Service Pump and one Well Per Year
- Continue 15-year Tower Paint and Maintenance Plan
- Develop Water Supply and Water Treatment Plan (quality and quantity) 2018/2019

- **Communications**

- Fiber Optic System (Outer Ring 2019, Inner Ring 2020, Design Fiber to Home 2019)
- Fiber Optic Redundancy (Phase 1 2020, Phase 2 2021)
- Head End (Back Up Power 2019, Bryan Street Hub 2019, Headend Building 2022)
- Network (Strengthen Area Network, 2019, Critical Back Up Storage 2019, Switch Replacement/Upgrade 2020)
- Edgerton Street Utilities Campus Master Plan (2019)



Maintain a Skilled Workforce

- **Continue Implementation and Update Annually BMU Succession Plan**

- **Strengthen Training Programs**

- Review Every Year
- Continue Industry-Specific Training Programs

Business Goals

- Create Mentorship Program/Current Management Training—"Career Advancement"
- **Compensation**
 - Continue Union and Non-union Compensation Studies Every 3 Years
 - Study Wage Compression Impacts
 - Maintain Competitive Benefits Levels
- **Study Millennial/Work Life Balance Needs**

Utilize Industry Best Practices to Maintain a Financially Sound Utility

- **Study Ratings Agencies (Moody's, Fitch, S&P) Best Practices (2019 and Annual Update)**
 - Minimum Fund Balance Targets
 - Debt Service Coverage
 - Debt Levels
 - Depreciation Values
 - Rates
 - AMP Credit Score
- **Maintain Appropriate Capital Budgeting (Annual)**
- **Develop More Detailed Financial Reporting (2019)**

BMU strives to attract and retain a skilled workforce able to provide reliable and responsive service while pursuing innovative technological solutions to create the best economic value for our customers.

Leverage New Technology to Improve Quality of Services to Customers

- **Deploy AMI for Electric and Water (2019/2020)**
- **Update Customer Information System Software (2020)**
- **Geographical Information System—Enhance and Improve (2021)**
- **Fiber to the Home (Start 2023)**
- **Increase Internet Bandwidth (2018 30 Mbps, 2019 100 Mbps for fiber customers)**
- **Develop Content Delivery Plan (Study 2019, 2022 Decision)**
- **Explore Load Management, Customer Portal, Smart Cities, Outage Management and Mobile Workforce Solutions**

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Focused on a Future of Excellence

Using the 2019-2022 Strategic Plan as its guide, BMU will pursue the technology improvements, customer service programs, human resources policies, and financial management strategies that will enable BMU to chart a course for a successful long-term future.



BMU will use the plan to develop specific tactics for operational planning, employee engagement, new customer initiatives, and a capital improvement program. BMU 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 BMU's core focus on continued delivery of reliable and competitive utility services. The BMU Board of Public Affairs and staff will review on a regular basis the progress of the plan implementation.

Above all, Bryan Municipal Utilities maintains its commitment to providing innovative, competitively priced, reliable, safe, and environmentally responsible water, electric, and communications services. BMU will provide best-in-class operations and serve as a trusted resource for utility services and community support.

Mission Statement

Bryan Municipal Utilities is dedicated to providing reliable and responsive service while pursuing innovative solutions to create the best value for our customers.

BRYAN MUNICIPAL UTILITIES

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