

Grand Rapids Public Utilities

January 28, 2026 Commission Regular Meeting

2025 Annual Plan Q4 Scorecard Presentation

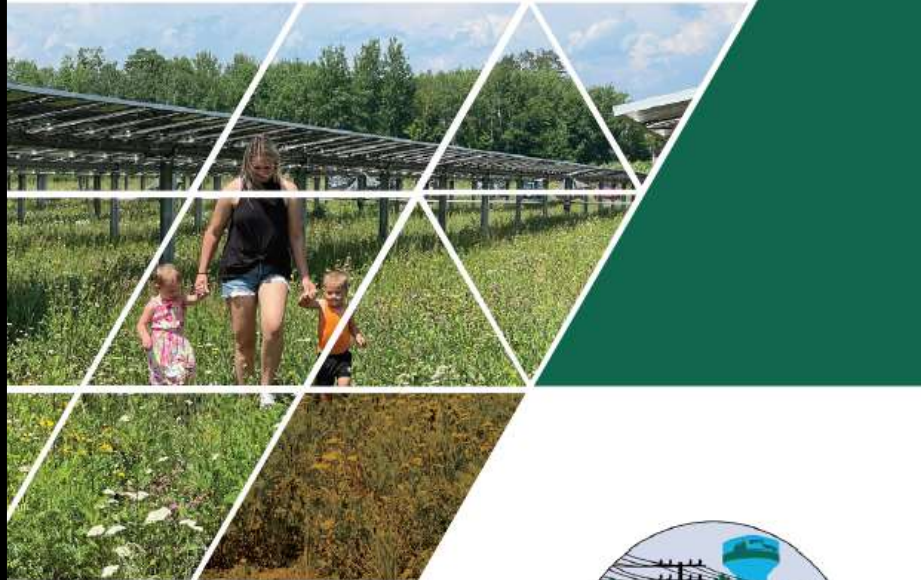
Julie Kennedy – General Manager



2023-2028 Strategic Plan

STRATEGIC PLAN

2023-2028



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

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

- | | |
|-----------------------|--|
| <i>Safety</i> | We hold paramount the well-being of our employees and the public in all operations. |
| <i>Integrity</i> | We uphold ethical standards and foster trust with all stakeholders. |
| <i>Customer Focus</i> | We prioritize customer needs and satisfaction in all our decisions and actions. |
| <i>Efficiency</i> | We maximize resources to provide cost-effective services without compromising quality. |
| <i>Reliability</i> | We consistently deliver high-quality utility services and strive for uninterrupted access. |
| <i>Sustainability</i> | We employ environmentally responsible practices in our operations and services. |
| <i>Transparency</i> | We openly share information and decision-making processes, promoting informed community involvement. |

2023-2028 Strategic Plan



STRATEGIC PILLARS

Following are GRPU's objectives for the next five years. They are aspirational, and will be attained through the process of breaking the objectives down into specific, measurable, achievable, relevant, and timely (SMART) goals. These will be documented annually in the period's operating plan and supported by the approved budget.

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 ensuring uninterrupted, high-quality utility services now and in the future.

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.
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.



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.).

OPERATIONAL PLANNING, REPORTING AND ACCOUNTABILITY

PLANNING



Each year in September, the GRPUC and GM will review the organization's SWOT, strategic and operational progress. Over the next month, the strategic plan will be updated. Implications and priorities for operations will then be discussed with the GRPUC in October.

Following updated and reaffirmed strategic direction from the GRPUC, the GM and staff will create an annual operating plan. This plan will include SMART goals based on the operating priorities and strategic intent of the GRPUC.

The annual budget will be developed to support the successful realization of the operating plan. Each year GRPU's Audit and Finance Committee will review the budget in November and provide feedback. The final draft of the operating plan and supporting budget will be referred to the GRPUC for action at their December meeting.

REPORTING



Monthly staff reports to the GRPUC will align with and reference the approved operating plan. Items requiring action by the GRPUC will be placed on the agenda.

The GM will report to the GRPUC on progress toward achieving each approved goal/deliverable in a report card prepared in advance of GRPUC meetings in the months following the end of each quarter (April, July, October, and January).

Timelines and/or other details regarding achievement of the SMART goal(s) will be adjusted as needed when conditions require doing so.

SMART goals will not be fully discarded unless they are being replaced with another tactic that will achieve the strategic objective they support. GRPUC action is required to alter or eliminate a strategic objective.

STAFF ACCOUNTABILITY



Each year, employees work toward individual performance goals that support GRPU's objectives and aid in their own professional development.

Beginning in 2024, annual employee goals will align with the SMART goals in GRPU's operating plan, and we will foster an organizational culture that is consistent with GRPU's vision, mission, and values as described in the Strategic Plan.

Supervisors will provide ongoing feedback to employees in a manner determined by the GM and consistent with relevant union contracts. Our intent is to ensure that each GRPU team member feels fully connected to the organization's strategic path, knows how they uniquely contribute to achieving our goals, and are supported by the entirety of GRPU in carrying out their roles.

2025 Annual Work Plan



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 with 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.
- There are no major safety incidents resulting in injury and/or investigation.

The year 2025 is the second 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 2025 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. Successfully maintaining and improving the community's perception of the dynamic public asset that is GRPU.
5. GRPUC support for the projects in this plan and the staff who will carry them out.

In general, this plan identifies only new or additional activities that will be undertaken in 2025. 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 2025 fiscal year, and to provide GRPUC and staff members with an understanding of what will be necessary to achieve those ends.

2025 Q4 Annual Work Plan Scorecard

High Quality Utility Services (US)

Exceeding	
In Process	
Ongoing	
Completed	!!

Caution	
At Risk	
Postponed	
Not Started	

NA for now	
Abandoned	
Added	

Strategic Pillar: Uninterrupted, High Quality Utility Services (US)								
Name	Goal	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Substantially operating ERP system (approximately 90% of modules functioning and collecting data)	US-1, US-4, FM-1, OE-2	Jean Lane	2025-06-30	In Process	Postponed	In Process	In Process	We have a few implementation requirements left for both systems and are working with the implementation teams but otherwise both systems are up and running properly.
Substantially complete two electric undergrounding projects	US-1	Chad Troumbly	2025-12-31	In Process	In Process	In Process	Completed	
Water treatment plan (WTP) renovation project is scoped, engineered, bids received, and contractor selected	US-2	Steve Mattson	2025-09-30	In Process	At Risk	Postponed	Postponed	Consultant hired to complete extensive water analysis prior to detail design of WTP. Report completed at end of 2025.
Enhance public outage reporting and optimize customer account access, then publicly promoted	US-4, EC-2	Chad Troumbly, Michael LeClaire, Jean Lane	2025-09-30	In Process	In Process	Postponed	Postponed	
100% televised wastewater collection (WWC) system	US-3, NE-1	Steve Mattson	2025-09-30	In Process	In Process	In Process	In Process	97% complete. A few streets to complete in 2026 in the NW.

2025 Q4 Annual Work Plan Scorecard

Sustainable Fiscal Management (FM)

Exceeding	
In Process	
Ongoing	
Completed	!!

Caution	
At Risk	
Postponed	
Not Started	

NA for now	
Abandoned	
Added	

Strategic Pillar: Strategic and Sustainable Fiscal Management (FM)								
Name	Goal	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Substantially operating ERP system (approximately 90% of modules functioning and collecting data)	US-1, US-4, FM-1, OE-2	Jean Lane	2025-06-30	In Process	Postponed	In Process	In Process	We have a few implementation requirements left for both systems and are working with the implementation teams but otherwise both systems are up and running properly.
Develop reporting metrics in the new ERP system to provide timely and actionable financial insights for decision-making	FM-1, FM-2	Jean Lane	2025-12-31	In Process	In Process	In Process	In Process	Developed 2026 budget in NSPB, Budget v Actual report, Budget Summary Report, Variance reports will continue to work with teams to continue to develop reports.
Final adoption of operating reserve policy (includes emergency funding)	FM-1, FM-2	Jean Lane	2025-06-30	In Process	Postponed	Postponed	Postponed	Postponed to connect with review of current finance policies and development of additional financial policies.
Complete cost-of-service rate studies for electric, water, and wastewater utilities	FM-3	Jean Lane	2025-09-30	Not Started	In Process	In Process	In Process	Dave Berg Consulting started. Electric to be complete Jan/Feb, W-WW to be completed May/June.
Focus on tracking and reporting in project management software to improve efficiencies	FM-1, OE-1	Julie Kennedy	2025-12-31	In Process	In Process	In Process	Ongoing	2026 budget planning to be completed in the NSPB and Monday.com platforms.

2025 Q4 Annual Work Plan Scorecard

Engaging/Educating the Community (EC)

Exceeding	
In Process	
Ongoing	
Completed	!!

Caution	
At Risk	
Postponed	
Not Started	

NA for now	
Abandoned	
Added	

Strategic Pillar: Engaging and Educating the Community (EC)								
Name	Goal	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Continue the monthly customer campaign plan (incl. fact sheets and legal notices)	EC-1	Megan Sjostrand, Julie Kennedy, Jean Lane	2025-12-31	In Process	In Process	In Process	Ongoing	Maintaining current messaging, new campaigns to be created once ERP is implemented.
Publish annual report summarizing projects and financial results	EC-2	Julie Kennedy, Jean Lane, Megan Sjostrand	2025-06-30	Not Started	Abandoned	Abandoned	Abandoned	Pushed to next year when ERP reporting is available to ensure consistent format and messaging in future years.
Plan and carry out website content updates	EC-2, EC-1, EC-3	Julie Kennedy, Megan Sjostrand	2025-12-31	Ongoing	Ongoing	Ongoing	Ongoing	Maintain staff contribution and work with other agencies to provide links in Education & Information section.
Enhance public outage reporting and optimize customer account access, then publicly promoted	US-4, EC-2	Chad Troumbly, Michael LeClaire, Jean Lane	2025-09-30	In Process	In Process	Postponed	Postponed	
Present at the 2025 home show and host 1 open house to educate the community on rebates and utility programs	EC-2, EC-1, NE-3	Chad Troumbly, Steve Mattson, Julie Kennedy	2025-06-30	Completed	Completed	Completed	Completed	Completed in Q1. Did not meet objectives. Likely will not continue. Developing an alternative plan in October for contractor and customer engagement.
Hold two joint council and commission meetings to align City of GR and GRPU on collaborative opportunities	OE-2, EC-3	Julie Kennedy	2025-04-25	In Process	In Process	Completed	Completed	Meeting 1 held June 2, Meeting 2 held Oct 6

2025 Q4 Annual Work Plan Scorecard

Stewardship of Natural Environment (NE)

Exceeding	
In Process	
Ongoing	
Completed	!!

Caution	
At Risk	
Postponed	
Not Started	

NA for now	
Abandoned	
Added	

Strategic Pillar: Use and Stewardship of the Natural Environment (NE)								
Name	Goal	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Relocate the septic hauler station from old to new WWTP	NE-3	Steve Mattson	2025-12-31	In Process	At Risk	Postponed	In Process	Before relocating the station, GRPU completed the ROI of accepting external septic waste at our WW facilities in light of new regulations and testing requirements. This effort concluded that accepting external septic waste is beneficial in many ways even after capital investment. The payback of the investment is roughly 3 years at current pricing and revenue. Staff inspected a receiving station near Duluth and Superior, WI recently to get ideas for the station. The Operations Director (apprentice) is leading the data-gathering effort. The station relocation work has begun in 2026 but will carry over into 2026. relocation would be pushed to 2026.
100% televised wastewater collection (WWC) system	US-3, NE-1	Steve Mattson	2025-09-30	In Process	In Process	In Process	In Process	97% complete. A few streets to complete in 2026 in the NW.
Present at the 2025 home show and host 1 open house to educate the community on rebates and utility programs	EC-2, EC-1, NE-3	Chad Troumbly, Steve Mattson, Julie Kennedy	2025-06-30	Completed	Completed	Completed	Completed	Completed in Q1. Did not meet objectives. Likely will not continue. Developing an alternative plan in October for contractor and customer engagement.
WWTP landfill cover reconstruction is substantially complete and new sludge demand agreements are in place	NE-2, US-5	Steve Mattson, Jean Lane, Julie Kennedy	2025-12-31	In Process	At Risk	Postponed	Postponed	Construction pushed into 2026 per UPM/Bandin request. Plans complete, bid work to be completed in Jan/Feb 2026, construction in spring 2026.

2025 Q4 Annual Work Plan Scorecard

Operational Excellence (OE)

Exceeding	
In Process	
Ongoing	
Completed	!!

Caution	
At Risk	
Postponed	
Not Started	

NA for now	
Abandoned	
Added	

Strategic Pillar: Operational Excellence (OE)								
Name	Goal	Responsible	Target Date	Q1	Q2	Q3	Q4	Comments
Tracking/reporting in project management software to improve efficiencies	FM-1, OE-1	Julie Kennedy	2025-12-31	In Process	In Process	In Process	Ongoing	2026 budget planning to be completed in the NSPB and Monday.com platforms.
Quarterly all employee meetings to improve clear communication process and lead to improved NPS per annual survey	OE-1	Julie Kennedy, Jean Lane, Megan Sjostrand	2025-12-31	In Process	In Process	In Process	Completed	Switched to 3 meetings per year (start, mid, end). Meeting 1 Jan 30, meeting 2 July 10, meeting 3 scheduled December 18.
Implement employee resource portal in new ERP software and Laserfiche	OE-1	Jean Lane	2025-06-30	In Process	Postponed	In Process	Completed	Employees now use the employee center to enter their time, can access their paystubs, track their PTO and will be able to get their W2 from the employee center.
Substantially operating ERP system (approximately 90% of modules functioning and collecting data)	US-1, US-4, FM-1, OE-2	Jean Lane	2025-06-30	In Process	Postponed	In Process	In Process	We have a few implementation requirements left for both systems and are working with the implementation teams but otherwise both systems are up and running properly.
Succession planning for business services manager transition	OE-1	Megan Sjostrand, Julie Kennedy	2025-12-31	In Process	In Process	In Process	Completed	New Finance Manager Taylor Bird started Sept 29. Jean Lane PRO agreement ready for approval.
Implement comprehensive employee training and development program	OE-1	Megan Sjostrand, Julie Kennedy	2025-12-31	Not Started	In Process	In Process	Ongoing	Work in progress with MMUA.
Implement employee success sharing program	OE-1	Julie Kennedy, Megan Sjostrand	2025-01-31	In Process	In Process	In Process	Postponed	Subsequent to employee development program, develop in 2026 and implement in 2027.
Finalize electronic document retention conversion	OE-1	Megan Sjostrand, Julie Kennedy	2025-12-31	In Process	In Process	In Process	Ongoing	Commission items, contracts, HR, & reports/studies workflow designs are complete - need to upload backdated items.

Questions / Comments



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