

Grand Rapids Public Utilities

August 13, 2025

Operational and Capital Updates

GRPU Management Team



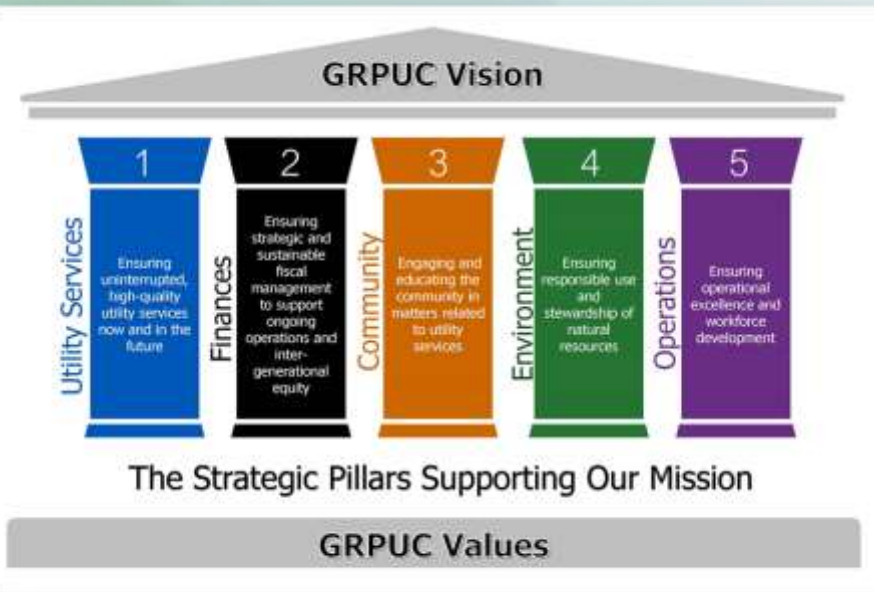
**GRAND RAPIDS
PUBLIC UTILITIES**
Service is Our Nature



MISSION VISION VALUES

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

Safety

We hold paramount the well-being of our employees and the public in all operations.

Integrity

We uphold ethical standards and foster trust with all stakeholders.

Customer Focus

We prioritize customer needs and satisfaction in all our decisions and actions.

Efficiency

We maximize resources to provide cost-effective services without compromising quality.

Reliability

We consistently deliver high-quality utility services and strive for uninterrupted access.

Sustainability

We employ environmentally responsible practices in our operations and services.

Transparency

We openly share information and decision-making processes, promoting informed community involvement.



Strategic and Sustainable Fiscal Management (FM)

Operations: Draft Fraud Prevention Policy by Jean Lane

Purpose:

Prevent fraudulent payments and protect public funds.

Scope:

Applies to all GRPU departments and employees involved in disbursement activities.

Background:

Fraud tactics like impersonation and fake invoices target public entities. GRPU must adapt with modern controls.

Key Controls:

•Accounts Payable:

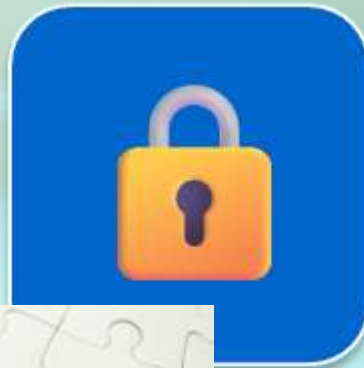
- Dual approvals, vendor file reviews, verbal confirmation of vendor changes
- ACH blocks/filters, positive pay, secure vendor info handling

•Payroll:

- Written + verbal confirmation for banking changes
- Secure storage of sensitive data

•Wire Transfers:

- Two-tier approval (e.g., \$250K / \$500K thresholds)
- Independent vendor verification outside of email





Engaging and Educating the Community (EC)

Operations: New SpryPoint Utility Bill Template by Julie Kennedy

- SpryPoint go-live is Sept 2-6
- Multi-channel awareness campaign begins next week
- Requesting Commissioner review of bill template
- Requesting Commissioner testimonials and voices

Coming Soon!

New Utility Customer Service Portal

Your one-stop destination for managing all your utility needs!

Grand Rapids Public Utilities is thrilled to announce the launch of its brand-new Utility Customer Service Portal, designed with you, the customer, in mind. Managing your utility services has never been easier or more convenient.

Easy account management

- 24/7 access
- User friendly

Streamlined billing and payments
















- View bills
- Multiple payment options
- Set up auto-pay
- Go paperless



Payments will not process after August 28 for any scheduled payments or auto pay until your new online account is created. This may affect bill pay through your bank. Customers will not be able to make a one-time payment after August 28 until the new online portal goes live.

**All online customers must create a new online account.
All auto-pay customers must re-enroll.**

Watch our website for more information: www.grpuc.org

Customer Outreach > SpryEngage	
 Name ▾	
 Commercial Customer Meetings	
 Direct Mail	
 Facebook	
 Graphics	
 Graphics for SpryPoint	
 Group Housing Visits	
 Herald Review & Manneys	
 ICTV	
 Open House at GRPU	
 Radio	
 SpryPoint Resources	
 WDIO Digital Marketing	
 Website	
 SpryPoint Engagement Budget.xlsx	



Operational Excellence (OE)

Operations: Family Medical Leave Act vs Paid Family Medical Leave by Megan Sjostrand

Feature	FMLA (Federal)	Minnesota PFML
Launch Date	Established in 1993, ongoing	Effective Jan 1, 2026
Eligible Employers	50+ employees within 75-mile radius. In spirit of the law, GRPU honors FMLA	Applies to nearly all employers regardless of size
Employee Eligibility	≥12 months employment; ≥1,250 hours in past 12 mo	Begins after 90 consecutive days on job (90 calendar days from date of hire) ; covers full- and part-time workers
Leave Type	FMLA (Federal)	Minnesota PFML
Medical (self)	Up to 12 workweeks unpaid per 12-mo	Up to 12 weeks paid per year (52-week period from first day of a qualifying leave)
Family / Bonding	Up to 12 weeks unpaid	Up to 12 weeks paid for bonding, caregiving, military,
Combined Maximum	12 weeks (or 26 weeks for military caregiver)	20-week annual cap; e.g. 12-week medical + 8-week family



Operational Excellence (OE)

Operations: FMLA vs PFML by Megan Sjostrand

Job Protection: Both guarantee reinstatement to same or equivalent job and continuation of benefits (e.g. healthcare) during leave.

Wage Replacement:

- **FMLA:** Leave is **unpaid**, though employees may substitute accrued PTO.
- **Minnesota PFML:** Partial paid benefit:
 - For weekly wages between \$0 and \$711.50 (half of the current state average), you get paid 90% .
 - For weekly wages between \$711.50 and \$1,423 (the current state average), you get paid 66%.
 - For weekly wages above \$1,423, you get paid 55%.

Weekly payments cannot exceed the state average weekly wage, \$1,423. To receive payments, you must have earned at least 5.3% of the state's average annual wage (about \$3,900) in the past year.





Operational Excellence (OE)

Operations: PFML Example by Megan Sjostrand

Mom Going on Leave for Childbirth (No Complications)

Facts:

- Employee gives birth (normal delivery, no complications)
- Pre-leave weekly gross income: \$1,700
- Using 2026 Average Weekly Wage (AWW) = \$1,423
- Leave type: First Medical Leave (for recovery), then Family Leave (bonding)
- For medical leave under Minnesota's Paid Family & Medical Leave (PFML) program, a certification form must be completed by a qualified health care provider. For bonding leave, documentation is required to confirm the birth or placement of a child in your home.



Operational Excellence (OE)

Operations: PFML Example by Megan Sjostrand

PFML Leave Duration Breakdown

Medical Leave (Own Serious Health Condition):

- Standard post-partum recovery is generally considered to be **6 weeks** or **8 weeks**
- In this case, let's assume **6 weeks** of Medical Leave

Family Leave (Bonding):

- Eligible for **up to 12 weeks** of Family Leave to bond with the newborn
- This bonding leave must be taken within **12 months** of the child's birth
- Can be taken **consecutively or intermittently**, but must be completed within that 12-month window

Total Time Off:

- **6 weeks Medical Leave + 12 weeks Family Leave = 18 weeks total leave**
- This is well within the 20-week PFML annual maximum





Operational Excellence (OE)

Operations: PFML Example by Megan Sjostrand

Step-by-Step Benefit Calculation for \$1,700/week

1. **First \$711.50** → 90% = **\$640.35**
2. **Next \$711.50** (up to AWW) → 66% = **\$469.59**
3. **Remaining \$277.00** (amount over AWW) → 55% = **\$152.35**

Total Weekly PFML Benefit =

\$640.35 + \$469.59 + \$152.35 = \$1,262.29

Estimated total PFML payout

18 weeks × \$1,262.29 = \$22,721.22 (gross)

Note: PFML benefits **are taxable** income, so actual take-home may be lower depending on withholdings.





Operational Excellence (OE)

Operations: State PFML vs Private PFML by Megan Sjostrand

Feature	Private Plan (Unum)	Minnesota State Plan
Annual Cost to Employer & Employee <i>*Employer is required to pay 50% of premium</i>	\$23,476.32 annual cost (.65% premium)	\$31,783.32 (.88% premium)
Claims Experience	Decades of experience	No claims processed to date
Billing & Admin	Consolidated with our other Unum benefits	Separate, state-run system
Turnaround Time	Proven, efficient processing	Unproven infrastructure
Employee Continuity	Integrated with STD & LTD	Standalone program
High Earner Support	Supplemental STD fills PFML gaps	PFML Based on (AWW) currently set at \$1,423.00/week for 2026
Employer Reimbursement	<ul style="list-style-type: none">• Employer reimbursement is allowed.• Employer can deduct taxes and benefit premiums.• Employer issues payment directly to the employee	<ul style="list-style-type: none">• No employer reimbursement available• Taxes are not automatically withheld• Employee is responsible for managing taxes and benefit premiums upon returning from leave

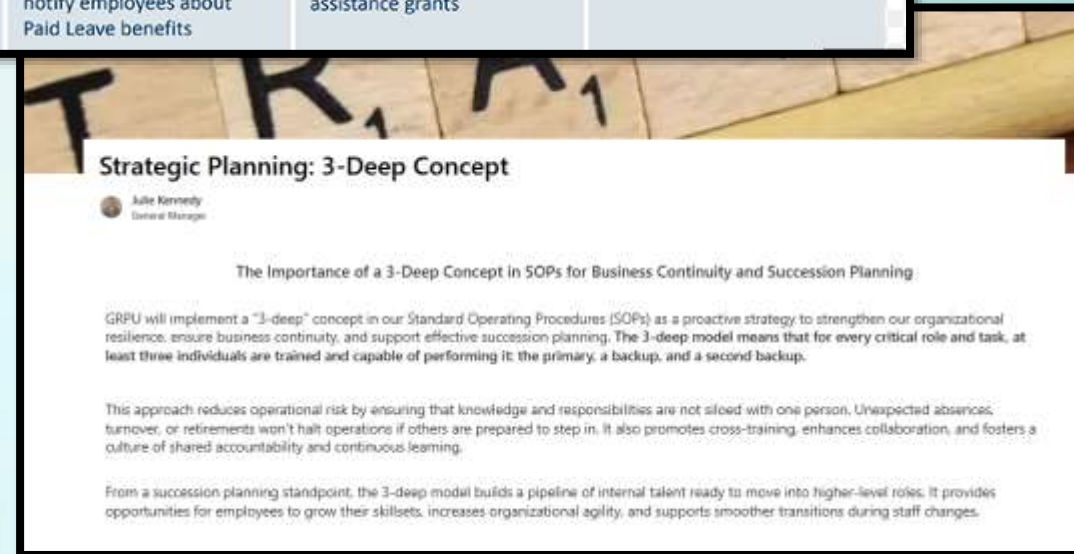
Short Term Disability Rate Credit: Unum has applied a PFML offset to the STD policy, reducing the monthly STD premium from \$991.61 to \$350.88 — an immediate savings of \$640.74/month = \$7,688.88 annual savings

Operational Excellence (OE)

Operations: PFML upcoming decisions by Julie Kennedy

GRPU decisions to be considered:

- Cover both employer and employee portion for PFML for 2026?
- Include PFML in compensation negotiations in 2026 for 2027-2029 labor contract
- Eliminate STD in lieu of PFML after 2027
- Continue to improve 3-deep concept



Strategic Planning: 3-Deep Concept

Julie Kennedy
General Manager

The Importance of a 3-Deep Concept in SOPs for Business Continuity and Succession Planning

GRPU will implement a "3-deep" concept in our Standard Operating Procedures (SOPs) as a proactive strategy to strengthen our organizational resilience, ensure business continuity, and support effective succession planning. The 3-deep model means that for every critical role and task, at least three individuals are trained and capable of performing it: the primary, a backup, and a second backup.

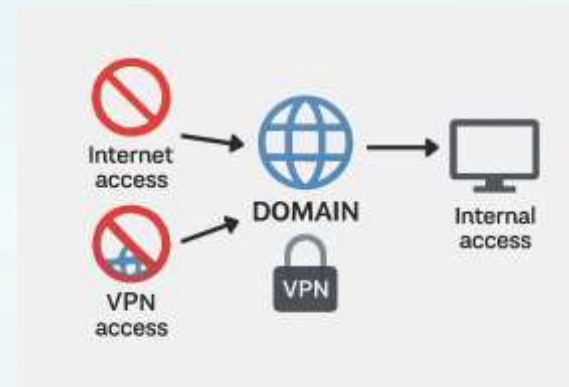
This approach reduces operational risk by ensuring that knowledge and responsibilities are not siloed with one person. Unexpected absences, turnover, or retirements won't halt operations if others are prepared to step in. It also promotes cross-training, enhances collaboration, and fosters a culture of shared accountability and continuous learning.

From a succession planning standpoint, the 3-deep model builds a pipeline of internal talent ready to move into higher-level roles. It provides opportunities for employees to grow their skillsets, increases organizational agility, and supports smoother transitions during staff changes.

Operational Excellence (OE)

Capital: Firewall Update by Mike LeClaire

- Existing Firewall Vulnerability Notification
- Shutdown External Domain and SSL
- Impact to customer access and online payments
- We are not the only ones – all TZ series SonicWalls
- Setback in configuration of NEW Firewall and backup



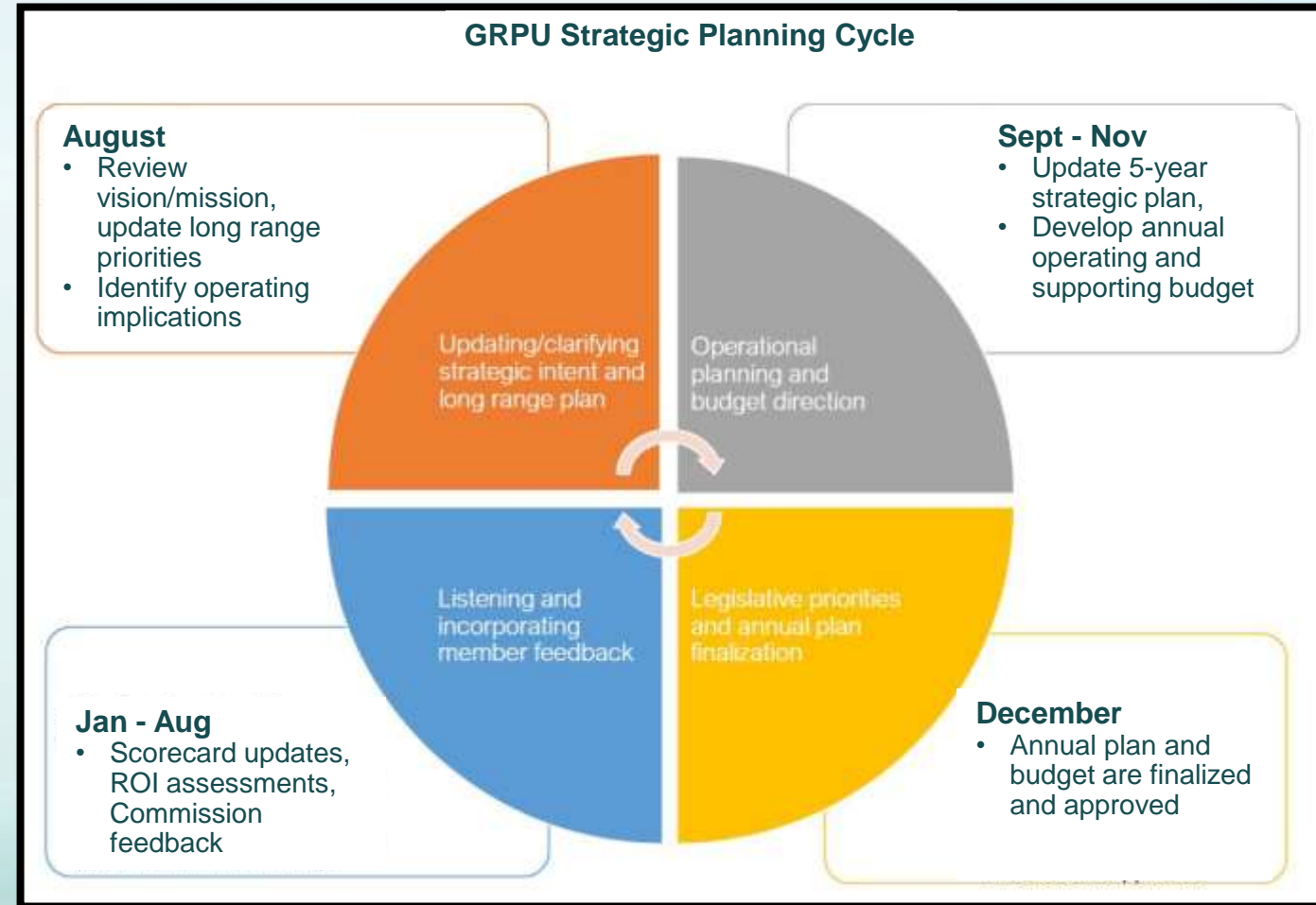
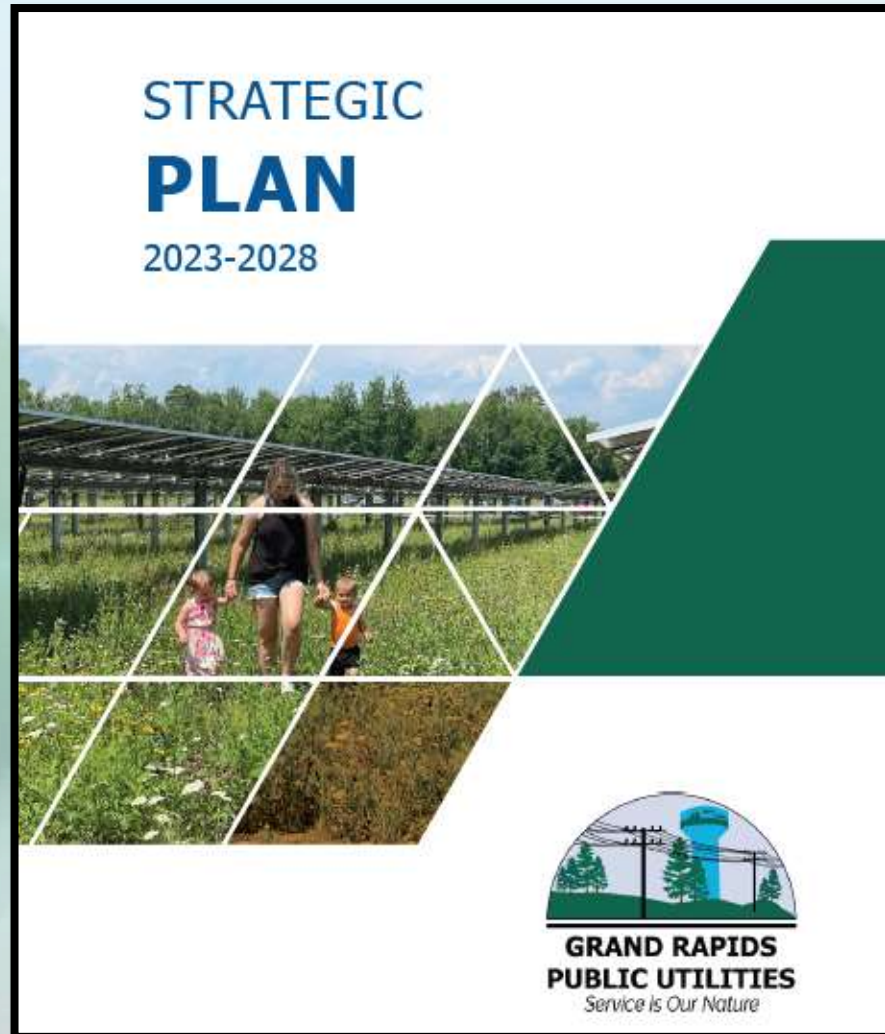
Operational Excellence (OE)

Capital: Information Systems Policy Modernization by Mike LeClaire

- Workstation Guidelines
- Remote Work Configuration
- Storage and Backups
- General Security
- Email
- NEW – Mobile Device Management
 - BYOD, Corporate Personal Phone, Corporate Phone (Shared), Corporate Laptops & Tablets, Kiosk tablets, Commission tablets
- Future updates to include unregistered device access to Microsoft Tenant – Currently not developed



Strategic Plan – Annual Review



Strategic Plan – Annual Review

GRPU Commission Strategic Planning Review

Please return to Julie by September 2, 2025

1. Take a minute to think about the needs and challenges our utility will be facing five years from now. What do you picture GRPU doing to respond?
2. Please review the planning assumptions that currently underpin GRPU's strategic plan (pages 6-7 of the plan). Are they still relevant? Have we missed anything?
3. Please review the strengths and weaknesses listed on pages 7-8 of the strategic plan. These are inwardly focused things that GRPU's leadership has identified in the past as important factors in our planning.
 - a. Which of them is no longer true and should be removed?
 - b. Which of them need to be updated?
 - c. Are there any strengths or weaknesses that should be added?
4. Please review the opportunities and threats listed on pages 8-9 of the strategic plan. These are outwardly focused forces that GRPU's leadership has identified in the past as important factors in our planning.
 - a. Which of them is no longer true and should be removed?
 - b. Which of them needs to be updated?

5. Previously, GRPUC developed the vision to be a dynamic public asset for the thriving community of Grand Rapids. Is that still a worthy goal? Why or why not?
6. If you believe GRPU should strive to be a public asset for Grand Rapids, what does that look like in the next five years and what do we need to do to grow in a manner consistent with that vision?
7. Please review our five strategic pillars as discussed on pages 12-14 of the strategic plan. Please write down the top 1-3 strategic things on which GRPU should be focused in each area, and the operational implications.

Pillar	Strategic Areas of Focus	Operational Implications
Uninterrupted, High-Quality Utility Services (US)	1.	1.
	2.	2.
	3.	3.

Grand Rapids Public Utilities

Upcoming Commission Meetings

Regular Meeting: August 27, 2025

Work Session: September 10, 2025



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