

FINAL DRAFT



**OPERATING
PLAN
2026**



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ANNUAL PLANNING PROCESS

In 2023, the Grand Rapids Public Utilities Commission (GRPUC) developed a new strategic planning process. It is intended to serve as a roadmap for the future development and growth of utility services in our community.

To accomplish this going forward, a practical, realistic, and easily implemented process for breaking our long-range plan into clear, attainable goals is necessary. To that end:

- In the fall of each calendar year the Grand Rapids Public Utilities Commission will review and update the organization's Strategic Plan. Inherent in this process is a discussion of the most pressing matters to be addressed and the actions that are necessary to achieve GRPUC's organizational intent.
- Grand Rapids Public Utilities (GRPU) staff takes this Commission-directed information, aligns it with known and anticipated operational exigencies, and proposes a results-focused work plan and budget for the upcoming year. The suggested operational and budget plan is then reviewed, revised if necessary, and eventually approved by the Commission at its December meeting.
- Once this vote has occurred, staff performance plans, accountability metrics, and reporting mechanisms are put into place so that everything is ready for the start of the new fiscal year.

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 relatively 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 2026 operating plan reflects a continued vision for elevating GRPU's excellence and relevance within the Grand Rapids community.

We consider the critical success indicators for our work in 2026 to be:

1. Ensuring a clear understanding of GRPU's financial capacity and effectively managing risks.
2. Sustaining and strengthening a positive employee culture.
3. Maintaining effective and efficient collaboration with stakeholders.
4. Protecting and enhancing the community's perception of GRPU as a dynamic and trusted essential public asset.
5. Securing GRPUC support for the projects outlined in this plan and for the staff responsible for implementing them.

In general, this plan identifies only the new or expanded activities to be undertaken in 2026. It does not restate most ongoing "business as usual" responsibilities or detail any activities that may be discontinued when such decisions fall within staff authority. Nor does it capture every operational task required to achieve the critical success indicators and supporting activities listed above. The intent of the plan is to highlight the specific initiatives and deliverables that will advance the GRPU Strategic Plan during the 2026 fiscal year, and to provide both GRPUC and staff with a shared understanding of what will be required to accomplish those goals.

STRATEGIC PILLARS¹

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 uninterrupted, high quality utility services.

1. Complete the Water Treatment Plant (WTP) renovation project.
2. Update and refine our long-term infrastructure replacement plans.
3. Anticipate community growth and investigate service area expansions for each of the utilities.
4. Continue to complete our gradual undergrounding of the electrical system.
5. Improve our electric, water and wastewater utility reliability reporting tools.
6. Establish policies and develop contingency plans to manage risks associated with providing reliable utility services, such as safe drinking water, grid failures, or the inability of our single source of power to meet its obligations.

To reach these strategic objectives, GRPU will work toward the following operational outcomes for the calendar year 2026:

Goal	Deliverable	Accountable Lead	Target Date
US-1, US-3, FM-8	Finalize the engineering, bidding and funding for the Water Treatment Plant (WTP) renovation project.	Steve	Dec 10
US-2, FM-2	Refine the 5-year capital asset and infrastructure replacement plan.	Julie	May 27
US-3, FM-3	Complete the engineering for a project to increase the Tioga substation capacity.	Chad	Dec 17
US-5	Establish electric, water and wastewater reliability goals, assess current performance, and develop action plans to address any needed improvements.	Julie	Sep 9

¹ Note: when a goal pertains to more than one strategic pillar, it is shown under the primary pillar for ease in tracking.

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 customers. 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 intergenerational equity.

1. Design and implement ERP reporting metrics, dashboards, and a multi-year financial forecast model to enhance financial transparency, improve forecasting accuracy, and

support data-driven decision-making across the organization.

2. Update and refine our long-term infrastructure replacement plans.
3. Anticipate community growth and investigate service area expansions for each of the utilities.
4. Establish and maintain financial reserve and debt-management policies that provide sufficient operating stability and enable timely access to emergency funding for unplanned infrastructure needs.
5. Update electric, water, and wastewater rate structures to account for the evolving operational needs and customer use patterns.
6. Implement long-term cost-control strategies that moderate salary growth, align staffing with service demands, and maintain disciplined management of operating expenses.
7. Finalize utility scenario planning and modernize customer agreements to proactively manage and reduce exposure to revenue volatility from large-customer loss.
8. Expand efforts to secure competitive grants, leverage state and federal funding programs, and advocate for legislative actions that enhance the utility’s financial stability.

To reach these strategic objectives, GRPU will work toward the following operational outcomes for the calendar year 2026:

Goal	Deliverable	Accountable Lead	Target Date
FM-1	Design and implement ERP metrics, dashboards and reports to support data driven decision making	Taylor	Dec 17
FM-4	Finalize the financial reserve policy	Taylor	Oct 9
FM-5	Complete and implement electric, water and wastewater rates studies.	Julie	Sept 23
FM-7, NE-1	Assess current WWTP operations and develop the plan to optimize efficiency through improved technology and process enhancements.	Steve	Dec 31
FM-6	Successfully complete labor negotiations.	Julie	Dec 17

Engaging and Educating the Community (EC)

GRPU will strive to operate in a manner where communication is perceived to be relevant, effective, frequent, and respectful. To that end, GRPU’s Strategic Plan sets the following goals for the next five years related to engaging and educating the community in matters related to utility services.

1. Continue to add to our customer education information highlighting shared water stewardship, the Conservation Improvement Program (CIP), utility operations, and city partnership roles.
2. Continue to update our customer communications plan featuring monthly campaigns, new and prospective customer information, key customer events, stakeholder meetings, outreach to local groups, features of the customer portal and ongoing website enhancements.
3. Conduct a customer engagement survey to gather feedback and guide improvements in service delivery and communication.
4. Increase digital engagement by transitioning a targeted percentage of customers to paperless billing to improve customer convenience and reduce utility costs.
5. Publish an annual report that clearly summarizes major projects, financial results, and organizational accomplishments.
6. Hold two joint Council–Commission meetings to strengthen alignment between the City of Grand Rapids and GRPU on collaborative initiatives.
7. Participate in community events such as Tall Timber Days, Safety Camp, and other local activities to increase visibility and strengthen community relationships.

To reach these strategic objectives, GRPU will work toward the following operational outcomes for calendar year 2026:

Goal	Deliverable	Accountable Lead	Target Date
EC-1, EC-2	Develop and publish material on the shared-responsibility materials, the CIP program, and the SpryEngage portal.	Julie	Dec 17
EC-4, FM-6	Continue incentives for customers to enroll in paperless billing.	Julie	Nov 11
EC-5, FM-1	Publish a popular report summarizing 2025 projects and financials results.	Julie	June 24
EC-6	Hold two joint Council-Commission meetings.	Julie	Oct 31
EC-7	Participate in ItasCAP, GRACC Government Affairs, and Tall Timber Days.	Julie	Dec 31

Use and Stewardship of the Natural Environment (NE)

Our natural environment is one of the reasons people choose to live and work in Grand Rapids. It is a public good, and GRPU recognizes the important role the utility plays in ensuring these resources are unharmed. GRPU’s Strategic Plan sets the following goals for the next five years for ensuring responsible use and stewardship of natural resources.

1. Protect our community’s public health and natural resources and maintain 100% compliance with all regulations.
2. Promote utility operations and projects that support key natural environment initiatives and programs.
3. Relocate the septic hauler station from the old wastewater treatment plant to the new facility to improve efficiency and environmental protection.
4. Continue regular televising of the wastewater collection (WWC) system to support proactive maintenance, reduce inflow and infiltration, and strengthen safeguards against environmental incidents.
5. Complete the WWTP landfill cover reconstruction and implement updated sludge demand agreements to ensure long-term environmental compliance and responsible operations.
6. Investigate the feasibility of a composting program to determine its environmental benefits and alignment with GRPU’s long-term sustainability goals.

To reach these strategic objectives, GRPU will work toward the following operational outcomes for calendar year 2026:

Goal	Deliverable	Accountable Lead	Target Date
NE-1	Remain 100% compliant with all environmental regulations.	Julie	Dec 31
NE-3	Complete the engineering and bidding documents for the Septic Hauler Relocation Project.	Steve	Dec 17
NE-4	Assess and report on the long-term benefits and ROI of the revised sanitary sewer televising program.	Steve	Oct 30
NE-5	Complete the Landfill 1-4, Kettle D Cover Reconstruction Project.	Steve	Dec 1

Operational Excellence (OE)

Behind the scenes, people, activities, and systems support the more visible work of running an effective utility. We recognize the important role these things play in our success, and our intent is to strengthen them as we work toward our larger objectives. GRPU’s Strategic Plan sets the following goals for the next five years with the aim of ensuring operational excellence and workforce development.

1. Update personnel policies to clearly communicate organizational culture, structure, training expectations, work–life balance practices, and employee recognition standards.
2. Improve efficiency through enhanced project management tools by strengthening tracking and reporting.
3. Implement an employee success-sharing program to recognize contributions and reinforce a performance-driven culture.

4. Finalize the electronic document retention conversion to modernize records management, improve accessibility, and support compliance.
5. Evaluate return on investment (ROI) for our various software platforms and align technology tools with organizational needs and long-term value.
6. Establish an employee safety metric to track performance, reinforce safe work practices, and drive continuous improvement in safety outcomes.
7. Define and engage in legislative activities by identifying priority issues and determining GRPU's appropriate role in advocacy and involvement.

To reach these strategic objectives, GRPU will work toward the following operational outcomes for calendar year 2026:

Goal	Deliverable	Accountable Lead	Target Date
OE-1	Finalize personnel policy/employee handbook update.	Julie	Sept 23
OE-2	Complete the projects in the 2026 approved capital budget.	Julie	Dec 17
OE-2, FM-1	Continue to develop and utilize project management tools (Cityworks, Teams, ERP) for improved tracking and reporting.	Julie	Dec 31
OE-4	Complete the workflow for the Laserfiche Report Section and get documents uploaded	Julie	Dec 31
OE-5	Evaluate IS/IT resources to ensure long-term optimization and continued protection against cyber threats.	Mike	Dec 31
OE-5, FM-6	Evaluate and streamline existing software and technology platforms to align with organizational needs and long-term value.	Mike	Dec 31
OE-6	Develop and begin reporting on an employee safety metric.	Julie	Oct 14
OE-7	Engage in legislative activities at the local, state and federal level.	Julie	June 30

COMMUNICATION, REPORTING, AND ACCOUNTABILITY

Communication Plan

Inherent in the success of this operating plan is accurate and timely communication of information between the relevant stakeholders.

Reporting

The general manager will report on the status of each approved goal and deliverable in a document prepared for the GRPUC Commission meeting immediately following the conclusion of each quarter (April, July, and October, and January of the following year). Items requiring Commission action will be placed on the agenda.

Staff Accountability

A success sharing structure will be implemented in 2027 that incentivizes high performance and accountability from the staff to achieve the objectives in this plan. Each member of the staff will have individual performance plans listing key performance indicators (KPIs) that are tied to a plan rewarding both team performance and organizational attainment of the operational goals.

Commission Accountability

It is important to recognize that some of the goals and objectives in this plan will require assistance from GRPUC members, city staff, and others. The general manager and the GRPUC president will need to work closely with city staff and others to ensure goals are met. When goals are met, GRPU advances its mission and ratepayers are well served. That is the definition of success.