



Holland Board of Public Works

Strategic Plan
2024

Holland Board of Public Works (HBPW) is forward-thinking and aims to strengthen the community as a local provider of reliable, efficient, and essential utility services. We are committed to being a sustainable organization, which considers the holistic impact of our actions, including financial, societal, and environmental perspectives. We place strong emphasis on anticipating change and strategic planning. Systematic processes, including strategic planning, ensure that our efforts are on track to achieve desired outcomes that help our community thrive.

HBPW's Strategic Plan is a tool that guides our priorities as an organization. Every three to five years, we recalibrate the strategic plan to ensure that our goals align with the community's electric, water, wastewater, and broadband utility needs. The 2024 Strategic Plan confirms a broad range of Critical Issue areas for our organization: Customer Solutions & Value, Fiscal Stewardship, Regulatory, Reliable Utility Service, Sustainable Stewardship, Workforce, and Governance. The plan also identifies Strategic Priorities we believe are important to focus on for the near future to ensure our Critical Issues are adequately addressed: Customer Concentration Risk, Electric Portfolio, Customer Education and Programs, Systems and Process Improvement, Employer of Choice, Water/Wastewater Financial Resources, and Holland City Fiber.

Strategic planning leads to outcomes that maximize the community-owned utility's value to our customers. For example, HBPW has long been able to uphold a healthy financial position while providing electric and water rates that are among the lowest in the state. Furthermore, we maintain and upgrade infrastructure across all utilities to ensure the resiliency of the system. We are proud of the steps we have taken to ensure access to safe, clean, and affordable services.

HBPW's 2024 Strategic Plan ensures alignment regarding HBPW's Critical Issues and Strategic Priorities between the Board of Directors and HBPW leadership. This information guides the HBPW workforce to make decisions that serve the organization's high-level objectives and help our community to flourish.

Thank you for taking an interest in understanding the strategic direction of HBPW and reading our 2024 Strategic Plan.

— Daniel D. Koster

Letter from the General Manager

Dave Koster
Holland Board of Public Works



The Planning Process

Holland Board of Public Works has a long history of monitoring customer and community needs, industry changes and organizational direction as it develops its strategic priorities for the years ahead. In August and September 2023, HBPW undertook a review and refresh of its existing strategic plan to ensure that utility priorities continue to align with customer and community needs.

1

HBPW conducts annual surveys of customers, seeking insights into levels of satisfaction, needs and expectations. These continue to be an important source of information, not only in managing day-to-day operations, but in ensuring that HBPW continues to anticipate and respond to changing conditions.

2

Executive staff evaluated HBPW's strengths, weaknesses, opportunities, and threats as part of a revamped SWOT analysis.

3

Updates were provided to employees throughout the organization on the existing strategic plan status and the plans in place for completing a refresh of the plan.

4

In August, an outside consultant conducted interviews with each of the HBPW board members, seeking an early read on any concerns or areas of interest that would warrant exploration at the September retreat.

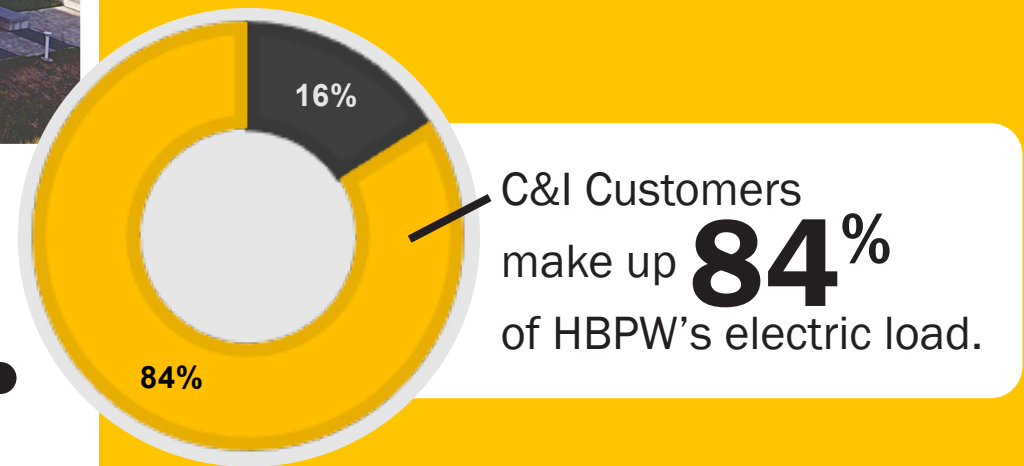
During the week of September 25, HBPW senior staff and board members convened to confirm and refocus utility efforts seeking to position HBPW to successfully support customer needs and the success of the greater Holland community. Many of the priorities that have emerged through previous strategic planning efforts remain important today. Yet, the time devoted to assessing where the utility is today and where it hopes to be in the years ahead, afforded the board and staff an opportunity to explore areas of both alignment and disagreement.

Electric



30,855
Total Customers

- **26,100** - Residential Customers
- **4,755** - Commercial & Industrial (C&I)



C&I Customers make up **84%** of HBPW's electric load.

2020	2021	2022	2023
HBPW expands Renewable Energy Investments	Community Energy Plan Refresh — Paid Off \$90M of Holland Energy Park Debt	HBPW launches Beneficial Electrification Program	Demolition of James DeYoung Power Plant — Holland Energy Park debt is fully paid off

Water

18,206

HBPW Water Customers

- HBPW serves water customers in City of Holland, Laketown Township, Fillmore Township, Park Township, and part of Holland Township.
- The City of Zeeland is a wholesale water customer, representing 40% of the Water Treatment Plant output.

Maximum capacity
of the Water
Treatment Plant is

38.5

million gallons a day.



2020

HBPW welcomes 3,000 new water customers as Park Township changes from a wholesale region to a direct service territory.

2021

Planning and design of Lakewood transmission main.
—
Major systems and maintenance upgrades at Water Treatment Plant.

2022

HBPW builds the Lakewood water transmission main to enhance the resilience of the water system.

2023

Leading by example, HBPW adds native landscaping to reduce irrigated lawn surface area at Water Treatment Plant.



Wastewater



13,172

Total Customers

- **Retail service area:** City of Holland, Laketown Township, Fillmore Township, and parts of Holland Charter and Park Townships.
- **46.5% of influent is wholesale** - from parts of Holland Township and Park Township.

2020	2021	2022	2023
Anaerobic Digester Project Awarded CWSRF Funding and Green Project Reserve Principle Forgiveness	Construction of the anaerobic digester begins. Water reclamation process adjusted to increase the opportunities for beneficial reuse.	Construction of the anaerobic digester continues. Outdoor educational signage is installed around Water Reclamation Facility.	Operation of anaerobic digester begins.



Average daily treatment capacity is

12

million gallons.

Broadband

652

Total Customers

- HBPW offers four types of broadband services: dark fiber, active ethernet, shared-gig, and Holland BPW Fiber.
- Holland BPW Fiber is the service offered as a result of the August 2, 2022 City of Holland election where residents voted to make an investment in community-owned broadband.

\$45/mo
2 Gbps

\$125/mo
10 Gbps



Building **fiberhoods** in Holland.



2020	2021	2022	2023
<p>City council challenges HBPW and City of Holland leaders to explore ways to make fiber internet more accessible.</p> <p>—</p> <p>HBPW assembles advisory board.</p>	<p>HBPW completes a community engagement study to understand the public stakeholder perceptions and needs related to broadband access.</p>	<p>HBPW launches Holland City Fiber public education campaign.</p> <p>—</p> <p>August 2, residents of the City of Holland voted to make a community investment in fiber optic infrastructure.</p>	<p>HBPW completes plans for engineering and design of the fiber network expansion project.</p> <p>—</p> <p>Construction begins.</p>

Mission

Holland Board of Public Works provides competitive, reliable, and innovative public utility solutions to the greater Holland area in a socially, environmentally, and financially responsible manner.

Vision

Holland Board of Public Works will anticipate and respond to customer and community utility needs with exceptional solutions that strengthen businesses and enhance the quality of life of residents in the greater Holland area.

CORE VALUES

These are the core values that guide our decisions and actions at Holland Board of Public Works.

Safety

- We are passionate about safety.
- We take responsibility for providing quality infrastructure.
- We take proactive actions to safeguard our community.

Integrity

- We live up to our commitments and are trustworthy.
- We treat everyone with dignity and respect.
- We maximize the value of our services for the community by using resources responsibly.

Customer Focus

- We respond to customers with care and in a timely manner.
- We seek to understand our customers' perspectives and anticipate their needs.
- We intentionally design pleasant customer experiences.

Accountability

- We embrace responsibility for our actions.
- We set clear expectations and deliver well-managed projects and operations.
- We have a local presence that allows our customers to have a voice in what we do.

Empowerment

- Our customers are offered programs that add value to their utility services.
- We teach our customers how to optimize their utility usage and lower their bills.
- Our team members have adequate authority to make decisions in service to our customers.

Employee Fulfillment

- Our workplace culture demonstrates passion for service to the community.
- Our careers offer meaningful work, growth, and desirable pay.
- We inspire future generations of the utility workforce.

Open Communication

- We are a trusted resource for our community.
- We are transparent in our intentions, plans, and results.
- We help our customers understand the advantages of a community-owned utility.

Continuous Improvement

- We engage with our stakeholders to understand their thoughts and ideas.
- We act with the purpose of helping our community flourish.
- We are innovative in our approach to challenges.

Professional Development

- Our team members are well qualified to serve in their roles.
- Our team members keep their job knowledge current.
- Our team members have opportunities to grow and take on new challenges.

Critical Issues

When utilities first emerged, their focus was straight-forward: reliability, financial prudence, and customer service. Today, the utility industry is considerably more complex. Utilities must balance new issues, expectations, and mandates. HBPW continues to embrace its core activities, but it also recognizes how these new pressures must be addressed. The Board of Directors affirmed that these seven Critical Issues, that were first identified in earlier Strategic Plans, are still relevant today. While the industry continues to evolve, these Issues remain key to HBPW's success in successfully navigating these industry and societal changes.



1 Customer Solutions & Value

HBPW will effectively and proactively address customer needs and continually seek ways to grow through the provision of added value services to its customers and the greater Holland area.



2 Fiscal Stewardship

HBPW will follow fiscal policies that ensure the long-term stability of finances, cash reserves, rates, and workforce.



3 Regulatory

HBPW will maintain compliance with and monitor regulatory issues affecting the utility, and where possible, directly participate in relevant legislative dialogue.



4 Reliable Utility Service

HBPW will provide reliable utility services to the customers it serves.



5 Sustainable Stewardship

HBPW will be a good corporate citizen, sensitive and responsive to the social, economic, and environmental impacts of the utility today and in the future.



6 Workforce

HBPW will maintain a skilled workforce by being an employer of choice to both existing and future employees.



7 Governance

HBPW will maintain a standard of excellence for the functioning of its Board of Directors.

#1 Customer Solutions and Value



Business Goals

1.01 Use best practices and state-of-the-art technology to provide personal, convenient, efficient, and responsive service and access to customer information.

1.02 Provide pertinent utility information to customers through the use of various channels of communication and education to promote the value of services provided.

1.03 Seek to understand the needs and desires of customers through feedback channels.

1.04 Provide programs that empower customers to optimize the use of their utilities such as time of use rates, renewable energy programs, demand response programs, and efficiency programs.

1.05 Offer customer assistance programs to customers having difficulty making their utility bill payments.

1.06 Offer competitive rates for services that attract customers to our service area and promote sustainable community growth.

1.07 Seek, evaluate, and provide value-added services to benefit customers and support the growth and health of the greater Holland area.

Objective

Customers and communities in the Greater Holland Area are well-informed about their utility needs, enabling them to make timely decisions about the use of HBPW's products and services in ways that provide good value, solve problems, and build loyalty to HBPW as a trusted resource.

Key Performance Indicators

1 Satisfaction indicators <ul style="list-style-type: none">• Net Promoter Score: annual customer survey• Customer satisfaction level: annual customer survey	2 Growth numbers <p>Annually compare billing data to previous years.</p>
	3 Affordability index <p>[ability to pay] (annually, EPA guidance document)</p>



#2 Fiscal Stewardship

Objective

Customers and communities in the Greater Holland Area receive essential services at competitive rates from a locally owned utility business enterprise that supports the local/regional economy and increases in value through sustainable investments in essential infrastructure, financial assets, and workforce.

Business Goals

2.01 Maintain Reserve balances sufficient to provide favorable access to the financial markets at all times.

2.02 Establish rates that sufficiently meet bond covenants, meet the utility’s obligations based on cost of service, provide for future capital investment and maintenance of the system, and reflect appropriate allocations of costs to limit subsidization between customer classes.

2.03 Establish transfer payments to the City in accordance with a shared set of principles between the HBPW and City to help ensure the operational excellence of both, working within the confines of the City Charter aligned with industry norms.

2.04 Protect, enhance, and monitor financial, physical, and cyber assets through the use of appropriate risk management tools.

2.05 Use appropriate internal controls to prevent the opportunity to commit and conceal fraud.

2.06 Prioritize capital spending to achieve the highest customer value.

2.07 Capture the value of efficiency in business platforms.

Key Performance Indicators

<p>1</p> <p>Stability</p> <p>Cash Reserve: quarterly report, compare to cash reserve policy</p>	<p>2</p> <p>Competitiveness</p> <p>Rate Comparison: annual report by customer class against rates of neighboring utilities.</p>
<p>3</p> <p>Effectiveness</p> <p>Actual Versus Budget: monthly expense variance report</p>	<p>4</p> <p>Enterprise Risk Management Assessment</p> <p>Anticipated Risk Survey: Senior Staff gives input annually about highest anticipated risks.</p>

#3 Regulatory



Objective

People who live, work, and visit in the Greater Holland Area experience a safe and healthy environment as a result of HBPW’s proactive compliance and participation in relevant regulatory and legislative processes.

Business Goals

3.01 Remain current and keep the Board informed of regulatory and legislative issues affecting the utility.

3.02 Participate in local economic and policy groups to understand local positions on current and upcoming legislation.

3.03 Encourage membership and activity in trade associations.

3.04 Develop and maintain relationships with state and federal legislators representing the HBPW service territory.

3.05 Audit regulatory compliance areas to prevent deficiencies.

3.06 Develop policy recommendations in response to key regulatory and legislative initiatives.

Key Performance Indicators

<p>1</p> <p>Compliance Results</p> <ul style="list-style-type: none">• Notices of Violations: monthly corporate metrics report• Infractions: monthly corporate metrics report	<p>2</p> <p>Reporting</p> <p>Quarterly updates to the Board on current regulatory/legislative initiatives</p>
	<p>3</p> <p>Engagement</p> <p>Annually report employee participation on trade associations, legislative committees, and boards</p>



#4 Reliable Utility Service

Objective

Customer trust is high and the economic vitality and quality of life in the Greater Holland Area are enhanced by HBPW’s outstanding continuity of service, as well as its preparedness for dependable, quick and effective response to service outages and major/catastrophic events.

Business Goals

4.01 Deliver utility services in a manner that exceeds industry standards related to reliability and quality.

4.02 Maintain adequate capacity for each utility to support the existing and future needs of customers.

4.03 Maintain existing assets to optimize reliability and performance using established asset management programs.

4.04 Evaluate and implement programs, processes, and technologies that enhance the services provided and increase associated reliability and efficiency.

4.05 Maintain a robust 5-year Capital Improvement Plan with associated capital justification based on relevant factors such as business risk, return on investment, and regulatory requirements.

4.06 Consider redundancy and resiliency in long-range utility planning.

*HBPW tracks these industry standard electric power reliability metrics:

- System Average Interruption Duration Index (SAIDI)
- The System Average Interruption Frequency Index (SAIFI)
- Customer Average Interruption Duration Index (CAIDI)

Key Performance Indicators

<p style="text-align: center;">1</p> <p style="text-align: center;">Electric Reliability Measures</p> <ul style="list-style-type: none"> • Industry Standard Metrics: SAIDI, SAIFI, CAIDI* Monthly comparison report • Major Event Recovery: Track and report as needed 	<p style="text-align: center;">2</p> <p style="text-align: center;">Water System Reliability Measures</p> <ul style="list-style-type: none"> • Water Main Breaks: Monthly comparison to industry standard • Boil Water Notices: Track and report as needed
<p style="text-align: center;">3</p> <p style="text-align: center;">Wastewater System Reliability Measures</p> <ul style="list-style-type: none"> • SSO's and backups: monthly industry standard comparison 	<p style="text-align: center;">4</p> <p style="text-align: center;">Broadband System Reliability Measures</p> <ul style="list-style-type: none"> • Uptime, Performance, and Latency: report monthly
<p style="text-align: center;">5</p> <p style="text-align: center;">Customer Interface System Reliability</p> <ul style="list-style-type: none"> • Portal availability: monthly report • Billing system availability and timeliness: monthly report 	<p style="text-align: center;">6</p> <p style="text-align: center;">Asset Condition Metrics</p> <p style="text-align: center;">Annual Assessment</p>

#5 Sustainable Stewardship



Business Goals

5.01 Develop and maintain an Environmental Management System (EMS) for each facility to achieve environmental goals through consistent review, evaluation, and improvement of its environmental performance.

5.02 Offer useful and easily accessible information, educational programs, and advice to help customers make wise choices and use of energy, water, and wastewater services.

5.03 Offer waste reduction programs and rate incentives that promote efficient use of utility services through technologies and behaviors.

5.04 Participate in, support, and promote the City of Holland's Community Energy Plan.

5.05 Apply sustainability frameworks to capital projects to promote balanced considerations of the economic, environmental, and social impacts.

5.06 Achieve sustainability ratings and certifications for facilities and capital projects to the extent practicable.

5.07 Establish sustainability standards, certifications, and specifications for purchasing products and services to promote and achieve sustainability goals.

5.08 Incorporate waste reduction and recycling practices in all areas of operation.

Objective

Communities in the Greater Holland Area receive positive environmental, social and economic impacts as a result of HBPW's focus on long-term sustainable operations and its commitment to being a good steward of the resources that are entrusted to it.

Key Performance Indicators

1 Electric Portfolio Carbon annual comparison to EPA standards	2 Peak to Average Infrastructure Utilization annual industry standards comparison
3 Losses <ul style="list-style-type: none">• Electric, generated vs sold: annual, industry standards comparison• Water, pumped vs billed: annual industry standards comparison• Wastewater, I&I: annual industry standards comparison	4 Leadership in sustainability annual EWR results
	5 Waste Stream Reporting and minimization annual Waste Stream Reporting



#6 Workforce

Business Goals

6.01 Maintain a workplace culture based on organizational core values.

6.02 Welcome and cultivate workforce diversity.

6.03 Support current staffing by planning for anticipated turnover through effective workforce development activities.

6.04 Provide on-going support and development for current and future organizational leaders.

6.05 Provide a safe work environment, encouraging safe behaviors and safety program compliance primarily through the application of positive reinforcement.

6.06 Actively pursue and support employee wellness using a holistic model that includes physical, emotional, intellectual, financial, and occupational dimensions.

6.07 Encourage each employee to define and support their on-going professional development.

6.08 Maintain best practices regarding performance management and compensation.

6.09 Work with local educational institutions to promote careers within the utility field.

Objective

HBPW employees find meaning in their careers by serving customers well, making tangible societal contributions to their community, and by developing personally and professionally in a workplace culture that is welcoming and inclusive, strives for safety excellence, seeks challenges, supports work-life balance and provides competitive compensation and benefits.

Key Performance Indicators

1

Satisfaction Indicators

- **Voluntary Turnover Rate:** Annual report
- **BPW Employee Survey:** Bi-annual report, alternating survey years with Gallup Q12
- **Gallup Q12 Survey:** Bi-annual report, alternating years w/ HBPW employee survey
- **Net Promoter Score:** Annual culture survey
- **Diversity, Inclusion, Culture:** Annual report

2

Training and Education

Annual percentage of employees completing a professional development goal

3

Industry Designations

Maintain competitive industry designations

#7 Governance



Objective

HBPW customers and stakeholders benefit from a board, which, because of its reputation for excellence in organizational governance and ability to positively impact the community, attracts highly qualified candidates and engages them in policy-based governance processes that visibly demonstrate the benefits of municipal not-for-profit utility ownership and operation.

Business Goals

7.01 Maintain transparent and effective relationships between the HBPW Board of Directors, City Council, HBPW management, and community stakeholders.

7.02 Support the Board of Directors in redeveloping and adopting a Strategic Plan every third year.

7.03 Establish key reporting metrics and policies.

Key Performance Indicators

<p>1</p> <p>Evaluation</p> <p>Full participation in 3-year self-evaluation</p>	<p>2</p> <p>Policy Review</p> <p>Complete review of Governance and Delegation policy documents on 3-Year rotation.</p>
<p>3</p> <p>Personal Development</p> <p>Board member participation in utility education offerings.</p>	<p>4</p> <p>Succession Planning</p> <p>List of potential new board members is maintained and reviewed on an annual basis.</p>

Strategic Priorities

Over the next few years, staff will focus on solutions to address these strategic priorities.

①

Customer Concentration Risk

Ensure that no one customer can place disproportionate risk on the whole body of customers, regarding utility infrastructure and service investments.

Policies and procedures are in place to:

- assess customer concentration risk.
- balance utility investments that benefit a single customer more than the whole community body.
- protect the financial position of the utility regarding solutions provided to any one customer.

②

Electric Portfolio

Ensure that the electric portfolio utilizes sources that serve the best interests of the community.

The electric portfolio:

- continues to provide reliable electric service.
- is efficiently maintained, supporting HBPW's ability to provide affordable services.
- continues to increase the ratio of its electric supply that comes from renewable or clean resources.
- complies with regulatory and legislative requirements.

③

Customer Education and Programs

Utilities are essential services dealing with precious resources. Using these resources wisely is crucial to maintaining a reliable and affordable utility system. Customer behavior impacts the overall demand of these precious resources.

Education and programming will:

- influence customer behavior to use utility resources efficiently, ultimately extending the capacity life of the utility system.
- help customers improve their lives by learning to use utility resources efficiently and safely.
- offer customers clarity about Holland BPW services and make it easy to manage their utility accounts.

A community of youth educated about how utilities work will contribute to sustaining the utility's future:

- help local youth build a foundation of knowledge about how utilities work, the resources needed, and the value of community-owned utilities.
- encourage youth to develop lifelong behaviors of using utility resources responsibly and safely.
- education and programming will inspire interest in utility career fields.

Strategic Priorities

④

Systems and Process Improvement

Ensure that the organization is resilient and operates efficiently.

Improve systems and processes to:

- enhance the resiliency of the organization with strategies for continuity of operations, cyber security, and asset protection.
- seek continuous improvement in the ways we work.
- change, adapt, and modify processes that are ineffective, inefficient, or lack meaningful purpose.
- deepen employee knowledge about the technologies utilized throughout the organization, discover opportunities for improvement, and implement plans for optimization.
- identify opportunities to optimize bureaucratic procedures and implement plans for improvement.
- position the utility for the future by maintaining systems, equipment, and software to meet or exceed modern standards.

⑤

Employer of Choice

Enhance our position as an employer of choice.

Connect with the current and future workforce to:

- understand what the ideal vision of work looks like to a cross-generational workforce.
- implement programs and offer benefits that workers find desirable and are sustainable for the organization.
- build a culture of diversity, equity, inclusivity and belonging.
- seek opportunities for improvement towards inclusive recruitment practices.

⑥

Water/Wastewater Financial Resources

Improve the financial capability of the water/wastewater utilities.

The water utilities will:

- plan for large capital investments in the water systems while maintaining affordable and competitively priced services.
- extend the life of the Water Treatment Plant by managing peak demands.
- reduce costs of solid waste disposal for Water Reclamation by making the most of the Class A biosolids opportunity.

⑦

Holland City Fiber

Successfully complete the Holland City Fiber initiative.

The broadband utility will:

- successfully complete the Holland City Fiber initiative on budget and on time.
- offer fiber internet services to the City of Holland that are desirable in price, speed, reliability, and customer service.
- be the most favorable internet service provider in the City of Holland.

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