

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 for residents
in the greater
Holland area.



Holland Board of Public Works

Strategic Plan 2020

Contents

- Letter from the General Manager 3
- Utility Overview 4
- Recognition. 9
- Planning Process 10
- Policies 11
- Mission, Vision 12
- Core Values. 13
- Critical Issues 15
- Strategic Priorities 30
- Definitions. 32
- Contributors 35



2 Photo credit: City of Holland. Downtown outdoor market at night.

Letter from the General Manager

A number of years ago, Holland Board of Public Works (HBPW) created a framework for a new strategic planning process. The comprehensive undertaking included input from our Board of Directors, City Council, staff, and various community stakeholders, and was transparent to the general public throughout the entire process. HBPW updates the strategic plan every three years to reflect the changing world and utility industry. The most current strategic plan unfolded throughout HBPW's Fiscal Years 2019-2020.

Our strategic plan is used as a compass to help HBPW navigate the constantly evolving world of operational technology and utility changes as well as the regulatory environments that continue to evolve throughout the entire organization. This process included a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis of each utility and business unit, with input from HBPW senior management and utility subject matter experts.

Beyond the Board Study Session State of the Utility updates, and “common issues” discussions (such as customer service statistics, financial, and workforce issues), the Strategic Planning team also discussed the strategic planning framework. Time was spent with the Board to work through a Vision Sketch and brainstorm what the future should look like for HBPW. Study Sessions were focused on what our strategic priorities, Key Performance Indicators and metrics should look like going forward.

Finally, the Board spent time understanding and reflecting on the Policy Governance Model® and the first drafts of Results Policies that support that model. Over the next few months, the Board will review and update the Governance and Delegation to Management Policies to ensure they still reflect the direction that is best for our community.

Strategic planning is a robust and comprehensive process. It is greatly rewarding to have a solid strategic plan in place to carry HBPW well into the future!

Daniel M. Koster



Dave Koster, General Manager
Holland Board of Public Works

Utility Overview



ELECTRICITY

29,131

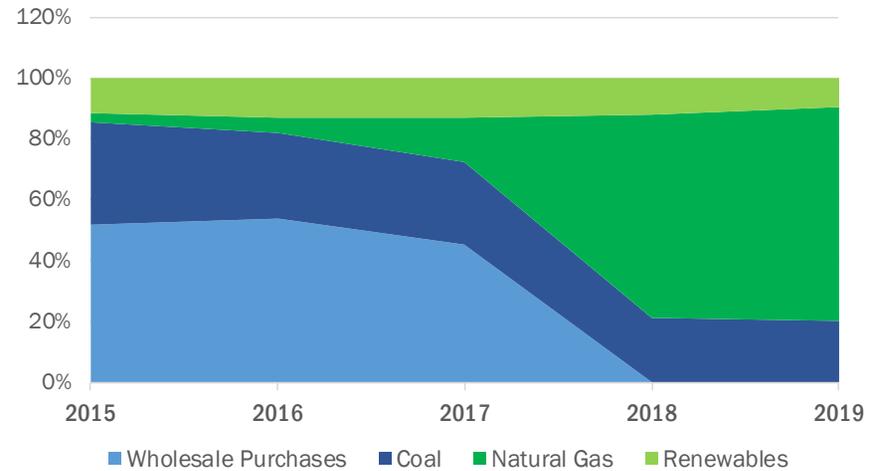
Total Number of Electric Customers

- 24,519 Residential
- 4,438 Commercial
- 174 Industrial



The electric system includes both generation and distribution.

Portfolio Mix



174  industrial customers account for **55%** of the electric load in kilowatt hours.

Renewable Energy

A minimum of **12%**

of the energy supplied by Holland BPW comes from renewable energy sources.

- Wind
- Landfill Gas
- Solar (beginning in 2021)

RELIABILITY MEASURES



Holland Board of Public Works

Michigan investor-owned electric companies*

SAIDI
Average minutes of outage per customer per year

SAIFI
Outages per customer per year

21.00

0.200

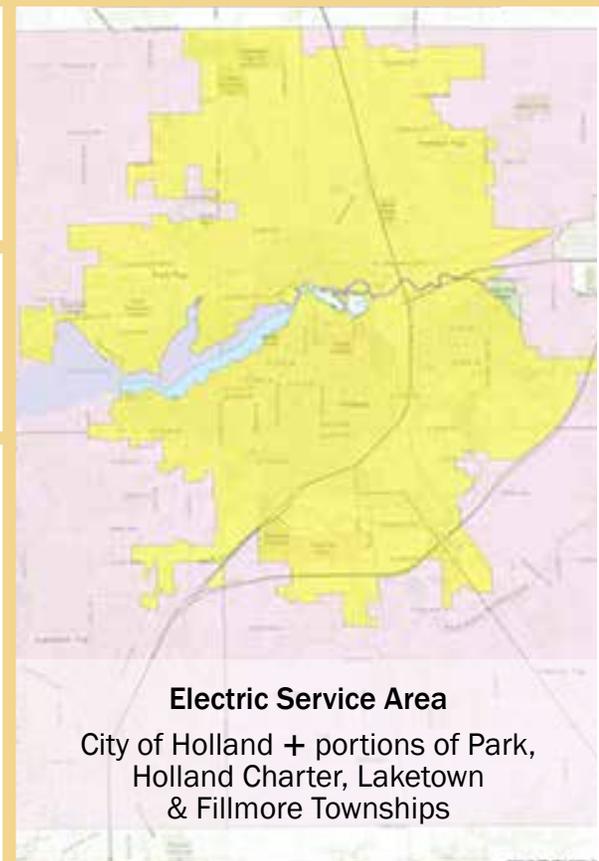
209.25

1.225

*average of scores



Energy efficiency, distributed generation, and environmental initiatives that support a goal of providing low-cost, quality, safe, and reliable electric service.



Electric Service Area

City of Holland + portions of Park, Holland Charter, Laketown & Fillmore Townships

Utility Overview

478

Total Number of Broadband Customers

- 27 Residential
- 409 Commercial
- 42 Industrial



BROADBAND

BROADBAND SERVICES

Holland BPW began using fiber optics in 1992 to improve telecommunications between electric substations. Thinking forward, extra strands were installed throughout the system in anticipation of unknown future needs.



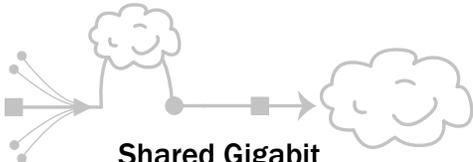
Dark Fiber

HBPW offers the option of leasing dedicated fiber strands on a monthly basis. This option allows the customer to design, install and maintain the electronic equipment required. Most dark fiber customers are ISP providers.



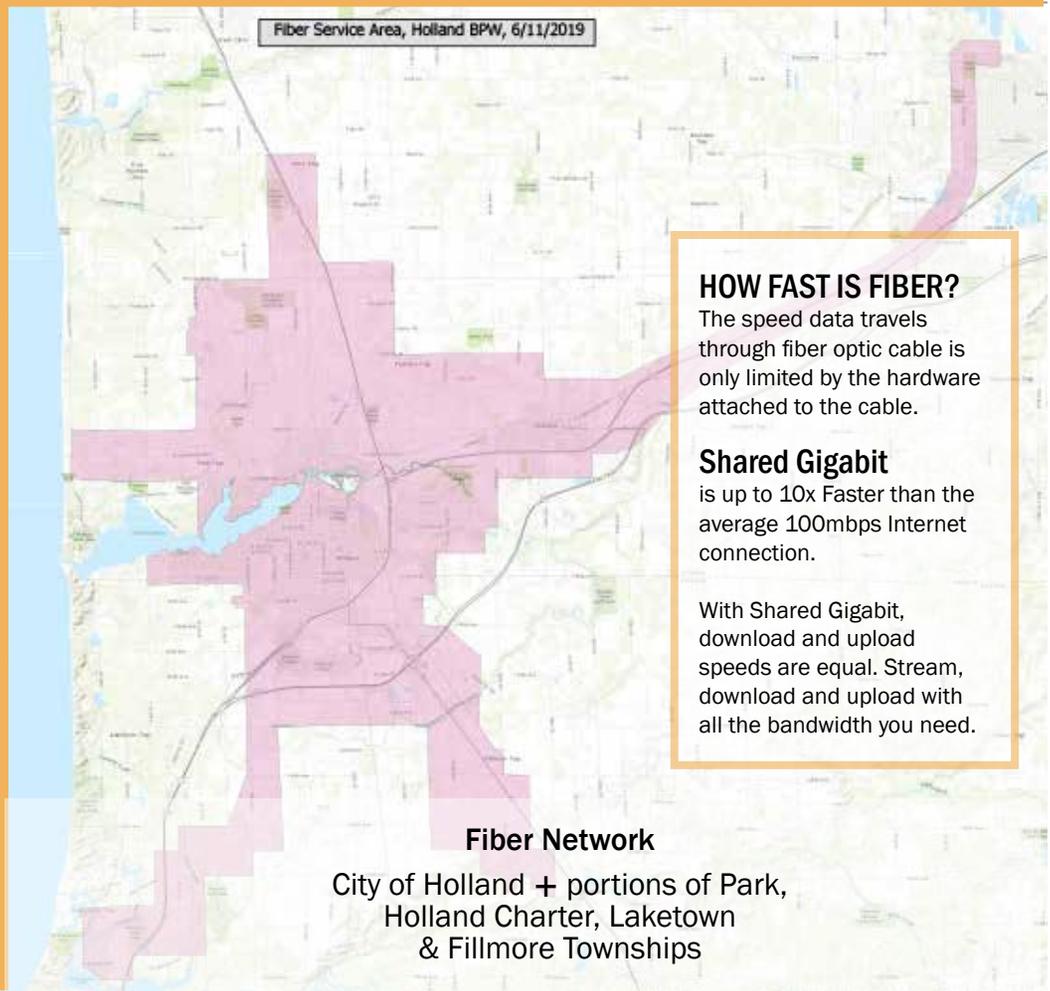
Active Ethernet

Active Ethernet is a private network option provides a wide-area Ethernet service interface to connect two or more locations at bandwidths ranging from 0.5 to 2000 Mbps. Most active ethernet customers are organizations with multiple buildings.



Shared Gigabit

HBPW offers high-speed broadband services to our community with industry-leading internet reliability, speed and customer service. Currently, this service is only available to the Downtown Holland corridor. Customers are residents and businesses.



HOW FAST IS FIBER?

The speed data travels through fiber optic cable is only limited by the hardware attached to the cable.

Shared Gigabit

is up to 10x Faster than the average 100Mbps Internet connection.

With Shared Gigabit, download and upload speeds are equal. Stream, download and upload with all the bandwidth you need.

Utility Overview

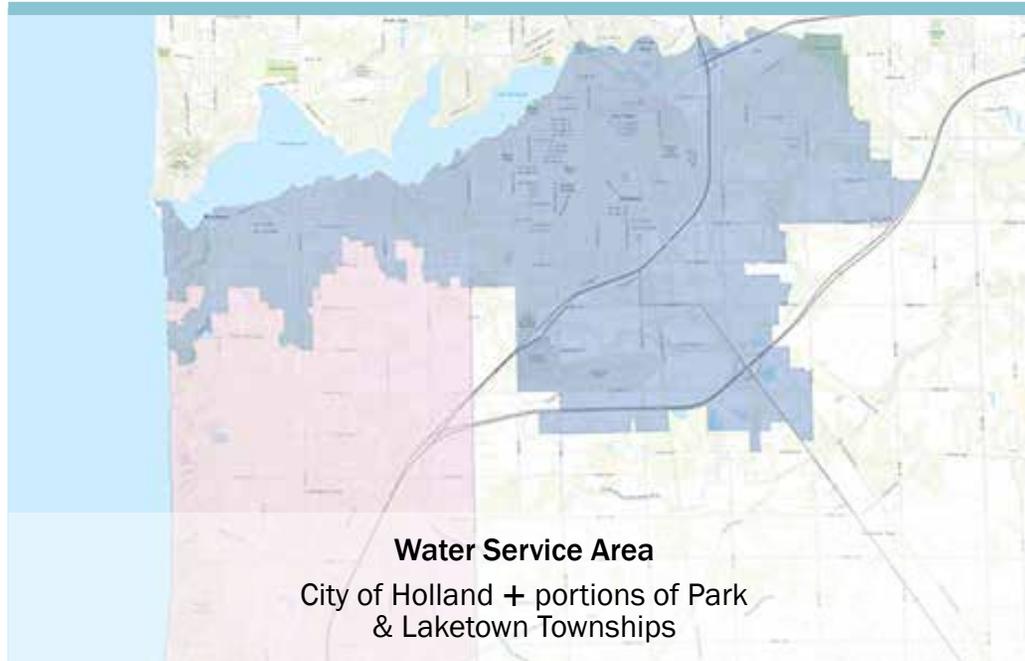


WATER

13,840

Total Number of Water Customers

- 11,033 Residential
- 2,582 Commercial
- 225 Industrial



Water Service Area

City of Holland + portions of Park
& Laketown Townships

HBPW has a **CERTIFIED LAB** inside the Water Treatment Plant where lab operators **CONTINUALLY TEST** water quality to ensure the **WATER IS SAFE** to consume.

Each drop of water flows through the water treatment process for **OVER 3 HOURS** before being filtered and ready to consume.



24/7

The Water Treatment Plant is manned and operated 24 hours per day, 7 days a week, 365 days a year.

The 42" raw water intake pipe is approximately 4700' from the shore and is about 35' deep.



Lake Michigan
is the source of our water.



Utility Overview

12,508

Total Number of Water Customers

- 10,719 Residential
- 1,657 Commercial
- 132 Industrial



WASTEWATER



Wastewater Service Area

City of Holland + Laketown & Fillmore Townships, & the Southern Service area that includes the portions of Holland Charter & Park Townships south of Lake Macatawa & the Macatawa River.

The Water Reclamation Facility treats and cleans our community's wastewater,

making it safe

to return to the watershed.

Holland BPW is adding an anaerobic digester to the wastewater treatment process.

The digester will be able to reduce the mass of solid waste by

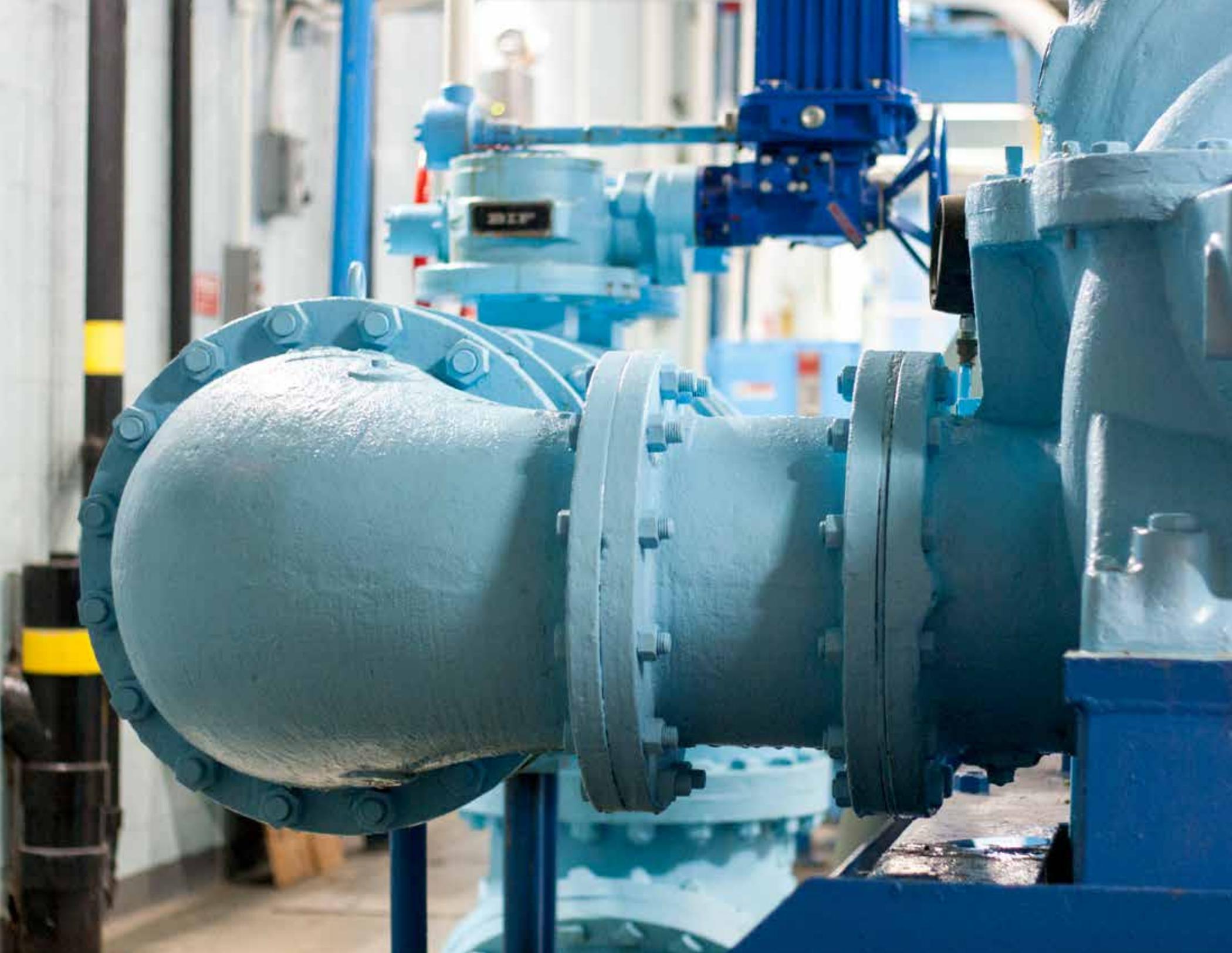
40-50%.

Anaerobic digestion produces methane gas that can be used to power the digester and other parts of the treatment plant.

In part, plans for incorporating the sustainable process of anaerobic digestion earned the Waste Water Treatment Plant the PUMP Award.



Strides in new or enhanced water resource recovery practices



Recognition

- **Smart Energy Provider (SEP)** – American Public Power Association (APPA). 2019.
- **Lakeshore Advantage Visionary** – Lakeshore Advantage is a non-profit economic development organization that connects businesses to the resources they need to grow. The Visionary Award recognizes leaders who are looking forward and spear-heading initiatives that involve commitment, creative thinking, collaboration, forming partnerships, and taking actions not yet done before in our region to create a positive economic impact now and in years to come. 2018.
- **GRBJ News-maker of the Year, Sustainability** – Grand Rapids Business Journal News-maker awards recognize the people behind the numerous projects and plans that make up the economic fabric of the West Michigan business community. The award was received for the Holland Energy Park and the innovation and inclusive process. 2018.
- **International “Top Plant” Award** – Holland Energy Park. Power Magazine. 2018.
- **Award for “Best Practices”** – Holland Energy Park. Combined Cycle Journal. 2018.
- **Best of the Best Projects, Energy/Industrial Category** – Holland Energy Park. ENR (Engineering News-Record). 2018.
- **American Society of Civil Engineers (ASCE) and American Council of Engineering Companies (ACEC)** – numerous engineering awards at regional, state, and national levels for Holland Energy Park. 2017 - 2019.
- **ISI Envision® Platinum** – From the Institute for Sustainable Infrastructure. Holland Energy Park is the first-ever power plant with the Envision® rating and received the highest-level award available. 2016.
- **Michigan Bright Spot Award**, medium-sized business category – Corp! Magazine.
- **Outstanding Achievement in Residential Marketing and Customer Engagement Award** – Association of Energy Services Professionals. 2017.
- **Innovator of the Year, Governor’s Energy Excellence Awards Finalist** – Holland Energy Fund.
- **Best Residential Project, Governor’s Energy Excellence Awards Finalist** – Sandra Kiernan.
- **Best Educational/Communication Program, Governor’s Energy Excellence Awards Finalist** – Green Home Institute for “Biggest Loser” Campaign.
- **RP3 Diamond Award** – American Public Power Association (APPA), since 2010.
- **Neighborhood Environmental Partnership** – Michigan Department of Environmental Quality. HBPW earned this for residential appliance and electronic waste recycling program (multiple years). The MDEQ views this award as the most significant one that they present.
- **Clean Corporate Citizen Award** – Electric Production.
- **Inaugural Climate Leadership Award** – West Michigan Sustainable Business Forum. 2017.
- **Premier Utility Management Performance (PUMP)** – Michigan Department of Environment, Great Lakes & Energy and Michigan Water Environment Association. Awarded to the Holland Area Water Reclamation Facility for strides in new or enhanced water resource recovery practices. 2020.
- **Stakeholder of the Year** – Macatawa Area Coordinating Council. Awarded for being an organization that made significant contributions to improving water quality in the Macatawa watershed.
- **Michigan Section of the American Water Works Association** – Source Water Protection and Corporate Safety Programs. 2013.

Planning Process

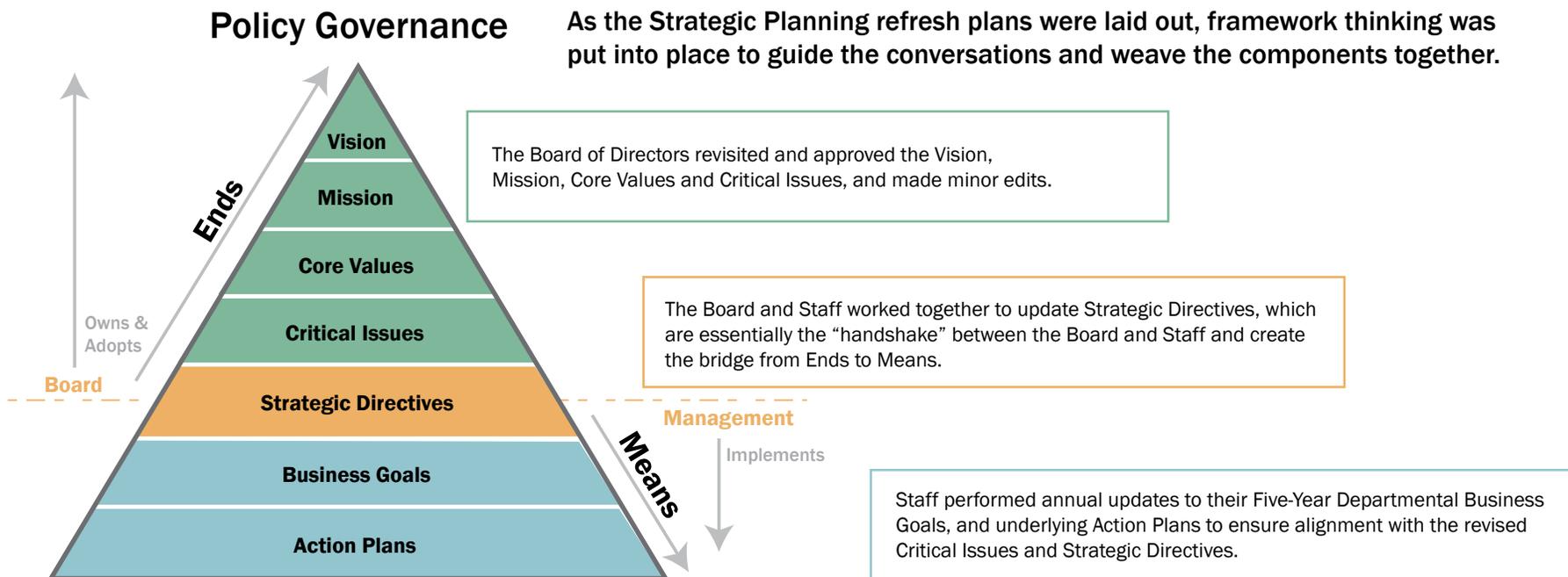
Holland Board of Public Works (HBPW) began its planning process for the Strategic Plan refresh in the last fiscal year by breaking it into small segments and doing deep dives in each area over subsequent months.

Steps taken by the team to roll out this major refresh included:

- Implemented a Project Team with feedback loops from Executive Staff
- Conducted SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis with nine different operational areas, encompassing dozens of employees
- Engaged employees from many segments of the organization to provide input to the “State of the Utility” presentations
- Provided updates on the Strategic Planning process to all employees of the organization at the quarterly General Manager meetings
- Hosted 10 different Board Study Sessions, each focusing on a different component of the overall Strategic Plan.
- Formal adoption of Strategic Plan at the June 8, 2020 Regular Board Meeting.

Strategic Plan Meeting Topics

1. State of the Electric Utility
2. State of the Water Utility
3. State of the Wastewater Utility and State of Broadband
4. Common Issues discussion
5. Strategic Planning Framework
6. Board Input Session
7. Critical Priorities Identification
8. Metrics Determination
9. Ends Policies Development
10. Framework Elements Review
11. Formal Adoption of Strategic Plan



The Board and Staff developed Results Policies based on the Policy Governance® Model. These policies are written at a very high level and affect the results that are to be created by the HBPW that make a difference in the lives of its beneficiaries. The Board uses these policy statements to evaluate the HBPW's performance.

The three remaining Governing policies that were drafted and adopted in 2008 will be reviewed and updated later this calendar year (2020).

- Governance policies establish the actions of the Board
- Board – Staff Linkage policies define the relationship between the Board and HBPW's General Manager
- Executive Limitation policies empower the General Manager within specific boundaries

About The Policy Governance® Model

Policy Governance®, an integrated board leadership paradigm created by Dr. John Carver, is a model of governance designed to empower boards of directors to fulfill their obligation of accountability for the organizations they govern. The model enables the board to focus on the larger issues, to delegate with clarity, to control management's job without meddling, to rigorously evaluate the accomplishment of the organization; to truly lead its organization.

In contrast to the approaches typically used by boards, Policy Governance separates issues of organizational purpose (ENDS) from all other organizational issues (MEANS), placing primary importance on those Ends. Policy Governance boards demand accomplishment of purpose, and only limit the staff's available means to those which do not violate the board's pre-stated standards of prudence and ethics.

The Policy Governance® Model
<https://www.carvergovernance.com/model.htm>

Mission, Vision

During the Strategic Planning process, the HBPW Board revisited and affirmed the Mission, Vision and Core Values to reflect HBPW's constant march of excellence.

Mission Statement

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

Vision Statement

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

Nine core values and associated attributes were identified that influence our goals and actions, and exemplify what we believe at HBPW. Employee Performance Appraisals are based on these Values and provide employees with a clear understanding of how their work ties to the Strategic Plan.

1. SAFETY

Demonstrates passion and support for safety. Takes responsibility and ownership for departmental safety initiatives. Proactively addresses departmental safety concerns. Promotes a positive safety culture and actively participates in programs.

2. INTEGRITY

Delivers on agreed-upon actions and commitments. Behaves in a manner consistent with the HBPW core values regardless of who is present. Gives credit to team members when appropriate. Treats everyone with dignity and respect. Communicates concerns and observations directly, respectfully, and candidly with the individual.

3. CUSTOMER FOCUS

Is available to internal and external customers. Responds to customer requests in a timely manner. Discusses possible solutions with affected parties before resolution. Sets achievable customer expectations and assumes responsibility for solving customer problems.

4. ACCOUNTABILITY

Accepts and embraces responsibility for their actions. Provides prompt constructive feedback and/or appropriate consequences on performance issues. Clearly states expectations and communicates them effectively. Sets short term and long-term goals, projects, and deadlines holding responsible employees accountable for completion.

5. EMPOWERMENT

Allows and expects others to use judgment and make decisions. Encourages others to provide solutions with the freedom to learn from mistakes. Gives others the authority, opportunity, and motivation to accomplish identified results.

6. EMPLOYEE FULFILLMENT

Engages intentionally with each direct report to understand and appreciate their unique work style and contributions. Communicates the importance of each job and its relationship to organizational progress and success. Requests and acts upon employee workplace suggestions. Provides frequent positive feedback when desired behaviors are performed.

7. OPEN COMMUNICATION

Uses patience and active listening skills when communicating with others. Speaks directly, avoids sarcasm and negative comments. Asks for input and shares departmental and organization information systematically. Clearly states expectations and is open to suggestions.

8. CONTINUOUS IMPROVEMENT

Demonstrates support for direct reports' continuous improvement ideas and activities. Encourages others to share their thoughts, ideas, and concerns. Promotes collaboration, efficiency, autonomy, and experimentation. Thinks through problems clearly and logically. Acts with purpose to make people and processes better.

9. PROFESSIONAL DEVELOPMENT

Keeps job knowledge current. Creates annual development plans with each direct report. Mentors others and provides challenging assignments and opportunities to grow. Actively promotes participation in educational and learning activities.

Mission & Vision, Core Values



ENDS POLICIES

MISSION & VISION The Greater Holland Community and its constituent businesses, not-for-profit entities, and residents receive essential utility services that enable a desirable quality of life at a cost that enables a sustainable local economy.

CORE VALUES The Greater Holland Community and its constituent businesses, not-for-profit entities, and residents follow the example of ethical, trustworthy, competent, and caring behavior of the HBPW organization and its people in service to others.

Critical Issues

The utility industry continues to experience significant changes in nearly every area, including increased customer expectations, aging infrastructure, technology improvements, additional legislative and regulatory mandates, rising costs, and new revenue-stream opportunities. Additionally, employee retirements projected to occur over the next three years will leave large knowledge gaps that must be addressed through intentional professional development.

Seven Critical Issue areas emerged from the SWOT Analysis and Board Study Sessions in earlier Strategic Planning updates and are still relevant today. These Critical Issue areas indicate both immediate and long-term areas of focus for staff.



1 Customer Solutions & Value



2 Fiscal Stewardship



3 Regulatory



4 Reliable Utility Service



5 Sustainable Stewardship



6 Workforce



7 Governance

Critical Issues

#1 Customer Solutions and 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.



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 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.

Critical Issues

#1 Customer Solutions and Value

Ends Policies

CS 1 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.

CS 2A Customers use HBPW's educational resources to understand their utility needs and how they can best use the products and services they receive.

CS 2B Customers make informed decisions to participate in programs and select rates that meet their utility needs effectively and economically.

CS 2C Customers and community stakeholders turn to HBPW without hesitation to provide utility information and education.

CS 2D Customers and community stakeholders regard HBPW staff as knowledgeable and trusted.

CS 2E Customers receive robust and comprehensive access to attractive and valuable products and services that are responsive to the diverse needs of the community.

Key Performance Indicators

1

Satisfaction indicators

Net Promoter Score
(annually, customer survey)

Customer satisfaction level
(annually, customer survey)

2

Growth numbers

(annually, billing data comparison
to previous years)

3

Affordability index

[ability to pay]
(annually, EPA guidance document)

Critical Issues

#2 Fiscal Stewardship

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

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 ensure that no single individual has 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.

Critical Issues

#2 Fiscal Stewardship

Ends Policies

FS 1 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 physical infrastructure, financial assets, and workforce.

FS 2A HBPW's stakeholders understand the benefits and costs of fiscal stewardship from a perspective that supersedes their own interests.

- **FS 3A** Customers understand and accept that revenues from rates must be adequate not only to cover the costs of serving them, but to increase the value of HBPW's utility enterprises through investment in infrastructure and funding of adequate financial reserves.
- **FS 3B** Customers understand and accept that "competitive" rates are not necessarily the lowest rates, and that the cost of their utility services depends in large part on decisions they make as consumers of utility services.

- **FS 3C** Employees understand and accept that their role in fiscal stewardship is to add value to HBPW by developing their capabilities, making productive use of their time, and effectively managing and accounting for the resources that they use.
- **FS 3D** City leaders appreciate that fiscal stewardship enables HBPW's contributions to the City general fund and to the local and regional economy.

FS 2B HBPW's financial reserves are adequately funded and securely invested.

FS 2C HBPW's net asset value is consistently increasing.

FS 2D HBPW consistently contributes a reasonable dividend to the City of Holland.

FS 2E HBPW's customers make payments for their services (considering both rates and consumption) that they believe are competitive based on the value received.

Key Performance Indicators

1

Stability

Cash reserve policy adherence (quarterly, report)

2

Competitiveness

Rates compared by customer class (annually, against average rates of neighboring utilities)

3

Effectiveness

\$ spent vs. budgeted [expense variance] (monthly, comparison report)

4

Enterprise Risk Management Assessment

(annually, survey Senior Staff for input on highest anticipated risks)

Critical Issues

#3 Regulatory

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



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 BPW service territory.

3.05 Audit regulatory compliance areas to prevent deficiencies.

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

Ends Policies

R 1 People who live, work, and visit in the Greater Holland Area experience a safe and healthy environment as a result of HBPW's participation in relevant regulatory processes and commitment to proactively meeting or exceeding all applicable regulatory compliance standards.

R 2A Legislators are knowledgeable about issues affecting HBPW utility functions and appreciate the proactive engagement of the HBPW staff.

R 2B Regulators view HBPW as having a culture of proactive compliance.

R 2C Residents and visitors have a positive image of the Holland community because of their experiences and knowledge of HBPW's high standards for regulatory compliance.

Key Performance Indicators

1

Compliance Results

Notices of Violations
(monthly, corporate Metrics report)

Infractions
(monthly, corporate Metrics report)

2

Reporting

Achievement of regular updates
to the Board on current
regulatory/legislative initiatives
(quarterly, report on current issues)

3

Engagement

Participation on trade association
legislative committees and boards
(annually, report on employee
interactions)

Critical Issues

#4 Reliable Utility Service

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



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.

Ends Policies

RU 1 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.

RU 2A HBPW's utility infrastructures are reliable, efficient, robust and modern.

Critical Issues

#4 Reliable Utility Service

Ends Policies

RU 2B Customers of all types and in all parts of the service area experience continuity and quality of service that establishes a high level of confidence in HBPW's ability to plan, construct, operate, and maintain a reliable and resilient utility infrastructure.

RU 2C When customers do experience a service outage or anomaly, what they typically remember most is HBPW's quick and effective response, including real-time customer communications that are empathetic and informative.

RU 2D HBPW, its customers and communities are well-prepared to protect human safety, maintain critical services, and recover quickly from major events and/or catastrophic events that cause disruption within the greater Holland Area.

RU 2E All of HBPW's utilities are capable of self-sustained operation in the event that HBPW's electric system is disconnected from the regional electric power grid or when it is scheduling zero energy imports from the regional electric transmission grid.

Key Performance Indicators

1

Electric Reliability Measures

SAIDI, SAIFI, CAIDI, MAIFI (monthly, vs. industry standard in e-reliability tracker)

Major Event recovery [% of customers restored vs. time] (after an event, v/s industry standard in e-reliability tracker)

2

Water System Reliability Measures

Watermain breaks (monthly [GIS map], vs. industry standard)

Water quality - boil water notices (after an event, GIS map)

3

Wastewater System Reliability Measures

SSO's and backups (monthly, vs. industry standard)

4

Broadband System Reliability Measures

Uptime/performance/latency (monthly, will set our own bar for acceptable up time)

5

Customer Interface System Reliability

Portal availability (monthly, will set our own bar for acceptable up time)

Billing system availability and timeliness (monthly, will set our own bar for acceptable up time)

6

Asset Condition Metrics

% assets in "critical" category addressed in 5-year plan (annually, will be developed over time)

Critical Issues

#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.



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 with its goal of reducing the community's per capita greenhouse gas contribution to 10 metrics tons by 2050.

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.

Critical Issues

#5 Sustainable Stewardship

Ends Policies

SS 1 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.

SS 2A HBPW's long-range plans consider sustainability framework principles and address identified sustainability issues.

SS 2B Customers and stakeholders view HBPW as a leader in sustainability.

SS 2C Communities benefit from HBPW's minimization of waste streams.

SS 2D HBPW Customers make good use of sustainable programs and education, which allow them to be as efficient as practical in their use of utility services.

SS 2E HBPW considers environmental and social factors in its procurement processes.

Key Performance Indicators

1

Electric Portfolio Carbon

(annually, EPA sets the standard/tracked in emissions monitoring software)

2

Peak to Average Infrastructure Utilization

(annually, industry standards comparison)

3

Losses

Electric [generated vs sold]
(annually, industry standards comparison)

4

Leadership in sustainability

(annually, EWR survey results)

5

Waste stream reporting and minimization

Waste Stream Reporting
(annually, measure all quantifiable waste streams by utility, moving towards Zero waste)

Water [pumped vs billed]
(annually, industry standards comparison)

Wastewater [I&I]
(annually, industry standards comparison)

Critical Issues

#6 Workforce

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



Business Goals

6.01 Maintain a workplace culture based on integrity, accountability, open communications, customer focus (both external and internal), individual empowerment, accountability, continuous improvement, and professional development.

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

6.09 Maintain best practices regarding performance management and compensation.

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

Ends Policies

W 1 HBPW employees are fulfilled in their work by serving customers well, making tangible societal contributions to their community, and by developing personally and professionally in a workplace culture that seeks challenges, supports work-life balance and provides competitive compensation and benefits.

W 2A Employees value HBPW's diverse and inclusive culture.

W 2B Employees glean value from working in jobs that provide value to the community.

W 2C Employees appreciate flexibility in their schedule that allow them to balance work and home life.

W 2D Employees are able to take advantage of training and education that makes them feel fulfilled and empowered to do their jobs.

W 2E Employees are incentivized to high levels of performance with competitive compensation and benefits.

Key Performance Indicators

1

Satisfaction Indicators

Voluntary turnover rate
(annually, compare to our own record)

Employee satisfaction survey results
(biennially, alternating years with Gallup Q12, compare to previous years)

Net Promoter Score
(annually, culture survey report)

Gallup Q12 results
(biennially, alternating years with employee satisfaction survey, new)

Diversity/inclusion/culture efforts
(annually, compare to our own record)

2

Training and Education

percent completing performance goal
(annually)

3

Industry Designations

RP3
(every three years, application score)

SEP
(biennially, application score)

AWWA
(TBD, application score)

WEF-Utility of the Future Today & PUMP
(every three years, application score)

Critical Issues

#7 Governance

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



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 as requested by Board and report regularly using a data-supported approach allowing Board members to understand the details linked to the big picture.

7.04 Provide education and training opportunities to Board members on relevant topics.

Critical Issues

#7 Governance

Ends Policies

G 1 HBPW customers and stakeholders benefit from a Board, which, because of its reputation for excellence in organizational governance, 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.

G 2A Board members regularly participate in education and training opportunities.

G 2B The Board regularly reviews the Governance and Delegation policies.

G 2C The Board regularly reviews the Results policies of the organization along with the set of key performance indicators and associated benchmarks that define success for the organization's performance.

G 2D Board members achieve 100% participation in the three-year self-evaluation.

G 2E The Board maintains a list of qualified individuals for future board of director vacancies.

Key Performance Indicators

1

Evaluation

Completion of 3-Year Self-Evaluation with 100% participation.

2

Policy Review

Complete review of Governance and Delegation policy documents on 3-Year rotation.

3

Personal Development

Board member participation in utility education offerings.

4

Succession Planning

List of potential new board members is maintained and reviewed on an annual basis.

Strategic Priorities

The SWOT analysis results and Board discussions over the course of these months of strategic planning uncovered common themes that the Board identified as Strategic Priorities, or areas of focus, upon which they asked staff to spend time over the next few years. Each of the seven Strategic Priorities falls within an existing Critical Issue area.

Customer Solutions and Value

①

Regionalization

Regional considerations bring value to customers through expanded economies of scale and larger skill sets. A variety of options may be explored, such as the possibility of becoming a Regional Authority, or including more collaboration in routine processes required of neighboring utilities (for example combining billing functions, performing service work, etc.) An exploration of regionalization opportunities would include analyzing impacts to the various Boards of Directors, the representation from impacted areas, and potential statutory and governing issues with changing Board structure.

②

New Services

New services increase revenue streams and fit within the current business model. The HBPW can benefit by introducing new revenue streams into its operations. Possibilities that could be explored include anaerobic digestion byproduct, storm water management, management of an autonomous municipal fleet, becoming a public gas utility, or performing aquifer recharging.

③

Expanded Services

Expanded Services redefines our customer relationships and could allow the HBPW to become “all things power,” including consultive support (i.e., become the Trusted Advisor/ Solution Provider). Additional considerations could be owning and operating customer premise generation and/or expanding service offerings within the Energy Waste Reduction group. Consideration could also be given to expanding HBPW’s role in refuse to include becoming a full service refuse provider, providing insurance for water/ wastewater service lines, or broadband shared gigabit growth.

④

Communication, Education, and Branding

Communication, Education, and Branding initiate and embraces proactive messaging and marketing. An elevated marketing function focusing on our value proposition to our customers and the community will be implemented. More communication and branding will position us to “Our truth.” Other activities include raising literacy across all utilities and maximizing the use of various social media channels.



Strategic Priorities



Workforce

Governance

⑤

Retention and Attraction

Retention and Attraction strengthen our position as Employer of Choice in the community. Staff will consider the varying needs of the multi-generational workforce, implementing flexible hours and locations (work/life balance), marketing the “HBPW advantage” in offering employment that provides a benefit to the community and making culture considerations and initiatives for a healthy work environment.

⑥

Leadership Development

Leadership Development increases commitment to training, professional development, and succession planning. HBPW management will evaluate and budget for leadership development and next-level excellence opportunities, position our people to be able to serve our organization and the community best, provide opportunities for social connections and ensure that internal paths for succession occur regularly.

⑦

Board Culture

The Board can provide a competitive advantage to HBPW in its direction to staff in determining the purpose of HBPW and ensuring that the values, strategy, and business model are aligned to its purpose. To support the Board in their roles, the GM will provide additional “ends” reporting (results and measurement), be collaborative, commit to more Board education and internal planning, update the Board orientation process, be more proactive in selecting potential new Board members, and create a “living list” of possible Board replacement candidates.

Definitions

Action Plans/Tactical Actions

Actions taken to achieve the Business Goals

Beneficiaries

An Ends-related definition that describes the persons the organization exists to benefit.

Generally speaking, works like recipient, target, population, or consumer could also be used.

Note: In the Policy Governance Model®, board members and employees cannot be considered beneficiaries of the organization.

Business Goals

An aim or desired outcome; broad primary outcome subjective. A general direction with no measurement. Action Plans are steps taken to achieve Business Goals.

Core Values

The fundamental beliefs of the organization.

Delegation Policies

Policies adopted by the Board that empower the General Manager within identified boundaries.

Difference

An Ends-related definition that can be interchanged with the words such as result, outcome, impact, or change. This term expresses the difference an organization exists to make.

Policy Governance® Model

Also, informally referred to as the Carver Model, this policy model was developed by husband and wife team John Carver and Miriam Mayhew Carver. It is a system for organizational governance, defines, and guides appropriate relationships between an organization's owners, its board of directors, and its chief executive (General Manager).

Ends Policies

By way of a written policy, the board defines the results or benefits that should come about for the recipients or beneficiaries at what cost for the various beneficiaries or benefits.

Ends can resemble a vision statement but contain three specific elements:

- (1) a benefit (the difference);
- (2) who experiences the benefit (the beneficiary/recipients of HBPW services);
- (3) the relative priority (the worth) of the benefit. Includes all decisions about the differences, results, or outcomes to be created by the organization in the lives of intended beneficiaries.

Governance Policies

Written statements of values designed for the exercise of governing control. The policies define the Board's leadership and expectations for the Boards performance.

Key Performance Indicator (KPI)

A KPI is a way to evaluate a company's success in reaching a target.

Means

To produce a result; in the Policy Governance Model, anything that is not an Ends is a Means.

Mission

Describes the core purpose of the company's existence.

Strategic Directives

Broad, high-level areas of focus cascaded from the Board to Management, referencing actions that need to be put in place to achieve the established vision.

Vision

Illustrates what we aspire to do, now and in the future with wisdom or imagination; dream-like; an aim or desired outcome. It can be achieved but usually takes a considerable amount of time.



Contributors

Thank You To Our Strategic Plan Contributors!

Strategic Plan Project Team

Dave Koster, General Manager

Chris Van Dokkumburg

Board of Directors

Tim Hemingway, President
Diane Haworth, Vice-President
Sue Franz
Paul Lilly
Phil Miller
Bob Shilander, Ex-Officio
Keith Van Beek, City Manager
Nathan Bocks, Mayor/City Council Liaison

Executive Staff

Joel Davenport
Becky Lehman
Ted Siler
John Van Uffelen
Chuck Warren

Staff Contributors

Tamara Black
Steve Bruinsma
Alison El-Cassabgui
Jon Hofman
Pete Hoffswell
Jane Monroe
Alison Morsink
Mike Radakovitz
Anne Saliers
Carl Thorwall
Fred Trujillo
Theo VanAken
Shawna VanderYacht
Jim Van De Wege
Brian Van Nuil
Mark Volkers
Tracy York
Amy Yost

Administrative Support

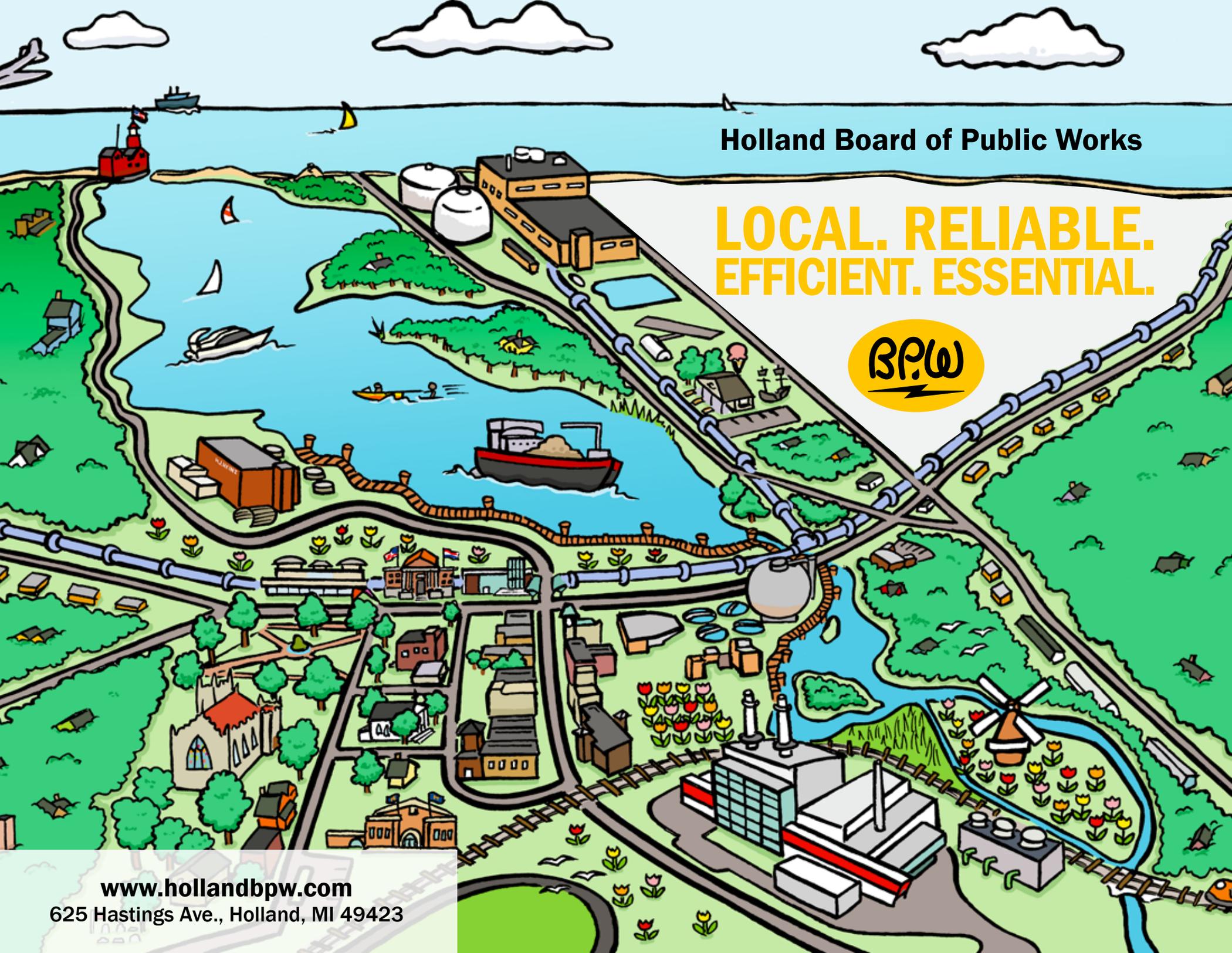
Janet Lemson

Design

Julie DeCook

Consultant

John Miner, Collaboration Unlimited



Holland Board of Public Works

**LOCAL. RELIABLE.
EFFICIENT. ESSENTIAL.**



www.hollandbpw.com
625 Hastings Ave., Holland, MI 49423