

STRATEGIC PLAN

2022-2027



STRATEGIC PLAN

2022-2027



350 W. Washington, Avenue
Zeeland, Michigan 49464
zeelandbpw.com

TABLE OF CONTENTS

4

OVERVIEW

pg. 04 | Introduction
pg. 06 | Executive Summary
pg. 09 | The Strategic Planning Process

10

ANALYSIS

pg. 10 | Past, Present, & Future
pg. 12 | The Utility Industry Today
pg. 13 | The Zeeland Board of Public Works
Today

16

VISION, MISSION, & VALUES

pg. 16 | Our Vision
pg. 17 | Our Mission
pg. 18 | Our Core Values

22

PRIORITIES & GOALS

pg. 22 | Our Key Priorities
pg. 24 | Our Strategic Goals
pg. 26 | Conclusion

COMMITTED TO PROVIDING STRONG VALUE

INTRODUCTION

For much of the past 120 years, the City of Zeeland has been providing low cost, reliable water and electric services to the people of the city, as well as portions of Holland and Zeeland Township. This is a milestone we are extremely proud of, and one we believe is a testament to the dedication that past and present city and utility leaders and employees have made to serving the community. For years, the Zeeland Board of Public Works (BPW) has offered among the lowest – if not the lowest – electric and water rates in the state of Michigan. This has been accomplished while maintaining highly reliable water and electric distribution systems and responding to evolving community needs around clean water and reliable power.

The BPW looks forward to providing another century of clean water and reliable power to our community, yet we recognize that the utility industry is going through a period of rapid change as new technologies, new sources of energy, and evolving customer expectations are compelling all utilities to take a thorough look at how they will adapt to these changes. As always, the BPW remains committed to providing strong value to the region, but how it does so must be looked at through the lens of 2022, as the utility seeks to facilitate the continued success of the communities we serve.

This updated strategic plan, building off the previous plan completed in 2018, has been an opportunity for city leaders and BPW employees to pause and take stock of the utility and seek consensus around how the BPW can best serve the area in the years ahead. Many of the same priorities remain, yet new issues, both internal and external to the utility, have emerged that will impact the utility's priorities.

**We invite you
to review our
strategic
objectives and
contact us with
any questions or
comments you
may have.**



EXECUTIVE SUMMARY

To continue delivering strong value to Zeeland, the BPW has engaged in a strategic, far-reaching conversation with its governing Board* and staff. We have looked at our strengths and weaknesses and assessed how a changing industry and a changing community inform and direct the best direction of the utility in the years ahead. This Strategic Plan identifies the major priorities of the utility and will become the basis for its actions and behaviors today and in the years ahead. It describes in more detail our mission and the values by which the utility will operate in fulfilling that mission.

As a publicly owned and governed utility, the BPW has always focused its efforts on meeting the

community's needs. This has meant the delivery of water and electricity that is low cost, reliable, clean, and safe. Yet, we recognize that we have the opportunity – and the privilege – to support the community in a variety of ways. This could mean supporting the efforts of other local agencies focused on the area's quality of life, finding innovative ways to provide greater value to our customers, or exploring additional ways the utility can meet changing community needs.

With this charge, the BPW has identified the following vision:

The Zeeland Board of Public Works will be a key contributor to the community's quality of life and long-term success

This vision represents an ideal role of where the BPW believes it can and should be. We believe that such an aspiration is already a part of who we are but think it should remain a deliberate element of the partnership with our customers and our community.

*The term "Board" is analogous to Board of Commissioners.

EXECUTIVE SUMMARY

continued

While our vision focuses on the long-term aspirations of the utility, our mission describes how we believe we can best attain that vision. **To that end, we have identified the following mission:**

The Zeeland Board of Public Works will deliver customer-focused, superior electric and water utility services that are reliable, safe, responsible, and cost competitive

This represents our means to achieving the ends described in the vision. Our primary tools today are the delivery of electric and water utilities. Yet we recognize that our unique role in the community affords us the opportunity to continually explore how the BPW can add value to the community.

As the BPW looks ahead, our key priorities will revolve around the following five themes:



COMMUNITY DEVELOPMENT



WORKFORCE



**ELECTRIC AND WATER
INFRASTRUCTURE AND SUPPLY**



FINANCIAL



SERVICE OFFERINGS

Each of these themes are discussed in greater detail in the strategic plan. We believe a focus on these five areas will position the BPW to deliver strong value to the community for many years to come.

THE STRATEGIC PLANNING PROCESS

Strategic planning in the utility industry has changed greatly over the past 20 years. A strategic plan from the year 2000 might focus almost entirely on infrastructure, water and power supply and financial stability. Today, while these issues remain critical for any utility, widespread changes in technology, fuel sources, state and federal rulemaking and customer expectations require a much broader strategic focus.

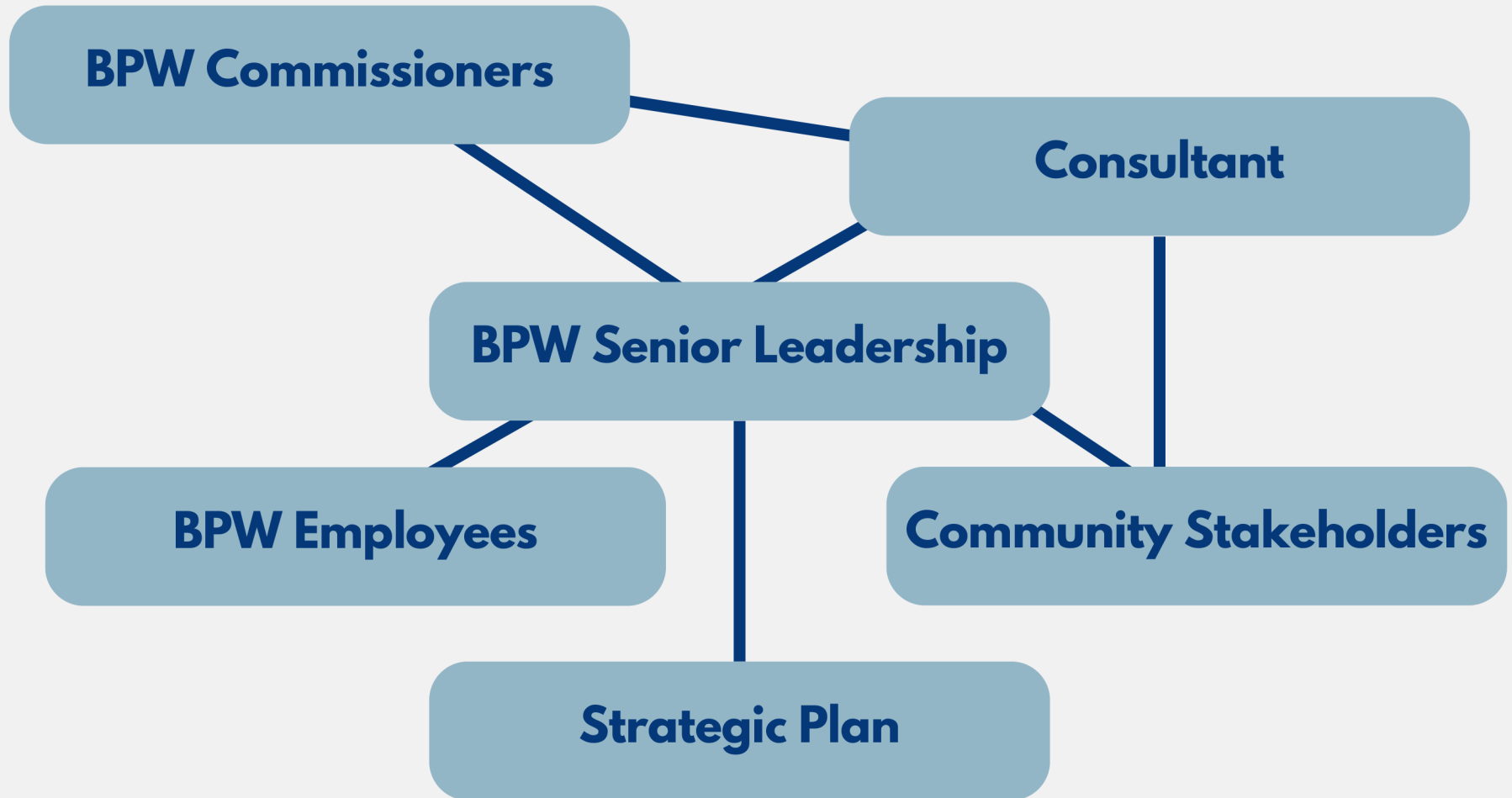
With this as our charge, the BPW sought to create an intentional, deliberative, and thoughtful dialogue, both within the utility and among **stakeholders in the community**. Working in partnership with **senior staff**, the entire board of the BPW gathered on several occasions to advance this dialogue, reflecting what they believe are the community's and BPW customers' greatest needs and expectations.

Additionally, the **BPW staff** and an **outside consultant** initiated a series of one-on-one conversations with members of the community, including **officials from local government and other community agencies, commercial and industrial customers, and BPW employees**. This feedback fed the larger dialogue among both Board and staff on how best to order the utility's priorities.

Assessing the state of the utility industry, local needs and future challenges, the Board and staff worked to place these issues in context of the BPW's direction and its priorities. This strategic plan outlines not only the utility's priorities but seeks to establish a unified vision of the ideal role for the BPW in future years and what its mission will be in pursuing that vision. Another critical component of our strategic focus was to identify the core values that will drive those behaviors – and ultimately the success – of the utility.

This strategic plan is a high-level description of the BPW's intended focus over the coming years. Behind this plan, staff is working diligently to align new and existing actions, projects, and services around these priorities. In the coming months and years, BPW staff will be sharing with the board and the community its progress in fulfilling this vision.

THE STRATEGIC PLANNING PROCESS



**COMMITTED
TO PROVIDING
STRONG VALUE**

PAST, PRESENT, & FUTURE

Originally formed in 1902, the Zeeland water and electric utility sought to provide strong value by delivering electricity and water to the community. For a brief period, from 1915 to 1935, Consumers Power Company became the electric provider to the city. Yet, as the franchise agreement with Consumers came to end, city leaders recognized the value in regaining control over the utilities serving the community. Through ownership of its own electric generation and distribution systems, Zeeland was able to manage its utility resources in a way that reflected the community's needs for financial prudence, competitive rates and strong reliability.

Over the years, municipal ownership of its utilities has meant local control over decisions affecting rates, power supply, infrastructure improvements and service delivery. It also meant that "profits" remained in the community, rather than being distributed to shareholders of an investor-owned utility outside of Zeeland. And finally, it meant that good jobs, offering strong career paths remained in Zeeland.

Today, those same values of public ownership of the BPW hold true, allowing the utility to focus 100% on the community. This local focus will become increasingly important as the world changes and the BPW Board continues to craft a strategic focus that reflects community needs and priorities.

PAST, PRESENT, & FUTURE



THE UTILITY INDUSTRY TODAY

Looking outside of Zeeland, it is clear the utility industry is in the midst of tremendous change, spurred by advancements in technology, concerns about future fuel sources and changing customer expectations.

Technology innovations pervade virtually every aspect of our daily lives; within the utility industry, it is no different. The days of simply delivering electricity and water, while sending out a meter reader once a month, are coming to an end. Advanced grid technologies are allowing the BPW to continuously monitor its systems, while giving customers greater insights and control over their utility usage, services, and billing.

The explosion in technology innovation also dovetails with growing concern surrounding the world's climate and environment. Improvements in solar, wind and natural gas technologies have allowed for large decreases in their costs, and with them, coal usage has dropped. We expect that trend to continue, and, with the growth of energy storage, low greenhouse gas emitting sources of energy will increasingly replace coal. Yet, in accordance with the utility's focus on financial stability and customer value, it will be important for the BPW to remain prudent in how best to balance the near term and long term needs of the community.

THE ZEELAND BOARD OF PUBLIC WORKS TODAY

Because of decades of thoughtful and prudent decision-making by utility leaders and BPW employees, the utility today is in remarkable shape by almost any measure, whether it be financial stability, low rates, high reliability, or strong customer service. Looking ahead, the BPW fully intends to excel on all these fronts. Yet, simply continuing to do what has always been done is no guarantee of future success.

Rapid advances in technology, impacting nearly every corner of the world and within every industry are impossible to miss and pervade the lives of virtually everyone in our region. The utility industry is no exception. The BPW is ahead of the curve in some areas and perhaps lagging in others. The utility is currently implementing several new technologies and will continue to evaluate technologies and whether they support our goals of reliability, customer service and financial stability.

Where the BPW will secure future power and water supply will always be a key element of the utility's strategic focus. At present, and for the foreseeable future, the utility is in an excellent position to provide clean water and reliable electricity. Recently, the American Public Power Association awarded Zeeland BPW its highest recognition, achieving the Diamond Level designation through the Reliable Public Power Provider (RP3) Award, demonstrating high proficiency in reliability, safety, workforce development, and system improvement. Beyond awards, the BPW has among the highest electric reliability standards of any utility in the state while maintaining among the lowest electric and water rates.

THE ZEELAND BOARD OF PUBLIC WORKS TODAY

continued

Yet, the utility must continually address both aging infrastructure and an aging workforce, and the resulting loss of expertise. With a small staff (29 full-time, 7 part-time) each BPW employee plays a critical role. Maintaining continuity through retirements and turnover must be carefully addressed and, where possible, managed for knowledge transfer and smooth transitions. The BPW is fortunate to have a strong, dedicated workforce and is largely considered to be an excellent employer in the region. Maintaining such a workforce requires ongoing attention and support.

The BPW's customers remain paramount in the decisions the utility makes. The utility serves a wide range of customers. This includes large commercial and industrial businesses and small retail establishments. Among our residential customers, the BPW serves both rural populations within the neighboring townships and those who live in the higher densities of the City of Zeeland. Among these customers are low-income and high, renters and homeowners, senior citizens, and students – each of whom has unique needs and expectations. Our goal remains to know and understand our customers so we may deliver the utility services they need to thrive.

continued

The BPW is proud of the role we have been able to play in the area over these many decades. Today, we have a strong staff, directed by a dedicated Board whose sole focus is the customers of the BPW. The result is a utility delivering among the highest quality services at among the lowest rates, while maintaining fiscal stability that ensures the BPW can continue to add strong community value in the years ahead.

**THE RESULT IS A UTILITY DELIVERING
AMONG THE HIGHEST QUALITY SERVICES
AT AMONG THE LOWEST RATES, WHILE
MAINTAINING FISCAL STABILITY THAT
ENSURES THE BPW CAN CONTINUE TO
ADD STRONG COMMUNITY VALUE IN THE
YEARS AHEAD.**



**COMMITTED
TO PROVIDING
STRONG VALUE**

OUR VISION

Our vision is our attempt to best anticipate and describe the ideal role that we believe the BPW can and should be playing to serve our customers and our community. We embrace the opportunity to work hand-in-hand with the people and businesses of the Zeeland area to ensure a high quality of life. Being local, with local control and local focus, the BPW is in a strong position to leverage its resources and expertise to support the community's success. We believe we can and should look for new ways to add value to our customers and our community. Our best means of doing that is through a strong emphasis on exploration, collaboration, and, where appropriate, leveraging our resources to improve the community's quality of life.

**The Zeeland Board of
Public Works will be a
key contributor to the
community's quality of
life and long-term
success**

OUR MISSION

The BPW is a shining example of a well-run public utility. With rates that are among the lowest in the state, and even the nation, electric reliability among the highest and water quality and supply in a very strong position, and customer service standards high, the BPW will continue to honor its mission to deliver excellent utility value to the community. We are proud of the value we bring to the community and hope our customers can feel that same sense of pride.

The Zeeland Board of Public Works will deliver customer-focused, superior electric and water utility services that are reliable, safe, responsible, and cost competitive

OUR CORE VALUES

The BPW's mission describes what we do. But how will the utility act as it fulfills these priorities? Establishing our core values is a key part of defining who the BPW is and how we will operate in serving our customers. These are expectations we have of ourselves, and we will hold each other accountable. We welcome similarly high expectations from our customers and stakeholders.

Whether defined or implied, every organization operates with a set of values that together form that organization's culture. Yet, if values are not clearly discussed and defined, employees may have differing notions of what those values mean and how they guide their actions.

The BPW undertook an extensive discussion on core values and what those should look like for the utility in the coming years. The Board, senior staff and employees all weighed in on the kind of organization the BPW needs to be to support the community and its employees. This discussion was particularly important now, as changes within the organization, within the community and within the utility industry ask us how our values align with the world around us.

Outlined below are five core values that the BPW Board and staff have established to guide our behaviors and actions.



OUR CORE VALUES



SAFETY



**FAMILY-ORIENTED
WORKPLACE CULTURE**



INTEGRITY



**CONTINUOUS
IMPROVEMENT**



**SERVICE &
STEWARDSHIP**

OUR CORE VALUES



SAFETY

- We speak up when conditions seem anything less than safe, because nothing is more important than safety
- We promote ownership and accountability for safety within the organization
- We prioritize the safety of our employees and the public above all else
- Through our Safety Steering Committee, programs, activities, and other safety-related initiatives, we promote a culture of safety



FAMILY-ORIENTED WORKPLACE CULTURE

- We seek to ensure respectful treatment with equal access to opportunities and resources for all employees
- We recognize the importance of work-life balance and the need for our personal lives to thrive
- Our trust in one another is essential to the effectiveness of the team
- We will exemplify care and compassion for one another and their families
- We will hold each other accountable to the highest level of standards and conduct
- We will communicate and work effectively to ensure our focus is on organizational success
- We value and embrace a diversity of viewpoints in making critical decisions
- We believe in barrier-free communication and the acknowledgement of all perspectives to show our commitment to each other, the organization, and the community



INTEGRITY

- We strive to be accountable, ethical, honest, and transparent – never compromising the truth
- We accept responsibility for our actions
- We will protect and maintain the trust our community has placed in us with loyalty and fairness to all customers
- We will make the right decision regardless of any biases that may exist



CONTINUOUS IMPROVEMENT

- We make and support business decisions through experience and sound judgement
- We value training and employee development
- We strive to improve the customer experience
- We invest in and modernize the infrastructure necessary to improve reliability
- We are committed to operational excellence



SERVICE & STEWARDSHIP

- We strive to improve our community by incorporating its needs and values into the management of the utility
- We are committed to balancing fiscal prudence, environmental responsibility, service quality, and reliability
- We manage the utility's assets to maximize safety, reliability, and community improvement
- We are accessible to customers and promptly respond to service needs and inquiries



**COMMITTED
TO PROVIDING
STRONG VALUE**

OUR KEY PRIORITIES

The BPW Board and staff identified five key areas of focus for the coming years, building on existing strengths while addressing the changing landscape the utility will face. The five priorities below outline where BPW must focus if it plans to continue providing the highest possible value to the community



COMMUNITY DEVELOPMENT



WORKFORCE



ELECTRIC AND WATER INFRASTRUCTURE AND SUPPLY



FINANCIAL



SERVICE OFFERINGS



COMMUNITY DEVELOPMENT

The Zeeland Board of Public Works will play an integral role in supporting the success of current and future customers and the community as a whole. The utility's strength correlates directly to the community's strength. The BPW must remain closely connected to the fabric of the community and constantly explore ways that it can foster that connectivity and promote the success of both existing and future customers



WORKFORCE

The Zeeland Board of Public Works will create a culture that values and empowers its employees. The workforce will model professionalism, customer care, safety, and community commitment. A well-run utility is dependent on a skilled and experienced workforce. New technologies, new expectations and a changing regulatory landscape means that BPW employees must have the training and support necessary to respond to these changes. The BPW must continue building and sustaining a workforce which can deliver within this new paradigm.



ELECTRIC AND WATER INFRASTRUCTURE AND SUPPLY

The Zeeland Board of Public Works will meet the needs of customers and make sound, proactive, strategic investments in infrastructure and supply. The BPW, through a series of many thoughtful decisions over the decades, is fortunate to manage water and electric infrastructure that is largely state-of-the-art. Yet, as infrastructure ages, and technology improves, constant diligence is necessary to maintain and update its systems to ensure ongoing reliability, safety, efficiency and aesthetic appeal.



FINANCIAL

The Zeeland Board of Public Works will maintain its strong financial position while maintaining competitive rates and strong reliability. The BPW has successfully kept rates extremely competitive while managing strong distribution infrastructure, all while maintaining excellent financial stability over the short and long term. This must continue to be a priority.



SERVICE OFFERINGS

The Zeeland Board of Public Works will be responsive to community needs and expectations and be a catalyst to service improvements and offerings. The BPW has long enjoyed its role as an integral part of the community, supporting the community's success through reliable, clean, and affordable electric and water utility services. Yet we also recognize that within our changing world, the BPW may be in a strong position to serve as a catalyst to new ventures and new service offerings. Without jeopardizing the above priorities, the BPW will remain open to helping speed the adoption of those products and services that help the community thrive.

OUR STRATEGIC GOALS

As the Board and staff embrace the priorities identified above, the utility will track its success against several specific goals. These goals can provide insights to both the utility and the community into how each of the priorities is impacting the utility. For each of the goals listed below, one or more of the priorities to which it applies is referenced.



COMMUNITY DEVELOPMENT

- Facilitate area economic development efforts through flexible and creative infrastructure and retail rate alternatives
- Evaluate the expansion of high-speed fiber broadband services for homes and businesses
- Continue to support the community through the Zeeland Board of Public Works Community Grant Program, Lake Shore Advantage, the West Coast Chamber, the City of Zeeland, and sponsorship of various community programs and initiatives



WORKFORCE

- Maintain a culture of safety through open communications, continually updated safety procedures and training
- Maintain a succession plan that preserves the BPW culture
- Enhance professional development and employee rewards and recognition to attract and retain talented staff while promoting morale and the BPW culture



ELECTRIC AND WATER INFRASTRUCTURE AND SUPPLY

- Maintain or improve electric and water reliability beyond historically outstanding levels
- Continue electric preventative maintenance, upgrades and underground conversion programs
- Accelerate water service line replacements to eliminate all galvanized service lines within five years
- Continue water cross-connection inspection and testing to ensure compliance with all regulatory requirements
- Continue to prudently reinvest in electric and water distribution system infrastructure to meet current and future customer demand and to ensure outstanding service reliability
- Maintain local generation and the ability to provide partial continuity of service in the event of widespread wholesale grid outages



FINANCIAL

- Evaluate alternatives for additional electric capacity and energy including renewable resources, additional on-system generation, and joint generation projects through the Michigan Public Power Agency
- Maintain competitive rates for all customer classes



SERVICE OFFERINGS

- Develop and implement a technology and business continuity plan including: Asset management, inventory, and geographic information mapping systems, automation of advanced distribution management capabilities, advanced metering for all customer segments, enhancement of customer information, and customer communication and engagement tools
- Implement alternative retail rate structures that facilitate environmental sustainability, management of electric and water services and costs, and economic development
- Expand and implement cyber security protocols for physical assets, and critical business and customer information systems
- Maintain emergency response plans and assist customers in preparing for potential emergency load shedding
- Evaluate customer electric bill savings opportunities including, but not limited to, on-bill financing, low-income payment assistance, and expanded energy efficiency incentives
- Remain accessible to customers and promptly respond to service needs and inquiries



CONCLUSION

The Zeeland Board of Public Works is proud to be an integral part of the fabric of the Zeeland community. Our success is directly attributable to the community's success and we are committed to supporting all our stakeholders with the provision of essential utility services that are reliable, safe and cost-competitive. We welcome and encourage stakeholder feedback on how best we can ensure continued success for generations to come. Please feel free to contact us if you have any comments or questions.



LEADERSHIP

ANDREW BOATRIGHT
General Manager

KATE CHRISMAN
Utility Accounting
& Finance Manager

BRIAN COOTS
Electric Transmission
& Distribution Manager

MIKE LEVANDOSKI
Water Operations Manager

ROBERT MULDER
Electric Power Supply
& Market Operations Manager

BOARD OF COMMISSIONERS

LINDA BOERMAN
Chair

MARK COONEY
Vice Chair

ANN QUERY
Member

BRIAN DYKSTRA
Member

JONATHAN WALTERS
Member

