



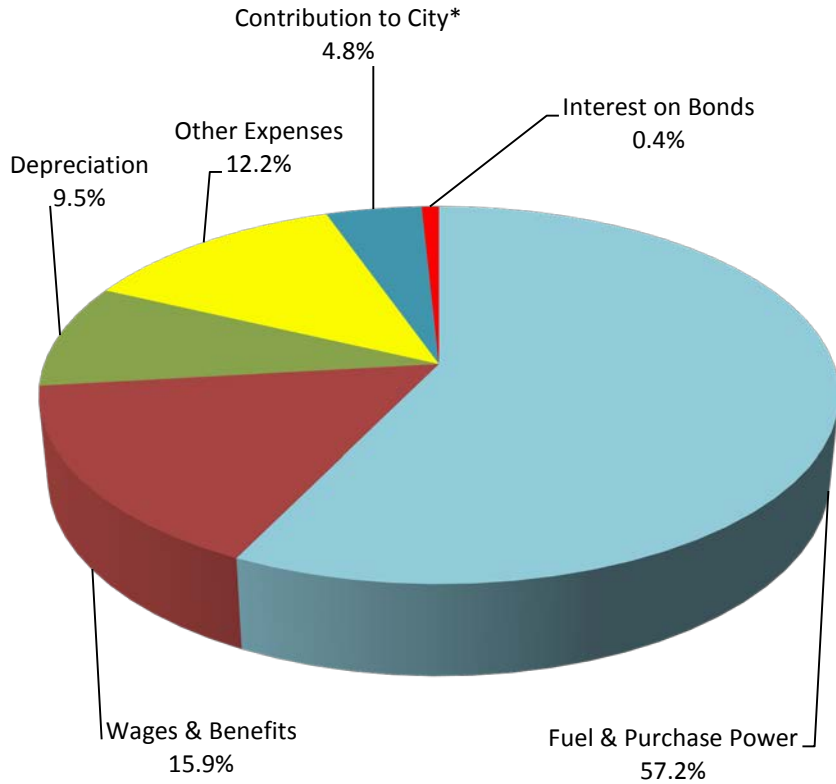
**Electric, Water and
Wastewater Utility**

Budget and Rates Presentation

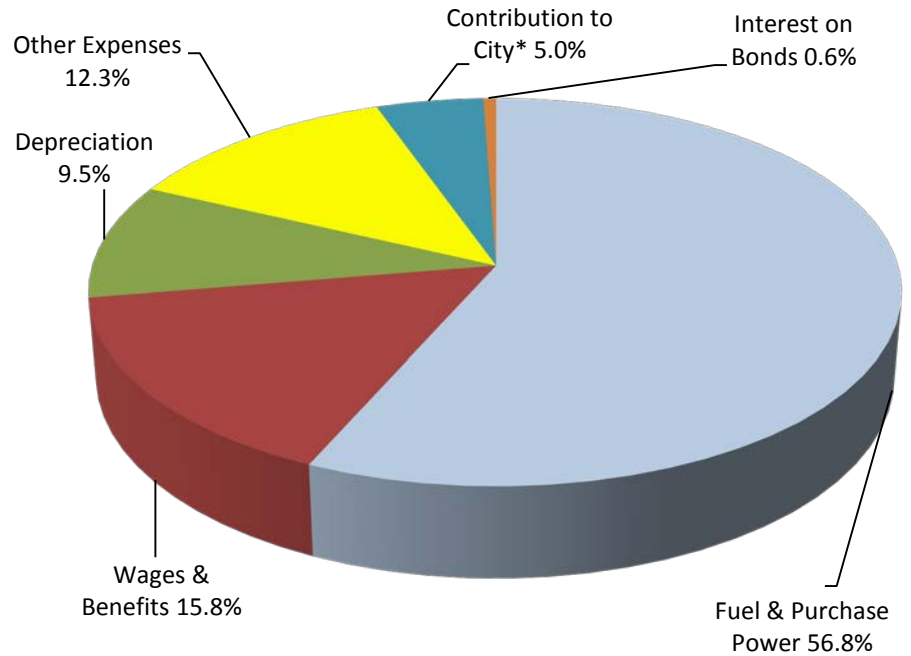
May 13, 2015

HOLLAND BOARD OF PUBLIC WORKS

Fiscal Year 2016 Expense Budget - \$ 110,543,242



Fiscal Year 2015 Expense Budget - \$106,808,732



BPW Capital Plan - FY2016

<u>Capital by Functional Area</u>	<u>Cash Outflow</u>	<u>Total Budget</u>
– Power Resources	\$118,485,221	\$239,844,131
– Electric Trans and Distribution	\$ 11,190,000	\$ 19,186,533
– Wastewater Treatment	\$ 12,025,000	\$ 20,725,000
– Wastewater Collection	\$ 3,635,000	\$ 5,825,000
– Water Treatment	\$ 886,251	\$ 1,697,751
– Water Distribution	\$ 3,801,000	\$ 6,301,000
– Broadband	\$ 595,000	\$ 595,000
– Administration	\$ 1,766,000	\$ 1,766,000
Totals	\$152,383,472	\$295,940,415

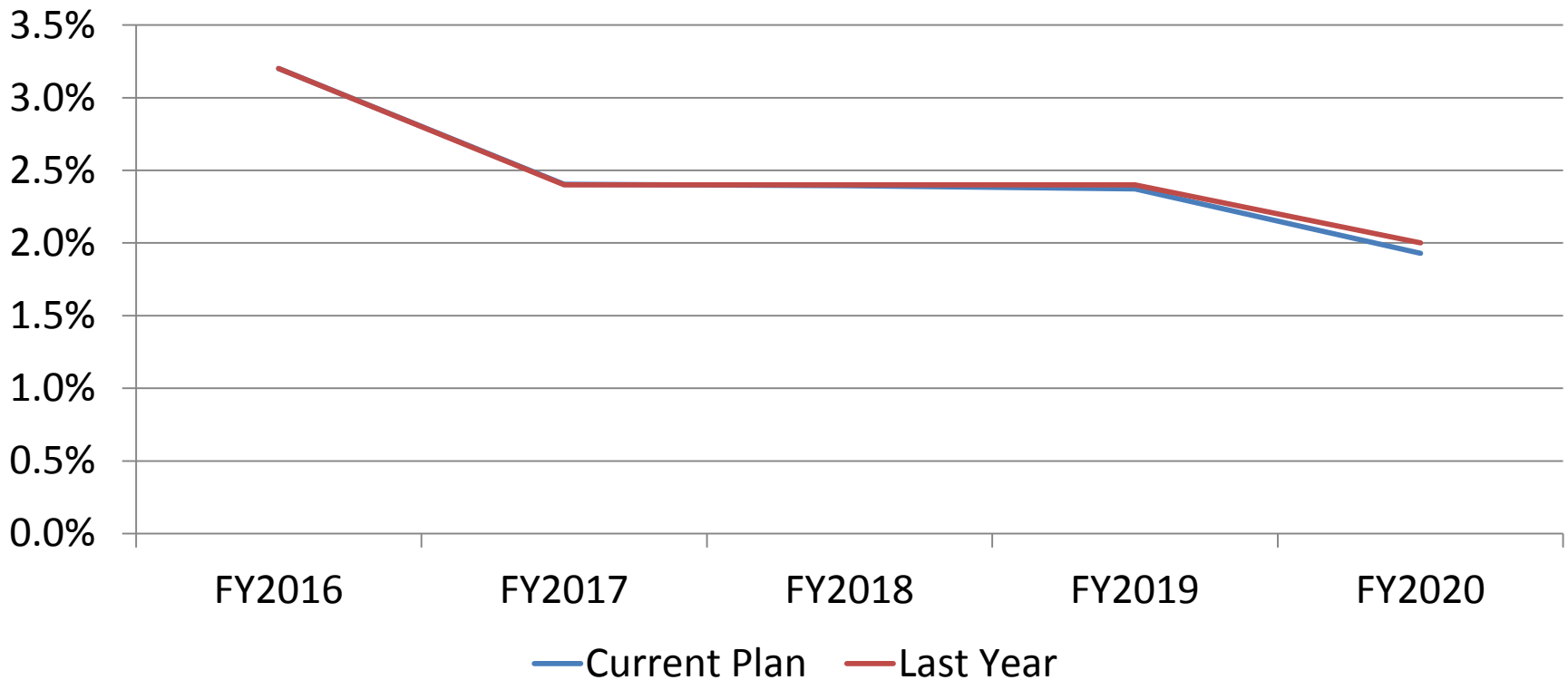


Electric Utility Plan Details

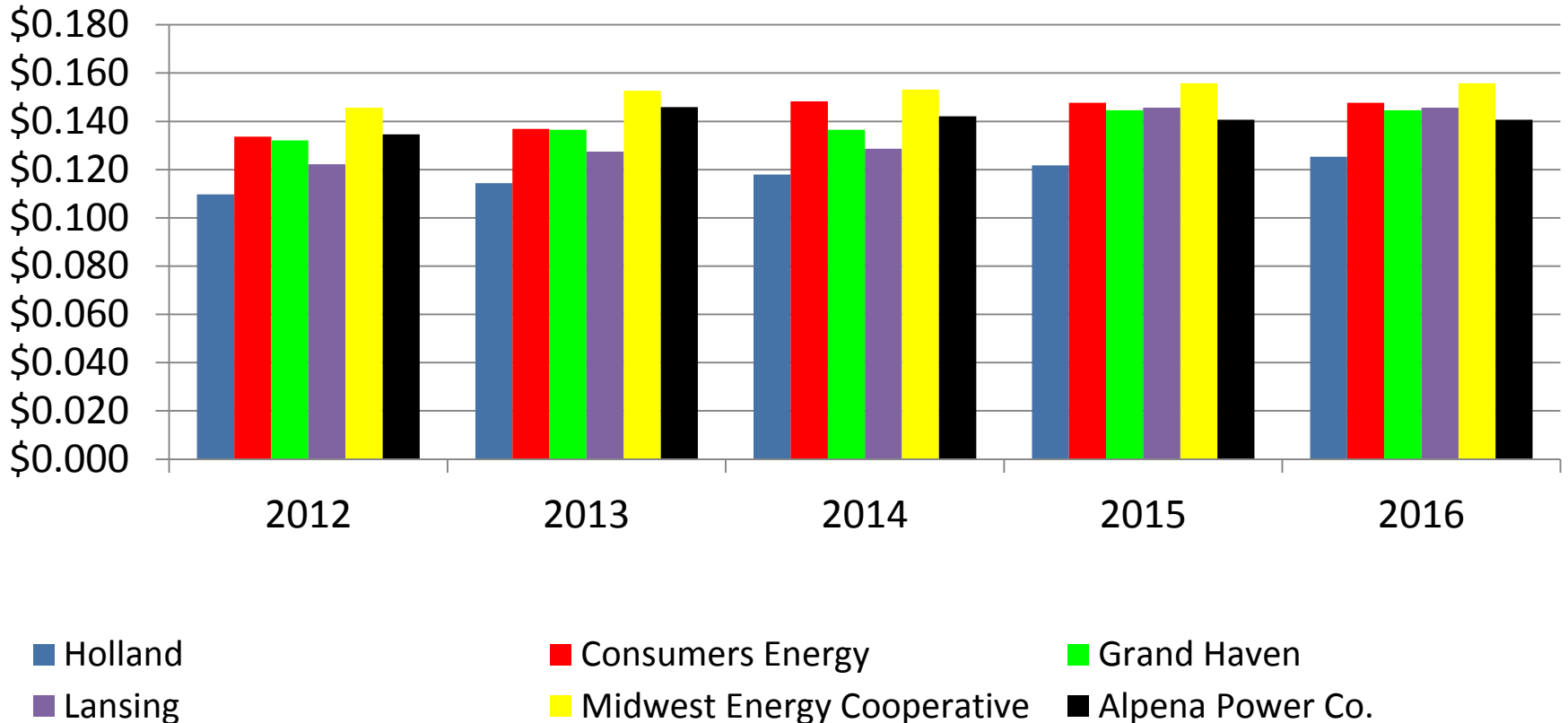
- New combined-cycle plant construction is underway and expected online by February, 2017
- Incremental fuel and power prices based on market prices in effect in early February, 2015
- Revenue adjustments, previously approved during the 2014 budget process, are approximately 3.2%. The forecast estimates future revenue adjustments of approximately 2.4% annually 2017-2020.



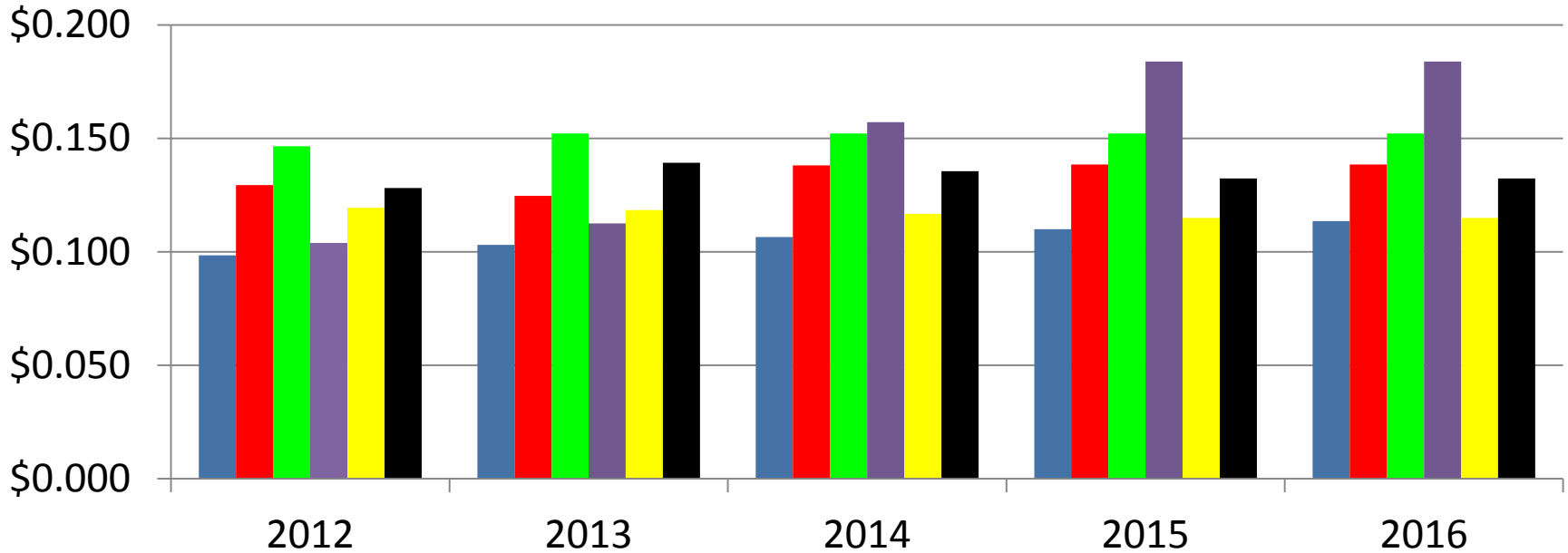
Electric Utility Revenue Adjustments



Electric Utility Residential Average Rate per kwh



Electric Utility Commercial Average Rate per kwh



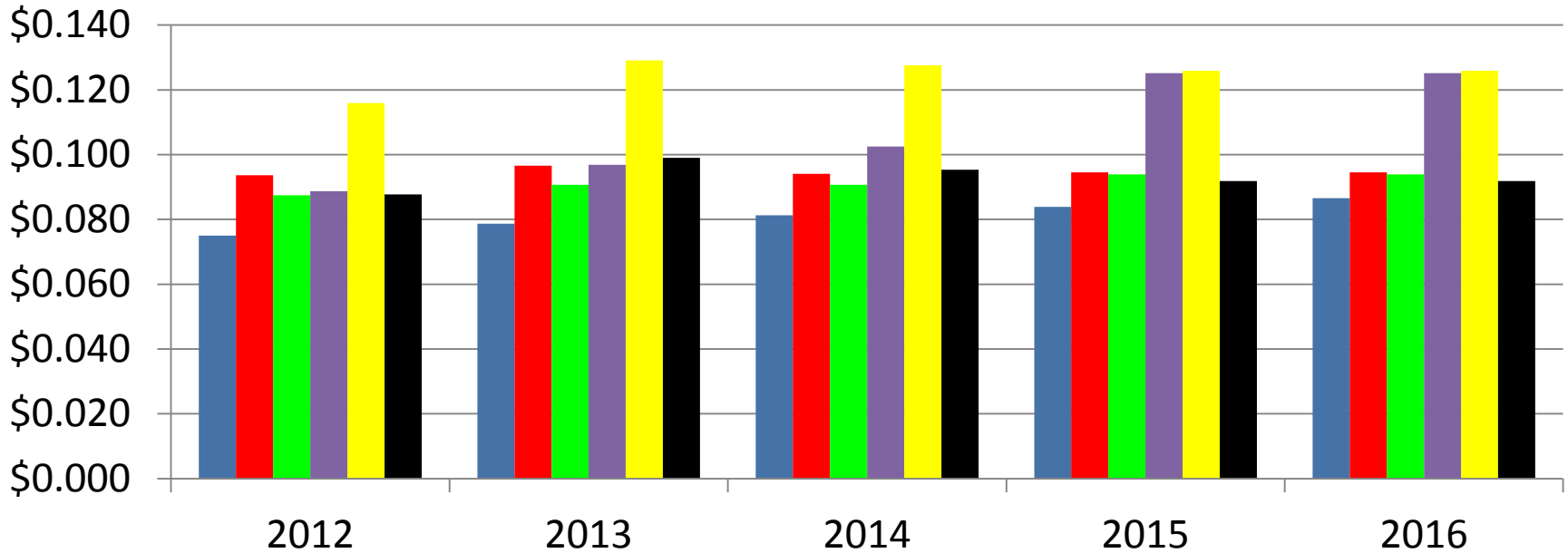
■ Holland
■ Lansing

■ Consumers Energy
■ Midwest Energy Cooperative

■ Grand Haven
■ Alpena Power Co.



Electric Utility Industrial Average Rate per kwh



■ Holland
■ Lansing

■ Consumers Energy
■ Midwest Energy Cooperative

■ Grand Haven
■ Alpena Power Co.

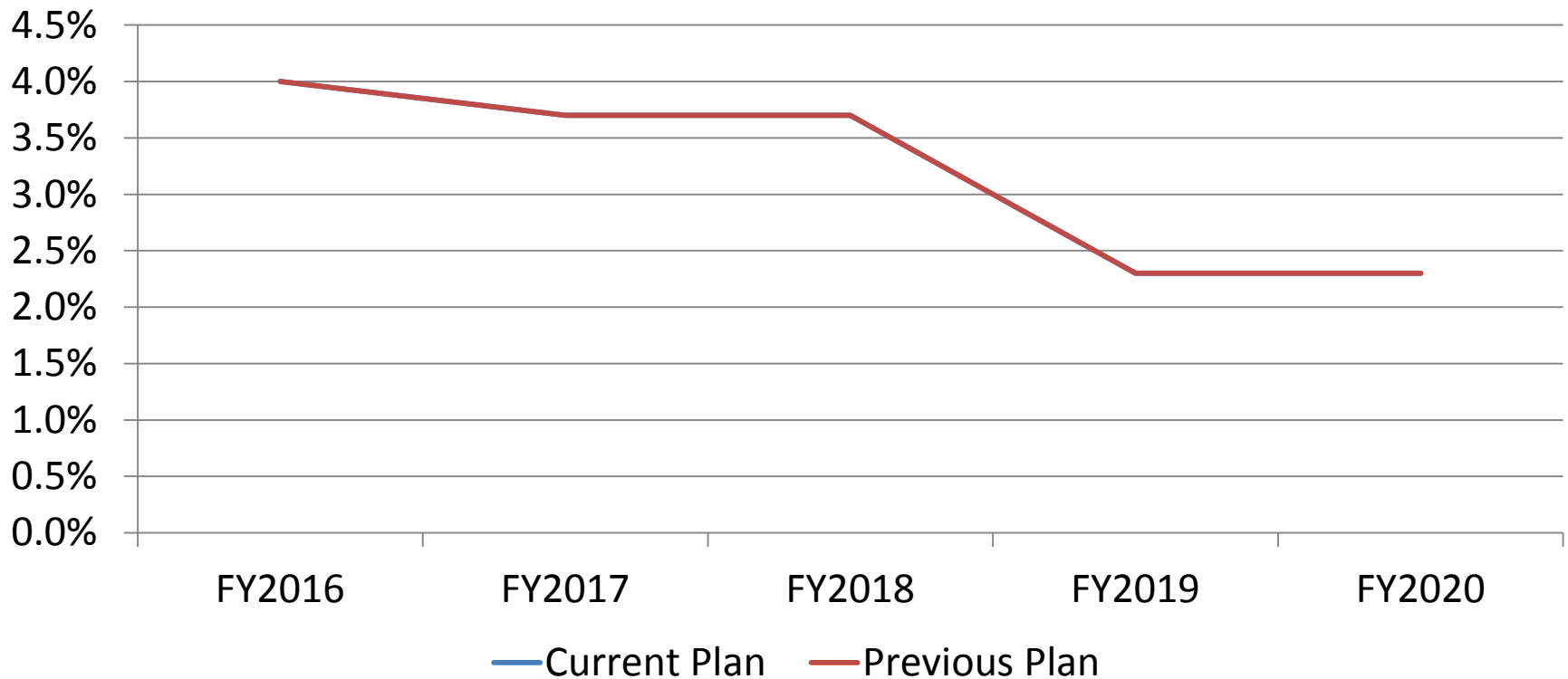


Water Utility Plan Details

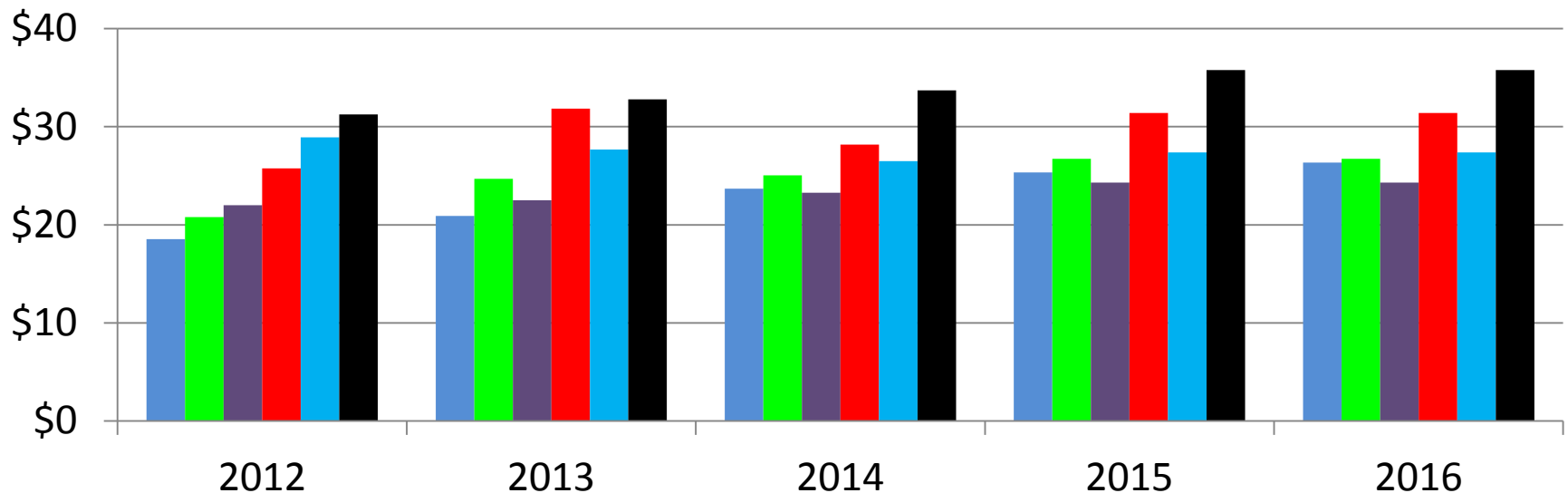
- Primary issue has been declining cash reserves
- Aging distribution infrastructure is being evaluated on-going and replacements are at approximately 1% per year
- No sales unit growth expected: Same usage as FY 2014
- Several years ago: Began what was expected to be five years of 13% annual rate adjustments but this is no longer anticipated
- Refinancing of debt and steady sales have improved cash flow projections
- Current plan: 4.0% increase in FY 2016, then reduced amounts in next four years
- Adjustments planned for both the readiness-to-serve and commodity rates based on cost of service targets



Water Utility Revenue Adjustments



Water Utility Residential Average Bill (5/8" meter 10 ccf)



■ Holland
■ Zeeland
■ City of Grand Rapids

■ Wyoming Ottawa Communities
■ Northwest Ottawa Communities
■ Grand Rapids Ottawa Communities

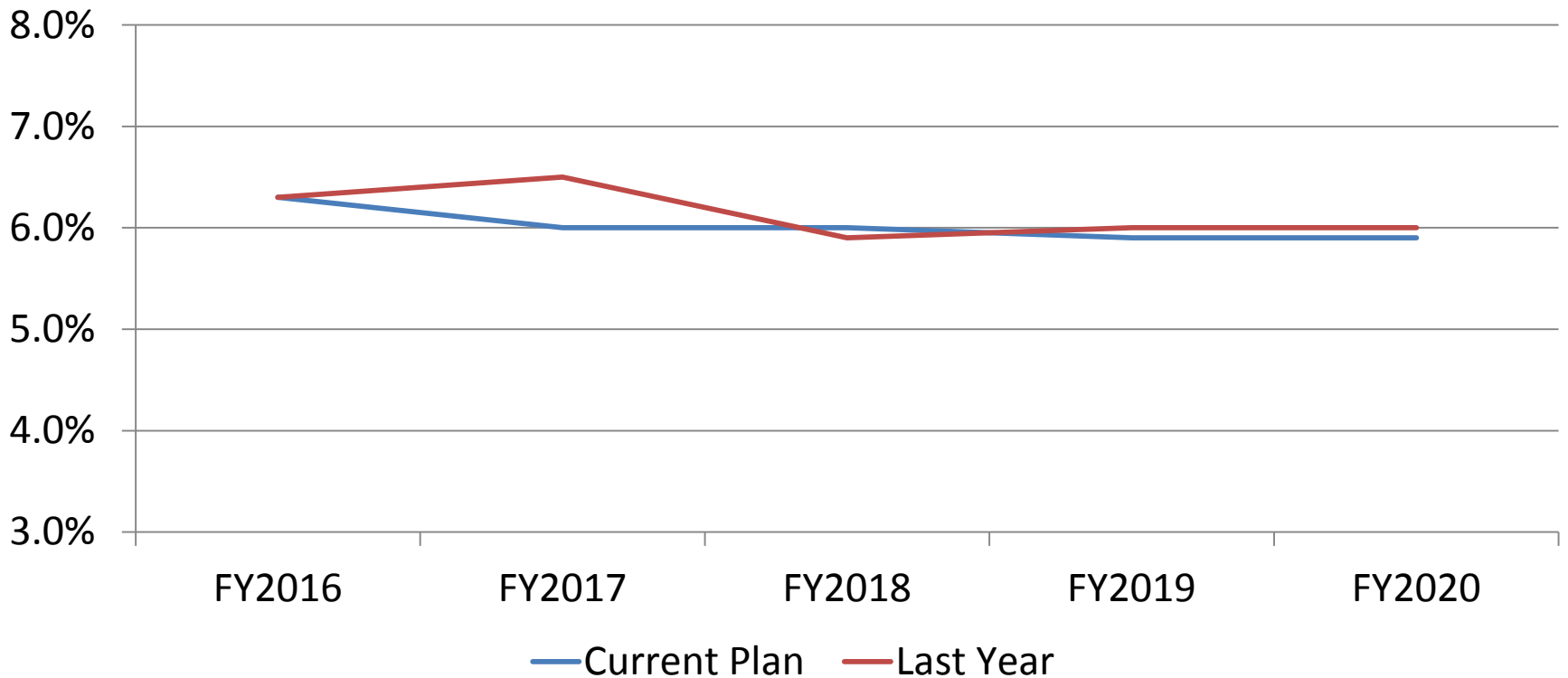


Wastewater Utility Plan Details

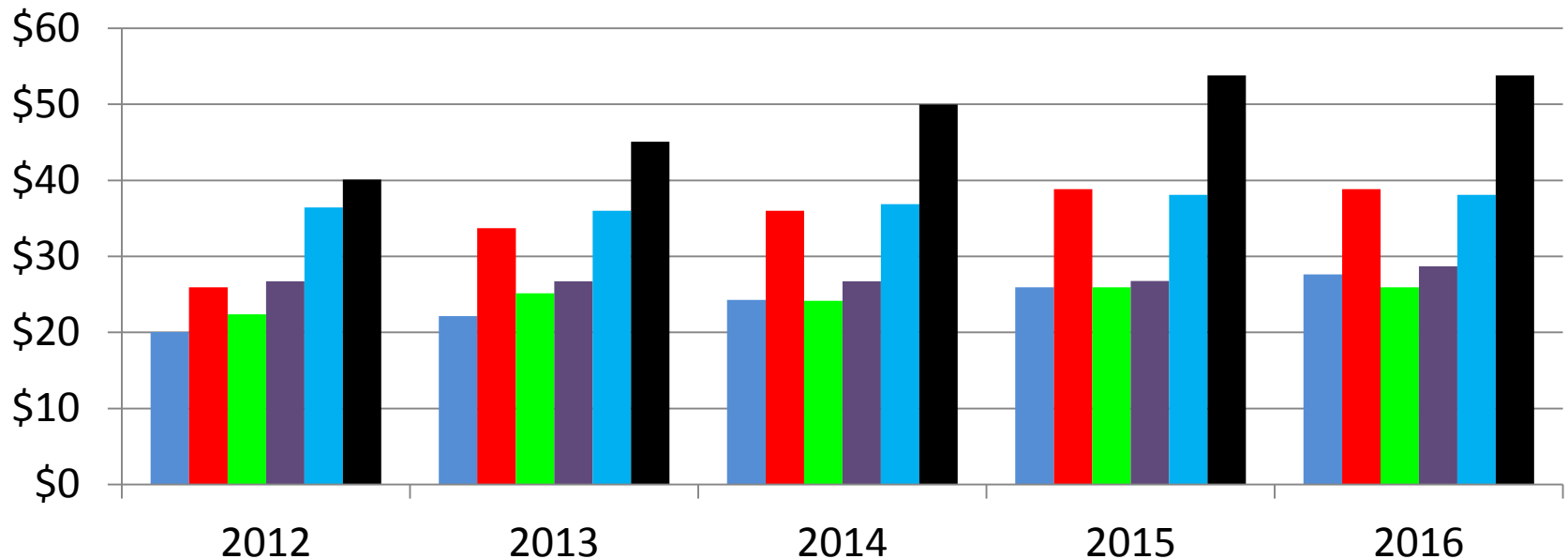
- Bio-Solids and East Plant Optimization are next major treatment issue
- Aging collection infrastructure needs addressing at higher rate
- Lift station improvements are ongoing
- Two years ago: Began five years of 10% revenue increases
- Current plan: Somewhat less
 - More evaluation is needed to distinguish plant and collection system revenue needs
- Adjustments planned for both the readiness-to-serve, commodity rates and high strength surcharges



Wastewater Utility Revenue Adjustments



Wastewater Utility Residential Average Bill (5/8" meter 7 ccf)



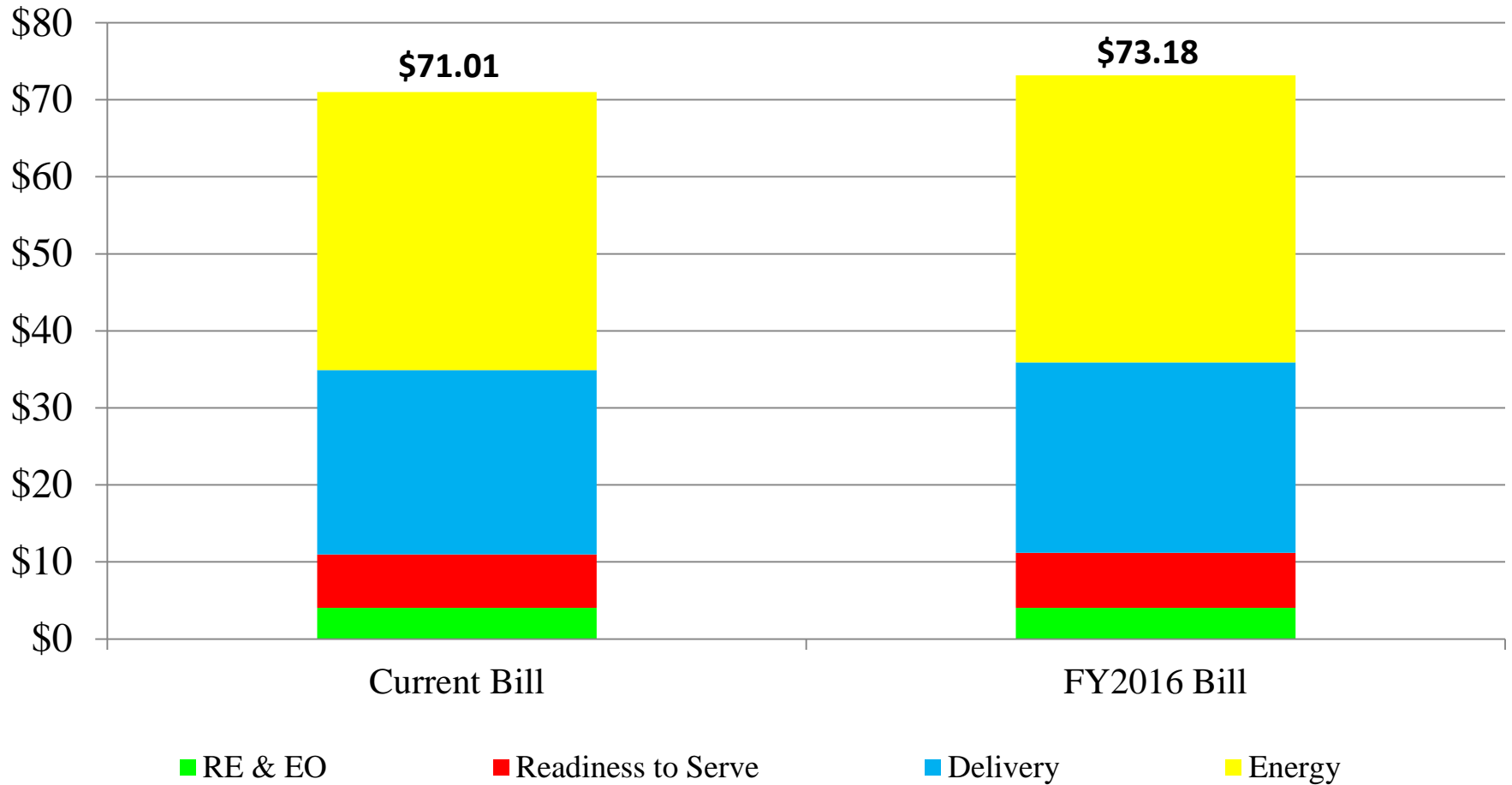
■ Holland
■ Grandville's Rush Creek Ottawa Communities
■ City of Grand Rapids

■ Northwest Ottawa Communities
■ Zeeland
■ Grand Rapids Ottawa Communities



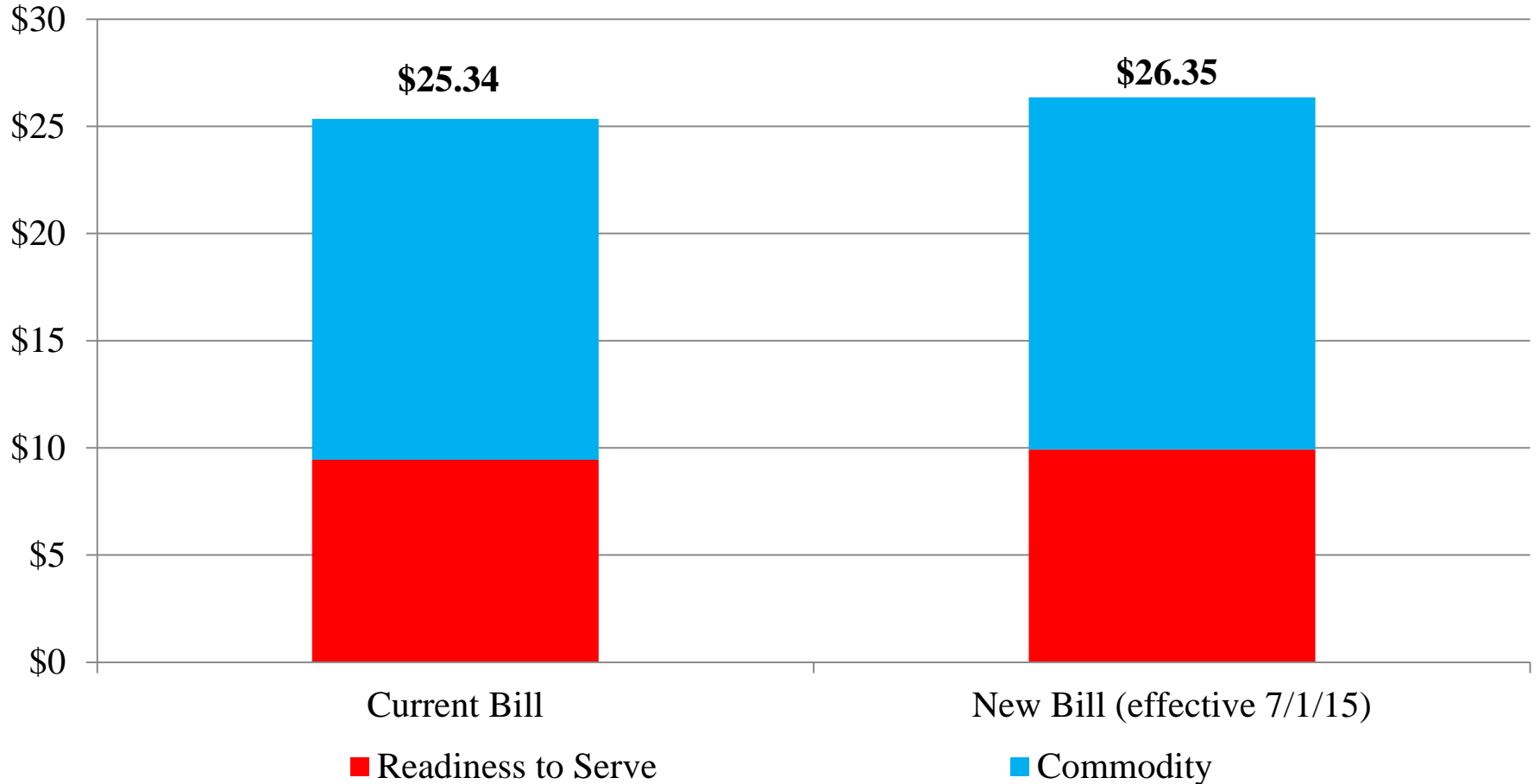
Electric Utility

2 Years Residential Monthly Average Bill (600 kwh)



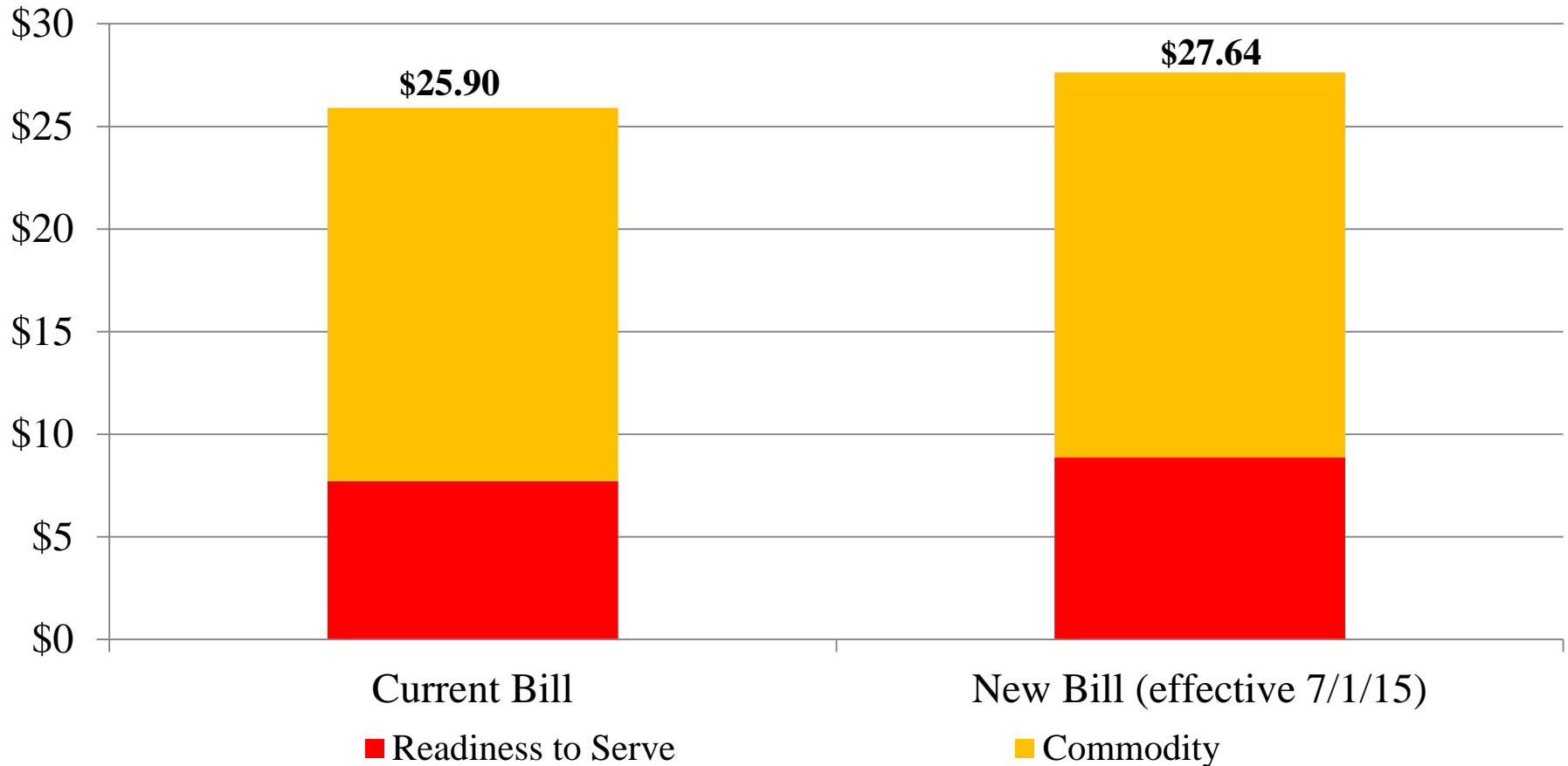
Water Utility

Residential Monthly Average Bill (5/8" meter size, 10 ccf)



Wastewater Utility

Residential Monthly Average Bill (5/8" meter size, 7ccf)



Electric, Water and Wastewater

Residential Monthly Average Bill

Utility	Current Bill	New Bill	\$ Increase per month
Electric (600 kwh)	\$71.01	\$73.18	\$2.17*
Water (10 ccf)	\$25.34	\$26.35	\$1.01
Wastewater (7 ccf)	\$25.90	\$27.64	\$1.74
Total	\$122.25	\$127.17	\$4.92
Average cost per day	\$4.08	\$4.24	\$0.16
<i>*Electric was approved in FY2013</i>			

