



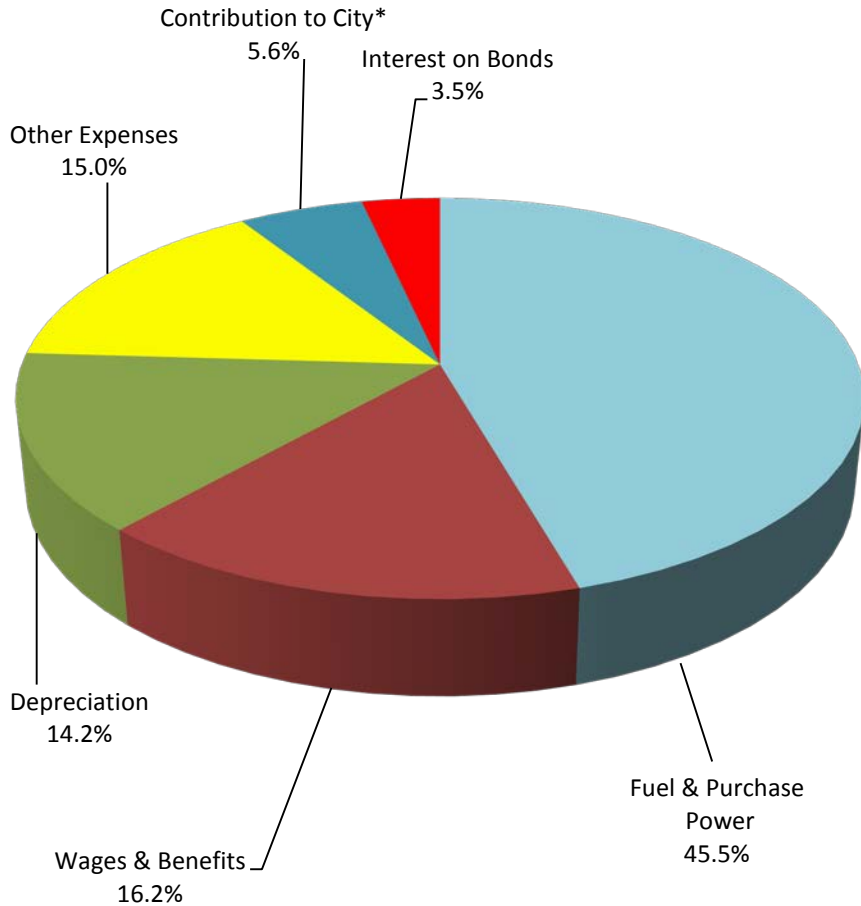
Fiscal Year 2017 Budget and Rates

Staff Summary Report

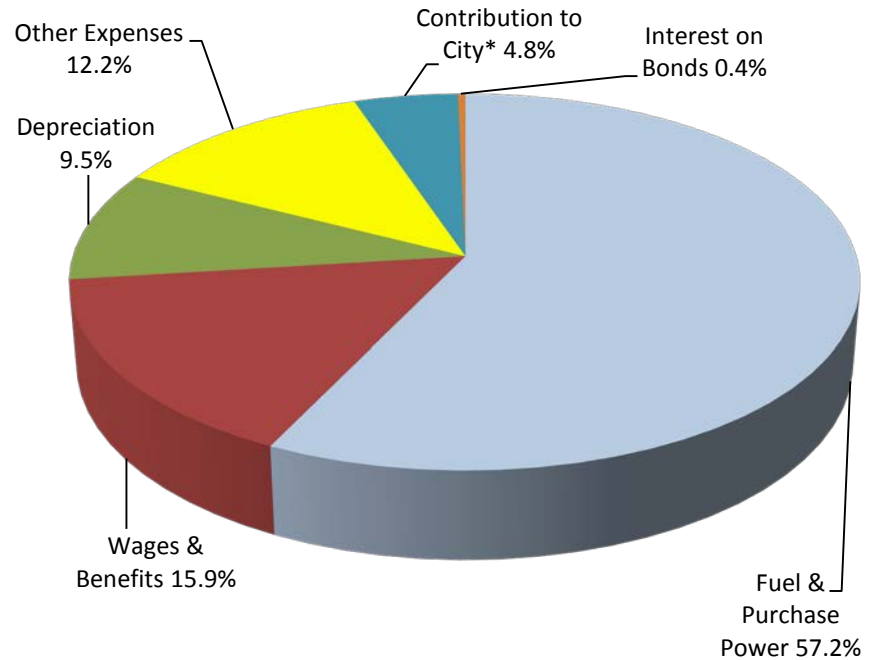
May 4, 2016

HOLLAND BOARD OF PUBLIC WORKS

Fiscal Year 2017 Expense Budget - \$ 104,235,027



Fiscal Year 2016 Expense Budget - \$110,543,252



Operating Budget Summary

- Overall reduced expenses by 5.7%
 - Driven largely by Fuel and Purchased Power
 - Also impacted by bonding of UAL and new GAAP rules
- Includes new costs associated with Holland Energy Park
 - Water, Maintenance Contracts, Insurance
- Continues Energy Optimization at reduced cost



Operating Budget Summary

- Wages and Salaries based on 2.1% wage range adjustments and individual progression
- One new FTE: Broadband Manager
- Depreciation expense and interest on bonds increased due to completion of large capital projects
 - HEP and Water Reclamation Facility



Capital Budget Summary

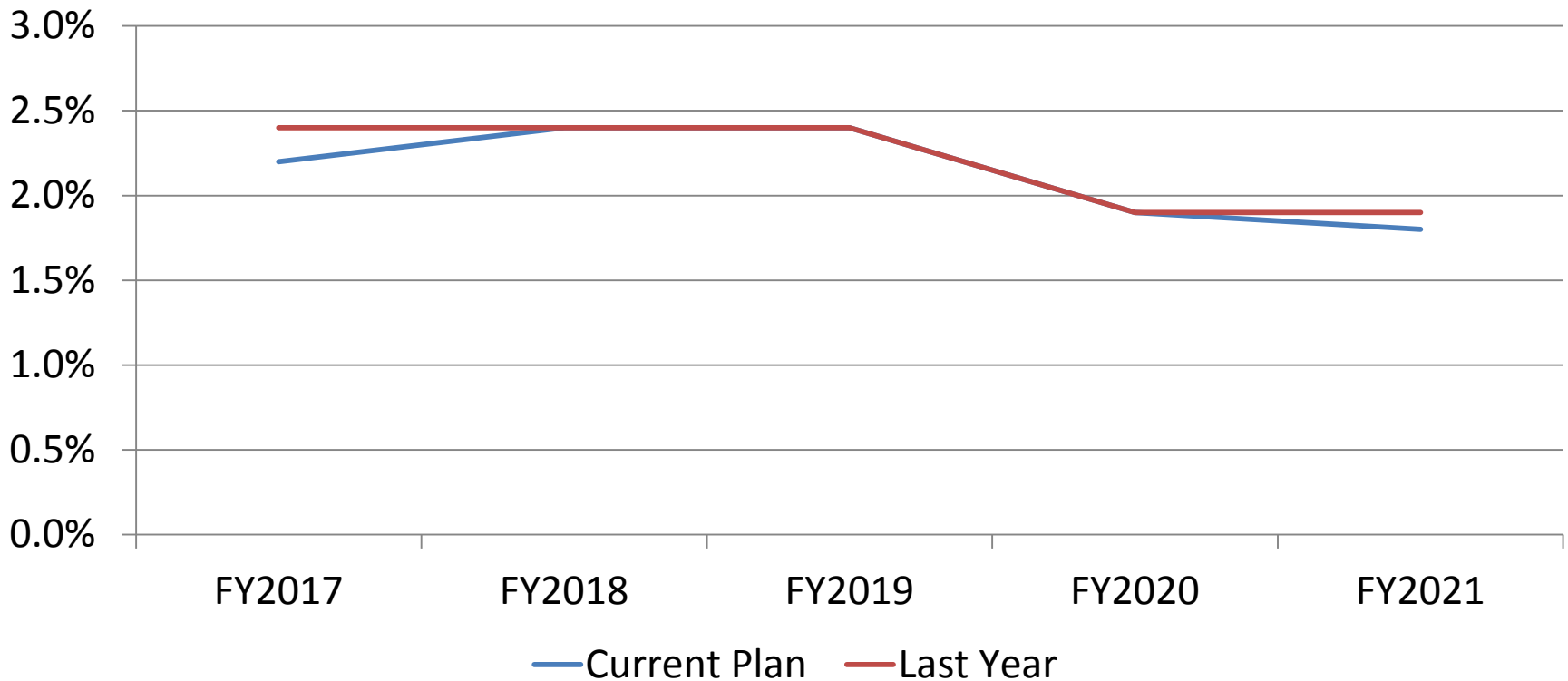
- Completing multiple large capital projects in FY 2017
 - Holland Energy Park (\$32 Million)
 - Water Reclamation Facility (\$1.2 Million Remaining)
 - Wyoming Interconnection Rebuild (\$1.4 Million)
 - Pine Avenue Substation (\$5 Million)
 - Ninth Street
- \$10 Million in Water Main over next 5 years
- \$6.3 Million in Sewer Lining and Replacement over next 5 years

Rate Adjustment Summary

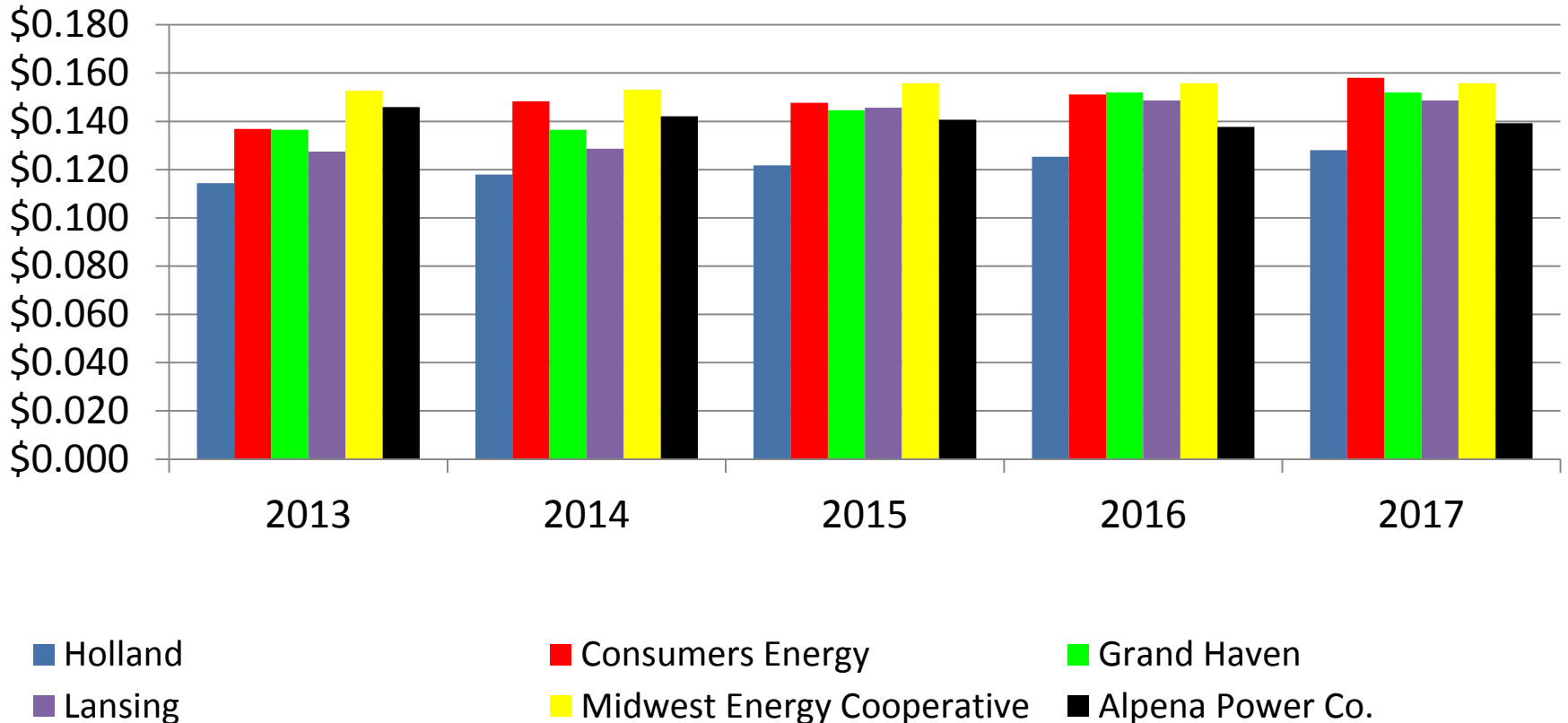
- Consistent plan for all three utilities
 - Rate adjustments are at or lower than previously identified
- Adjustments ensure all internally established and 3rd party mandated financial targets are met
- All utilities remain very competitive after adjustments
- Recommend updates to Cost of Service Study and Rate Structure dues to capital investments in Electric and Wastewater



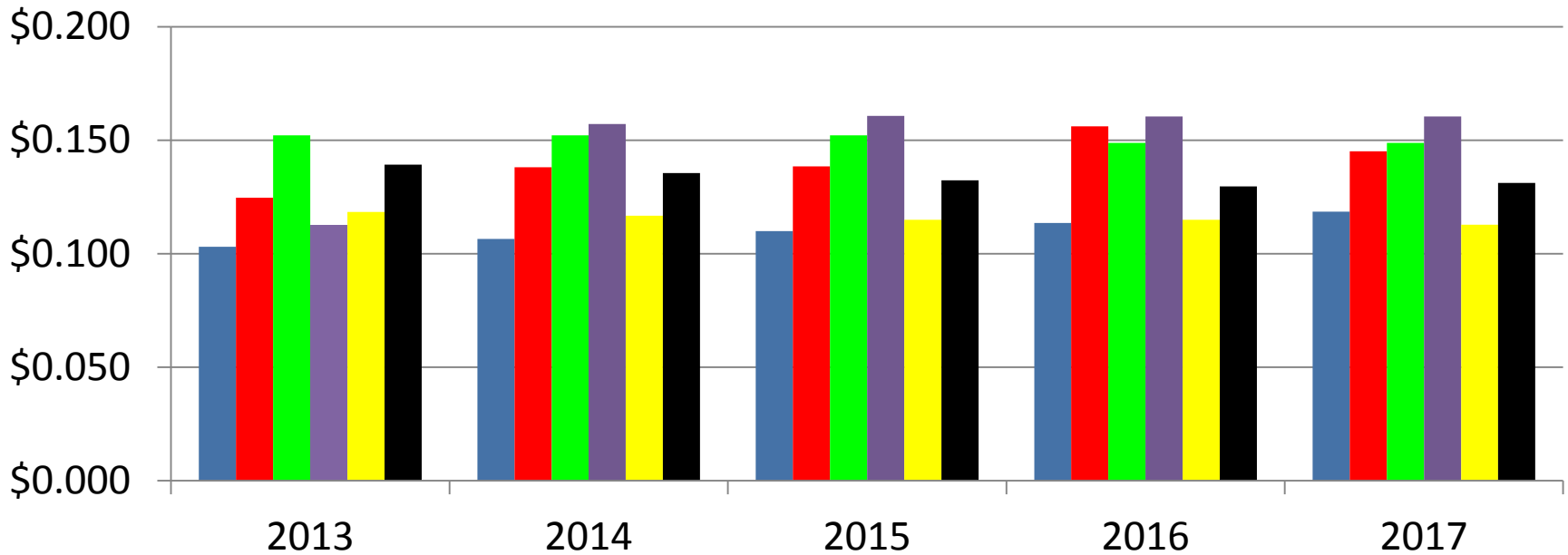
Electric Utility Revenue Adjustments



Electric Utility Residential Average Rate per kwh



Electric Utility Commercial Average Rate per kwh



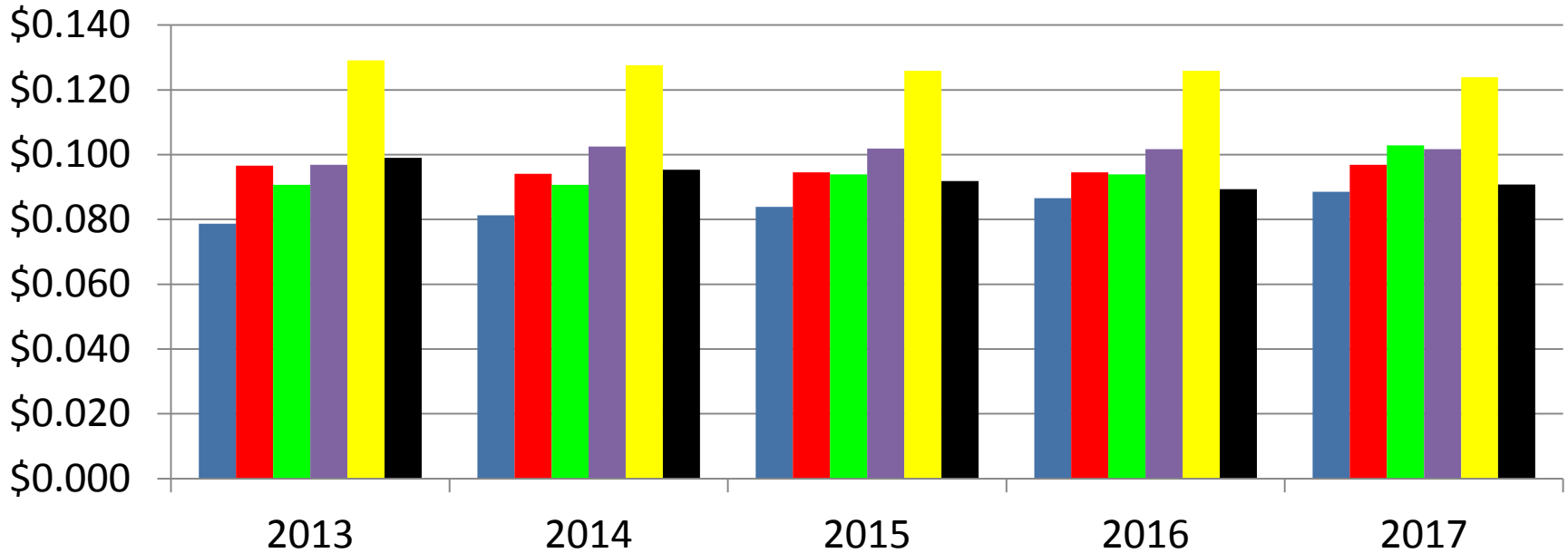
■ Holland
■ Lansing

■ Consumers Energy
■ Midwest Energy Cooperative

■ Grand Haven
■ Alpena Power Co.



Electric Utility Industrial Average Rate per kwh



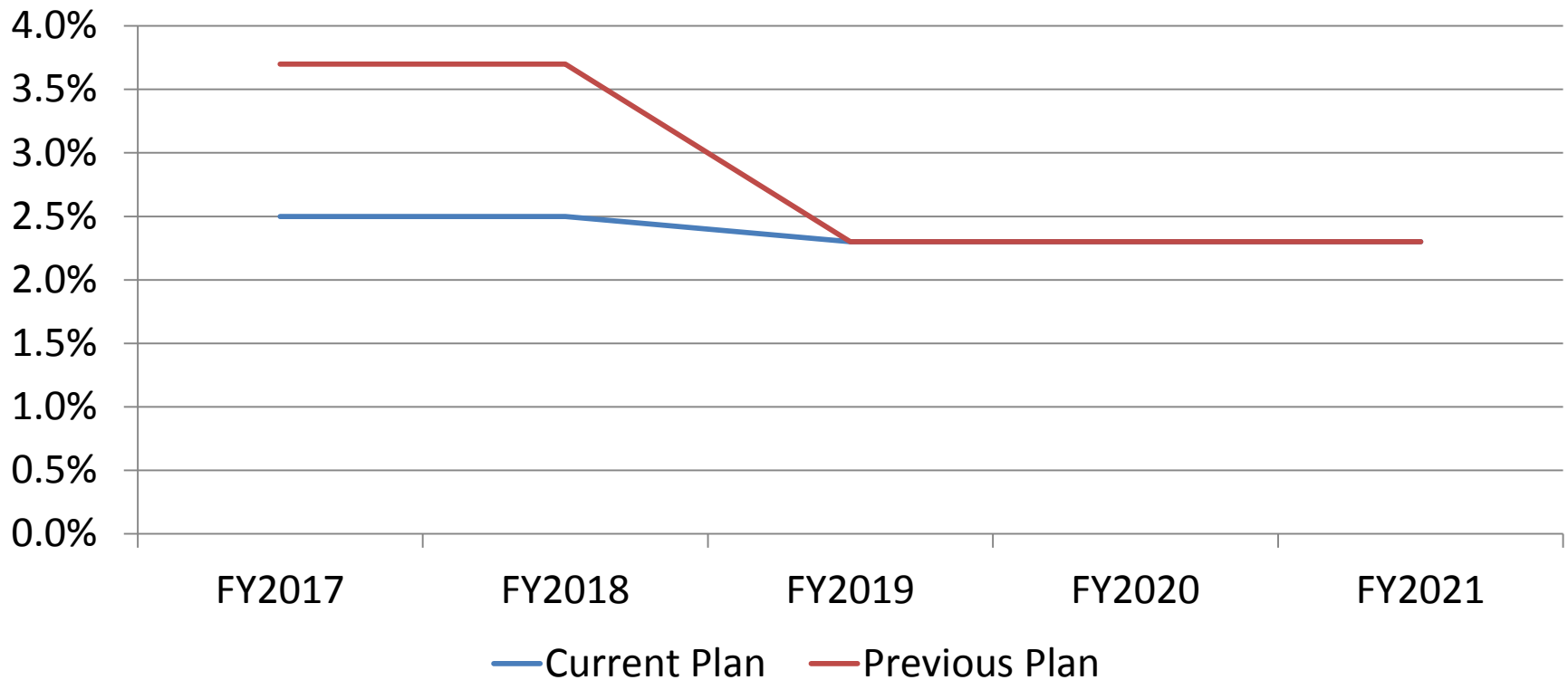
■ Holland
■ Lansing

■ Consumers Energy
■ Midwest Energy Cooperative

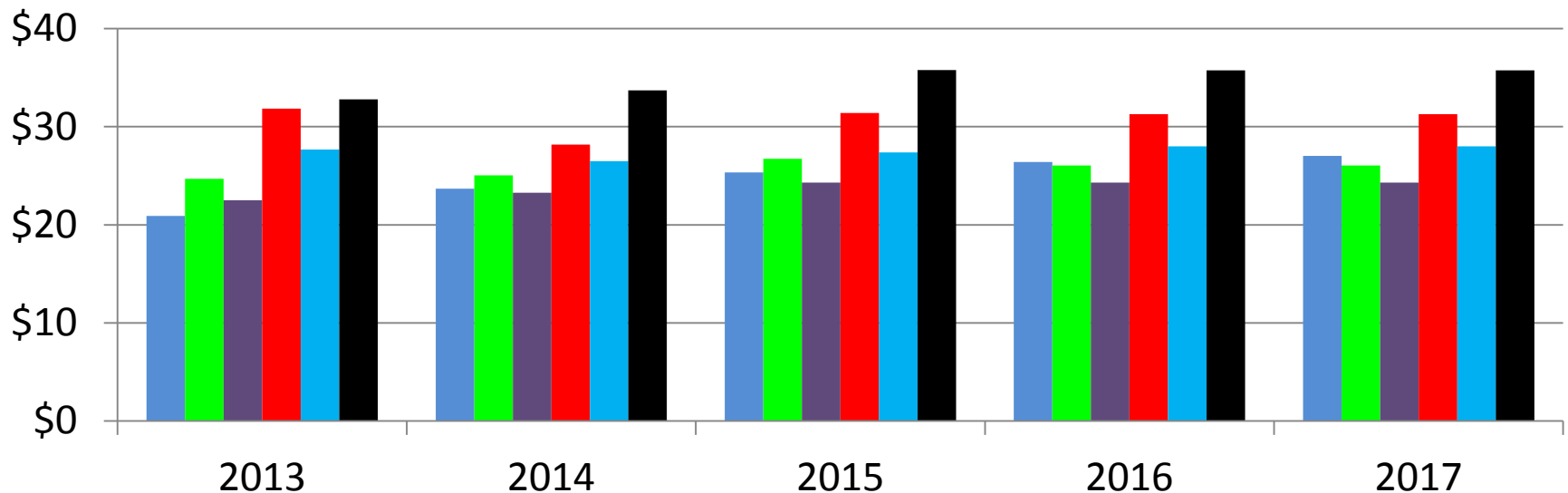
■ Grand Haven
■ Alpena Power Co.



Water Utility Revenue Adjustments



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

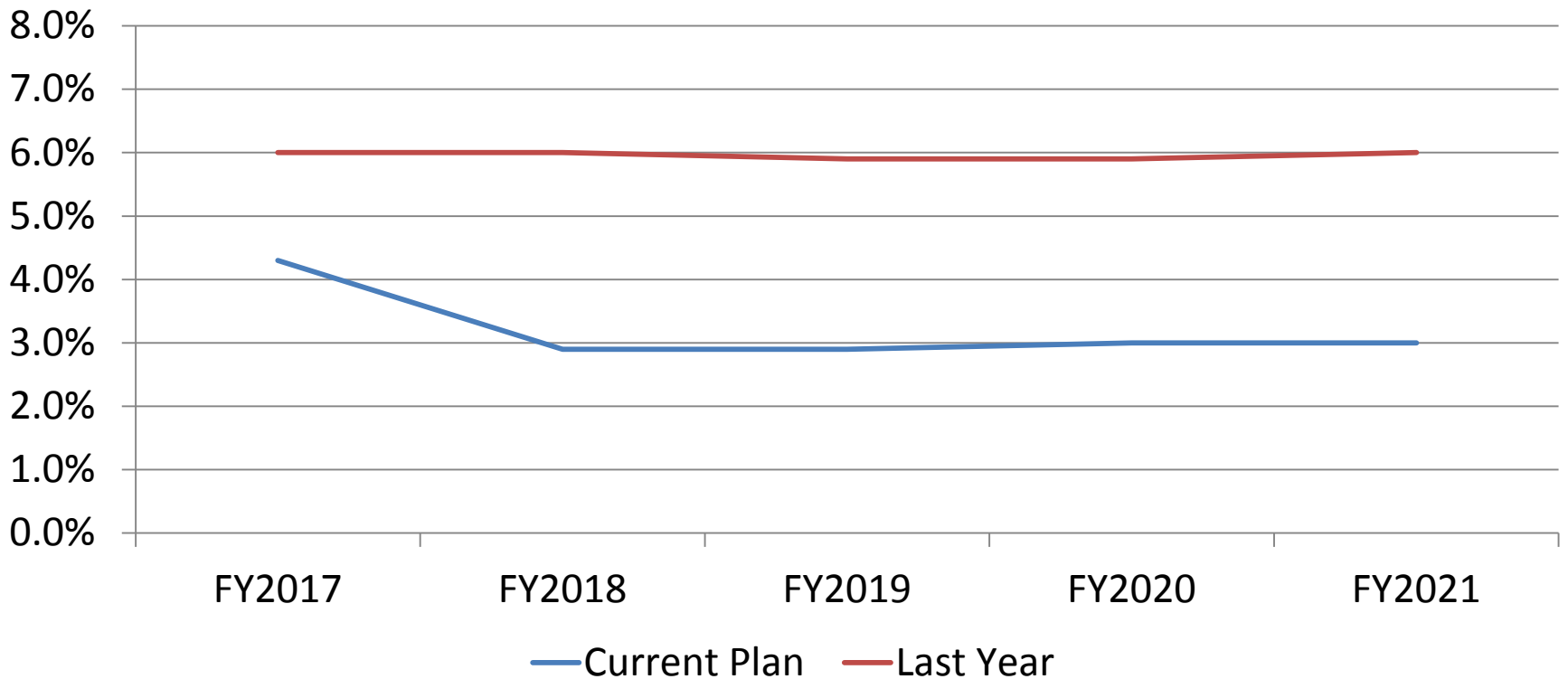


■ Holland
■ Zeeland
■ City of Grand Rapids

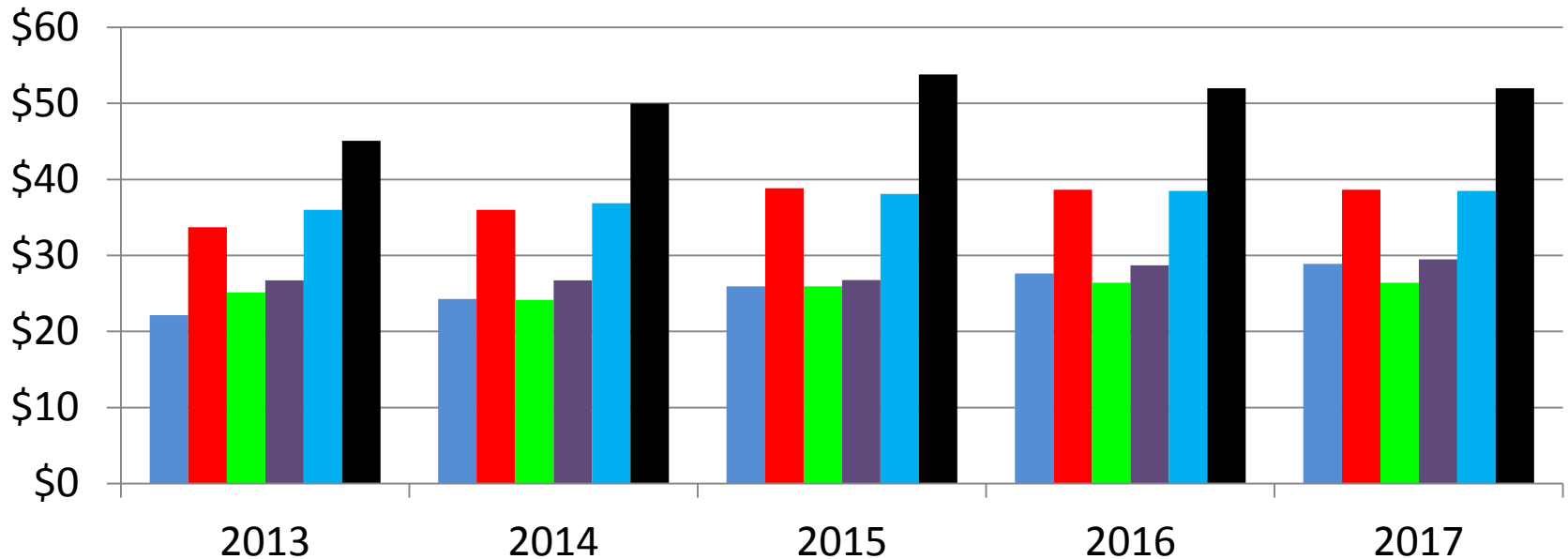
■ Wyoming Ottawa Communities
■ Northwest Ottawa Communities
■ Grand Rapids Ottawa Communities



Wastewater Utility 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, Water and Wastewater

Residential Monthly Average Bill

Utility	Current Bill	New Bill	\$ Increase per month
Electric (600 kwh)	\$73.18	\$74.80	\$1.62
Water (10 ccf)	\$26.35	\$27.03	\$0.68
Wastewater (7 ccf)	\$27.64	\$28.90	\$1.26
Total	\$127.17	\$130.73	\$3.56
Average cost per day	\$4.24	\$4.36	\$0.12

