

Board Strategic Planning Work Session
Special Meeting- Alderbrook Resort
October 4, 2011 8:00 a.m. to 3:00 p.m.

Commissioner Prouds: What made you proud of our utility this year?

Jack

- Proud of the engagement of the commissioners and how they can each have their differences but still reach a unified decision.
- Proud of customers' praise of the utility and its workers
- Proud of the manager's direction in setting objectives and long range plan accountability

Karl

- Karl echoed Jack's comments.
- Proud of the manager changing the culture and the employees' culture.
- Proud that the employees are more "on board"
- Proud of Greg for never having an audit finding
- Proud of Julie's extra effort to help keep write-offs down
- Proud of the water department's reaction to the coliform hits.
- Proud of the manager for finding low-cost options for the Alderbrook lines.
- Proud of the building improvements and Steve's leadership and rolling his sleeves up and leading by example.
- Proud of the new employees brought on board.

Ron

- Proud of how we're managing the water systems and continue to be responsible in our management practices.
- Proud of the timeliness of staff responsiveness.
- Proud that PUD 1 is a small utility with a big voice.
- Proud of PUD 1's presence in the utility world through associations.

Other Noted Prouds:

- Making tough and responsible decisions for the utility even if they are politically unpopular.
- Proud of meetings and interaction with public.

- Proud of being on the cutting edge of technology with our AMRs, etc.

Draft Mission Statement Exercise: Why do we exist?

“It is the mission of PUD No. 1 to provide our customers with safe, reliable and locally-controlled utility services with the highest possible value at the lowest possible cost.”

Draft Core Values Exercise: How we carry out our mission...

Most Popular- Integrity & Honesty
Cost-oriented
Professional
Accountability
Fiscal Responsibility
Excellence
Efficiency

(Staff and employees will provide feedback and suggestions on mission statement and core values.)

Water

Water Service, Sewer Service, Customer Numbers

- 1. Responsibly expand our water customer base**
- 2. Develop a long-term SMA plan**
- 3. Identify benchmarks and improve the quality of the water systems**
- 4. Research innovative ways to fund water projects**
- 5. Research innovative ways to improve water quality**
- 6. Continue to develop water system plans cost-effectively**
- 7. Continue to lobby and advocate for sensible and cost-effective regulations for water systems**
- 8. Be proactive about water quality and safety through active communication with peers on best practices**
- 9. Meet with Mason County to revisit the MOU**

Electric

2012 Work Plan, Current & Future Capabilities, Industry Standards

- 1. Every employee takes pride and personal ownership in work and equipment**
 - a. 100% completion on all projects**
 - b. sites should look as good or better than when we started**
- 2. Develop Formal Processes: Plan, Do, Adjust, Communicate**
- 3. Complete meter conversion**
- 4. Replace substations**
- 5. Develop an aggressive tree-trimming program to improve reliability**
- 6. Identify benchmarks and monitor/reduce customer outage hours**
- 7. Continue to actively engage in issues effecting our electrical business**

Facilities

Current & future facilities: plant, ops & admin buildings, storage, warehouse, etc.

- 1. Continue to improve current facilities both outside and inside to make them safer and more friendly for employees and customers**
- 2. Evaluate the creation of a board-designated reserve fund for a new facility**
- 3. Continue to improve and maintain current facilities**
- 4. Continue to improve upon facility security**
- 5. Relocate the pole yard**
- 6. Develop a long-term facility replacement plan**
- 7. Reevaluate warehouse needs and usage**
- 8. Develop a plan for the use of the women's club property**
- 9. Develop an overall long range facilities plan that includes cost awareness, forecasting and due diligence**

Communications & PR

*Community Outreach & Education, PUD's Image, Media Relations,
Communications Processes*

- 1. Improve upon the communications process for reporting outages and press release information to the public**
- 2. Develop a customer education program around costs and conservation to foster greater customer access and awareness**
 - a. Work with ENW on developing a community presentation**
- 3. Improve and expand the PUD website**
- 4. Solicit ratepayer feedback**
- 5. Increase PUD 1's presence in community events and group mtgs**
 - a. Develop a standardized PUD program/presentation**
- 6. Explore innovative methods of communication**
- 7. Network with industry peers to share best practices**
- 8. Evaluate our current and future needs for operations radios and bandwidth**

Finance

Financial health/viability and planning for future expansion

- 1. Present multiple budget options based on revenue projections**
 - i. Basic O&M**
 - ii. Crucial projects only**
 - iii. Major projects included**
- 2. Maximize utilization of financial reports generated by iVUE**
- 3. Present financial reports to the board on a timely basis**
- 4. Continue to build upon good work in finance department-
expand and develop processes and skills of current employees**
- 5. Continue to research other viable funding sources**
- 6. Develop a program for continuous improvement processes (CIP)**
- 7. Emphasize the Teamwork concept within the finance and
customer service departments**
- 8. Create and present bi-annual statistical comparisons for
Washington State PUDs (i.e. kWh and base rates, customers per
miles of line, etc.)**
- 9. Develop and conduct an annual board finance workshop prior to
the budget approval process (i.e. debt limits, capacity, reserves)**

Internal Development

Training, Education & Association involvement, SAFETY, HR, IT, Role of GM, Customer Service, Board development & processes

BOARD PROCESSES

- 1. Maintain involvement in industry associations as appropriate**
- 2. All commissioners attend at least one annual board training**
- 3. All board packet information will be sent out by Friday afternoon**

ROLE OF THE GM

- 1. Continue to build upon the hands-on management of facility and crews and conduct occasional site-visits**
- 2. Protect our employees by emphasizing and supporting the Safety program**
- 3. Continue to emphasize “8 hour day for 8 hour pay”**
- 4. Develop a process for contract management with an emphasis on resources and competitiveness**
- 5. Maximize the utilization of staff skill sets**

HUMAN RESOURCES

- 1. Conduct an annual benefits education session for employees and board**
- 2. Identify benchmarks and develop a report for total overall benefits costs for utility compared to industry standards**
- 3. Provide an annual debrief report on NWWH for staff and commissioners**

REGULATORY

- 1. Mitigate unfounded mandates and unrealistic regulations**
 - a. Create a push-back strategy to the State and Feds**
- 2. Mitigate DOH and DOE fees**
- 3. Educate the public on regulatory changes**
- 4. Continue to pursue our own generating resources for electric**
- 5. Mitigate BPA effects and costs**

INFORMATION TECHNOLOGY

- 1. Continue to evaluate and improve upon available technologies and maximize their utilization when it is beneficial to the organization**
- 2. Ensure adequate protections for electronic customer data**
- 3. Work toward a paperless office while still respecting customer choice**

SAFETY

- 1. 100% Accident-Free Work Environment**
- 2. Ensure that Safety continues to be our number one priority and concern**
- 3. Improve the monthly communication of safety reports**
- 4. Foster a Culture of Safety by reinforcing safety protocols and the “assume nothing” mindset**
- 5. Support an employee-driven accountability system**

TRAINING AND STAFF DEVELOPMENT

- 1. Identify, prioritize and budget for ongoing annual training by creating an annual training plan for each department**
- 2. Develop succession plans utilizing cross training, capturing critical knowledge, and ensuring that there are back-ups**
- 3. Develop a culture of Teamwork**
- 4. Schedule an annual team luncheon to celebrate accomplishments and include everyone**