

PRE-AGENDA
FOR THE REGULAR MEETING OF
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
BOARD OF COMMISSIONERS
July 27, 2020

Zoom Meeting Link:

<https://zoom.us/j/92577391912?pwd=Sk9SZzQ5THgrdzh2bHZCWS9oZ042UT09>

Meeting ID: 925 7739 1912 Passcode: 929071

One tap mobile: +12532158782,,92577391912#,,,,,0#,,929071# US (Tacoma)

Dial by your location: +1 253 215 8782 US (Tacoma)

Find your local number: <https://zoom.us/u/adiqkiH38p>

- **Consent Agenda Items**

The Commissioners will consider approving Consent Agenda items.

- **Recommendation Memo to Purchase Composite Poles**

Staff requests that the Commission approve Recommendation Memo reference Sourcewell Contract No. 121218-WES to purchase 31 composite poles of various sizes and necessary accessories for the Airport substation to Oak Street Rebuild. The amount of the contract is \$238,254.52.

- **RESOLUTION 2178-20 Authorizing the Disposal of Surplus Renewable Energy Credits**

Staff requests that the Commission pass RESOLUTION 2178-20 Authorizing the Disposal of Surplus Renewable Energy Credits.

The Commissioners will also consider the customary business matters associated with approval of payments, minutes of the previous meeting, reports from Commissioners and staff, comments from the public, and other items of information or general business. Items may be added to, or removed from, the agenda at the meeting.

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1. CALL TO ORDER

2. APPROVAL OF CONSENT AGENDA

- a. Minutes of the July 13th, 2020 regular meeting;
- b. Claim vouchers from July 13th through July 20th, 2020 for a total of \$1,698,306.45; and
- c. Payroll vouchers for the period of July 1st through July 15th, 2020.

3. AGENDA REVISIONS

4. COMMENTS FROM THE PUBLIC

5. BUSINESS ITEMS

- a. Recommendation Memo to Purchase Composite Poles John Purvis
Sourcewell Contact No. 121218-WES
- b. RESOLUTION 2178-20 Authorizing the Disposal of Surplus Tyler King
Renewable Energy Credits

6. CORRESPONDENCE/COMMUNICATIONS

- a. Clallam County PUD reaps the benefits of IT enterprise solutions

7. COMMISSIONER REPORTS

8. STAFF REPORTS

- a. Energy Efficiency/Conservation/Update on EV Charging Stations Mattias Järvegren
- b. CARES Update Doug Nass
- c. Update on 2020 2nd Quarter Key Performance Indicators (KPIs) GM and Direct Reports

9. BOARD'S ACTION ITEMS FOR STAFF

10. COMMENTS FROM THE PUBLIC

11. EXECUTIVE SESSION (TENATIVE)

12. ADJOURN

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Regular Meeting of the Board of Commissioners
Main Office | 104 Hooker Road | Sequim, WA 98382
July 13, 2020 – This meeting held remotely via Zoom

Commissioners Present

Will Purser, President
Jim Waddell, Vice President
Dave Anderson, Secretary

Staff Present

Doug Nass, General Manager
John Purvis, Assistant General Manager
Sean Worthington, Finance Manager/Treasurer
Lori Carter, Controller/Auditing Officer
Tom Martin, Water and Wastewater Systems Manager
Travis McClain, Water and Wastewater Systems Coordinator
Brad Teel, Sr. Power Systems Project Coordinator
Steve Schopfer, IT Manager
Shawn Delplain, Broadband Supervisor
Nicole Clark, Communications Manager
Mike Hill, Engineering Manager
Charlie McCaughan, Procurement and Facilities Supervisor
Ruth Kuch, Financial Analyst
Teresa Lyn, Executive Assistant

Others Present as Identified

Janet Marx
Krestine Reed
Patti Morris
Paula Simpson-Barnes
Richard DeBusman

The meeting commenced at 1:18 PM.

CONSENT AGENDA

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commissioners approved the following consent agenda items:

- a. Minutes of the June 22nd, 2020 regular meeting;
- b. Claim vouchers from June 22nd through July 6th, 2020 for a total of \$3,168,194.94;
- c. Payroll vouchers for the period of June 1 through June 30th, 2020;
- d. Removal of delinquent accounts from July active accounts receivable in the amount of \$2,842.10 including a 30% collection fee; and
- e. Invoices to be removed from miscellaneous accounts receivable in the amount of \$6,892.67 including a 30% collection fee.

AGENDA REVISIONS

There were no agenda revisions.

COMMENTS FROM THE PUBLIC

There was no public content.

BUSINESS ITEMS

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commissioners passed RESOLUTION 2176-20 Establishing the Current Schedule of Deposits and Charges, Electric Line Extension Unit Prices and Rescinding Resolution 2147-19.

Communications Manager Nicole Clark provided an overview of the Governor's recent Proclamation 20-23 and subsequent revisions that require PUDs to comply with a guidance document outlining necessary actions for utilities. Ms. Clark noted that PUD had already implemented, without prompting, those necessary actions on March 23, 2020. Ms. Clark also noted that the most recent Proclamation 20-23 assigned the Utilities & Transportation Commission (UTC) as the single point of contact for customer bill assistance. Out of concern regarding this development, and in support of the Washington PUD Association, she requested that the Commissioners sign a letter expressing support on behalf of PUDs asking that Proclamation 20-23.4 and 20-23.6 be amended to allow PUDs to exercise local control responsiveness to the unique needs of their individual customer bases. The Commissioners agreed to sign the letter.

Communications Manager Clark referred to PUD's COVID-19 customer support resources which are accessible at <https://clallampud.net/covid-19-customer-support/>, and she outlined the variety of ~~outreach communications~~ proactive measures that the PUD initially took and continues to extend in order to assist ratepayers. A discussion was held about the number of customers in arrears (1400 in mid-July and growing). Upon recommendation of staff, and upon motion of Commissioner Waddell, seconded by Commissioner Anderson and carried, the Commissioners passed RESOLUTION 2177-20 Affirming the District's COVID-19 Pandemic Response Customer Support Programs.

Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Waddell and carried, the Commissioners authorized General Manager Doug Nass to sign the Letter of Understanding 20-08 by and between PUD No. 1 and IBEW Local 997. The LOU will address the current wage disparity for lineman that exist between PUD No. 1 and other Washington utilities. The requested \$2 an hour increase in wages will enable the PUD to recruit and retain lineman, and be competitive in order to address the ongoing chronic shortage of lineman throughout the utility industry.

CORRESPONDENCE/COMMUNICATIONS

General Manager Doug Nass advised that the Governor has extended Proclamation 20.28.7 concerning the Open Public Meeting Act (OPMA), which encourages the continuance of remote meetings until August 1st.

COMMISSIONER REPORTS

Commissioner Anderson attended a quarterly WPUDA water meeting where Water & Wastewater Systems Superintendent Tom Martin presented on the utility relocates like the ones that PUDs are working on to facilitate salmon restoration. He also attended a Sequim-Dungeness Chamber meeting and relayed that Sequim is assured of a steady stream of new connections as people migrate from the cities to the Peninsula.

Commissioner Waddell attended an EDC coffee meeting where the discussion revolved around concerns about the loss of local businesses. He suggested that PUD look at what Mason PUD No. 3 is doing with internet connectivity at the retail level. GM Nass said that the IT department has been looking at Mason 3 who has a fully-staffed broadband department and crew and will be watching how their revenue meets expenses.

Commissioner Purser attended an Energy Northwest (EN) Executive Meeting. Topics of discussion were the push for relicensing the Columbia Generating Station – as it is considered to be a dispatchable energy resource that can be dialed up or down to accommodate energy needs – and the related costs, regulations, and upgrades that would be required to do so; resource adequacy and the hiring of a consulting firm which has been hired to look at it; and the Clean Energy Transformation Act (CETA).

STAFF REPORTS

General Manager Doug Nass reported that all employees were back to work and that PUD is looking into the feasibility of a hybrid remote/onsite work situation for positions that may warrant it.

General Manager Doug Nass provided an update on Coronavirus Aid, Relief, and Economic Security Act (CARES) funding. The District has been working closely with the City of Port Angeles and he reported that City Manager Nathan West headed up the CARES effort with a letter to CARES explaining the impact COVID-19 has had on the customers. On June 29th General Manager Nass and Finance Manager/Treasurer Sean Worthington participated in the Clallam County Commissioners' meeting and learned that of the \$700K+ that Port Angeles, OlyCap, and PUD collectively requested, \$200K was to be shared. These funds will be utilized among the organizations to assist residential customers in paying their utilities, rent and mortgages; PUD specifically will receive \$25K to assist struggling ratepayers. There is a possibility that additional monies may be allocated to the City of PA, OlyCap, and the PUD, however it looks like there may be no additional CARES funding.

In response to the June 22nd Board action requests:

- General Manager Nass confirmed that 100% of the donations that OlyCap receives from the PUD's Ratepayer Funds goes to Clallam County individuals only, not businesses.
- The call-in number for the June 22nd Zoom board meeting was correct, however the passcode was inadvertently omitted from the website. Staff will correct in the future.
- IT Manager Steve Schopfer advised that he reached out to Wave Cable to determine if there was any interest in collaborating with the PUD in regards to expanding broadband to the County's west end. He has not yet received a response.

IT Manager Schopfer reported that the District is currently pursuing three broadband-related projects: 1) Taking microwave fiber shots between PUD's Airport and Silverado substations, which will take about 6-12 months – pending FCC licensing – and will be used to help extend fiber; 2) working with a couple of ISP providers to extend fiber extension to the Forks School District, which hopefully will give 60% of the schoolchildren internet connectivity – this with an estimated completion of 2 months; and 3) applying for a grant to get fiber backbone on the ground, which will allow the ISP to extend fiber to the Crescent School District (Joyce) – the expected completion is 1-2 years, due to the grant application process and build time. He noted that projects on the western and northern Olympic Peninsula are subject to challenges unlike those experienced by Kitsap County – requirements for coordination with the DNR and Tribes – and the geographical barriers of rivers, mountain, and heavily forested areas. These complications will add to project lead-time.

General Manager Doug Nass reported that the Sequim Fir Street project in which the District was a significant participant in removing overhead lines and placing them underground – is finished. The District had a bucket truck in the ribbon cutting event which celebrated the reopening of the street on July 9th.

BOARD'S ACTION ITEMS FOR STAFF

There were no board action items for staff.

COMMENTS FROM THE PUBLIC

Public comment regarding Tier 1 utilities was received after the meeting via emails and responded to via email shortly thereafter.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 2:49 PM.

ATTEST:

President

Vice President

Secretary

June 22, 2020

SUMMARY VOUCHER APPROVAL
PUBLIC UTILITY DISTRICT #1 OF CLALLAM COUNTY
OPERATING FUND

We certify, under penalty of perjury, that the materials have been furnished, the services rendered, or the labor performed as described herein, and that the attached list of claims are a just, due and unpaid obligation against Public Utility District No. 1 of Clallam County, and that we are authorized to authenticate and certify said claims.

SIGNED *Yow Carter* DATE 7/17/20
AUDITING OFFICER

[Signature] DATE 7/17/20
GENERAL MANAGER
For

Vouchers audited and certified by the Auditing Officer and the General Manager have been recorded on the attached list which has been made available to the Board of Commissioners of Public Utility District No. 1 of Clallam County. We, the undersigned Board of Commissioners of Public Utility District No. 1 of Clallam County, approve for payment those vouchers included on the attached list:

Summary for Voucher Lists Dated 7/13/20-7/20/20

Checks	\$	1,586,525.72
Wire Transfers		86,641.36
E-Payment		25,082.62
Prepays		56.75
Total	\$	1,698,306.45

COMMISSIONER

COMMISSIONER

COMMISSIONER



MEMORANDUM

Date: June 27, 2020
To: Doug Nass, General Manager
From: Mike Hill, Engineering Manager
Re: RECOMMENDATION MEMO
COMPOSITE POLES OF VARIOUS SIZES AND NECESSARY ACCESSORIES FOR
AIRPORT SUBSTATION TO OAK STREET REBUILD
SOURCEWELL CONTRACT NO. 121218-WES

After evaluation of the quote received through Sourcewell and careful consideration by staff, we are recommending the District award the purchase, for the above-referenced supplies, in the amount of \$239,254.52, to Wesco Distribution Inc. for:

A total of 31 quantity RS composite poles of various sizes, jacking bar assembly kit, and hole saw kit needed for the Airport Substation to Oak Street rebuild

Not to Exceed Total: \$239,254.52 (not including tax)

MH:jk

Accepted by Board of Commissioners at meeting of: _____, 20__.

Doug Nass, General Manager

A RESOLUTION Authorizing the Disposal of Surplus Renewable Energy Credits

WHEREAS, the District purchases renewable energy certificates (“RECs”) from Ormat Technologies, formerly known as US Geothermal, Inc. pursuant to the District’s current power purchase contract; and

WHEREAS, under the Energy Independence Act, Ch. 19.285 RCS (the “ACT”), some of the RECs qualify as eligible renewable energy credits for the purposes of the District’s compliance with the renewable targets established in the act, and some do not; and

WHEREAS, the District has acquired 7,794 RECs from Ormat Technologies that no longer qualify as eligible renewable energy credits for the District; and

WHEREAS, the District will continue to receive RECs from Ormat Technologies in accordance with the District’s purchase contract, of which will qualify as eligible renewable energy credits under the Act; and

WHEREAS, the RECs that no longer qualify as eligible energy credits under the Act are not material to, or necessary or useful in, the operation of the District’s system or in the District’s compliance of the Act, and are therefore REC surplus to the District’s needs; and

WHEREAS, RCW 54.16.180 authorizes the District to sell or otherwise dispose of surplus property; and

WHEREAS, a limited market exists for the RECs that are surplus to the District’s needs.

Now, therefore be it

RESOLVED that the General Manager is hereby authorized to dispose of 7,794 RECs now owned by the District that do not qualify as eligible energy credits under the Energy Independence Act, Ch. 19.285 RCW, in a manner determined by the General Manager to be in the District’s best interest.

PASSED by the Board of Commissioners of Public Utility District No. 1 of Clallam County, Washington, this 27th day of July 2020.

President

ATTEST:

Vice President

Secretary

RESOLUTION NO. 2178-20

PUD #1 of Clallam County

<< Utility Name

Washington State Utility Resource Plan Year

2020

Prepared by:

Sean Worthington

	Base Year	5 Yr. Est.	10 Yr Est.
Estimate Year	2018	2023	2028
Period	Annual	Annual	Annual
Units	(MWa)	(MWa)	(MWa)
Loads	76.40	76.93	77.65
Resources:			
Future Conservation/Efficiency		3.73	7.46
Demand Response			
BPA Tier 1 (include BPA PF)	73.73	72.52	69.52
BPA Tier 2	2.00	0.01	
Non BPA:			
Co-generation			
Hydro (critical water)	0.67	0.67	0.67
Wind			
Other Renewables			
Thermal-Natural Gas			
Thermal-Coal			
Market Purchase (non BPA)			
Other			
Distributed Generation			
Undecided			
Total Resources	76.40	76.93	77.65
Load Resource Balance	0.00	0.00	0.00

To review your Utility's 2018 Cover Sheet click here to download; they are in alpha

This row will be zeros if loads and resources

Date of Board/Commission Approval

July-20 (mm/yy)

Notes: Explain resource choices other than conservation / Use of renewable energy credits in planning / Distributed Generation :

Data is reported using the Federal fiscal year (October through September). The base year is 2018 weather normalized load. The 2023 and 2028 load forecasts are based on 2018 weather normalized actual load applied to BPA's AAGR of 0.3% including mandated conservation from the Energy Independence Act. The non-federal hydro resource "Line 17" is Clallam's share of the Packwood Lake project owned by Energy Northwest. We have current contracts for RECs to meet the 15% Washington State Renewable Energy Portfolio Standard through 2028.

One way of commenting is to enter the line number of the resource title and type the comment following the number. For example: "Line 24: Our Distributed Generation sources are landfill gas and solar."

Energy Efficiency

July 27, 2020

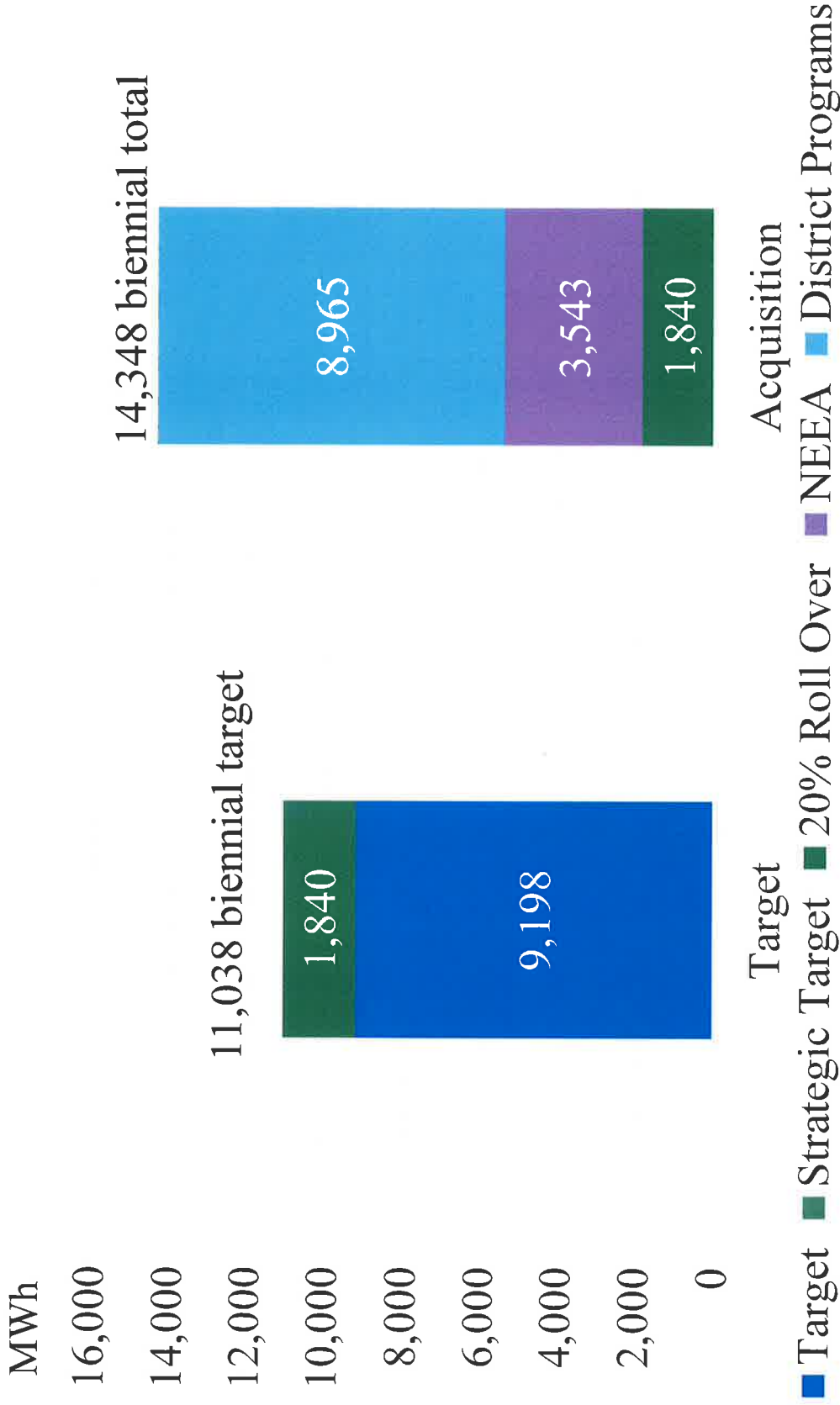


Mattias Järvegren
Utility Services Supervisor

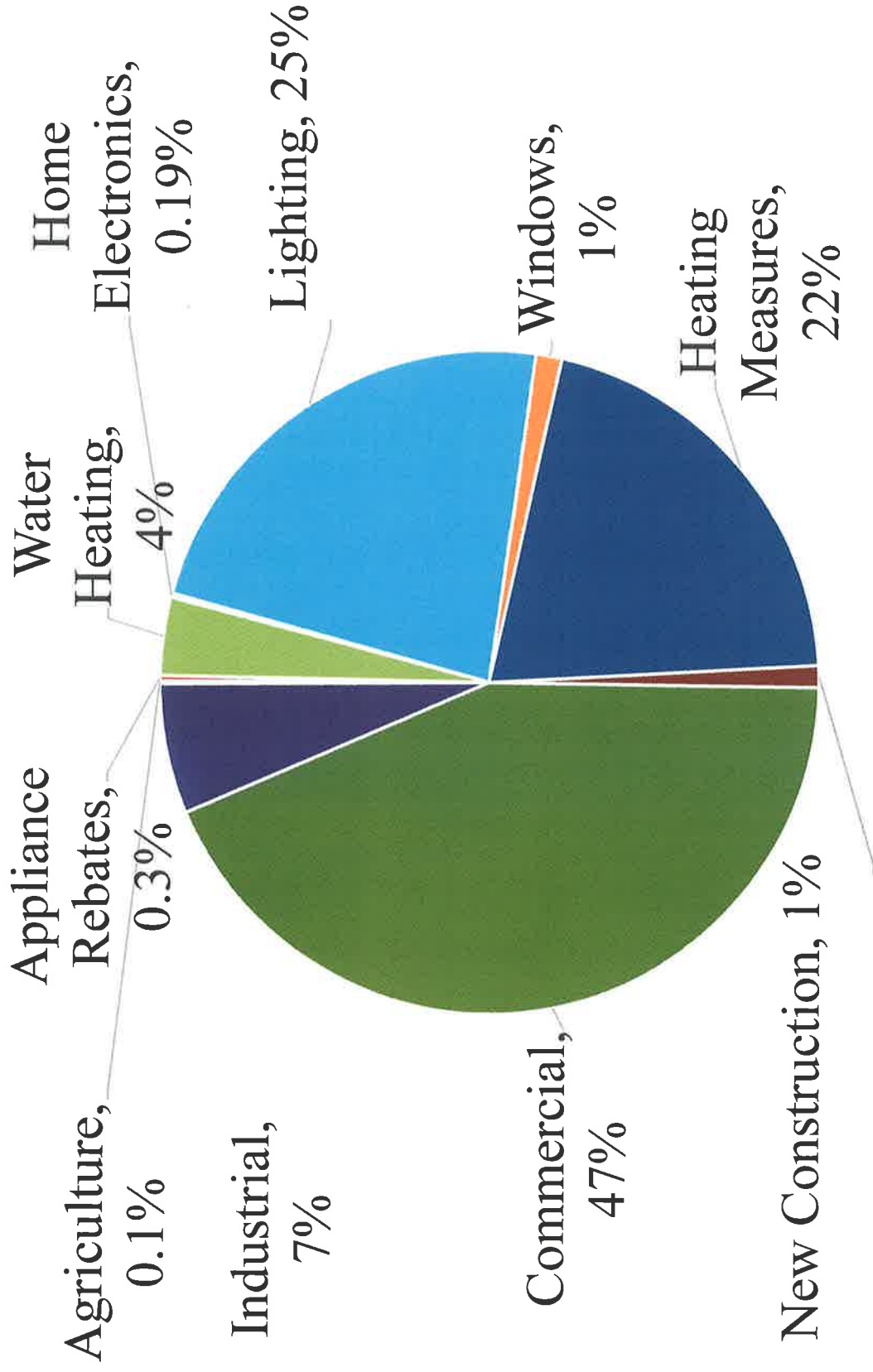
What we'll cover

- Update on the past 2018/19 EIA biennium.
- A look at where we are right now with regards to the current 2020/21 EIA biennium, and our strategy to meet that target
- Electric Vehicles

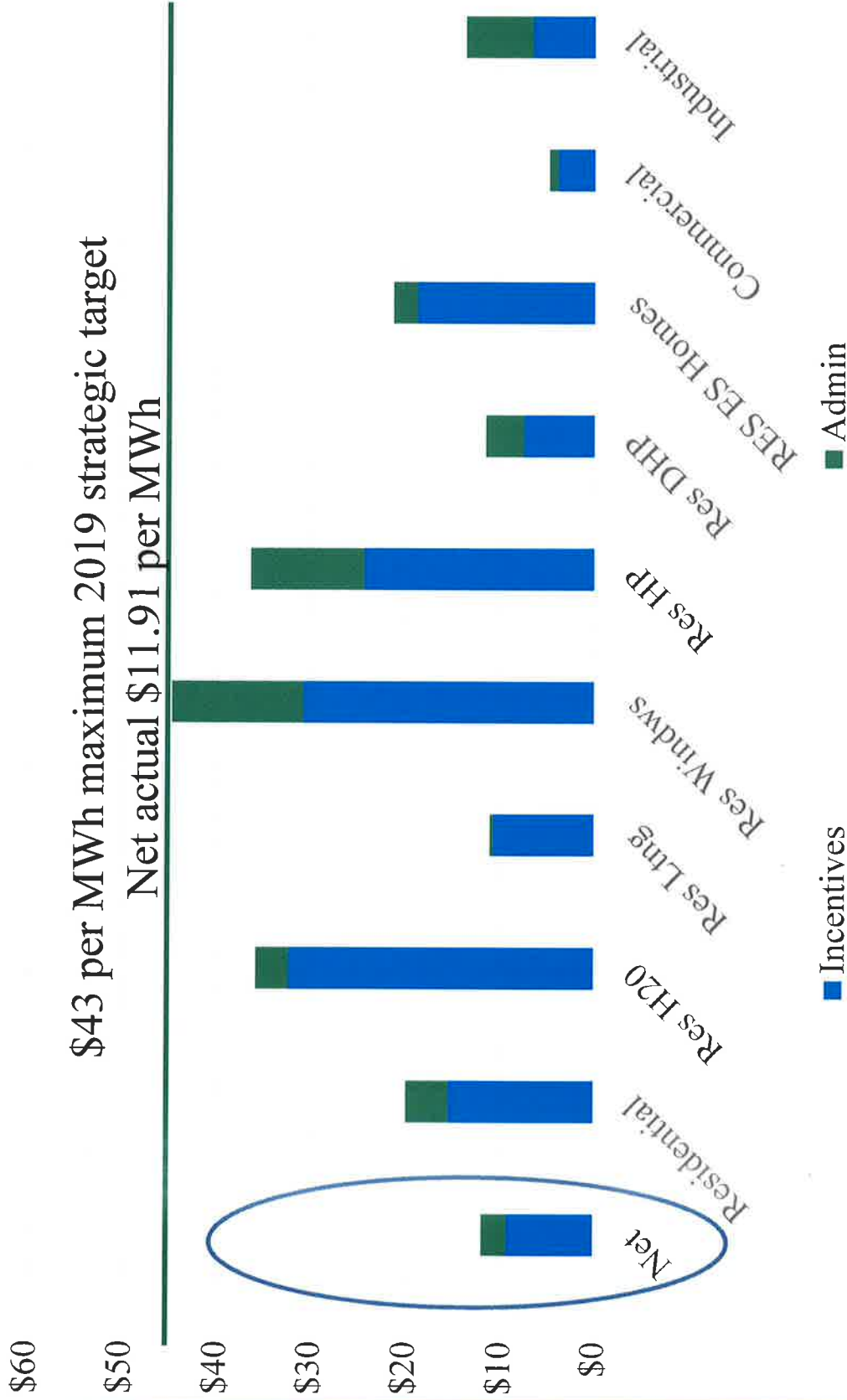
2018/19 EIA biennial acquisition



2018/19 EIA biennial acquisition by District program



2019 District program cost Levelized per MWh saved



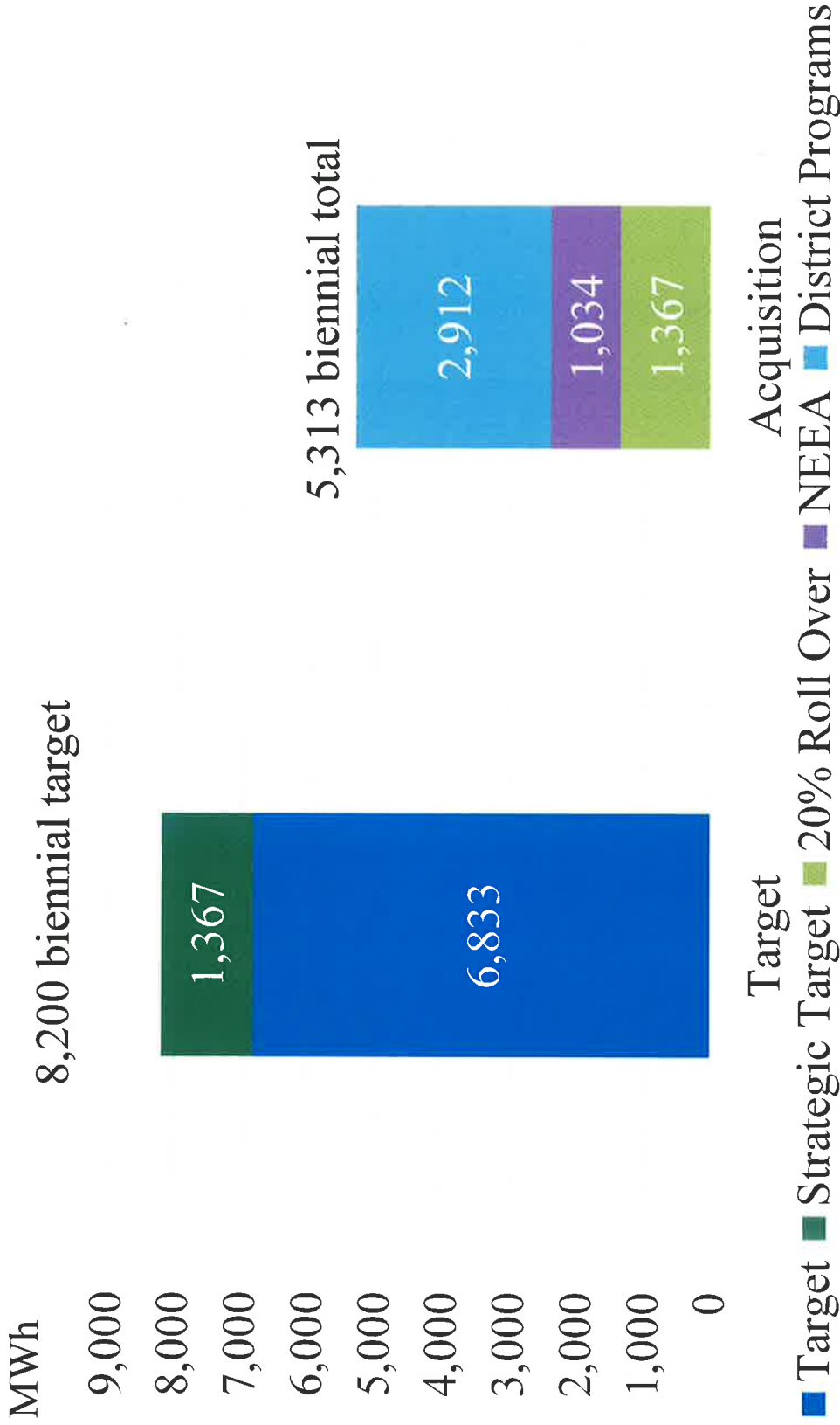
Audit of 2018/19 biennial acquisition and target setting

- **The CPA audit was initiated by State Auditor's office in May of 2019.**
 - ✓ No report was to be issued until after the savings acquisition audit is completed as well.
 - ✓ We have no indications that the auditor will have any significant issues in his final report
- **The acquisition audit will be conducted along with our financial audit**
 - ✓ Savings acquisition data was sent to the State Auditor's office in April of 2020
 - ✓ Final report isn't expected until towards the end of the year.

System Peak & CO² Reductions 2018/19

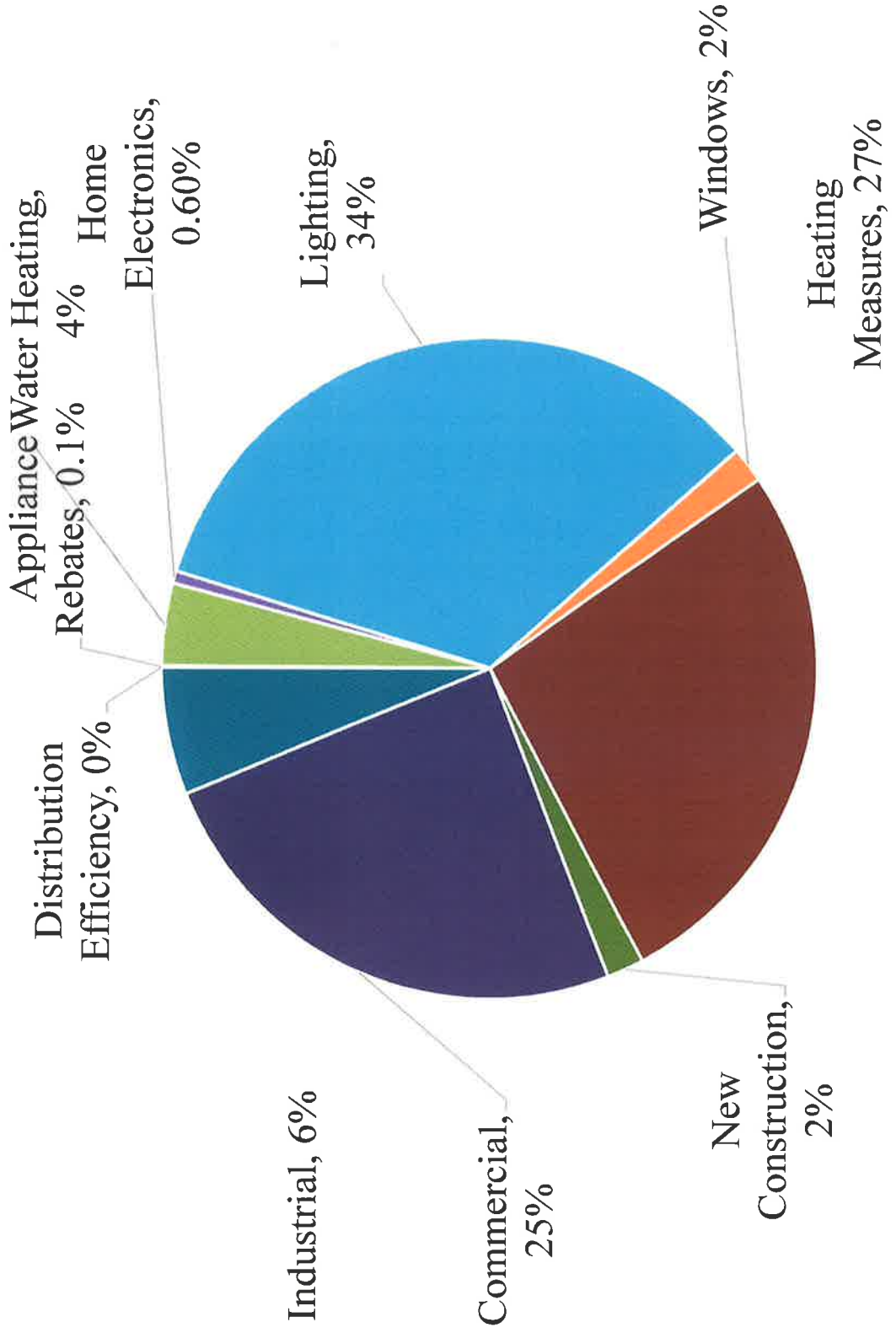
- **System Peak reduction**
 - ✓ 1,512 kW
- **CO₂**
 - ✓ 1,993 Metric Tons

2020/21 EIA biennial acquisition



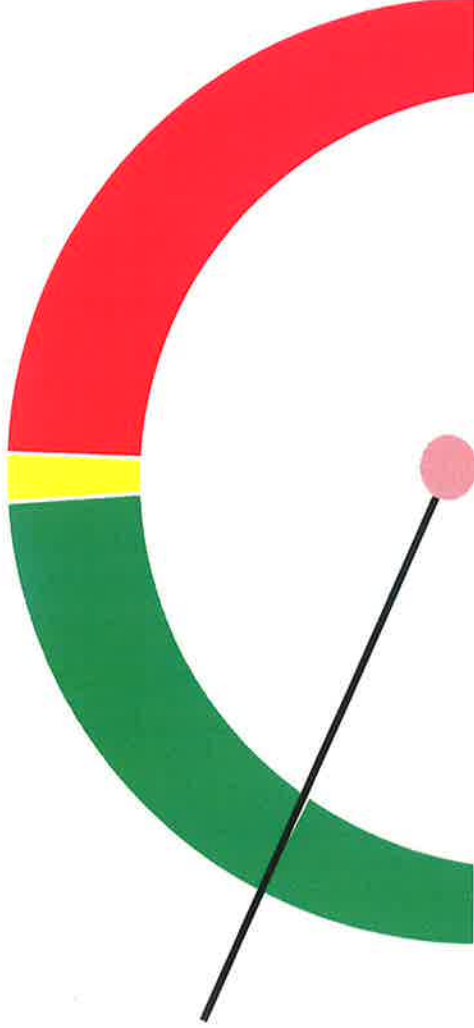
Current through June, 2020

2020 YTD Acquisition by District program



2020 District program cost Levelized per MWh saved

\$43 per MWh maximum 2019 strategic target



Key Performance Indicator

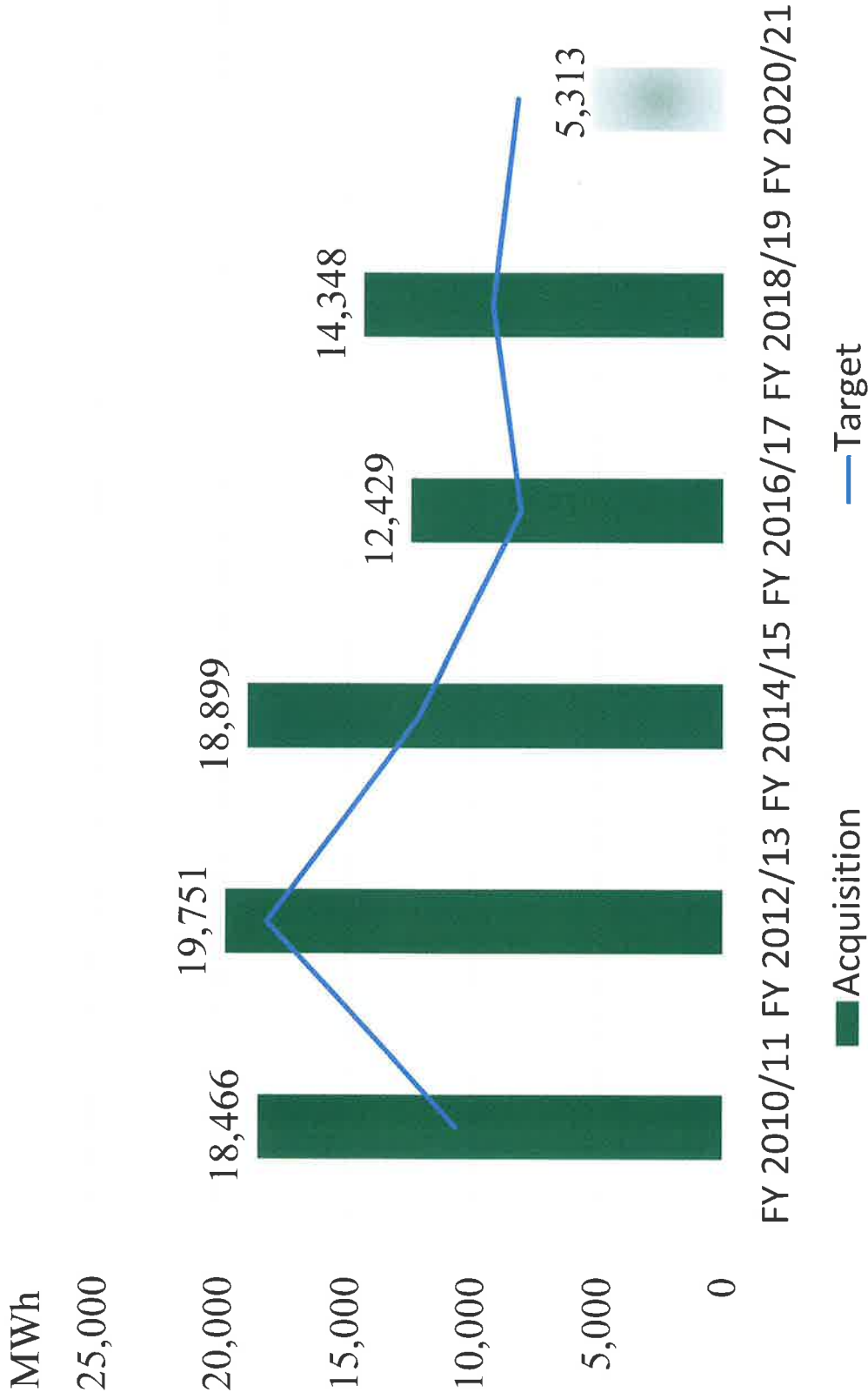
Green =< \$43 per MWh Conservation

Yellow = \$43 to \$46 per MWh Conservation

Red => \$46 per MWh Conservation

\$16.08 per MWh = Actual Conservation cost YTD

EIA Activity Comparison



EIA 2020/21 through June, 2020.

Electric Vehicles

- Energy NW applied for a Department of Commerce EV grant in early June.
- If awarded the grant would allow Energy NW to install and operate a series of EV chargers around the Hwy 101 loop.
- 2 of those would be installed in our service territory. One in Sequim and one in Forks.
- “Apparent Successful Grantees” will be announced by December 9, and earliest contract work will begin in May of 2021.
- That time line was set before the Governors furlough orders, so it’s possible the timeline will be pushed out.

Summary

- Meet and exceeded the 2018/19 EIA biennial target.
 - Audit review is still forthcoming
- On track to meet the 2020/21 EIA biennial target
- Waiting on Department of Commerce to approve Energy NW's EV grant application

Thank you

CUSTOMER SERVICE

Clallam County PUD reaps the benefits of IT enterprise solutions

July 6, 2020

Peter Maloney

[Home Periodical Article Clallam County PUD reaps the benefits of IT enterprise solutions](#)

Sponsored Advertising Feature

Clallam County Public Utility District (PUD) in Washington State has switched out a sprawling set of applications that ran everything from its workforce deployments to its accounting system, and replaced it with integrated enterprise solutions to bring the public power utility's efficiency and customer service into the 21st Century.

"It has been a huge improvement," Clallam PUD Finance Manager Sean Worthington said. "Everything done in the system now talks to each other in real time."

Prior to the conversion, "we had best of breed of most solutions," Clallam PUD IT System Administrator Eric Jacobson said. While they may have been the best software available for a given task, together they formed a disparate patchwork that utility employees had to knit together manually and, in many cases, they remained separate and were not integrated into a working whole.

For example, there was no link between the data residing in customer accounts and the utility's accounting system. When customers paid their bills, the cash receipts had to be entered manually into the accounting software. Then, in February 2016, "our general manager, Doug Nass, saw a need to adopt an enterprise solution that was more modern and integrated," Jacobson said. "We were running multiple legacy systems that used text-based terminal emulation software as the user interface, and the integration between the legacy systems was mostly done through manual processes."

By early November of that year, the new system went live for customer care and billing (CC&B) applications, and one year later most functions across the utility had been transitioned to a single platform from National Information Solutions Cooperative (NISC).

“The adoption of NISC brought the PUD modern technology for our employees and customers with greater integration that is automated,” Jacobson said.

By selecting NISC as its technology partner, Clallam PUD was able to bring all its utility software functions under the same roof and have all of them talk to one another. That enabled a wide variety of benefits, from the automation of previously manual tasks and improved customer care to a movement toward a paperless environment.

In the past, “we couldn’t do a paperless service order,” Jacobson said, but enabling NISC’s “SmartTrack and iVUE AppSuite allowed us to adopt a solution that could be deployed on smart devices and realize workflows we weren’t able to do before.” In the past, service orders were generated through a combination of Excel worksheet printouts and handwritten notes that had to be read, interpreted and entered into a computer.

Now, workers in the field can use mobile devices to see geographical information system (GIS) displays, interleaf it with work order information, make notes and process service orders from a single device.

Clallam PUD also utilizes NISC MapWise, an integrated intelligent mapping solution that allows for quick fixes of duplications, mapping and connectivity errors, and eliminates a need to check multiple layers separately.

Employees update the solution regularly with fuse size changes, transformer additions, customer load additions, tap changes and new construction. This requires regular maintenance from multiple employees but results in a more accurate system, Colin Young, Clallam PUD’s distribution systems supervisor, said.

Young says field employees can send in simple drawings for map corrections to reflect in-field, real-world system configurations. Material failure issues can be tracked using custom layers that show up on the map to alert operations employees of problem areas.

NISC’s CC&B software sends daily customer information updates to MapWise, enabling employees to find relevant customer information, such as addresses and names, without having to jump to the customer information system (CIS). And since the customer record is linked in both programs, errors can easily be found and fixed.

MapWise has a multi-speak conversion tool to create a map that integrates into the engineering analysis software, which has been integral in Clallam PUD making quick system updates. Engineering analysis allows investigation into system issues such as low voltage, overloaded circuits, and line loss. While new construction on feeder and line sections can be viewed with alternate scenarios to see how changes such as regulator installations, conductor upgrades and alternate feeds affect system variables.

NISC’s Outage Management Solution (OMS) is updated from the GIS map and built off NISC MapWise, which forces users to think holistically and make the whole system more accurate.

OMS can be used from multiple terminals at once, including employees across multiple departments. During large outages, customer service representatives (CSRs) can input outages while dispatchers direct linemen to new trouble areas. In addition, advanced metering infrastructure (AMI) meters are being integrated with the OMS to show outages

even before customers call in to report them.

The conversion to NISC's enterprise solutions is also benefitting the PUD's customer-facing functions. Delinquent accounts can be more easily identified, enabling CSRs to personally contact a customer before taking action. That provides a more personal touch, reduces truck rolls and can keep employees out of potentially dangerous situations. NISC is also developing arrears reporting, which will be helpful when a disconnected account is restarted.

NISC systems also enable CSRs to see payments in real time instead of the next business day and track payments made by phone, eliminating reliance on data from other departments within the PUD.

Automation and integration of outage information also lightens the load on CSRs, making them more productive and improving customer interactions. NISC's SmartHub application gives customers an online outage map at their fingertips, which reduces outage calls.

As AMI meters are being installed, SmartHub allows customers to see their usage on a daily basis instead of only in monthly increments, which will help customers investigate causes for high bills and usage. "That will really help us with high bill complaints," Clallam PUD Customer Service Supervisor Chanda Halverson said.

And now, because formerly disparate functions are united on a single software platform, the utility is better able to generate reports. "In the past, you needed to wait until the end of the month for accounting to print a 300-page report from the billing software," Worthington said. "Now you can run a report on payments that happened, for example, six days ago."

Customers will also reap some of these benefits. They will be able to see payments in real time on SmartHub as Clallam PUD continues with the rollout of AMI. The PUD has installed close to 4,000 AMI devices, leaving about 30,000 to go to reach 100% coverage by 2025 as targeted.

Clallam PUD is also in the process of rolling out an employee self-serve function through NISC that will allow the recording and reporting of paperless timesheets. This new functionality will save employees time and allow them greater flexibility, which could be particularly beneficial in the emerging COVID-19 scenario where employees are working from home. Being able to generate paperless pay stubs has already provided a benefit to employees who had to work remotely.

The timing of Clallam PUD's conversion to NISC, in fact, has proved beneficial during the COVID-19 quarantine, providing benefits that will continue past the pandemic. Payment kiosks and SmartHub provided additional payment methods during the pandemic. In addition, the utility was not able to have meter readers in the field for a month, but was able to generate estimated meter reads using usage data from the same month of the previous year.

With the new systems, "when customers apply for new service, they will have many ways to pay," such as enhanced and more flexible pay-by-phone options, Halverson said.

Looking forward, Clallam PUD hopes to realize more benefits from NISC's platform. The utility is migrating to the adoption of NISC's iVUE Mosaic, a cloud-based application that allows employees to view data across business segments—accounting, customer care, operations and system administration—on a single smart device.

The conversion to a single enterprise platform was “challenging,” Worthington said. “It required a lot of manhours and behind-the-scene preparations.” But support from NISC during the transition was amazing, he said.

NISC also does an excellent job at providing training for utility employees on the new software, Jacobson said. Training a new CSR used to “take forever,” but using NISC’s materials—click-through training videos and printable guides—“gives us the freedom” to do training “while we do other work,” Halverson added.

In addition, when a utility works with NISC they also join the organization as a member, providing access to other users and their institutional knowledge. It is one of the key benefits, Jacobson said.

Through NISC, Clallam PUD formed a NISC Administrative Team (NAT) that consists of key users to help ensure the PUD is taking the utmost advantage of the software. Clallam PUD also participates in a broader, less-focused regional user group composed of utility NISC users who meet on a regular basis to troubleshoot successes and failures.

NISC’s software comes in a general format that is not necessarily tailored to the needs of any individual utility, Halverson said. “That is where user groups come in handy.”

NISC representatives coordinate biannual meetings that include breakout sessions and roundtable discussions. “We work together and adopt solutions” and continue to communicate throughout the year, Halverson said. The groups are “very helpful and very efficient.”

“NISC had solutions we didn’t know we needed,” Jacobson said.

For more information about NISC cyber security solutions, visit NISC’s [website](#).

2020 STRATEGIC PLAN

CLALLAM COUNTY™



Bringing Energy To Life™



2020 STRATEGIC PLAN

We are proud to present to you PUD #1 of Clallam County's 2020 Strategic Plan.

The 2020 Strategic Plan continues the expectation of excellence established in prior years. The Plan includes the District's focus on broadly defined areas described as **Strategic Objectives**, with a definition and "**Picture of Excellence**" for each objective. Gaps to reaching Excellence are identified and **Strategic Initiatives** developed to close these gaps and help us achieve the "Picture of Excellence." Along the way, we track performance through the use of **Key Performance Indicators**. Minor updates are performed annually, with a "deep dive" into the Plan every 3-5 years.

As a utility that has earned the American Public Power Association's Reliable Public Power Provider (RP3) designation of operational excellence, we are proud of our accomplishments and our service to you the ratepayers of Clallam County Public Utility District.

As always, our **Mission** remains the foundation for our Strategic Objectives – "**Providing reliable, efficient, safe, and low cost utility services in a financially and environmentally responsible manner.**" This, along with our **Core Values**, will help us continue to be what our **Vision** states in being the "**Best utility for OUR customers.**"

We welcome feedback and suggestions for future updates to our Strategic Plan.

Thank you,



Doug Nass
General Manager

*Vision without action is merely a dream.
Action without vision just passes the time.
Vision with action can change the world.*

~ Joel A. Barker

2020 STRATEGIC PLAN

About Clallam PUD



In 1940 the people of Clallam County were presented the opportunity to vote on formation of a Public Utility District, the language presented on the ballot for the purpose: ***“to conserve water and power resources and to supply public utility service, including water and electricity, for all uses.”*** PUDs are unique in our nation, as they are not-for-profit, and are owned by the customers we serve. Our fledgling PUD since developed three more utilities: water, sewer, and then in 2000 broadband, after the Legislature authorized PUDs to go into the wholesale telecommunications business.

Today PUD #1 serves over 30,000 customers with electric service, and over 4,500 with water connections. We have offices in Forks, Clallam Bay/Seki, as well as a main office in Carlsborg that provide one-stop shopping for customers and high efficiency for employees.

We also help our customer save money with rebates, incentives and lower power bills associated with conservation and implementation of renewable distributed generation. Our PUD is fortunate to have access to renewable hydroelectric power for the bulk of our power needs. However, we also recognize the increasing cost of hydropower and changes in the energy sector and markets will require displacing the portion of power received from carbon sources with an affordable and cost effective renewable supply, additional conservation, and with effective management of internal and external cost drivers.

On average, we are 97% carbon-free and no matter how we grow, we continually strive to fulfill our mission:

To provide reliable, efficient, safe, and low cost utility services in a financially and environmentally responsible manner.

2020 STRATEGIC PLAN

MISSION

"Providing reliable, efficient, safe and low cost utility services in a financially and environmentally responsible manner"

VISION

"To be the best utility for OUR customers"

MISSION & VISION

CORE VALUES

- Respect- Ethical- Safe- Proactive- Excellent- Customer Focused- Teamwork

STRATEGIC OBJECTIVES (SO)

Broad defined categories which connect the District's Mission and Vision to its strategy

PICTURE OF EXCELLENCE GOALS (POE)

Goals to be achieved to progress each Strategic Objective toward the Picture of Excellence (POE) & close Identified Gaps

STRATEGIC INITIATIVES (SI)

Planned high-level actions to accomplish goals which support achieving and maintaining POE

STRATEGIC PROJECTS

Focused implementation plans for accomplishing current fiscal year Strategic Initiatives

PERFORMANCE APPRAISALS

Individual performance on Strategic Projects that drive accountability toward achieving Strategic Objectives Picture of Excellence goals

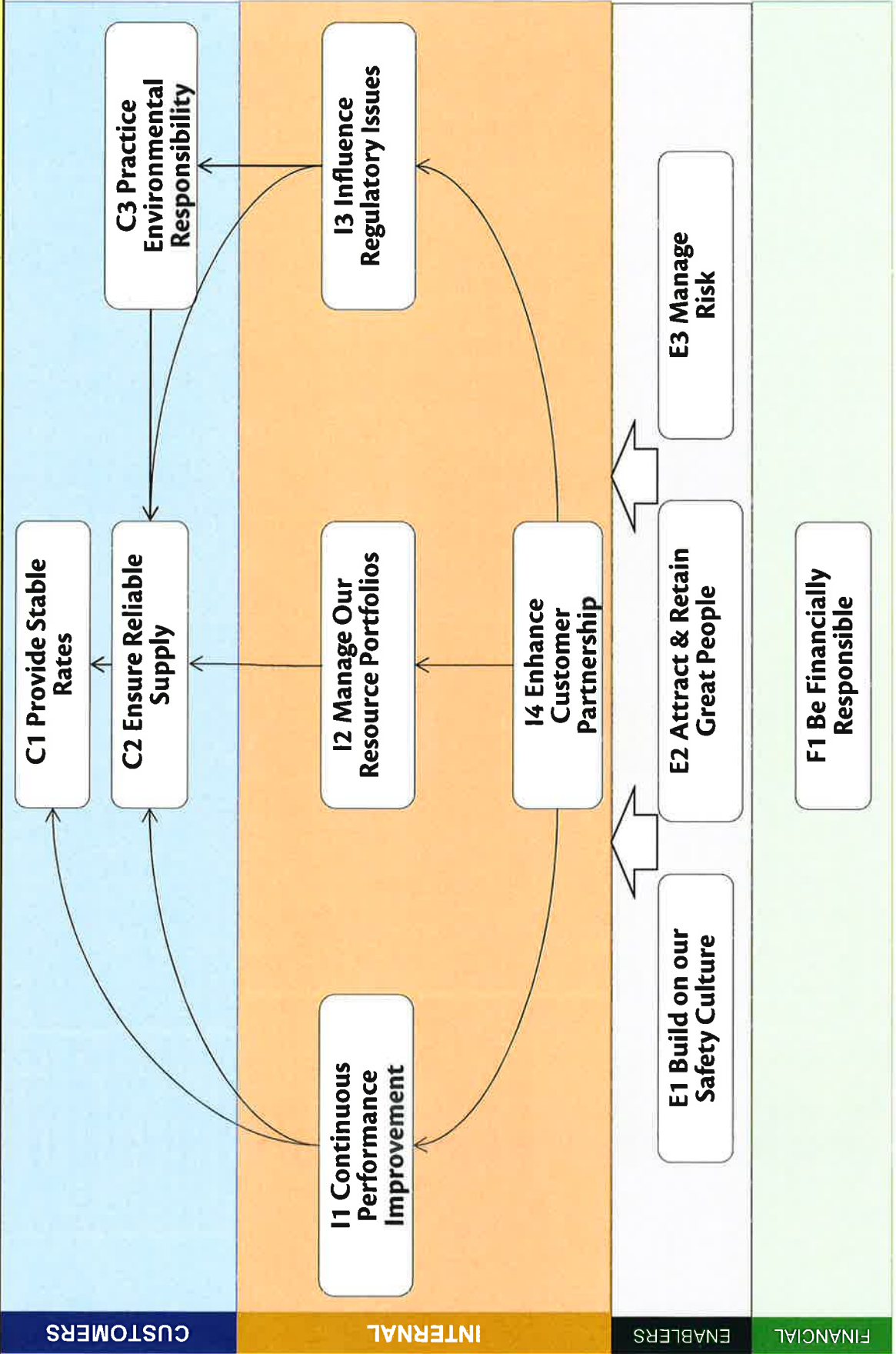
STRATEGIC OBJECTIVES (SO)

CUSTOMER: Provide Stable Rates; Ensure Reliable Supply; Practice Environmental Responsibility
INTERNAL: Continuous Performance Improvement; Manage Our Resource Portfolios; Enhance Customer Partnerships; Influence Regulatory Issues
ENABLERS: Build on our Safety Culture; Attract & Retain Great People; Manage Risk
FINANCIAL: Be Financially Responsible

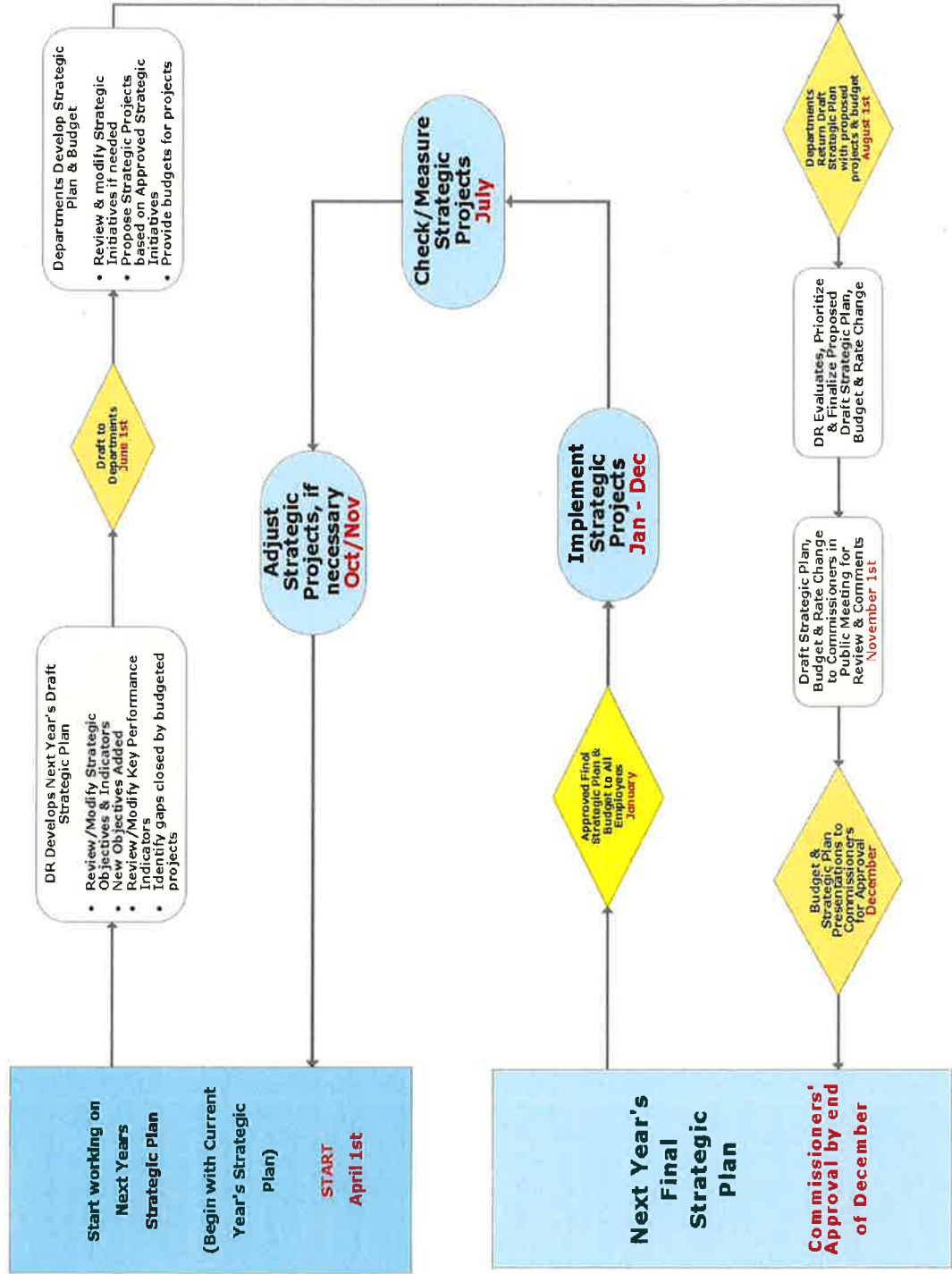
2020 STRATEGIC PLAN

VISION: Best Utility for OUR Customers.

MISSION: Providing reliable, efficient, safe and low cost utility services in a financially and environmentally responsible manner.



2020 STRATEGIC PLAN PROCESS





Vision:
Being the best utility for OUR customers.

Mission Statement:
Providing reliable, efficient, safe, and low cost utility services in a financially and environmentally responsible manner.

CORE VALUES – R.E.S.P.E.C.T.



RESPECTFUL

We guide all our actions with respect for each other, our customers and ourselves.

ETHICAL

Integrity and honesty form the foundation of all our actions.

SAFE

Safety is at the center of the PUD's mission.

PROACTIVE

Proactive, positive thinking and action are essential to our success.

EXCELLENT

We use the standard of excellence to judge our work.

CUSTOMER FOCUSED

We are committed to providing friendly, professional customer service.

TEAM ORIENTED

We value the importance of teamwork to satisfy both our customers and ourselves.

2020 STRATEGIC PLAN

STRATEGIC OBJECTIVES

Customer

- Provide Stable Rates, While Always Seeking Reduced Costs
- Ensure Reliable Supply
- Practice Environmental Responsibility

Internal

- Continuous Performance Improvement
- Enhance Customer Partnership
- Manage Our Resource Portfolios
- Influence Regulatory Issues

Enablers

- Build on Our Safety Culture
- Attract and Retain Great People
- Manage Risk

Financial

- Be Financially Responsible



2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE: PROVIDE STABLE RATES

Direct Report Lead

Sean Worthington, Finance Manager/Treasurer

Definition

Minimal budget fluctuations to support rate stability for District customers.

Picture of Excellence (POE)

- Provide stable rates to customers with no more than a 1% rate adjustment over the previous 5-year average rate adjustment.
- Over 10 years, capital costs should be within 85% of depreciation.

Identified Big Gaps To POE

- a. Cost pressures (BPA and conservation) require efficiency measures be identified and implemented to control other costs.
- b. Environmental and other regulatory as the Energy Information Admin. (EIA) & Clean Energy Transformation Act (CETA) upward rate pressures.
- c. Declining KWH sales and decreasing system load factor due to conservation and distributed generation.
- d. Aging infrastructure requires capital improvements and replacement.
- e. Weather effects on water and power usage affecting cost recovery.
- f. Maintain supporting 10-year staffing plan.

Strategic Initiatives

(How do we close Big Gaps and get to POE?)

1. Maintain and use the 10-year projection model to forecast rates, personnel, capital and financing needs.
2. Conduct regular Cost of Service studies and implement appropriate rate structures
3. Active participation in WPAG, WPUA, PPC.
4. Model and track monthly rate revenues.
5. Managers track budgets monthly to assure in line with budget.
6. Review of budgets quarterly in Direct Reports meeting.
7. Plan, design and implement engineering projects and technology to reduce future O&M and energy procurement costs, while enhancing system efficiency.
8. Maintain sufficient cash reserves to address weather and disaster effects.



Key Performance Indicators (KPI)

(How are we doing? - measurement)

Electric

Revenues/expenses within % of budget

- **Green** = Within 5% of budget
- **Yellow** = Within 5% to 8% of budget
- **Red** = >8% of budget

Water

Revenues/expenses within % of budget

- **Green** = Within 5% of budget
- **Yellow** = within 5% to 8% of budget
- **Red** = >8% of budget

Electric and Water

- **Green** = Capital +/- 15% of Depreciation
- **Yellow** = Capital +/- 20% of Depreciation
- **Red** = Capital > +/- 20% of Depreciation

2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE: ENSURE RELIABLE SUPPLY

Direct Report Leads

John Purvis, Assistant GM

Tom Martin, Water Superintendent

Definition

Providing dependable and consistent products and services to our customers.

Picture of Excellence (POE)

The District and their customers are provided quality and reliable supply and service. Unscheduled outages due to trees, wildlife, aging infrastructure etc. are kept to a minimum. Infrastructure is replaced on a routine basis and looped for redundancy whenever possible/necessary. Supervisory Control & Data Acquisition (SCADA) is provided to all substations and water systems. Geographic Information System (GIS) is utilized to it's fullest potential for asset management and in operations.

Identified Big Gaps To POE

- Aging infrastructure has negative impact on system reliability.
- Inadequate looping and/or loss of system redundancy.
- SCADA is not installed on all substations & water systems.
- Reduce outage duration and frequency for all utility services.
- GIS for Water is not complete.

Strategic Initiatives

(How do we close Big Gaps and get to POE?)

Electric

- Conduct 10-year planning study, with annual review, and effective implementation of associated projects.
- Track cable faults and effectively implement cable replacement projects.
- Development and implement SCADA-, GIS- and OMS-based applications and tools.
- Complete substation modernization and SCADA.
- Plan, design and implement engineering projects to meet future requirements and contingencies
- Plan, design and implement engineering projects and technology to improve system reliability by quantifiable reduction in System Average Interruption Duration Index (SAIDI). It is the average outage duration for each customer served, unit in time often minutes or hours
- Procure quality products/service from reputable vendors at a competitive price to ensure availability and timely delivery that will benefit the District and our customers.
- Ensure product is readily available when needed by crews during outages and emergency situations.
- Maintain established vegetation cycles, and management plan.
- Be prepared for emergencies

Telecommunications

- Maintain Service Level Agreements (SLAs) with Internet Service Providers (ISPs).
- Develop staff network proficiency and availability.

Water

- Study effective management of outages and make recommendations for improvement.
- Plan, design and implement engineering projects to replace failing infrastructure.
- Implement SCADA for all water systems
- Implement GIS and asset management system for all water systems:
- Implement a Preventative Maintenance Program.
- Develop looping and redundancy policy and plan.
- Evaluate GPS technology for operations implementation.
- Development emergency backup system plan for all pump stations.

2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE

ENSURE RELIABLE SUPPLY ...continued

Direct Report Leads

John Purvis, Assistant GM

Tom Martin, Water Superintendent

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Electric (Quarterly)

- ▶ Green = SAIDI < 185
- ▶ Yellow = SAIDI = 185 - 250
- ▶ Red = SAIDI > 250

Electric

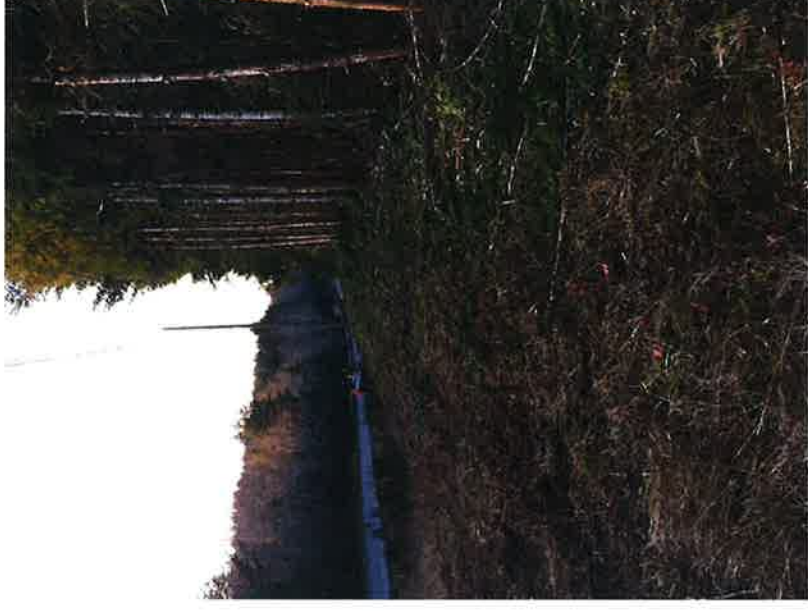
- ▶ Green = > 90% on RP3 score
- ▶ Yellow = > 80% on RP3 score
- ▶ Red = < 80% on RP3 score

Water: Major Emergency Events

- ▶ Green = 0-1 per quarter
- ▶ Yellow = 2-3 per quarter
- ▶ Red = > 3 per quarter

Telecom: System Availability

- ▶ Green = >99.999%
- ▶ Yellow = 99.995 - 99.999%
- ▶ Red = <99.995%



2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE: PRACTICE ENVIRONMENTAL RESPONSIBILITY

Definition

Meeting regulatory requirements recognizes our actions have short and long-term impacts on the environment and on regulatory and customer costs.

Picture of Excellence (POE)

The District meets all environmental regulations at the lowest cost. The District seeks to identify and implement cost effective actions that enhance environmental responsibility.

Identified Big Gaps To POE

- a. Procure or mitigate for sufficient water rights to satisfy DOE & DOH mandates
- b. District lacks a comprehensive recycle program.
- c. Inadequate first responder and backup training for oil spills
- d. Develop a Clean Energy/Climate Action Plan
- e. Some projects had schedule and cost impacts due to lack of State Environmental Policy Act (SEPA) and cultural resource review.

Strategic Initiatives

(How do we close Big Gaps and get to POE?)

1. Continue to assess how regulatory compliance and changes will affect us and our customers.
2. Continue to document all environmental regulations, procedures and reporting requirements.
3. Recycle products such as metals, liquids and fluorescent lamps in a manner that is environmentally responsible.
4. Develop Clean Energy/Climate Action Plan
5. Procure materials and supplies that are safe for the environment and safely disposed of.
6. Engineer projects that adhere to all local, state and federal environmental requirements and regulations.
7. Continue to comply and conform to all local, state, and federal environmental related directives
8. Coordinate with project partners to conduct necessary SEPA and cultural resource review after preliminary engineering task.

Electric:

1. Conduct annual oil spill, Polychlorinated Biphenyls (PCB) and Spill Prevention, Control, and Countermeasure (SPCC) training
2. Conduct periodic audits of waste disposal contractors

Water:

1. Proactively work with agencies to promote environmental responsibility at lowest cost.
2. Evaluate water quality issues and develop low cost solutions.

Direct Report Leads

John Purvis, Assistant GM
Simon Barnhart, General Counsel

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Electric

- Green = No violations
- Yellow = Investigation of violation
- Red = Any violation

Water

- Green = No violations
- Yellow = Investigation of violation
- Red = Any violation



2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE: CONTINUOUS PERFORMANCE IMPROVEMENT

Direct Report Lead
Steve Schopfer, IT Manager

Definition

Continuous incremental improvement in everything we do including: strategy, process improvement, innovation and leveraging technological advances.

Picture of Excellence (POE)

A culture where all employees continuously strive for new ways to improve and corporate technology and information systems are leveraged for optimum use and performance.

Identified Big Gaps To POE

- A more direct link is needed between employee's job duties and performance with the Strategic Plan.
- Need for cost effective implementation and integration of rapidly changing industry proven technologies.
- No defined process for employees to proactively improve efficiency, productivity and innovation.

Strategic Initiatives

(How do we close Big Gaps and get to POE?)

- Management and employee training on continuous improvement and innovation
- Enhance employee recognition program for work improvement suggestions
- Implement proven industry technologies and applications that improve processes and productivity
- Improve quality and accessibility of data to enhance processes and productivity
- Utilize project and work assignments to develop staff and expand staff competencies
- Create a culture of continuous improvement of employees, teams and the District as a whole
- Develop and Implement the "Pursuing Excellence" Program
- Integrate Strategic Plan initiatives and KPIs into employee goals, objectives and performance.
- Implementation of Grid Modernization-Meters.
- Maximize functionality of our new integrated NISC and Laserfiche software solutions.
- Implement payroll processes that accurately reflect activity and simplify reporting Employee Self Service (ESS).

Key Performance Indicators (KPI)

(How are we doing? - measurement)

% of Employees recognized in Employee Recognition program

- ▶ Green = > 10%
- ▶ Yellow = 5-10%
- ▶ Red = 0-5%



2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE:

MANAGE OUR RESOURCE PORTFOLIO

Direct Report Leads

John Purvis, Assistant GM

Tom Martin, Water Superintendent

Sean Worthington, Finance Manager/Treasurer

Definition

Optimizing between the supply and demand requirements, over both short and long-term allows us to improve efficiency, meet regulatory requirements, and meet customer needs and expectations.

Picture of Excellence (POE)

Continually optimized portfolio meeting all resource requirements at the lowest cost.

Identified Big Gaps To POE

- Legislative uncertainty with respect to renewable and other mandates.
- Lack of corporate knowledge / familiarity with emerging power distribution technologies.
- Need to acquire additional water rights for near term needs and full build out of water system service areas.
- Need for optimized mix of conservation and Tier 2 resource mix.
- Water losses due to aging infrastructure.
- Need conservation rate structure that encourages conservation and offsets rate impacts (ex. Time of Use (TOU) rates).
- Need to meet developing Clean Energy Transformation Act (CETA)

Strategic Initiatives

(How do we close Big Gaps and get to POE?)

Electric

- Monitor CETA rulemaking, develop compliant Integrated Resource Plan (IRP), and conduct associated feasibility study.
- Acquire conservation with a program cost that is less than our avoided cost of power in keeping with stable rates.
- Implement a distribution upgrade program that optimizes energy savings and system reliability.
- Plan, design and implement engineering projects that cost effectively reduce or optimize line losses and customer conservation
- Develop and revise net revenue model on a monthly basis using NISC month end reporting.
- Develop capability to meter time of use (TOU) for electricity.
- Evaluate cost effective demonstration projects associated with EV charging, battery storage, community solar and micro-grid technologies.
- Active participation in WPAG, WPUA and PPC to ensure procurement of a cost competitive power supply.
- Long term full service power acquisitions made at most competitive regional rates.
- Mitigate rate pressure through consistent & innovative enhancements in productivity.

Water

- Identify strategies to secure water rights for full buildout.
- Utilize the Dungeness Water Exchange where appropriate, or develop independent mitigation projects.
- Look at each water system independently to determine what level of conservation is needed.
- Replace aging infrastructure based on cost/benefit.

Water (Con't)

- Continually optimized portfolio meeting all resource requirements at the lowest cost.
- Identify appropriate rate structure to encourage conservation without significant revenue impacts.
- Evaluate full buildout demand for each water system.

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Conservation

- **Green** = < \$43 per MWh Conservation & Tier 2 resources
- **Yellow** = \$43 to \$46 per MWh Conservation & Tier 2 resources
- **Red** = > \$46 MWh Conservation & Tier 2 resources

Water (per system)

Rolling 12 mos. loss rates are within DOH Standards.

- **Green** = all w/s below 10% loss rate
- **Yellow** = all w/s between 10% - 15% loss rate
- **Red** = all w/s greater than 15% loss rate

Ratio of water right supply to full buildout demand

- **Green** = > = 100%
- **Yellow** = 80-100%
- **Red** = < 80%

2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE: INFLUENCE REGULATORY ISSUES

Direct Report Lead

Nicole Clark, Communications Manager

Definition

Understanding regulatory and policy issues that affect the District helps us to educate and inform customers about how their actions affect the District and its customers and allows us to anticipate and manage our costs and practices.

Picture of Excellence (POE)

The District alone and with input to appropriate organizations influences regulatory issues and protects PUDs from onerous legislation and is successful at implementing positive legislation for our customers. The District receives issue analysis from WPUA and communicates to customers and employees the legislative issues facing PUDs.

Identified Big Gaps To POE

- Minimal influence with state and federal legislators – need for understanding of impact to utilities
- Lack of customer and employee awareness of impact of regulatory requirements, new legislation, and initiatives
- Uncertainty in identifying cost and funding requirements of existing and proposed legislation or initiatives

Strategic Initiatives

(How do we close Big Gaps and get to POE?)

- Work with legislators, Washington Public Utility District Association (WPUA), Western Public Agencies Group (WPAG), and Public Power Council (PPC) to support and implement reasonable water, telecom, and electric

legislative changes and/or to restrict legislation impacting customers negatively.

- Promote the benefits of Public Power and Local Control at all levels of government.
- Monitor and provide comment on proposed regulatory, legislative, case law, and code changes
- Educate policymakers, customers, and employees describing issues and impacts
- Responsive to requests for comments on proposed changes as it pertains to the District
- Effective staff representation at external meetings
- Communication conveyed to internal stakeholders about information learned at meetings attended.
- Identify regulations requiring additional funding and work with funding agencies to develop their budgets to make the necessary funds available.

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Clallam PUD representation at WPUA, PPC, WPAG meetings

➤ Green = 75%

➤ Yellow = 50-75%

➤ Red = <50%

Relevant quarterly communication in HotLine & WEB Employee Newsletter

➤ Green = 100%

➤ Yellow = 75%

➤ Red = <75%



2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE:

ENHANCE CUSTOMER PARTNERSHIPS

Direct Report Lead

Nicole Clark, Communications Manager

Definition

Two-way communication develops awareness, knowledge, understanding, acceptance and participation in the District by customers and employees. By including customers we facilitate improvement, build ownership, support local control and manage costs.

Picture of Excellence (POE)

Our customers are well informed about District resources, public power structure and benefits, and are strong advocates for the District and public utilities.

Identified Big Gaps To POE

- a. Lack of awareness of the benefits of a public utility
- b. Need for further education to both customers and employees on key issues and understanding the District's business
- c. Internal & external communications need to be more consistent and focused.
- d. Inconsistent District participation in local committees and organizations
- e. Lack of awareness in the community of the District as a resource and partner

Strategic Initiatives

(How do we close Big Gaps and get to POE?)

1. Educate employees on public power, District operations, key issues and the District's mission, vision and strategic plan
2. Develop a strategic communications plan
3. Hold GM/Senior staff small group meetings and/or annual meetings with employees.
4. Commissioner outreach to constituents (i.e. commission meetings in all three Commissioner districts, casual coffee meetings, public power week, etc.)
5. Maintain proactive relationships with key customers and groups.
6. Track customer engagement through website and social media trends.
7. Provide ample early notification to customers on new, or changes to, products and services
8. Use internal and external surveys to integrate feedback into the strategic plan and projects.
9. Enhance partnerships with the community, contractors, organizations, and local governments
10. Engage with customers through community events, seminars, and volunteer activities
11. Take advantage of educational content and infographics provided by WPUA, NWPPA, APPA and others.

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Indicator = Website Users vs. last 30 days

- **Green** = >5,000
- **Yellow** = 3,500-5,000
- **Red** = <3500

Indicator = Facebook page engagement

- **Green** = >11% likes to customers ratio
- **Yellow** = 7-11% likes to customers ratio
- **Red** = <7% likes to customers ratio

Clallam PUD representation at community and local association meetings

- **Green** = 75%
- **Yellow** = 50-75%
- **Red** = <50%



2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE:

BUILD ON OUR SAFETY CULTURE

Direct Report Lead
Larry Morris, Safety Manager

Definition

An ongoing safety mindset helps ensure employee and public safety; helps prevent injuries, casualties and property damage and minimize risk to the District and public.

Picture of Excellence (POE)

Our employees have safety every day and all day as a first concern - a safety culture is established. Compliance with all applicable regulations and recognized good industry practices, while minimizing injuries, accidents and property damage. District is recognized for its safety program. District is prepared for emergencies (ERRP)

Strategic Initiatives

(How do we close Big Gaps and get to POE?)

1. Supervisor Training on Labor and Industry reporting, property damage and applicable safety requirements
2. Safety education & training to customers, contractors and employees through safety programs. (such as Schools, Hotline, WEB, Radio, Floats in Parades, Danger signs on property, Home Show, Expo)
3. Complete average of 3 Field employees Safety Audits per quarterly.
4. Acknowledgement of work group locations with 1- year accident free.
5. Ensure personnel are provided and utilize quality reliable and up-to-date Personal Protection Equipment and safety supplies.
6. All personnel to keep and maintain a clean and hazard free work space and environment.
7. Conform to all applicable NES, WAC and new OSHA safety requirements.
8. Plan, design, develop and implement projects and processes that are safe to construct, operate and maintain
9. Ray Scott Awards program recognizes safety performance and is reviewed quarterly.
10. Industry Safety awards recognizes the District for its excellent safety record.
11. Utilize Safety Committee team to review safety processes and to examine injuries/property damage/reporting for possible solutions.
12. Procure ERRP materials for emergencies

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Loss Time Injuries reported per quarter (LTI)

- **Green** = 0
- **Yellow** = 1-2
- **Red** = 3 or more

Recordable injuries reported per quarter

- **Green** = 0
- **Yellow** = 1-3
- **Red** = 4 or more

RP3 Score

- **Green** = > 90% on RP3 score
- **Yellow** = > 80% on RP3 score
- **Red** = < 80% on RP3 score

Accident/Injury Reports submitted on time

- **Green** = > 90%
- **Yellow** = > 80%
- **Red** = < 80%

Completion of Online Training

- **Green** = > 90% completion of online training
- **Yellow** = > 80% completion of online training
- **Red** = < 80% completion of online training

2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE:

ATTRACT AND RETAIN GREAT PEOPLE!

Direct Report Lead

Jamie Spence, HR Manager

Definition

Providing competitive compensation, benefits, development and promotion opportunities in a healthy and secure work environment. The District recognizes people are critical to our success and helps maintain a proficient and stable workforce.

Picture of Excellence (POE)

The District is known as an excellent employer with outstanding employees. The District attracts and retains great employees that are highly skilled and provide exceptional service with a smile. Our employees are proud of where they work.

Identified Big Gaps to POE

- Staff Performance appraisals not conducted by due date
- Objective performance criteria not well defined or applied for Represented Employees Fire Side Chats
- Do not have a method to determine employee satisfaction
- Recruiting highly qualified professionals
- Lack of full participation in in-house training opportunities
- Length of time to fill represented positions, (sequential movement and backfill issues)

Strategic Initiatives

(How do we close Big Gaps and get to POE?)

- Update and review the Employee Handbook on a yearly basis
- Pay employees in accordance to the Staff Compensation Plan and Collective Bargaining Agreement.
- Encourage development plans for employee growth and potential promotion.
- Employees attend training and workshops offered by organizations such as NWPPA.
- Complete an outside compensation and benefits analysis at least every 3 years.
- Conduct Breakfast Roundtables on a quarterly basis to encourage communication between departments.
- Provide yearly Anti Harassment training
- Provide a Benefit Fair training to employees every other year
- Cross train employees where applicable.
- Identify key positions and plan for attrition.
- Provide a competitive total compensation and benefit package to comparable utilities.
- Work through Labor Management to reduce the time to fill represented positions
- Refine objective performance criteria for Represented Employees Fire Side Chats
- Consider outside recruiters for highly qualified professional positions
- Ensure staff performance appraisals and fire side chats are completed when due
- Evaluate employee satisfaction feedback methods
- Assure employees understand Strategic Plan & its benefits.

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Performance Appraisals

- **Green** = 100% turned in on or before due date
- **Yellow** = 100% turned in within first pay period
- **Red** = Any appraisal more than 15 days past due

Turnover Rate

- **Green** = Turnover rate is <5% last 12 months
- **Yellow** = Turnover rate is 5% to 10% last 12 months
- **Red** = Turnover rate is > 10% per last 12 months

Training attendance %

- **Green** = > 95%
- **Yellow** = > 85%
- **Red** = < 85%

RP3 Score

- **Green** = > 90% on RP3 score
- **Yellow** = > 80% on RP3 score
- **Red** = < 80% on RP3 score

2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE: MANAGE RISK

Direct Report Lead

Simon Barnhart, General Counsel

Definition

"Risk" is exposure to the possibility of loss or other adverse or unwelcome effects on the District's Objectives. "Risk management" is the process of identifying, analyzing, planning for, and monitoring and controlling risk.

Picture of Excellence (POE)

The District meets or exceeds its Key Performance Indicators for every Strategic Objective by knowing and controlling the risks of loss or other unwelcome results.

Identified Big Gaps To POE

- No District-wide risk management guidance
- Need to manage the District's risk exposure in the context of how any undertaking relates to the Objectives in the Strategic Plan
- Insufficient risk analysis in developing and prioritizing Strategic Projects
- No District General Policy Manual
- Outdated Service Area and Franchise agreements.

Strategic Initiatives

(How do we close Big Gaps and get to POE?)

- Compile District policies into General Policy Manual.
- Implement risk management policy and educational program for all employees.
- Annual tabletop exercise on, and ongoing employee awareness of, Emergency Response and Restoration Plan (ERRP).
- Develop and implement District-wide risk management guidance.
- Contract template review and update.
- Contract and procurement procedures review and update.
- Negotiate with Sequim, Forks, Port Angeles and Clallam County to renew and maintain Service Area and Franchise agreements.
- Be prepared for emergencies.

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Active Strategic Projects

- Green** = "On Track" with over 90% of active Strategic Projects
- Yellow** = "On Track" with 75% to 90% of active Strategic Projects
- Red** = "On Track" with less than 75% of active Strategic Projects

AEGIS

- Green** = All AEGIS topics evaluated as "Satisfactory"
- Yellow** = No more than 1 AEGIS topic evaluated as "Needs Improvement"
- Red** = Two or more AEGIS topics evaluated as "Needs Improvement"

Claim events paid or compromised

- Green** = < 7
- Yellow** = 7-10
- Red** = > 10



2020 STRATEGIC PLAN

STRATEGIC OBJECTIVE: BE FINANCIALLY RESPONSIBLE

Direct Report Lead

Sean Worthington, Finance Manager/Treasurer

Definition

Manage costs and utilize assets in an efficient and effective way to ensure financial health and stability of the District.

Picture of Excellence (POE)

Maintain at least a Aa3 rating with Moody's Investors Service and achieve the objectives of the Strategic Plan. Manage expenditures within budgeted levels and meet revenue requirements.

Identified Big Gaps To POE

- Need to evaluate cash reserve policy and related recommendation for 150 day reserve.
- Lack of asset management program for replacement of aging water infrastructure.
- Revenue variations due weather.
- No integration of budget process into enterprise software system.
- Variable storm related expenses.
- Limited resources to acquire failing water systems.

Strategic Initiatives

(How do we close Big Gaps and get to POE?)

- Develop budget monitoring process to better and more timely react to areas of cost concerns
- Provide asset management training and develop an asset management plan. (life cycle cost, etc.)
- Provide regular progress updates on major projects and contracts.
- Plan, design and implement projects and technology to reduce future O&M and energy procurement costs.
- Establish Cash Reserve and Debt Service Ratio Policy
- Evaluate potential acquisitions of existing water systems to determine financial feasibility.

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Cash Balance

- **Green** = Cash balance within \$500,000 of budget
- **Yellow** = Cash balance within \$500,001 - \$1,000,000 of budget
- **Red** = Cash balance within >\$1,000,000 of budget

Cash Reserves

*moving from 90 days to new 150

- **Green** = > 120 days
- **Yellow** = 90-120 days
- **Red** = <90 days



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