

PRE-AGENDA
FOR THE REGULAR MEETING OF
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
BOARD OF COMMISSIONERS
October 12, 2020

Join Zoom Meeting:

<https://zoom.us/j/97870806553?pwd=b1RWVmFmWndFbINJWtNNTUJsYm9DUT09>

Meeting ID: 978 7080 6553 | **Passcode:** 394281

One tap mobile: +12532158782,,97870806553#,,,,,0#,,394281# US (Tacoma)

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- **Consent Agenda Items**
The Commissioners will consider approving Consent Agenda items.
- **Appointment of Hearing Officer**
Staff requests that the Commission authorize the appointment of a Hearing Officer.
- **Acceptance Memo of Completion Bid No. 201004**
Staff requests that the Commission authorize Acceptance Memo of Completion for Bid No. 201004 to Pacific Pole Inspection, LLC. This pole inspection, treating, and reporting project for electrical transmission and distribution poles within Clallam and Jefferson Counties was completed August 19, 2020. The total contract cost is \$136,133.11 (including WSST).
- **Resolution 2181-20 2020 Staff Titles, Salary Ranges, and Position Addition**
Staff requests that the Commission pass Resolution No. 2181-20 2020 Staff Titles, Salary Ranges, and Position Addition. The position of Compliance Officer was added to Staff Titles.
- **2021 Electric, Water and Wastewater Budget Proposal**
Staff requests that the Commission approve the 2021 Electric, Water and Wastewater Budget Proposal

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 September 17th, 2020 regular meeting;
- b. Minutes of the September 17th, 2020 special meeting;
- c. Claim vouchers for September 14th through September 21st, 2020 for a total of \$2,025,716.03;
- d. Payroll vouchers for the period of September 1st through September 15th, 2020;
- e. Removal of delinquent accounts from September active accounts receivable totaling \$15,614.18 including a 30% collection fee; and
- f. Removal of invoices from active accounts receivable totaling \$21,175.05, including a 30% collection fee.

3. AGENDA REVISIONS

4. COMMENTS FROM THE PUBLIC

5. BUSINESS ITEMS

- | | |
|--|------------------|
| a. Appointment of Hearing Officer | Doug Nass |
| b. Acceptance Memo of Completion Bid No. 201004 | John Purvis |
| c. Resolution 2181-20 2020 Staff Titles, Salary Ranges,
and Position Addition | Sean Worthington |
| d. 2021 Electric, Water and Wastewater Budget Proposal | Sean Worthington |

6. CORRESPONDENCE/COMMUNICATIONS

- a. Drawing for the WPUA Educational scholarship

7. COMMISSIONER REPORTS

8. STAFF REPORTS

- | | |
|------------------------------|------------------|
| a. Draft 2021 Strategic Plan | Doug Nass |
| b. CARES update | Sean Worthington |
| c. Broadband grant update | Steve Schopfer |

9. BOARD'S ACTION ITEMS FOR STAFF

10. COMMENTS FROM THE PUBLIC

11. EXECUTIVE SESSION

12. ADJOURN

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Special Meeting of the Board of Commissioners
Main Office | 104 Hooker Road | Sequim, WA 98382
September 14, 2020 at 9:30 AM – 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
Steve Schopfer, IT Manager
Colin Young, Distribution Systems Supervisor
Tyler King, Power Analyst
Mattias Jarvegren, Utility Services Manager
Larry Morris, Safety Manager
Nicole Clark, Communications Manager
Teresa Lyn, Executive Assistant

Others Present as Identified

Paula Barnes
Krestine Reed
Fred Mitchell
Marki Lockhart
Janet Marx

The special meeting commenced at 9:30 PM.

STAFF REPORT

In response to public request, staff provided a three-hour presentation of the District's Strategic Plan objectives related to/including:

- A detailed analysis of renewable energy power supply options including a solar (with or without battery backup and storage) micro grid, long-term storage of hydrogen gas, and small nuclear reactors;
- A detailed analysis of the impact of Clean Energy Transformation Act (CETA) obligations (carbon neutral by 2030 and carbon-free by 2045), financial challenges to the District's operations, and alternative compliance plans;
- A detailed analysis of current BPA power supply cost and sources (typically 85% hydro, 10% nuclear, and < 5% carbon and unspecified sources);
- A detailed analysis of large solar farm opportunities and challenges;
- A detailed analysis of small nuclear reactor opportunities and challenges;
- A detailed analysis of rate stabilization opportunities and challenges;

- A detailed analysis of CETA Section 12 (relating to low income/vulnerable populations) opportunities and challenges in the form of direct bill assistance, conservation, community solar, and weatherization;
- An overview of the District's current and recent research/development projects and/or implementation of/involvement in emergent technologies including:
 - Working with PNNL, APPA and the Department of Commerce to develop the Sequim micro grid concept and project;
 - Partnering with Landis & Gyr to initiate the highest benefit to cost AMI conversion of any regional utility with comparable terrain and vegetation;
 - Development and implementation of the region's first successful Supervisory Control and Data Acquisition (SCADA) and line monitoring Voltage Optimization Program;
 - Participation with Energy Northwest and 5 PUDs in an attempt to develop an 80 MW wind farm at Radar Ridge in Pacific County in the development of a wind farm (unsuccessful due to environmental impact);
 - Partnering with the City of Sequim to develop a level 2 charging station on District property;
 - Planning with Energy Northwest and the Department of Commerce to establish a level three electric vehicle charging corridor for Hwy 101;
 - Participation in the Sea Breeze Pacific Juan de Fuca HVDC Cable Project and the British Columbia based Finavera Renewables, Neah Bay Wave Energy project (both canceled due to permitting and environmental issues);
 - Participation in the Energy Northwest & Energetics Renewables Christmas Valley OR Solar Project;
 - Detailed analysis and periodic evaluation of the progress of distribution scale battery technology; and
 - Discussion and analysis of proposed PNNL Marine Renewable Energy (MRE) project for 3 X 5kW tidal generators in Sequim Bay (currently scoping).

2021 Strategic Plan changes under consideration were outlined as well.

Staff subject-matter expert presenters were:

- John Purvis PE, Assistant General Manager;
- Sean Worthington, Finance Manager/Treasurer;
- Colin Young PE, Distribution Systems Supervisor;
- Tyler King, Power Analyst; and
- Mattias Jarvegren, Utility Services Manager.

An audio recording of this special meeting is accessible at <https://clallampud.net/commission-meetings/>.

View and download the presentations at:

- [9/14/2020 Strategic Planning Workshop: Future Power Supply Options and CETA](#)
- [9/14/2020 Clean Energy Transformation Act \(CETA\) Analysis](#)

In closing, General Manager Doug Nass advised the Commissioners that the District will be talking more about the distribution battery and options that staff is recommending. He hoped that the staff's presentations addressed any misconceptions, and demonstrated that the District regularly and thoroughly investigates emerging technologies, has implemented several of them over the past twelve years, and would continue to do so when there is a demonstrated benefit to the utility and its ratepayers. Additionally the District is well ahead of most other utilities regarding CETA and will continue to develop a compliance plan.

The Commissioners thanked the staff for their excellent work and thorough presentation.

COMMENTS FROM THE PUBLIC

Staff received a public comment (submitted via chat) inquiring about the difference of capital and operating costs of solar farms between California and Washington.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 12:38 PM.

ATTEST:

President

Vice President

Secretary

September 14, 2020

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
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Main Office | 104 Hooker Road | Sequim, WA 98382
September 14, 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 Manager
Steve Schopfer, IT Manager
Larry Morris, Safety Manager
Nicole Clark, Communications Manager
Tyler King, Power Analyst
Rebecca Turner, Senior Accountant
Teresa Lyn, Executive Assistant

Others Present as Identified

Patricia Morris

The meeting commenced at 1:30 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 August 24th, 2020 regular meeting;
- b. Claim vouchers for August 24th through September 8th, 2020 for a total of \$3,257,723.20;
- c. Payroll vouchers for the period of August 1st through August 31st, 2020; and
- d. Removal of delinquent accounts from September 2020 active accounts receivable for \$7116.71, including a 30% collection fee.

AGENDA REVISIONS

GM Doug Nass advised that staff would report on BPA's secondary sales.

COMMENTS FROM THE PUBLIC

No public comment.

BUSINESS ITEMS

Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Waddell and carried, the Commissioners approved Resolution 2180-20 declaring an emergency in accordance with RCW 39.04.280 and authorizing certain emergency work, without formal bid, for removing trees next to the Clallam Bay reservoir. The bid will be awarded to Dahlgren Logging Inc. for a quoted price of \$1600.

CORRESPONDENCE/COMMUNICATIONS

General Manager Doug Nass shared an article regarding Benton PUD's endorsement for transitioning from coal to natural gas to nuclear—particularly small modular reactors under development by Oregon-based NuScale Power (and against any new wind)—to meet the zero carbon emissions mandate set in the state's Clean Energy Transformation Act (CETA).

COMMISSIONER REPORTS

Commissioner Anderson attended virtual WPAG, NoaNet and North Olympic Development Council (NODC) meetings. He shared that the NODC is focusing on a conducting a countywide broadband needs assessment. He noted that some counties have utilized property taxes to help fund broadband, however Clallam's funding will likely come primarily from grants. He reported on a recent ProPublica article that recommends significantly increasing the number of planned and managed burns by the U.S. Fire Service to prevent future west coast mega fires. He stated that utilities are currently bearing more than their fair share of the Federal government's wildfire prevention burden.

Commissioner Waddell attended a virtual Western Public Agencies Group (WPAG) and Economic Development Council (EDC) meetings. Topics of discussion were: Bonneville Power Authority's (BPA) secondary sales, the impact of blackouts in southern California during heat waves and a concurrent (temporary) resource depletion due to removal of resources for planned plant maintenance; BPA's 2022 rate case presentation; their prediction that demand will be flat in 2022; and their planned resource mix, which includes significant battery inclusions, and some solar and wind renewables.

Commissioner Purser attended an Energy Northwest socially distanced (EN) workshop. He advised that soon-to-retire EN CEO Brad Sawatzke agreed to stay on through the next Columbia Generating Station's (CGS) upcoming refueling project, which will be complicated. CGS's equipment liability issue, (due to aging but recertified pumps), will be addressed by replacing them at a cost of \$50 million. Other topics discussed were emerging technologies; resource adequacy; coal retirements; environmental concerns; California Independent System Operator (CAISO); consumer preferences for green energy; and risk tolerance/management as it pertains to investing in new projects or technologies. Commissioner Purser suggested that Clallam consider discussing 'our own appetite for risk' in investing in newer technologies, as part of our decision-making process. He also participated in a CGS nuclear safety review board and called into the NoaNet meeting.

STAFF REPORTS

Information Services Manager Steve Schopfer reported that eight out of NoaNet's ten members gave their approval for NoaNet to go out to look for \$25 million in bond funding. Energy Northwest abstained and Pend Oreille voted no, as they did not obtain their board's approval. According to NoaNet's bylaws, Clallam PUD's underwriting portion of this bond issue will be 10.57%. The approved \$25 million dollars in bond issues will be used to pay off \$12 million loans, and will provide for an annual \$1 million dollar draw over the next ten years for capital projects.

Finance Manager Sean Worthington provided an update on the District's disbursement of Coronavirus Aid, Relief, and Economic Security Act (CARES) sub-recipient funding, received from the County at the end of August. Of the \$45,200 received, we have only been able to disburse \$5,325 to 22 residential customers. We have until the end of October to disburse the balance. While we have actively promoted the assistance to our past due residential ratepayers (via phone calls and door hangers, as well as through local media, and our newsletter and website) many who applied for the grant either do not have, or have not provided the required proof of hardship documentation. Evidence of proof of hardship could be a letter of unemployment, a letter from their employer confirming that their work hours are reduced due to COVID; or confirmation that they, or a household member, tested positive for COVID-19, etc.

Power Analyst Tyler King reported that BPA has overestimated their revenue from secondary sales (excess electricity that primary customers do not use) over the past several years. To address this issue, they recently developed a formula that they say will allow them to be more conservative in estimating their secondary sales. BPA argued that this would provide more stable rates and provide a cushioning for reserves. They put out a proposal for the formula, which the Public Power Council (PPC) rejected. Unofficially, BPA has dropped the proposal. Ryan Neal of WPAG is asking us to confirm our non-support. All three PUD No. 1 Commissioners agreed that they do not support BPA's proposal, primarily because of transparency concerns. Finance Manager Sean Worthington advised that he would relay this to Mr. Neale.

BOARD'S ACTION ITEMS FOR STAFF

No action items.

COMMENTS FROM THE PUBLIC

No public comment.

EXECUTIVE SESSION

At 2:21 PM, the meeting recessed for a short break, then reconvened at 2:25 for an executive session to discuss litigation, and/or network security with legal counsel, pursuant to RCW 42.30.110(1)(i) and 42.30.110(1)(aii). In attendance were Commissioners Purser, Anderson, and Waddell, General Manager Doug Nass, Assistant General Manager John Purvis, Treasurer Sean Worthington, and Ryan Espegard, Legal Counsel from Don Cohen's office. No action was taken. The Executive Session adjourned at 2:34 PM, and the regular meeting reconvened at that time.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 2:34 PM.

ATTEST:

President

Vice President

Secretary

September 14, 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 Yoni Carter DATE 10/5/20
AUDITING OFFICER

GENERAL MANAGER DATE _____

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 9/14/20–10/5/20

Checks	\$	2,103,804.30
Wire Transfers		1,932,393.53
E-Payment		110,640.61
Prepays		
Total	\$	4,146,838.44

COMMISSIONER

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COMMISSIONER

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

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

SIGNED Yvri Curtis DATE 9/11/20
 AUDITING OFFICER

SIGNED [Signature] DATE 9/14/20
 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:

DATE: September 14, 2020


\$	1,171,592.74	Checks
		Wire Transfers
\$	7,491.60	E-payments
		Pre-Pays
\$	1,179,084.34	TOTAL AMOUNT

The attached list of claims has been paid using Warrant Numbers _____
 through _____ mailed on _____.

Signed _____ Dated _____
 AUDITING OFFICER



MEMORANDUM

Date: September 28, 2020
To: Doug Nass, General Manager
From: Bill Decker, Project Manager 
Re: ACCEPTANCE MEMO OF COMPLETION
BID OPENING MAY 26, 2020
POLE INSPECTION, TREATING, AND REPORTING
CLALLAM/JEFFERSON COUNTIES
BID NUMBER 201004

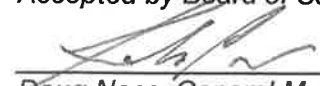
All work under the above-referenced contract with **PACIFIC POLE INSPECTION, LLC.**, has been completed. It is recommended that this work be accepted as complete.

The project consisted of pole inspection, treating, and reporting of an unspecified number of electrical transmission and distribution poles within Clallam and Jefferson Counties.

The Contractor started the project on June 22, 2020, and completed the work on August 19, 2020. The total contract cost:

	Item	Total
JP:BD:jk	Contract Cost	\$125,468.30
	WSST (8.5%)	\$10,664.81
	Total Contract Amount	\$136,133.11

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



Doug Nass, General Manager
for

A RESOLUTION Staff Titles, Salary Ranges, and Position Addition
and Rescinding Resolution 2168-20

WHEREAS, RCW 54.16.100 requires that the General Manager recommend to the Commission compensation for employees; and

WHEREAS, RCW 54.12.090 authorizes the Commission to create positions and fix salaries; and

WHEREAS, the General Manager has reviewed the organization of the District, the current cost-of-living indices, and the positions and salary ranges required to efficiently manage and achieve the goals of the District; and

WHEREAS, The District desires to attract and retain qualified employees to fill authorized positions of the District; and

WHEREAS, The Commission approves the annual budget, which includes staff allocation and funding to meet the strategic and operation requirements of the District; and

WHEREAS, The Commission authorized the General Manager to administer merit pay increases, employee promotions, demotions, transfers, equity and market adjustments, and other administrative actions that conform to the limitations set within the Titles and Monthly Salary Ranges for Staff Employees limitations; now, therefore, be it

RESOLVED, That this resolution in its entirety becomes effective on January 1, 2020.

2. That the General Manager is hereby authorized, on behalf of the District, to administer merit pay increases, based on performance and behavior results for employees of the District, not represented under the Collective Bargaining Agreement and excluding the General Manager.

3. That the Commission authorizes the General Manager to administer merit pay increases, employee promotions, demotions, transfers, equity and market adjustments, and other administrative actions that conform to the limitations set within the Titles and Monthly Salary Ranges for Staff Employees in accordance with the Titles and Monthly Salary Ranges for Staff Employees (attached) as approved by the Commission.

4. That the General Manager shall include within the annual budget sufficient funds to support merit pay requirements for the year.

5. That the General Manager shall receive Commission approval for all modifications to the Titles and Monthly Salary Ranges for Staff Employees.

6. That the title Compliance Analyst has been added to the Titles and Monthly Salary Ranges for Staff Employees.

7. That Resolution 2168-20 is rescinded.

PASSED, by the Board of Commissioners of Public Utility District No. 1 of Clallam County, Washington, this 12th day of October, 2020.

President

ATTEST:

Vice President

Secretary

RESOLUTION NO. 2181-20

PUD #1 of Clallam County
Titles and Monthly Salary Ranges for Staff Employees
Effective January 13, 2020 Resolution No. 2168-20

Salary Grade	Job Title	Minimum	Market Target	Maximum
11	Office Assistant	\$2,291	\$2,770	\$3,250
12	Student Intern I Records Technician	\$2,519	\$3,047	\$3,574
13	Administrative Support	\$2,772	\$3,352	\$3,932
14		\$3,049	\$3,686	\$4,324
15	Student Intern II	\$3,354	\$4,055	\$4,756
16	Administrative Assistant Records Specialist	\$3,690	\$4,461	\$5,233
17	Operations Administrative Coordinator Human Resources & Safety Administrative Coordinator Desktop Technician Engineer Student Intern	\$4,059	\$4,908	\$5,757
18		\$4,465	\$5,399	\$6,332
19	Executive Assistant Benefits Analyst Records Supervisor Utility Services Advisor I Water and Wastewater Systems Coordinator Customer Service Coordinator Finance Coordinator Contracts Coordinator	\$4,911	\$5,935	\$6,964
20	Engineer I Power Analyst I Accountant Network Administrator Compliance Analyst	\$5,402	\$6,532	\$7,662
21	Engineer II Financial Analyst Customer Service Supervisor Senior Accountant Systems Administrator Utility Services Supervisor	\$5,942	\$7,184	\$8,428
22	Materials Superintendent Network Engineer GIS/SCADA Administrator Power Analyst II	\$6,536	\$7,904	\$9,270
23	Assistant Operations Superintendent WWW Superintendent Sr. Civil Engineer Communications & Government Relations Manager Broadband Supervisor Engineer III	\$7,189	\$8,693	\$10,197
24	Procurement & Facilities Supervisor Controller / Auditing Officer Safety Manager Sr. Electrical Engineer	\$7,909	\$9,563	\$11,217

25	Information Technology Manager WWW Systems Manager Power Supply Manager Operations Superintendent Human Resources Manager Transmission & Substation Systems Supervisor Distribution System Supervisor	\$8,700	\$10,518	\$12,338
26	Engineering Manager Finance Manager / Treasurer Operations Manager	\$9,571	\$11,571	\$13,572
27	General Superintendent	\$10,528	\$12,729	\$14,929
28	Assistant General Manager	\$11,580	\$14,002	\$16,422
29	General Counsel	\$13,132	\$15,402	\$18,633

PUD #1 of Clallam County
Titles and Monthly Salary Ranges for Staff Employees
Effective October 12, 2020 Resolution No. 2181-20

Salary Grade	Job Title	Minimum	Market Target	Maximum
11	Office Assistant	\$2,291	\$2,770	\$3,250
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JOB DESCRIPTION

<u>POSITION:</u>	COMPLIANCE ANALYST
<u>LOCATION:</u>	Carlsborg
<u>STATUS:</u>	Regular, Part-time, non-exempt Staff Position
<u>WORK WEEK:</u>	Varying Hours, Monday - Friday, 7:30 a.m. and 4:00 p.m.
<u>SUPERVISOR:</u>	Controller/Auditing Officer
<u>RATE OF PAY:</u>	Range 20 (\$5,402 - \$7,662 per month)

PURPOSE: Plan and coordinate the operational activities of the District to ensure compliance with governmental regulations and ensuring that all policies and procedures are implemented and well documented. Perform internal reviews and identify any compliance problems to the Controller. Develop risk management strategies and perform PURMS related activities. Provide financial assistance for the Treasurer and Controller by performing accurate and timely business functions in the areas of Accounting and Finance to facilitate the accomplishment of the District's mission and goals.

ESSENTIAL JOB FUNCTIONS:

- Assist Auditing Officer with internal audits.
- Research regulations by reviewing regulatory bulletins and other sources of information.
- Help develop and maintain the District's Policy Manual.
- Prepares reports by collecting, analyzing and summarizing information.
- Reviews claim vouchers and assists with the A/P process.
- Administer PURMS and other risk management processes at the District.
- Assist Accountants with preparing and maintaining complete and systematic set of general ledger accounts including development and maintenance of journal entries and subsidiary ledgers.
- Assist Accountants with maintaining District financial information in accordance with the appropriate regulatory agencies, including Federal Energy Regulatory Commission (FERC), Governmental Accounting Standards Board (GASB) and Financial Accounting Standards Board (FASB).
- Maintain current knowledge of GAAP, GASB, FASB and FERC.
- Gain and maintain a thorough understanding of the District's accounting computer software and accounting systems with problem solving capability; be able to design and run accounting software reports as needed for all District departments.
- Keeps other departments abreast of requirements by researching regulatory and filing information; writing and communicating guidelines.
- Assist with financial analysis, budgeting, cost of service, cost/benefit analysis, presentations and other financial areas as needed.

ESSENTIAL JOB FUNCTIONS (continue):

- Assist with design and implementation of various computer programs and other technological solutions.
- Understand interrelationships of customer service software, accounting software and job functions. Utilize this knowledge to troubleshoot problems and to use all software most effectively.
- Respond to internal and external inquiries, answering questions and offering assistance as needed in a timely manner.
- Maintain confidentiality of applicable records and information.
- Participate in accident prevention program, including training and compliance with applicable rules and regulations.
- Assist with departmental and District training.

ADDITIONAL JOB FUNCTIONS:

- Complete special projects requiring financial analysis as requested.
- Maintain various data bases, logs, indexes and files as assigned.
- Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; benchmarking state-of-the-art practices; participating in professional societies.
- Other duties as assigned.

JOB STANDARDS:

Skills, Knowledge, and Abilities:

- Strong organizational skills required.
- Strong problem solving and analytical skills required.
- Strong accounting knowledge and application skills.
- Strong mathematical skill and knowledge.
- Proven ability to use personal computer word processing (Word) and spreadsheet (Excel/Quicken) applications.
- Ability to prioritize and perform job duties with a minimum of supervision.
- Must have the ability to communicate clear and concise written and verbal information and instructions, to co-workers, customers and others.
- Ability to understand and use any customer service and accounting software.
- Knowledge and understanding of present value concepts and statistics.
- Ability to troubleshoot and design software.
- Must have the flexibility and communication skills needed to work effectively with others in a team environment.
- Must be able to work under pressure while effectively, successfully and accurately meeting weekly, monthly and annual deadlines.
- Must have the ability to operate equipment efficiently to facilitate completion of job functions.
- Must develop a working knowledge of safe work practices and accident prevention procedures as related to job functions.
- Must have math, reading and writing skills required for the job functions.

Education, Experience and Training:

- Must have a bachelor's degree with emphasis on accounting, finance, business, economics or combination.
- Must have 5 years work experience related to job such as banking, accounting, business management, financial analysis and economics, or other directly related field.
- CPA preferred.

Other Requirements:

- Must pass a District physical examination and be able to perform essential job functions.
- Must have a valid Washington State driver's license and a safe driving record. Employees moving from out of state must obtain a Washington State license in accordance with Washington State law.
- The work requires the ability to answer questions and communicate with coworkers, customers, and others in person and on telephones.

WORKING CONDITIONS:

- The job functions will be performed in an indoor office and warehouse environment.
- The job functions include working with persons who exhibit many types of personalities and behaviors.
- The job functions require working in a team.

PHYSICAL REQUIREMENTS:

- The work requires the ability to obtain and file records in file cabinets.
- The work requires the ability to operate office machines, tools and equipment associated with the job functions.
- Work activities involve combinations of lifting and carrying and sitting for extended periods.

EQUIPMENT AND VEHICLES:

- The job requires use of District computers, printers, typewriters, telephones, copying machines, fax machines, calculators and other office equipment.
- The job requires driving District vehicles such as automobiles and pickup trucks.
- Future work practices may necessitate the use of different equipment, vehicles and tools.

PUD #1 of Clallam County
2021 Budget Proposal

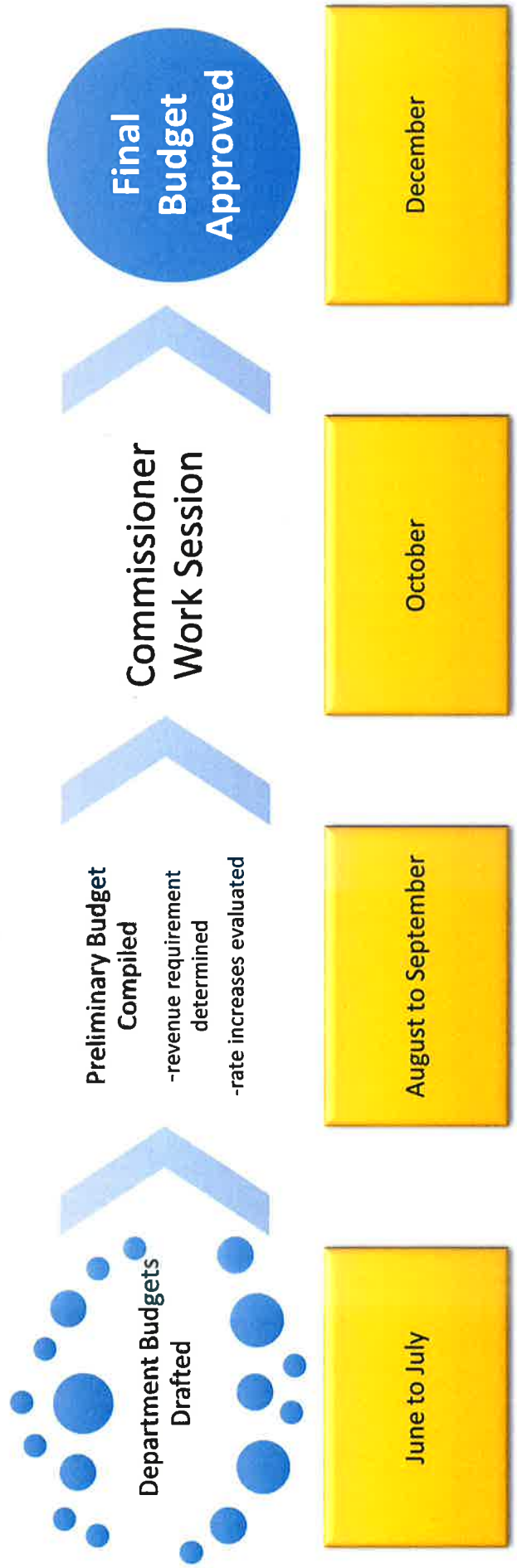
October 12, 2020



Presenters:

- Sean Worthington – Finance Manager/Treasurer
- Ruth Kuch – Financial Analyst

Budget Timeline



Budget Objectives:

Provide stable rates

- Small annual rate adjustments

Be financially responsible

System Reliability

- Favorable ROI projects
- Strategically assess capital needs

Maintain "healthy" fiscal targets:

- Cash reserves \geq 150-180 days of operating and purchased power costs
- Debt ratio \leq 30%
- DSCR $>$ 2.0x (bond covenants 1.25x)

Budget Challenges:

Declining kWh sales

- (3.0%) since 2014
- (9.0%) per customer since 2014

Weather

- Changing
- Less predictable

Increasing Costs:

- Power costs
- BPA increase Oct. 2020
- Pandemic
- Increased Write-Offs
- Personnel costs
- FMLA - \$60k per year (x3?)
- PERS
- Healthcare costs

Capital

- Improvements
- Replacements

Regulatory Costs

- CETA
- WSDOT (Fish passage)

2020 Year End Assumptions:

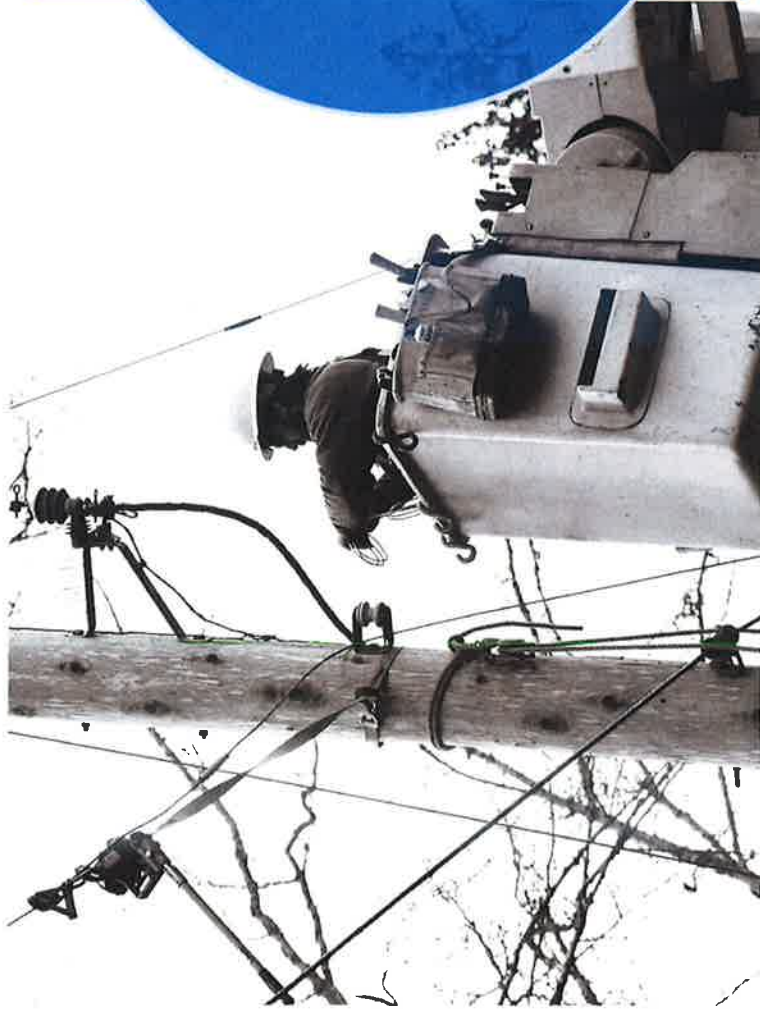
- **Revenues**
 - BPA Load Forecast
 - Reduced Interest Income
 - Lost Late Fee Income due to COVID
- **Expenses**
 - Existing Personnel Count
 - YTD Average O&M Costs
 - COVID related write offs (uncertain proclamation)
 - BPA Power Procurement down 3.59% YTD
 - Continuing I-937 Regulatory pressures
- **Capital**
 - Staff Projections
 - Create CETA Decarbonization Fund

2021 Budget Assumptions:

- **General**
 - BPA Rate Increase based off the 2021 RIM
 - 0.75% Customer / Meter Growth
 - -0.2% kWh growth
 - Conservation related expenses identified by the 2019 CPA
 - PERS Contribution increased from 12.86% to 12.97%
 - Collective Bargaining Agreement personnel increases based on adopted contract
 - Approved Electric Rate Increase, 3.50% (April 1)
 - Approved Water/WW Rate Increase, 4.20% / 5.90% (Feb 1)

CETA Assumptions:

- **CETA Decarbonization Fund** (Utility Scale Distribution Battery?)
 - Start fund December 2020 - \$5,200,000
 - Carryover Capital reduces starting fund balance
 - Rate Fund 2021 to 2030 - \$575,000/yr
 - Earlier project may involve borrowing
- **CETA Low Income Fund**
 - July 31, 2021 – Program must be in place
 - Eliminate current discount program
 - Establish New Programs with OlyCAP
 - Direct Assistance and Weatherization
 - Fund OlyCAP overhead for direct assistance?
 - Possible line item on bill
 - 115% of 2018 Assistance - \$325k

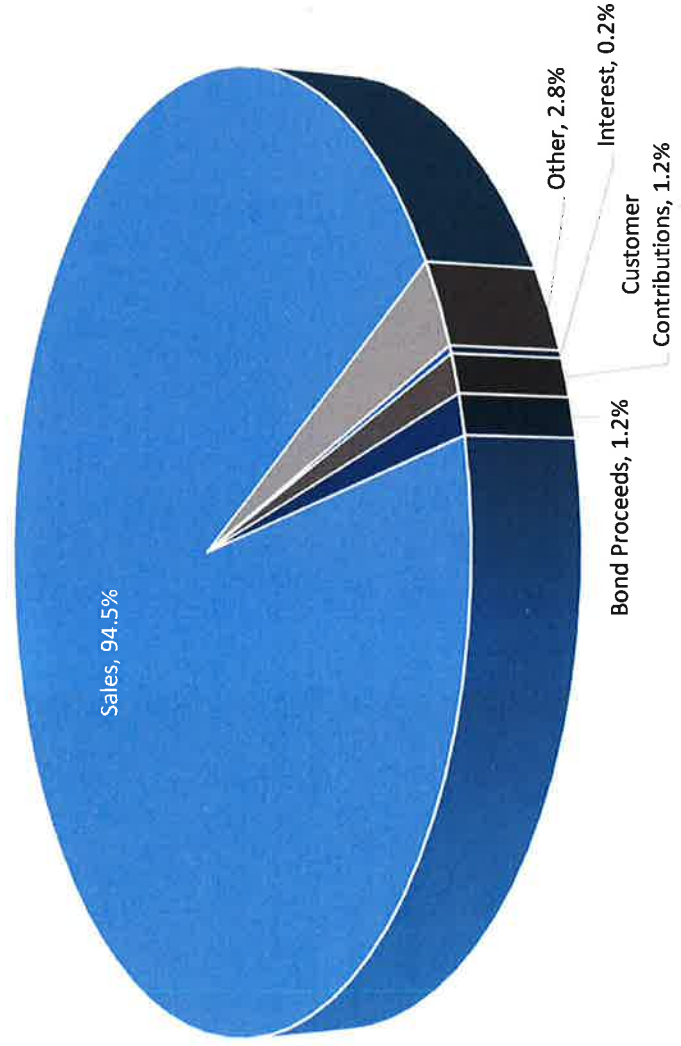


Electric System

Revenue & Expense Overview

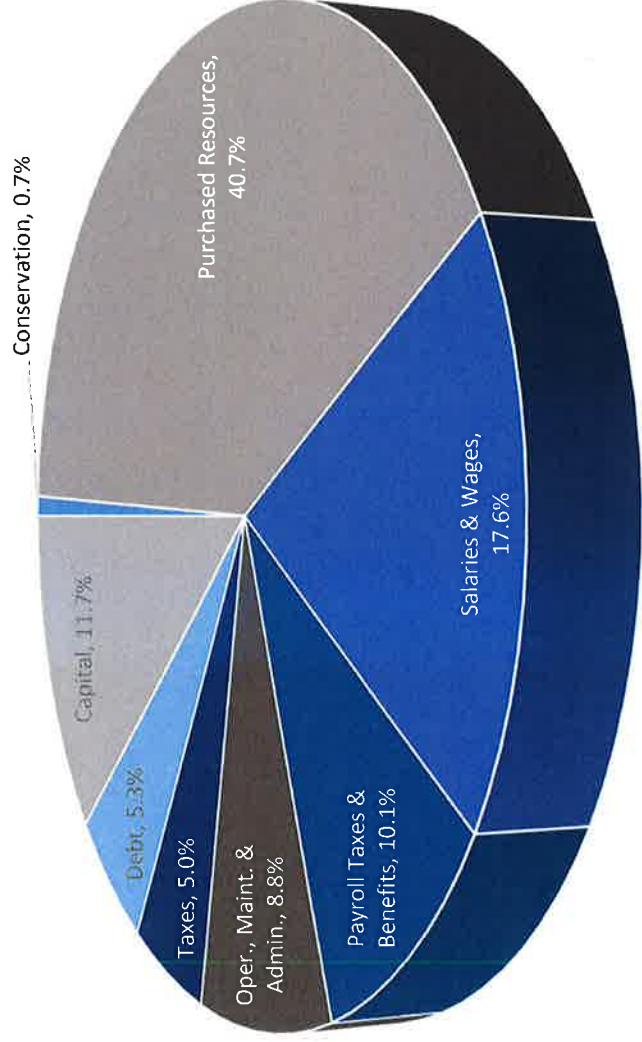
2021 Revenues Analysis (Cash Basis)

	2019 Actual	2020 Projected	2021 Budget
Sales	62,157,517	64,467,786	65,179,349
Other	2,773,459	2,529,403	1,930,971
Interest	558,831	381,945	170,000
FEMA	1,061,284	79,031	
Customer Contributions	1,121,183	991,942	840,000
Bond Proceeds		7,500,000	850,000
Rural Economic Funds	393,650		
Total	68,065,924	75,950,107	68,970,320



2021 Expenses Analysis (Cash Basis)

	2019 Actual	2020 Projected	2021 Budget
Conservation	599,964	437,892	497,400
Purchased Resources	29,683,234	28,576,895	28,814,481
Salaries & Wages	12,079,463	12,206,228	12,485,507
Payroll Taxes & Benefits	6,557,901	6,678,044	7,179,224
Oper., Maint. & Admin.	6,028,138	6,148,701	6,198,617
Taxes	2,946,454	3,447,452	3,553,266
Debt	3,745,875	3,726,400	3,725,456
Capital	7,130,356	14,197,772	8,308,300
Total	68,771,384	75,419,384	70,762,251



Budget Comparison by Department

	2019	2020	2021
Accounting	771,023	859,477	794,045
Auto Shop	1,138,819	1,184,275	1,357,922
Billing	557,402	502,185	546,971
Board of Commissioners	280,010	237,536	237,899
Broadband	475,356	850,061	695,906
Customer Service	1,626,170	1,589,163	1,592,395
Distribution	2,105,648	2,311,931	2,054,475
Finance/Gen Admin	11,706,636	14,688,684	9,757,487
General Counsel/Risk Management	256,399	726,050	523,282
General Manager	1,162,251	1,169,333	1,341,037
Human Resources	486,129	444,191	469,459
Information Technology	2,197,432	2,051,752	2,097,336
Materials/Warehousing	2,482,233	2,527,285	2,920,889
Operations	11,139,132	11,025,787	11,910,551
Power Supply	29,919,767	30,308,828	28,997,021
Records	329,567	318,911	352,027
Safety	437,374	444,642	424,052
Transmission	2,701,897	3,067,725	3,836,993
Utility Services	1,088,611	857,094	852,506
Grand Total	70,861,854	75,164,910	70,762,251

Capital Overview

Transmission Capital

Project Description	Budgeted Cost
SCADA Enhancements	25,000
Replace Circuit Switchers	82,000
Hwy 101 - Sappho to Forks Phase 2	105,000
Forks Rebuild	350,000
AP to BPA Transmission Rebuild and 115KV Upgrade	1,010,000
New BPA Relays at 115KV Terminal	238,000
PA Switchyard and Circuit Switchers	310,000
Airport Rebuild and Transformer Disposal	25,000
Gunstone Transmission Rebuild Phase 2	133,000
LTC Controller Upgrade	17,000
Transmission Pole Replacements & Relocations	50,000
Demo Sequim Substation	13,000
Misc. Transmission Projects	33,000
Total	\$2,391,000

Materials, equipment and contract capital costs

***Note: Excludes internal personnel costs**



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

Distribution Capital

Project Description	Budgeted Cost
Cable Replacements	157,000
Replace Distribution Pole and Appurtenant Fixtures	144,000
Black Diamond Road Project	120,000
Sequim Micro-Grid Project	115,000
Evans Road Feeder Tie Upgrade to 556AAC	75,000
CVR Metering and Communications	20,000
Lake Sutherland V-Phase Extension and Upgrade	70,000
JN-C to JN-B Tie with Govan and Oak Tap	20,000
Road Projects	35,000
Johnson Creek Fish Passage Road Project	65,000
Misc. Distribution Projects	86,000
Total	\$907,000

*Note: Excludes internal personnel costs



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Other Electric Capital

Project Description	Budgeted Cost
Vehicles and Equipment	966,000
Customer Requested Projects	305,000
Street Lights	24,000
Auto Shop	95,000
Broadband	263,100
Sekiu Kiosk	40,000
Forks Operations Building	500,000
Information Technology	297,200
AML and Transformers	1,480,000
CWF New Roof and LED Conversion	405,000
ERP Disaster Supplies	60,000
CETA Decarbonization Fund Transfer	575,000
Total	\$5,010,300
Total Electric Capital	\$8,308,300

***Note: Excludes internal personnel costs**

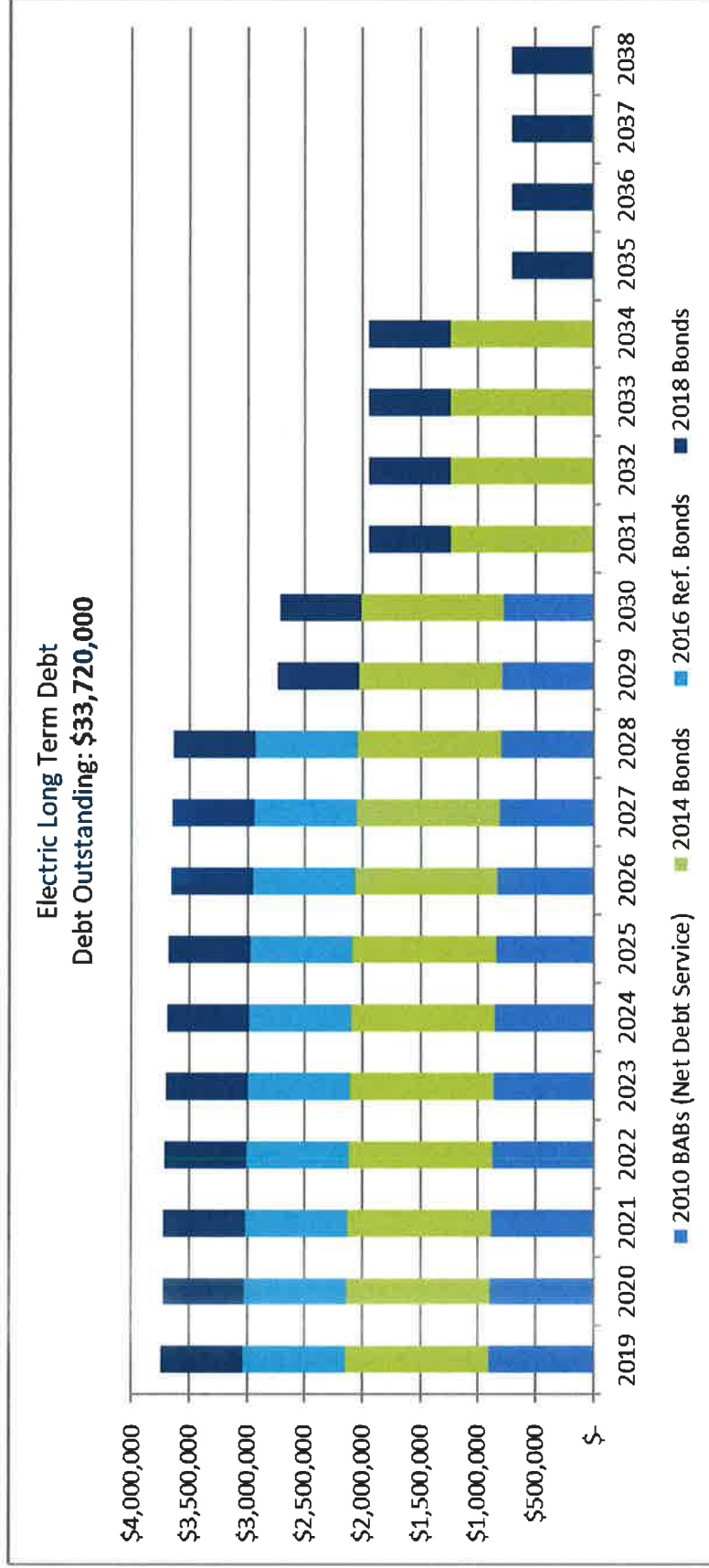


"Providing reliable, efficient, safe and low cost utility services in a financially and environmentally responsible manner."

Debt Overview

2021 Debt Payment Schedule

Debt	Principal	Interest	Payment
2010 Build America Bonds	555,000	327,206	882,206
2014 Electric Revenue Bonds	635,000	609,375	1,244,375
2016 Electric Revenue Refunding Bonds	685,000	207,075	892,075
2018 Electric Revenue Bonds	325,000	381,800	706,800
Total	\$ 2,200,000	\$ 1,525,456	\$ 3,725,456



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Personnel Overview

Personnel Highlights:

- **Position Changes:**
 - Tree Trimmer Helper to Apprentice/Journeyman
 - Forks Ops Assistant to Journeyman
 - Engineering: re-organization (workforce development)
- **Position Additions:**
 - Compliance Analyst (PT)
 - Auto Shop Helper (cover retirement of 2 Mechanics)
- **Other Highlights:**
 - Line Department - hire to proactively plan for retirements
 - Meter Reader reductions delayed 1-year
 - Postpone Facility Helper position(s)
 - No permanent long term FTE additions
 - Staff 457 Match, 2.00% (Maximum \$84k, assuming all participate)
 - CBA Wage Increases May 2021, 3.00%

Personnel 2015 vs. 2020



Summary and 10 Year Outlook



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

2021 Budget Summary (Cash Basis)

	2019		2020		2021	
	Actual	Projected	Actual	Projected	Actual	Budget
Revenues						
Sales	62,157,517	64,467,786			65,179,349	
Other	2,773,459	2,529,403			1,930,971	
Interest	558,831	381,945			170,000	
FEMA	1,061,284	79,031				
Customer Contributions	1,121,183	991,942			840,000	
Bond Proceeds		7,500,000			850,000	
Rural Economic Funds	393,650					
	<u>68,065,924</u>	<u>75,950,107</u>			<u>68,970,320</u>	
Expenses						
Conservation	599,964	437,892			497,400	
Purchased Resources	29,683,234	28,576,895			28,814,481	
Salaries & Wages	12,079,463	12,206,228			12,485,507	
Payroll Taxes & Benefits	6,557,901	6,678,044			7,179,224	
Oper., Maint. & Admin.	6,028,138	6,148,701			6,198,617	
Taxes	2,946,454	3,447,452			3,553,266	
Debt	3,745,875	3,726,400			3,725,456	
Capital	7,130,356	14,197,772			8,308,300	
	<u>68,771,384</u>	<u>75,419,384</u>			<u>70,762,251</u>	
Net Change in Reserves			(705,460)	530,723	(1,791,931)	
Ending Reserves			<u>\$19,509,377</u>	<u>\$20,040,100</u>	<u>\$18,248,168</u>	

10 Year Outlook:

Year	CETA				
	Proposed Rate Increase	Reserve Balance	Decarbonization Fund	Days Cash on Hand	Debt Coverage Ratio
2021	3.50%	\$ 18,248,170	\$ 5,775,000	121	2.675
2022	3.50%	\$ 18,287,819	\$ 6,350,000	117	2.789
2023	3.25%	\$ 18,932,962	\$ 6,925,000	119	3.012
2024	3.25%	\$ 19,314,545	\$ 7,500,000	116	2.937
2025	3.25%	\$ 20,797,418	\$ 8,075,000	123	3.275
2026	3.25%	\$ 22,202,028	\$ 8,650,000	126	3.183
2027	3.25%	\$ 24,709,965	\$ 9,225,000	138	3.555
2028	3.00%	\$ 26,159,015	\$ 9,800,000	140	3.390
2029	3.00%	\$ 28,473,207	\$ 10,375,000	150	4.941
2030	3.00%	\$ 28,948,587	\$ 10,950,000	150	5.386

Sensitivity Analysis Assumptions

Average BPA Increase: 5.5% / 2 years
 Decline in kWh: 0.2% / year
 Meter Growth: 0.75% / year

*Note: Battery project may reduce rates 0.9% in year following project.



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Rate Impact (2021): Residential

Average Residential User consuming 1,250 kWh per month:

Existing -	\$130.09
Proposed -	\$134.68
Difference -	\$4.59



Water and Sewer Systems

Water Assumptions:

- 2020-2024 Commission approved Median Rate Increases of 4.2% per year based on COSA.
- Pre-approved 5 year plan to achieve a uniform “postage stamp” rate structure.
- Based on WSDOT projects may need to update cost of service study late 2021 or 2022 (fish passage costs).

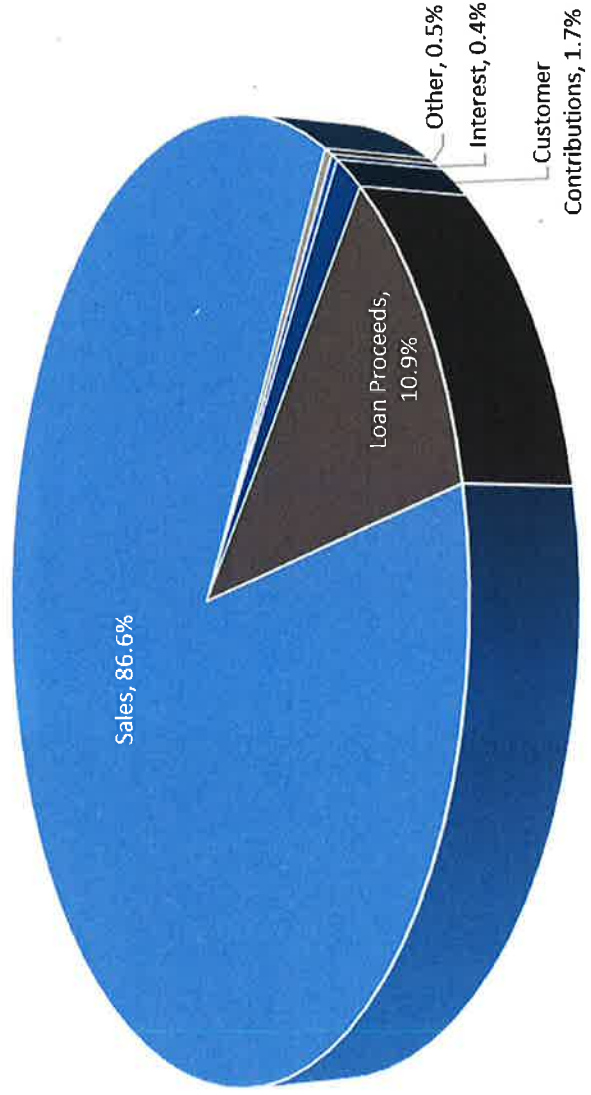
Waste Water Assumptions:

Based on the same customer count and includes same average rate increase of 5.9% per year for 2020-2024. (COSA recommendation)

Revenue & Expense Overview

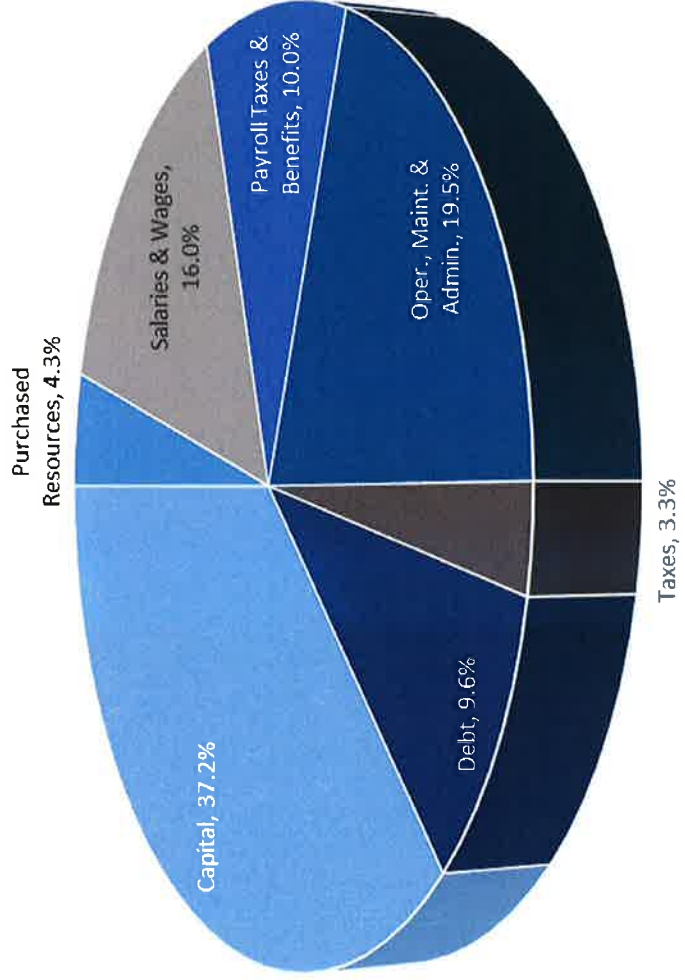
2021 Revenues Analysis (Cash Basis)

	2019	2020	2021
	Actual	Projected	Budget
Sales	4,355,836	4,419,596	4,600,000
Other	56,692	21,786	25,000
Interest	62,314	30,646	20,400
Customer Contributions	111,680	83,890	90,000
Loan Proceeds	2,361,692	719,527	577,800
Total	6,948,214	5,275,445	5,313,200



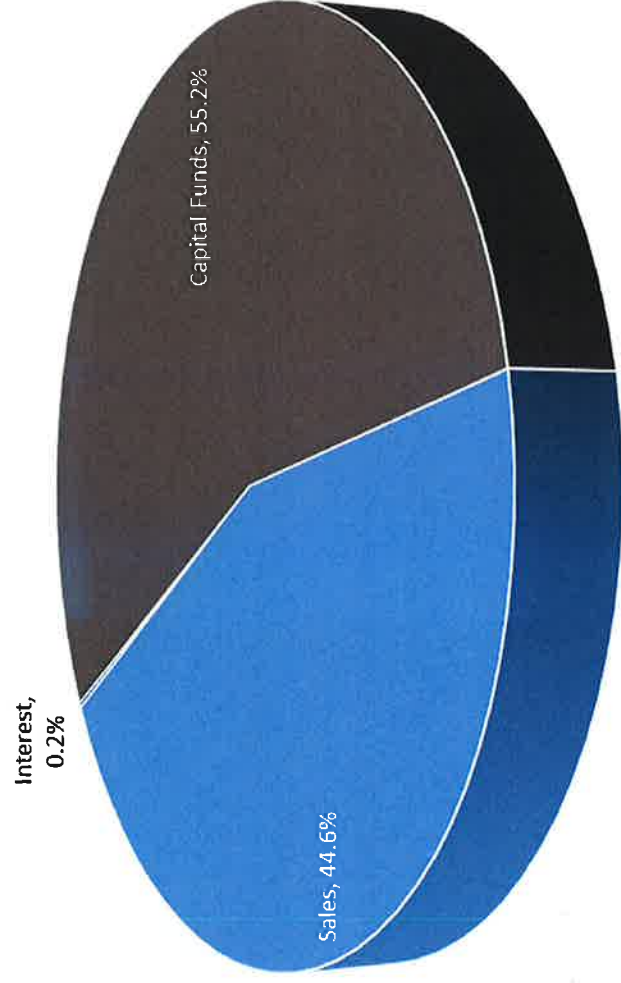
2021 Expenses Analysis (Cash Basis)

	2019 Actual	2020 Projected	2021 Budget
Purchased Resources	165,155	430,000	300,000
Salaries & Wages	1,097,976	1,133,435	1,115,460
Payroll Taxes & Benefits	624,978	647,918	700,072
Oper., Maint. & Admin.	1,086,693	1,116,639	1,362,577
Taxes	220,314	217,983	229,110
Debt	540,971	634,095	670,769
Capital	3,481,899	1,256,993	2,598,500
Total	7,217,985	5,437,064	6,976,488



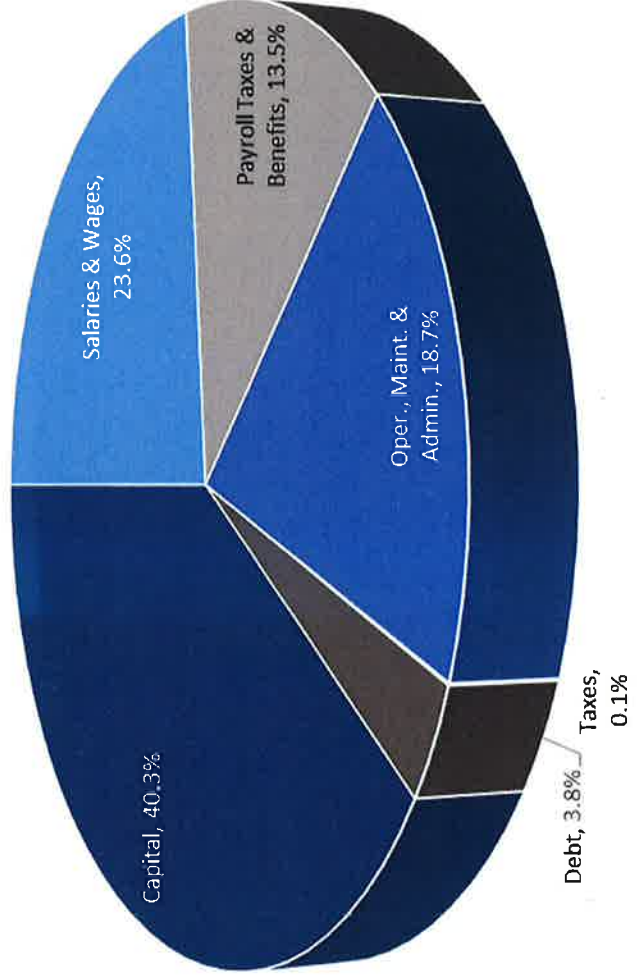
2021 Revenues Analysis (Cash Basis)

	2019 Actual	2020 Projected	2021 Budget
Sales	63,961	66,862	71,184
Other	1,463	39	
Interest	653	359	300
Loan Proceeds	68,000	-	-
Capital Funds	-	-	88,000
Total	134,077	67,260	159,484



2021 Expenses Analysis (Cash Basis)

	2019 Actual	2020 Projected	2021 Budget
Salaries & Wages	37,896	9,112	37,631
Payroll Taxes & Benefits	23,443	5,639	21,468
Oper., Maint. & Admin.	30,967	20,936	29,764
Taxes	74	100	100
Debt	3,612	6,177	6,113
Capital	32,868	-	64,260
Total	128,859	41,963	159,336



Capital Overview

Water Capital

Project Description	Budgeted Cost
WSDOT Projects	
Bagley Creek	8,500
Lees Creek	30,000
Siebert Creek	160,000
Ennis Creek	30,000
Carlsborg - New Transmission Line	150,000
Carlsborg - New Water Source	410,000
Clallam Bay - Safety/Infrastructure Upgrades	574,000
Fairview - Deer Park Road Pumping	28,000
Haller Well Restoration	42,000
Morse Creek - Purchase Dam Diversion Facilities	25,000
Mt. Angeles - reloc. Lower Pump Station/raise Upper Reservoir	672,000
Pfaff - Emergency Generators	147,000
Pump Replacement	22,000
SCADA/Telemetry Upgrade	27,000
Service Truck	85,000
Township Line Reservoir Safety Upgrade	35,000
Customer Requested Projects	50,000
Capital Tools, Meters, Service Capital Projects, Misc. Projects	103,000
Total Water Capital	\$2,598,500

*Note: Excludes internal personnel costs



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

Sewer Capital

Project Description	Budgeted Cost
Miscellaneous Capital	5,100
Southern View Estates: Nitrate Treatment System Reserve	3,060
Sunshine I: Lower Lift Station	56,100
Total Sewer Capital	\$64,260

***Note: Excludes internal personnel costs**

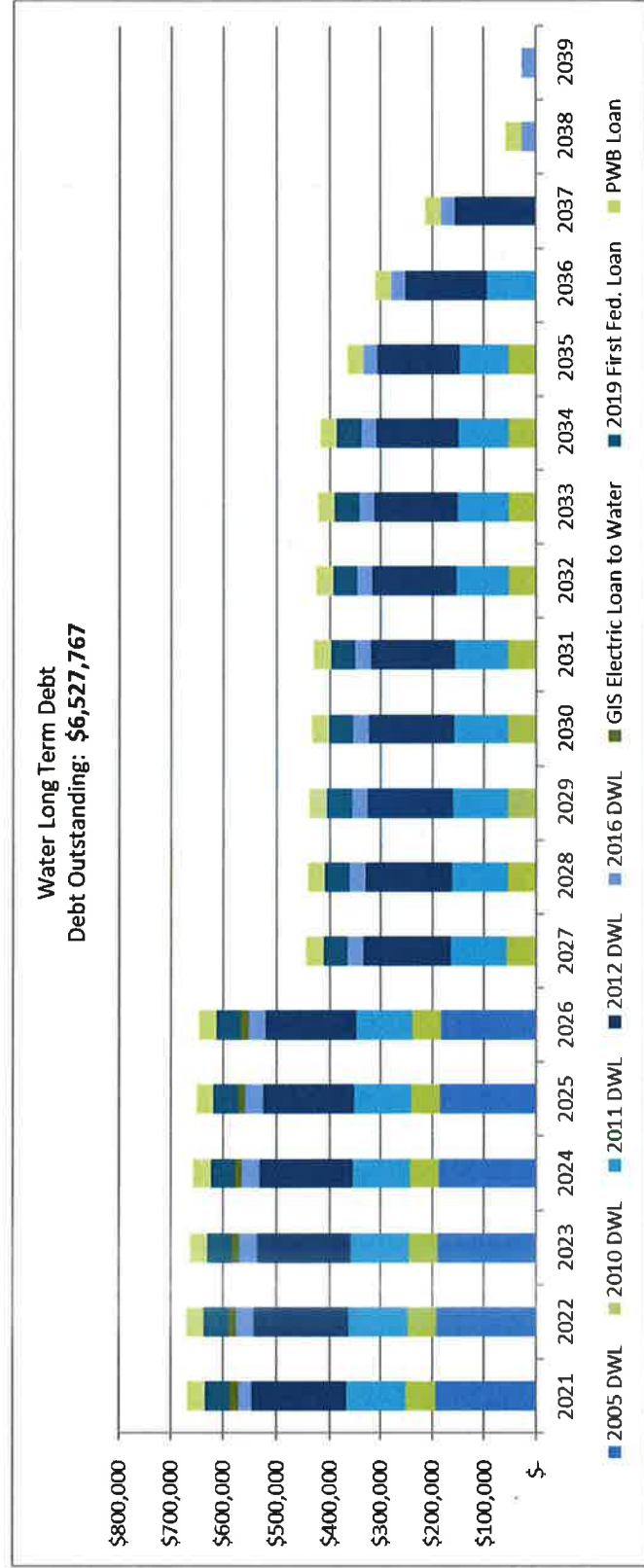


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Debt Overview

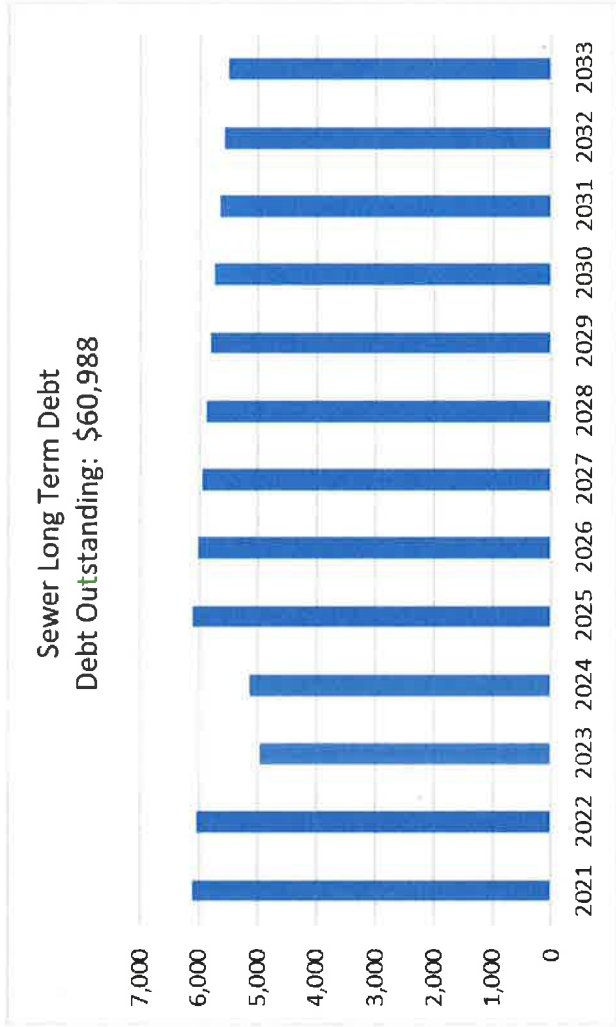
2021 Debt Payment Schedule

Debt	Principal	Interest	Payment
2005 Drinking Water Loan	181,431	9,072	190,503
2010 Drinking Water Loan	51,188	7,166	58,354
2011 Drinking Water Loan	93,564	21,052	114,616
2012 Drinking Water Loan	153,200	24,512	177,712
2016 Drinking Water Loan	26,930	7,271	34,201
2019 First Federal Loan	32,000	15,060	47,060
GIS Note Payable to Electric	12,514	1,564	14,079
Public Works Board Loan	30,390	3,829	34,219
Total	\$ 581,218	\$ 89,526	\$ 670,745



2021 Debt Payment Schedule

Debt	Principal	Interest	Payment
2019 Note Payable to Wate	4,284	1,830	6,113
Total	\$ 4,284	\$ 1,830	\$ 6,113



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

Summary

2021 Budget Summary (Cash Basis)

	2019 Actual	2020 Projected	2021 Budget
Revenues			
Sales	4,355,836	4,419,596	4,600,000
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Taxes	220,314	217,983	229,110
Debt	540,971	634,095	670,769
Capital	3,481,899	1,256,993	2,598,500
	7,217,985	5,437,064	6,976,488
Net Change in Reserves	(269,771)	(161,619)	(1,663,288)
Ending Reserves	\$3,216,389	\$3,054,770	\$1,391,482

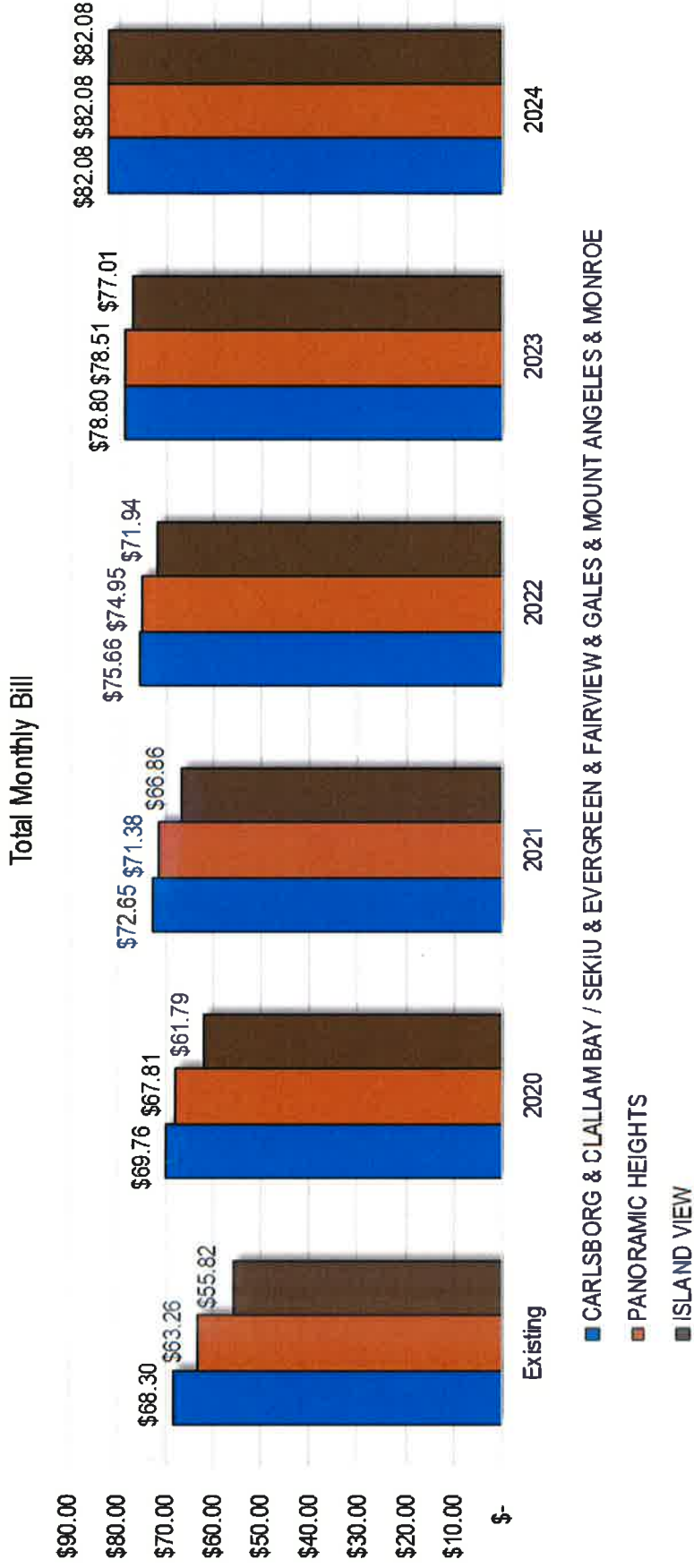
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Loan Proceeds	68,000	-	-
Capital Funds	-	-	88,000
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Expenses			
Salaries & Wages	37,896	9,112	37,631
Payroll Taxes & Benefits	23,443	5,639	21,468
Oper., Maint. & Admin.	30,967	20,936	29,764
Taxes	74	100	100
Debt	3,612	6,177	6,113
Capital	32,868	-	64,260
	<u>128,859</u>	<u>41,963</u>	<u>159,336</u>
Net Change in Reserves	5,218	25,297	148
Ending Reserves	<u>\$30,031</u>	<u>\$55,328</u>	<u>\$55,476</u>



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

Rate Impacts:



	\$ Change to Monthly Bill				
	2020	2021	2022	2023	2024
Carlsborg Clallam Bay/Sekiu Evergreen Fairview Gales Mount/Angeles Monroe	\$ 1.46	\$ 2.89	\$ 3.01	\$ 3.14	\$ 3.28
Panoramic Heights	4.55	3.57	3.57	3.57	3.57
Island View	5.97	5.07	5.07	5.07	5.07

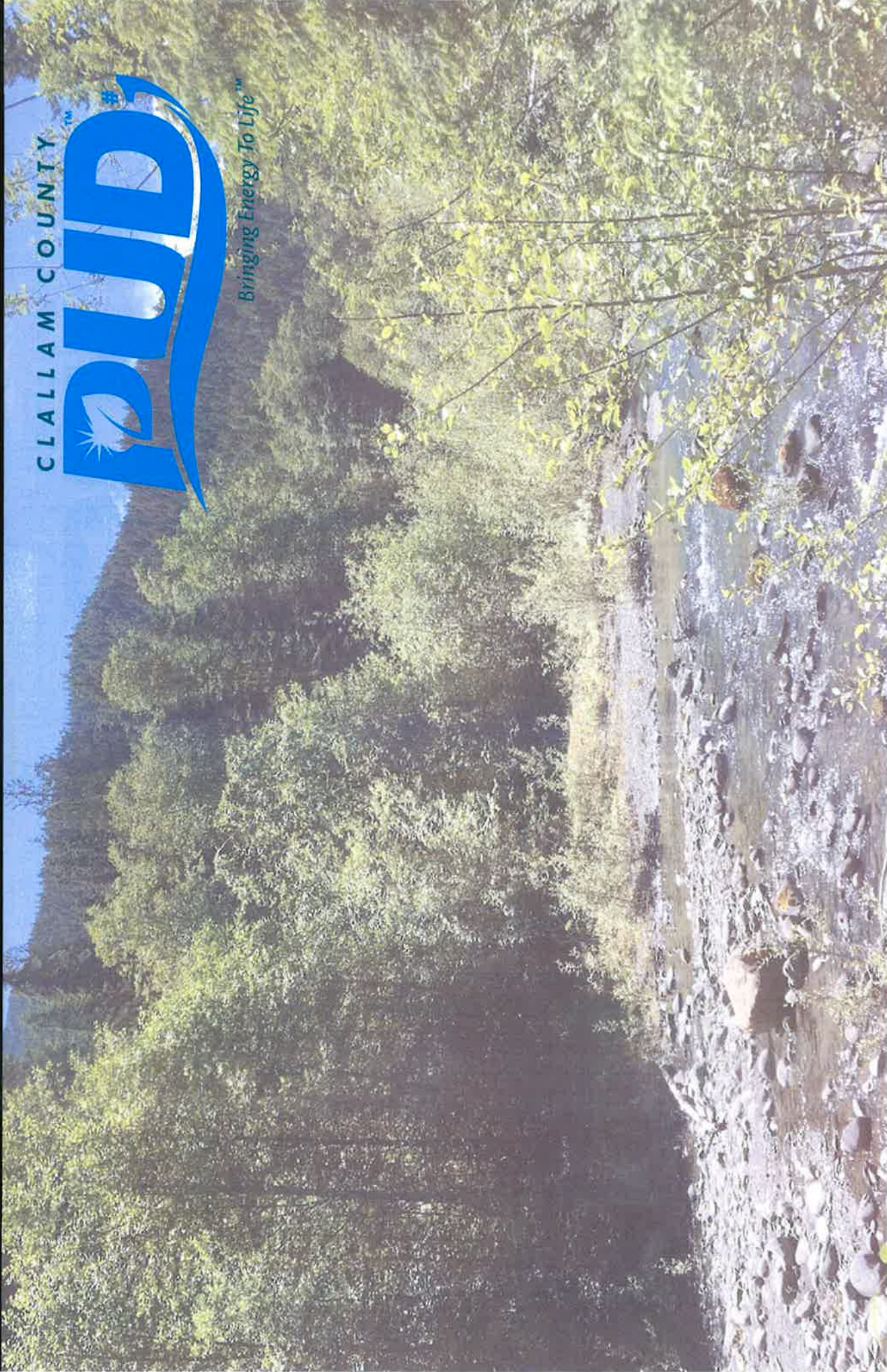
Note: 5/8" meter & 7.00 ccf usage



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

Questions and Discussion

2021 STRATEGIC PLAN



CLALLAM COUNTY



Bringing Energy To Life™

2021 STRATEGIC PLAN

We are proud to present to you PUD #1 of Clallam County's 2021 Strategic Plan.

The 2021 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

2021 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 28,000 customers with electric service, and over 4,500 with water connections. We have offices in Forks, Clallam Bay/Sekiu, 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 95% carbon-free and no matter how we grow, we continually strive to fulfill our mission:

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

2021 STRATEGIC PLAN

MISSION

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

MISSION & VISION

VISION
"To be the best utility for OUR customers"

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

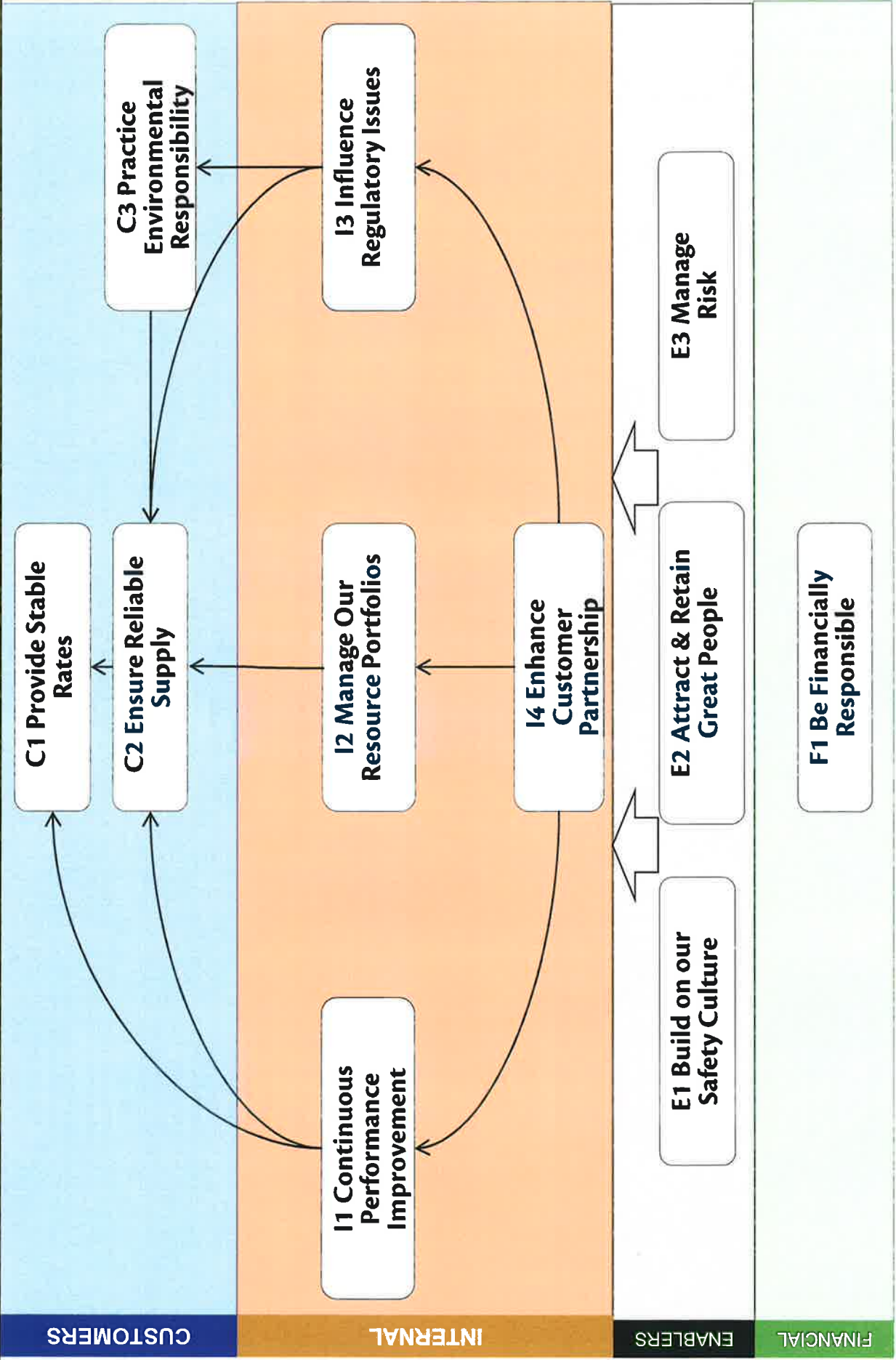
STRATEGIC OBJECTIVES (SO)

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

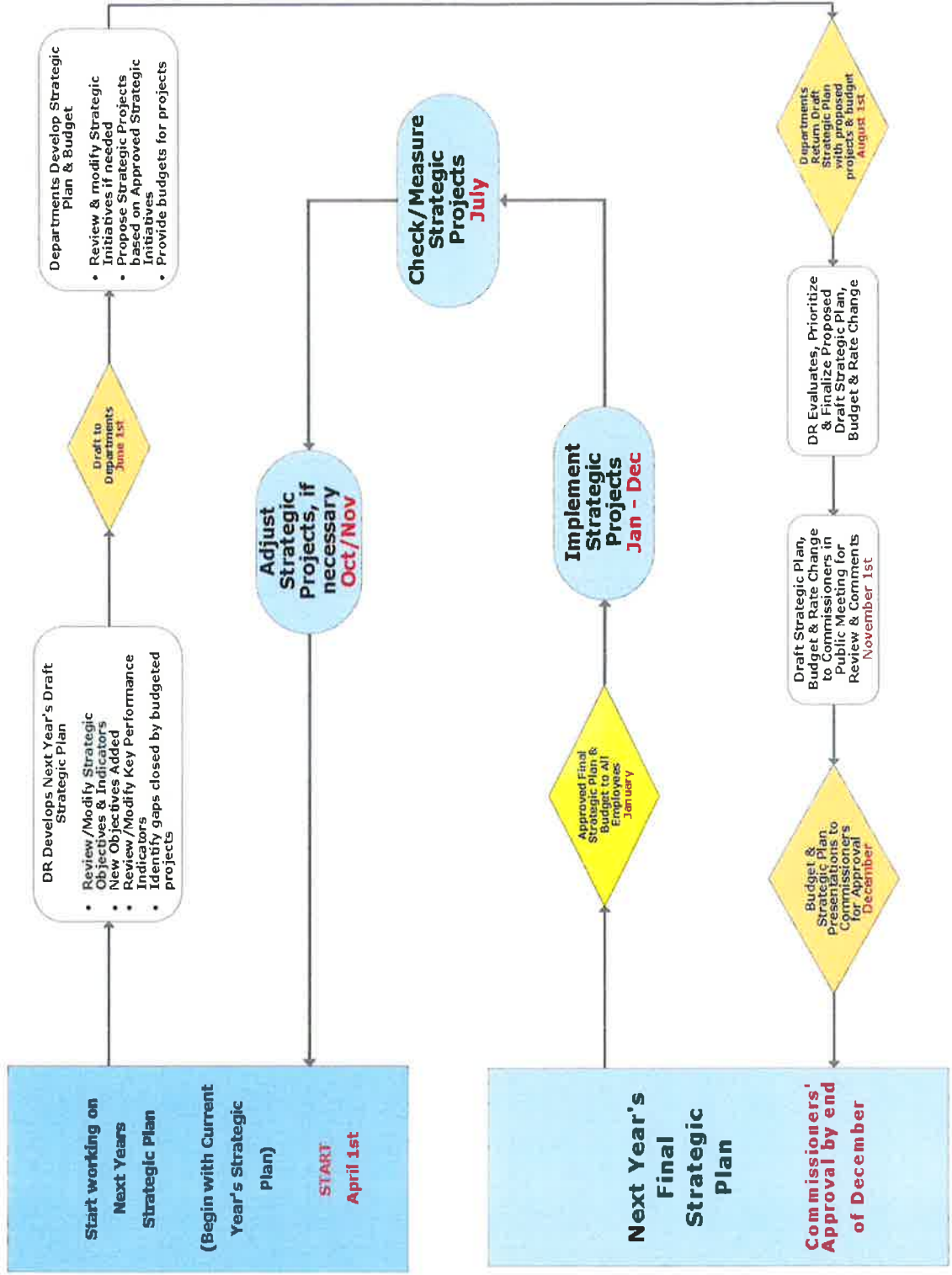
2021 STRATEGIC PLAN

VISION: Being the best Utility for OUR Customers.

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



2021 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.



2021 STRATEGIC PLAN

STRATEGIC OBJECTIVES

Customer

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

Internal

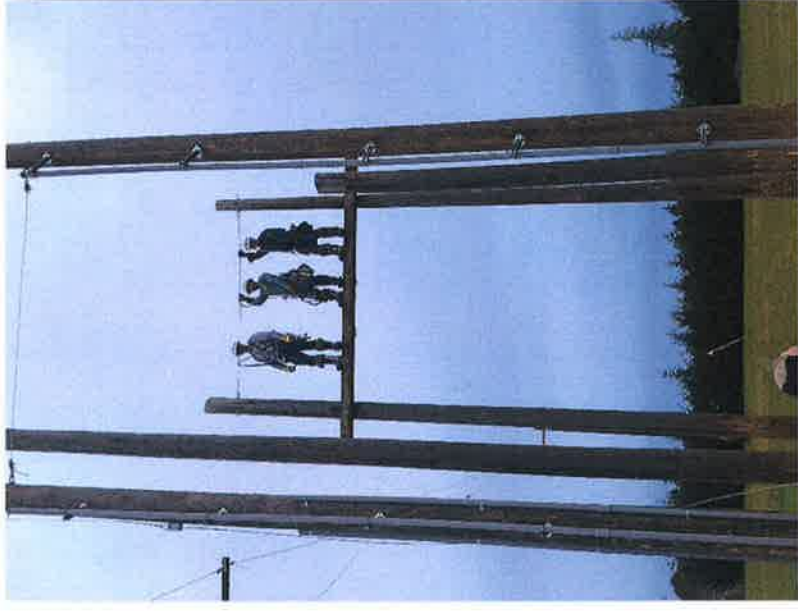
- Continuous Performance Improvement
- Enhance Customer Partnership
- Manage Our Resource Portfolios
- Influence Regulatory Issues

Enablers

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

Financial

- Be Financially Responsible



2021 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 pandemic, weather and disaster effects.
9. Create Restricted Capital Account to Proactively Plan for CETA Compliance.

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

2021 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 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
- Optimize system operations through technological innovation.

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

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.

Telecommunications

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

2021 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 (Rolling Annual)

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

Electric (3 Year Cycle)

- 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%



2021 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

Tom Martin, Water Superintendent

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Electric (Quarterly)

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

Water (Quarterly)

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



2021 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%



2021 STRATEGIC PLAN

STRATEGIC OBJECTIVE:

MANAGE OUR RESOURCE PORTFOLIO Strategic Initiatives

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 Clean Energy Transformation Act (CETA) requirements

(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.
- Monitor emergent technologies and conduct periodic financial feasibility analysis necessary to decarbonize the power supply, including: EV charging, battery storage, SMR, 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%

2021 STRATEGIC PLAN

STRATEGIC OBJECTIVE: INFLUENCE REGULATORY ISSUES

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 WPUDA 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 (WPUDA, and 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.

Direct Report Lead

Nicole Clark, Communications & Government Relations Manager

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Clallam PUD representation at WPUDA, PPC & WPAG meetings, as applicable

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

Relevant quarterly communication in HotLine & WEB Employee Newsletter

- Green = 100%
- Yellow = 75%
- Red = <75%



2021 STRATEGIC PLAN

STRATEGIC OBJECTIVE: ENHANCE CUSTOMER PARTNERSHIPS

Direct Report Lead

Nicole Clark, Communications &
Government Relations 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

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

- Educate employees on public power, District operations, key issues and the District's mission, vision and strategic plan
- Develop a strategic communications plan
- Hold GM/Senior staff small group meetings and/or annual meetings with employees.
- Commissioner outreach to constituents (i.e. commission meetings in all three Commissioner districts, casual coffee meetings, public power week, etc.)
- Maintain proactive relationships with key customers and groups.
- Track customer engagement through website and social media trends.
- Provide ample early notification to customers on new, or changes to, products and services
- Use internal and external surveys to integrate feedback into the strategic plan and projects.
- Enhance partnerships with the community, contractors, organizations, and local governments
- Engage with customers through community events, seminars, and volunteer activities
- 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** = >20% likes to customers ratio
- **Yellow** = 10-20% likes to customers ratio
- **Red** = <10% likes to customers ratio

Clallam PUD representation at community and local association meetings

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



2021 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 to 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)

Identified Big Gaps To POE

- a. Need to address and reduce most common causes of Injuries
- b. Need to reduce Recordable Injuries and reduce vehicle and property damage.
- c. PPE not uniformly utilized
- d. Safety Committee structure and processes continuous review
- e. Safety Recognition Program needs to be developed and implemented.
- f. Failure to timely comply with District accident/injury/property damage reporting program
- g. Be prepared for emergencies

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 quarter.
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 NESC, WAC and new OSHA safety requirements.
8. Develop Awards program that recognizes safety performance and is reviewed quarterly. Recognition of Departments with 1-year accident free.
9. Industry Safety awards recognizes the District for its excellent safety record.
10. Utilize Safety Committee team to review safety processes and to examine injuries/property damage/reporting for possible solutions.
11. Procure ERRP materials for emergencies

Key Performance Indicators (KPI)

(How are we doing? - measurement)

Loss Time Injuries reported per quarter (LTI)

- Green = < 1
- Yellow = < 2-3
- Red = 4 or more

Recordable injuries reported per quarter

- Green = < 1
- Yellow = 2-3
- Red = 4 or more

Educate public on Electrical Safety when requested

- Green = %
- Yellow = %
- Red = %

Recognition of Departments with 1-year accident free.

- Green = %
- Yellow = %
- Red = %

Complete average of 3 Field employees Safety Audits per quarter

- Green = > 3 completed
- Yellow = > 2 completed
- Red = < 1 completed

2021 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 regular 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 15-30-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 hosted by HR attendance %

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

RP3 Score

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

2021 STRATEGIC PLAN

STRATEGIC OBJECTIVE: MANAGE RISK

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.

Direct Report Lead

John Purvis, AGM

Sean Worthington, Finance
Manager

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



2021 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 150-180 day reserve.
- Lack of asset management program for replacement of aging water infrastructure.
- Revenue variations due to 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.
- Create Low Income CETA Program to mitigate rate impacts.
- Scoping plan for utility scale qualifying CETA project and corresponding restricted cash account.

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



