

**AGENDA**  
FOR THE REGULAR MEETING OF  
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1  
BOARD OF COMMISSIONERS  
December 14, 2020

Join Zoom Meeting: <https://zoom.us/j/97274083296?pwd=bEdjZ3JIMzNWVUJxdFNWcWk0ZVhoZz09>

Meeting ID: 972 7408 3296 | Passcode: 505852

One tap mobile: +12532158782,,97274083296#,,,,,0#,,505852# US (Tacoma)

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

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**1. CALL TO ORDER**

**2. APPROVAL OF CONSENT AGENDA**

- a. Claim voucher lists for November 23, 2020, November 30, 2020, and December 7, 2020 for a total of \$3,602,476.24
- b. Payroll voucher lists (2) covering November 1-30, 2020
- c. Removal of delinquent accounts from December active accounts receivable totaling \$8,714.03 including a 30% collection fee.

**3. AGENDA REVISIONS**

**4. COMMENTS FROM THE PUBLIC**

**5. BUSINESS ITEMS**

- a. Contract Completion #191007 Underground Distribution Relocation Alan Plasch
- b. Resolution 2187-20 Adopting the 2021 Budgets Sean Worthington
- c. 2021 Strategic Plan Doug Nass

**6. CORRESPONDENCE/COMMUNICATIONS**

**7. COMMISSIONER REPORTS**

**8. STAFF REPORTS**

- a. Proclamations 20-23 and 20-28 Nicole Hartman
- b. NoaNet Bond Sale Sean Worthington/Steve Schopfer
- c. Tucci Energy Solar Update John Purvis

**9. BOARD'S ACTION ITEMS FOR STAFF**

**10. COMMENTS FROM THE PUBLIC**

**11. EXECUTIVE SESSION**

**12. ADJOURN**

**PREAGENDA**  
FOR THE REGULAR MEETING OF  
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1  
BOARD OF COMMISSIONERS  
December 14, 2020

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- **Consent Agenda Items**  
The Commissioners will consider approving Consent Agenda items.
  
- **Contract Completion – Underground Distribution Relocation #191007**  
All work under the contract with MLS Enterprise, Inc. has been completed in accordance with the contract documents, and the Commissioners will consider accepting the contract as complete.
  
- **Resolution 2187-20 Adopting the 2021 Budgets**  
The Commissioners will consider adopting Resolution 2187-20, which adopts the Electric Operating Fund, Water Operating Fund, and Wastewater Operating Fund budgets as finally determined.
  
- **2021 Strategic Plan**  
The Commissioners will consider approving the District’s 2021 Strategic Plan.

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*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.*

**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 Yori Carter DATE 12/7/20  
AUDITING OFFICER

\_\_\_\_\_  
GENERAL MANAGER DATE \_\_\_\_\_

Vouchers audited and certified by the Auditing Officer and the General Manager have been recorded on the attached list(s) 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(s):

Summary for Voucher Lists Dated 11/23/20–12/7/20

Checks	\$	1,235,905.21
Wire Transfers		2,298,648.93
E-Payment		57,260.94
Prepays/Solar Incentive Payments		10,661.16
Total	\$	3,602,476.24

\_\_\_\_\_  
COMMISSIONER

\_\_\_\_\_  
COMMISSIONER

\_\_\_\_\_  
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 Yori Carter DATE 11/20/20  
 AUDITING OFFICER

SIGNED [Signature] DATE 11/23/20  
 GENERAL MANAGER  
 F-12

Checks and E-Payments 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: November 23, 2020

\$	321,466.32	Checks
\$	101,132.32	Wire Transfers
\$	11,376.63	E-payments
\$	2,808.39	SOLAR
\$	7,796.02	Pre-Pays
<b>\$</b>	<b>444,579.68</b>	<b>TOTAL AMOUNT</b>

The attached list of claims has been paid using Check Numbers:

\_\_\_\_\_ through \_\_\_\_\_ mailed on \_\_\_\_\_

The attached list of claims has been paid using E-Payment Numbers:

\_\_\_\_\_ through \_\_\_\_\_ Processed on \_\_\_\_\_

Signed \_\_\_\_\_ Dated \_\_\_\_\_

AUDITING OFFICER

**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 *Yori Carter* DATE 11/25/20  
 AUDITING OFFICER

SIGNED *[Signature]* DATE 11/25/20  
 GENERAL MANAGER

Checks and E-Payments 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: November 30, 2020

\$	89,976.97	Checks
\$	2,099,618.84	Wire Transfers
\$	17,946.27	E-payments
\$	56.75	Pre-Pays
\$	<b>2,207,598.83</b>	<b>TOTAL AMOUNT</b>

The attached list of claims has been paid using Check Numbers:

\_\_\_\_\_ through \_\_\_\_\_ mailed on \_\_\_\_\_.

The attached list of claims has been paid using E-Payment Numbers:

\_\_\_\_\_ through \_\_\_\_\_ Processed on \_\_\_\_\_.

Signed \_\_\_\_\_ Dated \_\_\_\_\_.

AUDITING OFFICER

**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 Yoni Carter DATE 12/4/20  
AUDITING OFFICER

SIGNED [Signature] DATE 12.5.20  
GENERAL MANAGER

Checks and E-Payments 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: December 7, 2020

\$	822,992.69	Checks
\$	97,897.77	Wire Transfers
\$	29,407.27	E-payments
		Pre-Pays
<hr/>	<hr/>	
\$	<b>950,297.73</b>	<b>TOTAL AMOUNT</b>

The attached list of claims has been paid using Check Numbers:

\_\_\_\_\_ through \_\_\_\_\_ mailed on \_\_\_\_\_

The attached list of claims has been paid using E-Payment Numbers:



\_\_\_\_\_ through \_\_\_\_\_ Processed on \_\_\_\_\_

Signed \_\_\_\_\_ Dated \_\_\_\_\_  
AUDITING OFFICER

**VOUCHER APPROVAL**

**PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
ELECTRIC OPERATING FUND**

District No. 1 of Clallam County, Washington, do hereby certify that the Employees' Payroll for the period November 16, 2020 through November 30, 2020 covered by Checks No. 117170 through No. 117173 Auto-Deposits covered by No. 12388 through No. 12536 is approved for payment in the amount of \$701,488.00 the 4th. day of December 2020



 _____ Auditing Officer	_____ Commissioner
 _____ General Manager	_____ Commissioner
	_____ Commissioner

Check/Auto Deposit No.	Claimant	Purpose	Amount
0	P.U.D. Employees/Checks	Payroll for Period	0.00
Wire	WA Dept of Retirement Systems	Contributions	121,740.20
Wire	Washington State Support Registry	Employee Deduction	741.98
Wire	Internal Revenue Service	Withholding Taxes	146,364.61
Wire	MassMutual Financial Group Hartford Life Ins Co (20019/20019)	Employee Deductions	20,045.02
Wire	Vantagepoint Transfer Agents (301772) (ICMA-457)	Employee Deductions	15,449.61
Wire	HRA VEBA Trust -YA051	Contributions	13,986.83
117170	IBEW Local #997 - union dues	Employee Deductions	3,300.63
117171	Lincoln Financial Group (Voluntary Life)	Employee Deductions	1,831.61
117172	PUD Employees' Association	Employee Deductions	346.50
117173	Clallam County United Way	Employee Deductions	45.00
		Sub-Total	<u>\$323,851.99</u>
0	P.U.D. Employees/ACH Supplemental Pays		\$0.00
12388-12536	P.U.D. Employees/ACH	Payroll for Period	377,636.01
		Total Payroll Voucher	<u><u>\$701,488.00</u></u>

**VOUCHER APPROVAL**

**PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
ELECTRIC OPERATING FUND**

District No. 1 of Clallam County, Washington, do hereby certify that the Employees' Payroll for the period November 1, 2020 through November 15, 2020 covered by Checks No. 117046 through No. 117049 Auto-Deposits covered by No. 12240 through No. 12387 is approved for payment in the amount of \$614,811.11 the 19th. day of November 2020

 <hr style="border: 0.5px solid black;"/> <p align="center"><b>Auditing Officer</b></p>  <hr style="border: 0.5px solid black;"/> <p align="center"><b>General Manager</b></p> <p><i>for</i></p>	<hr style="border: 0.5px solid black;"/> <p align="center"><b>Commissioner</b></p> <hr style="border: 0.5px solid black;"/> <p align="center"><b>Commissioner</b></p> <hr style="border: 0.5px solid black;"/> <p align="center"><b>Commissioner</b></p>
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Check/Auto Deposit No.	Claimant	Purpose	Amount
0	P.U.D. Employees/Checks	Payroll for Period	0.00
Wire	WA Dept of Retirement Systems	Contributions	107,873.15
Wire	Washington State Support Registry	Employee Deduction	741.98
Wire	Internal Revenue Service	Withholding Taxes	124,165.49
Wire	MassMutual Financial Group Hartford Life Ins Co (20019/20019)	Employee Deductions	18,200.53
Wire	Vantagepoint Transfer Agents (301772) (ICMA-457)	Employee Deductions	15,751.89
Wire	HRA VEBA Trust -YA051	Contributions	12,954.09
117046	IBEW Local #997 - union dues	Employee Deductions	3,328.30
117047	Lincoln Financial Group (Voluntary Life)	Employee Deductions	1,831.61
117048	PUD Employees' Association	Employee Deductions	345.75
117049	Clallam County United Way	Employee Deductions	45.00
		Sub-Total	<u>\$285,237.79</u>
0	P.U.D. Employees/ACH Supplemental Pays		\$0.00
12240-12387	P.U.D. Employees/ACH	Payroll for Period	329,573.32
		Total Payroll Voucher	<u><u>\$614,811.11</u></u>



**PUD#1 OF CLALLAM COUNTY, WASHINGTON**

**DECEMBER 2020  
DELINQUENT ACCOUNTS TO BE REMOVED  
FROM ACTIVE ACCOUNTS RECEIVABLE**

Delinquent accounts listed for electricity and water on the attached pages are approved to be removed from the active accounts receivable. All accounts to be removed are grouped and total as follows:

12/01/20	Clallam Bay – Evergreen	\$	720.29
12/01/20	Forks – Evergreen	\$	816.40
12/01/20	Port Angeles – Evergreen	\$	2,981.36
12/01/20	Sequim – Evergreen	\$	2,185.05
12/01/20	All Area-Direct W/O Bankruptcy	\$	-
12/01/20	All Area-Direct W/O Deceased	\$	-
12/01/20	All Area-Direct W/O Small Balance	\$	-
	<b>SUBTOTAL</b>	\$	<b>6,703.10</b>
12/01/20	30% Collection Fee	\$	2,010.93
	<b>TOTAL</b>	\$	<b>8,714.03</b>
	<b>Previous Debt Collected in November 2020</b>	\$	528.92
	<b>Previous Debt Collected Year To Date 2020</b>	\$	16,988.86

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Vice-President

SW:kw

Attachments

These lists comply with our CIS software which removes accounts from the active accounts receivable when placed with a collection agency (classifies them as bad debt). The exceptions are bankruptcies, deceased customers and customer accounts with small balances under \$20. These are removed under the categories of All-Area Direct W/O, but not placed with a collection agency.



MEMORANDUM

Date: December 14, 2020  
To: Doug Nass, General Manager  
From: Alan Plasch, Project Manager *AP*  
Mike Hill, Engineering Manager *MH*  
Re: ACCEPTANCE MEMO OF COMPLETION  
BID OPENING JANUARY 24, 2020  
UNDERGROUND DISTRIBUTION RELOCATION NEAR SR 101  
AND BAGLEY CREEK ROAD  
BID NUMBER 191007

All work under the above-referenced contract with **MLS ENTERPRISE, INC.**, has been completed. It is recommended that this work be accepted as complete.

The project consisted of relocating of underground distribution line requiring boring, trenching, tree removal, and building a junction box site and traversable road near Highway 101 and Bagley Creek Road.

The Contractor started the project on February 10, 2020, and completed the work on November 20, 2020. The total contract cost:

Item	Total
Original Contract Cost	\$49,140.00
Change Order 1	\$0.00
WSST (8.5%)	\$4,176.90
<b>Total Contract Amount</b>	<b>\$53,316.90</b>

Accepted by Board of Commissioners at meeting of: \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Doug Nass, General Manager

RESOLUTION NO. 2187-20

A RESOLUTION Adopting the Electric Operating Fund, Water Operating Fund, and Wastewater Operating Fund Budgets as Finally Determined

WHEREAS, the Commission of the Public Utility District No. 1 of Clallam County, Washington, prepared preliminary Electric Operating Fund, Water Operating Fund, and Wastewater Operating Fund Budgets of the contemplated financial transactions for the year 2021; and

WHEREAS, staff has reviewed the financial requirements of the District's electric, water, and wastewater systems and has carefully analyzed the rate revenue requirements; and

WHEREAS Resolution 2165-19, adopted on December 9, 2019, established rate schedules for 2020 and 2021 resulting in an average electric rate increase of 3.5% for each calendar year, effective on April 1 of each year; and

WHEREAS Resolution 2162-19, adopted on October 28, 2019, established rate schedules for 2020, 2021, 2022, 2023, and 2024 resulting in a weighted average increase of 4.2% per year for the water systems, and a weighted average increase of 5.9% per year for the wastewater systems, effective on February 1 of each year; and

WHEREAS, the budgets were reviewed for accuracy and modified with current information; now, therefore, be it

RESOLVED, That the Commission of Public Utility District No. 1 of Clallam County, Washington, does hereby adopt for 2021 the Electric Operating Fund Budget, the Water Operating Fund Budget, and the Wastewater Operating Fund Budget, copies attached, as finally determined.

PASSED by the Board of Commissioners of Public Utility District No. 1 of Clallam County, Washington, this 14<sup>th</sup> day of December 2020.

\_\_\_\_\_  
President  
ATTEST:

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Secretary

### Electric Summary (Cash Basis)

	<b>2021 Budget</b>
<b>Revenues</b>	
Sales	65,179,349
Other	1,930,971
Interest	170,000
FEMA	
Customer Contributions	840,000
Bond Proceeds	850,000
Rural Economic Funds	
	<u>68,970,320</u>
<b>Expenses</b>	
Conservation	497,400
Purchased Resources	28,814,481
Salaries & Wages	12,526,887
Payroll Taxes & Benefits	7,267,161
Oper., Maint. & Admin.	6,198,617
Taxes	3,553,266
Debt	3,725,456
Capital	8,545,300
	<u>71,128,568</u>
 Net Change in Reserves	 (2,158,248)
 Ending Reserves	 <u>\$18,480,993</u>

### Water Summary (Cash Basis)

	<b>2021 Budget</b>
<b>Revenues</b>	
Sales	4,600,000
Other	25,000
Interest	20,400
Customer Contributions	90,000
Loan Proceeds	577,800
	<u>5,313,200</u>
<b>Expenses</b>	
Purchased Resources	300,000
Salaries & Wages	1,114,460
Payroll Taxes & Benefits	703,308
Oper., Maint. & Admin.	1,363,577
Taxes	229,110
Debt	670,769
Capital	2,598,500
	<u>6,979,724</u>
 Net Change in Reserves	 (1,666,524)
 Ending Reserves	 <u>\$1,472,146</u>

### Sewer Summary (Cash Basis)

	<b>2021 Budget</b>
<b>Revenues</b>	
Sales	71,184
Other	
Interest	300
Loan Proceeds	-
Capital Funds	88,000
	<u>159,484</u>
<b>Expenses</b>	
Salaries & Wages	37,631
Payroll Taxes & Benefits	21,650
Oper., Maint. & Admin.	29,764
Taxes	100
Debt	6,113
Capital	64,260
	<u>159,518</u>
 Net Change in Reserves	 (34)
 Ending Reserves	 <u>\$55,126</u>

PUD #1 of Clallam County  
**2021 Final Budget**

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December 14, 2020



## Presenters:

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

## 2021 Budget Changes (Since October 2020):

- Distribution Transformer Replacements (Potential PCB) - \$170k
- Personnel Taxes/Benefits - \$88k
- Salaries & Wages - \$41k
- IT (Battery, Server Host, Server Firewall) - \$67k



# 2020 Projections & 2021 Budgets:

## Electric - 2021 Budget Summary (Cash Basis)

	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Revenues</b>	<b>Actual</b>	<b>Projected</b>	<b>Budget</b>
Sales	62,157,517	64,255,460	65,179,349
Other	2,773,459	3,552,993	1,930,971
Interest	558,831	393,672	170,000
FEMA	1,061,284	79,031	
Customer Contributions	1,121,183	1,153,200	840,000
Bond Proceeds		7,506,623	850,000
Rural Economic Funds	393,650		
	<b>68,065,924</b>	<b>76,940,979</b>	<b>68,970,320</b>
<b>Expenses</b>			
Conservation	599,964	470,000	497,400
Purchased Resources	29,683,234	28,576,895	28,814,481
Salaries & Wages	12,079,463	12,234,893	12,526,887
Payroll Taxes & Benefits	6,557,901	6,516,903	7,267,161
Oper., Maint. & Admin.	6,028,138	6,148,701	6,198,617
Taxes	2,946,454	3,436,263	3,553,266
Debt	3,745,875	3,726,400	3,725,456
Capital	7,130,356	14,701,060	8,545,300
	<b>68,771,384</b>	<b>75,811,114</b>	<b>71,128,568</b>
Net Change in Reserves	(705,460)	1,129,864	(2,158,248)
Ending Reserves	<b>\$19,509,377</b>	<b>\$20,639,241</b>	<b>\$18,480,993</b>

## Water - 2021 Budget Summary (Cash Basis)

	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Revenues</b>	<b>Actual</b>	<b>Projected</b>	<b>Budget</b>
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
	<u>6,948,214</u>	<u>5,275,445</u>	<u>5,313,200</u>
<b>Expenses</b>			
Purchased Resources	165,155	430,000	300,000
Salaries & Wages	1,097,976	1,138,283	1,114,460
Payroll Taxes & Benefits	624,978	653,923	703,308
Oper., Maint. & Admin.	1,086,693	1,116,639	1,363,577
Taxes	220,314	217,983	229,110
Debt	540,971	634,095	670,769
Capital	3,481,899	1,162,241	2,598,500
	<u>7,217,985</u>	<u>5,353,164</u>	<u>6,979,724</u>
Net Change in Reserves	(269,771)	(77,719)	(1,666,524)
Ending Reserves	<u>\$3,216,389</u>	<u>\$3,138,670</u>	<u>\$1,472,146</u>

## Waste Water - 2021 Budget Summary (Cash Basis)

	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Revenues</b>	<b>Actual</b>	<b>Projected</b>	<b>Budget</b>
Sales	63,961	66,862	71,184
Other	1,463	39	
Interest	653	359	300
Loan Proceeds	68,000	-	-
Capital Funds	-	-	88,000
	<u>134,077</u>	<u>67,260</u>	<u>159,484</u>
<b>Expenses</b>			
Salaries & Wages	37,896	8,933	37,631
Payroll Taxes & Benefits	23,443	5,984	21,650
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>42,130</u>	<u>159,518</u>
Net Change in Reserves	5,218	25,130	(34)
Ending Reserves	<u>\$30,031</u>	<u>\$55,160</u>	<u>\$55,126</u>

### Electric Summary (Cash Basis)

	<b>2021</b>
	<b>Budget</b>
<b>Revenues</b>	
Sales	65,179,349
Other	1,930,971
Interest	170,000
FEMA	
Customer Contributions	840,000
Bond Proceeds	850,000
Rural Economic Funds	
	<u>68,970,320</u>
<b>Expenses</b>	
Conservation	497,400
Purchased Resources	28,814,481
Salaries & Wages	12,526,887
Payroll Taxes & Benefits	7,267,161
Oper., Maint. & Admin.	6,198,617
Taxes	3,553,266
Debt	3,725,456
Capital	8,545,300
	<u>71,128,568</u>
Net Change in Reserves	(2,158,248)
Ending Reserves	<u>\$18,480,993</u>

### Water Summary (Cash Basis)

	<b>2021</b>
	<b>Budget</b>
<b>Revenues</b>	
Sales	4,600,000
Other	25,000
Interest	20,400
Customer Contributions	90,000
Loan Proceeds	577,800
	<u>5,313,200</u>
<b>Expenses</b>	
Purchased Resources	300,000
Salaries & Wages	1,114,460
Payroll Taxes & Benefits	703,308
Oper., Maint. & Admin.	1,363,577
Taxes	229,110
Debt	670,769
Capital	2,598,500
	<u>6,979,724</u>
Net Change in Reserves	(1,666,524)
Ending Reserves	<u>\$1,472,146</u>

### Sewer Summary (Cash Basis)

	<b>2021</b>
	<b>Budget</b>
<b>Revenues</b>	
Sales	71,184
Other	
Interest	300
Loan Proceeds	-
Capital Funds	88,000
	<u>159,484</u>
<b>Expenses</b>	
Salaries & Wages	37,631
Payroll Taxes & Benefits	21,650
Oper., Maint. & Admin.	29,764
Taxes	100
Debt	6,113
Capital	64,260
	<u>159,518</u>
Net Change in Reserves	(34)
Ending Reserves	<u>\$55,126</u>

# 2021 Adopted Rates:

# Adopted Electric - Basic Charge

<u>Class</u>	<u>2020</u>	<u>% Inc</u>	<u>2021</u>
<b>Residential/Farm</b>			
Single Phase	\$36.34	8.83%	\$39.55
Three Phase	\$72.68	8.81%	\$79.08
<b>Small General Service</b>			
Single Phase	\$40.02	8.92%	\$43.59
Three Phase	\$80.05	8.92%	\$87.19
<b>Medium General Service</b>	\$71.22	1.71%	\$72.44
<b>Large General Service</b>	\$191.36	3.50%	\$198.06
<b>Industrial</b>	\$286.68	3.50%	\$296.72
<b>Seasonal Irrigation</b>			
Single Phase	\$23.44	11.09%	\$26.04
Three Phase	\$46.89	11.09%	\$52.09
<b>Area Lighting</b>	\$11.60	3.53%	\$12.01
<b>Highway Lighting</b>			
Single Phase	\$39.18	6.81%	\$41.85
Three Phase	\$73.92	6.83%	\$78.97

# Adopted Electric – kWh Charge

<u>Class</u>	<u>2020</u>	<u>% Inc</u>	<u>2021</u>
<b>Residential/Farm</b>			
Single Phase	\$0.0750	1.47%	\$0.0761
Three Phase	\$0.0750	1.47%	\$0.0761
<b>Small General Service</b>			
Single Phase	\$0.0745	1.34%	\$0.0755
Three Phase	\$0.0745	1.34%	\$0.0755
<b>Medium General Service</b>	\$0.0611	3.60%	\$0.0633
<b>Large General Service</b>	\$0.0496	3.43%	\$0.0513
<b>Industrial</b>	\$0.0474	3.59%	\$0.0491
<b>Seasonal Irrigation</b>			
Single Phase	\$0.0716	0.00%	\$0.0716
Three Phase	\$0.0716	0.00%	\$0.0716
<b>Area Lighting</b>	n/a		n/a
<b>Highway Lighting</b>			
Single Phase	\$0.0735	0.00%	\$0.0735
Three Phase	\$0.0735	0.00%	\$0.0735



# Adopted Electric – Demand Charge

<b><u>Class</u></b>	<b><u>2020</u></b>	<b><u>% Inc</u></b>	<b><u>2021</u></b>
<b>Residential/Farm</b>			
Single Phase	n/a		n/a
Three Phase	n/a		n/a
<b>Small General Service</b>			
Single Phase	n/a		n/a
Three Phase	n/a		n/a
<b>Medium General Service</b>	\$3.4400	3.49%	\$3.5600
<b>Large General Service</b>	\$5.3400	3.56%	\$5.5300
<b>Industrial</b>	\$6.6300	3.62%	\$6.8700
<b>Seasonal Irrigation</b>			
Single Phase	n/a		n/a
Three Phase	n/a		n/a
<b>Area Lighting</b>	n/a		
<b>Highway Lighting</b>			
Single Phase	n/a		n/a
Three Phase	n/a		n/a

# 2021 Residential Rate Impact

Average Residential user consuming 1,250 kWh per month:

Existing	\$130.09
April 2021	\$134.68
Difference	\$4.59

# 10 Year Outlook

Year	Proposed Rate		CETA		
	Increase	Reserve Balance	Decarbonization Fund	Days Cash on Hand	Debt Coverage Ratio
2021	3.50%	\$ 18,480,993	\$ 6,325,000	122	2.641
2022	3.50%*	\$ 18,170,581	\$ 6,900,000	116	2.713
2023	3.25%*	\$ 18,450,799	\$ 7,475,000	115	2.933
2024	3.25%	\$ 18,452,074	\$ 8,050,000	111	2.853
2025	3.25%	\$ 19,538,718	\$ 8,625,000	115	3.188
2026	3.25%	\$ 20,530,624	\$ 9,200,000	116	3.091
2027	3.25%	\$ 22,608,809	\$ 9,775,000	126	3.458
2028	3.00%	\$ 23,610,465	\$ 10,350,000	126	3.289
2029	3.00%	\$ 26,301,429	\$ 10,925,000	138	4.801
2030	3.00%	\$ 29,286,411	\$ 11,500,000	151	5.239

## Sensitivity Analysis Assumptions

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

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

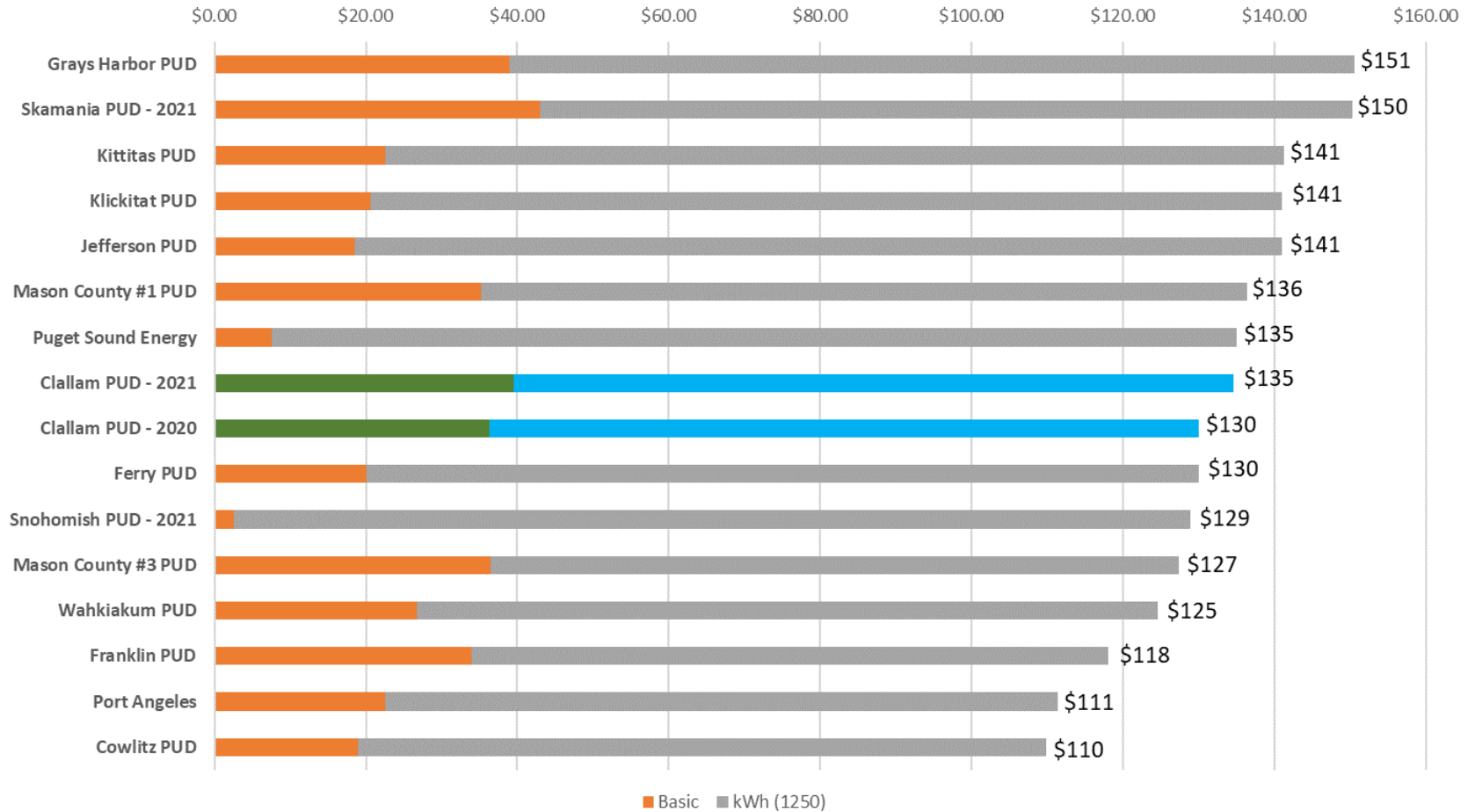
\*Note: 2022 and 2023 Proposed Rates subject to final BP-22 Rate Case.



# 10 Year Rate Impacts

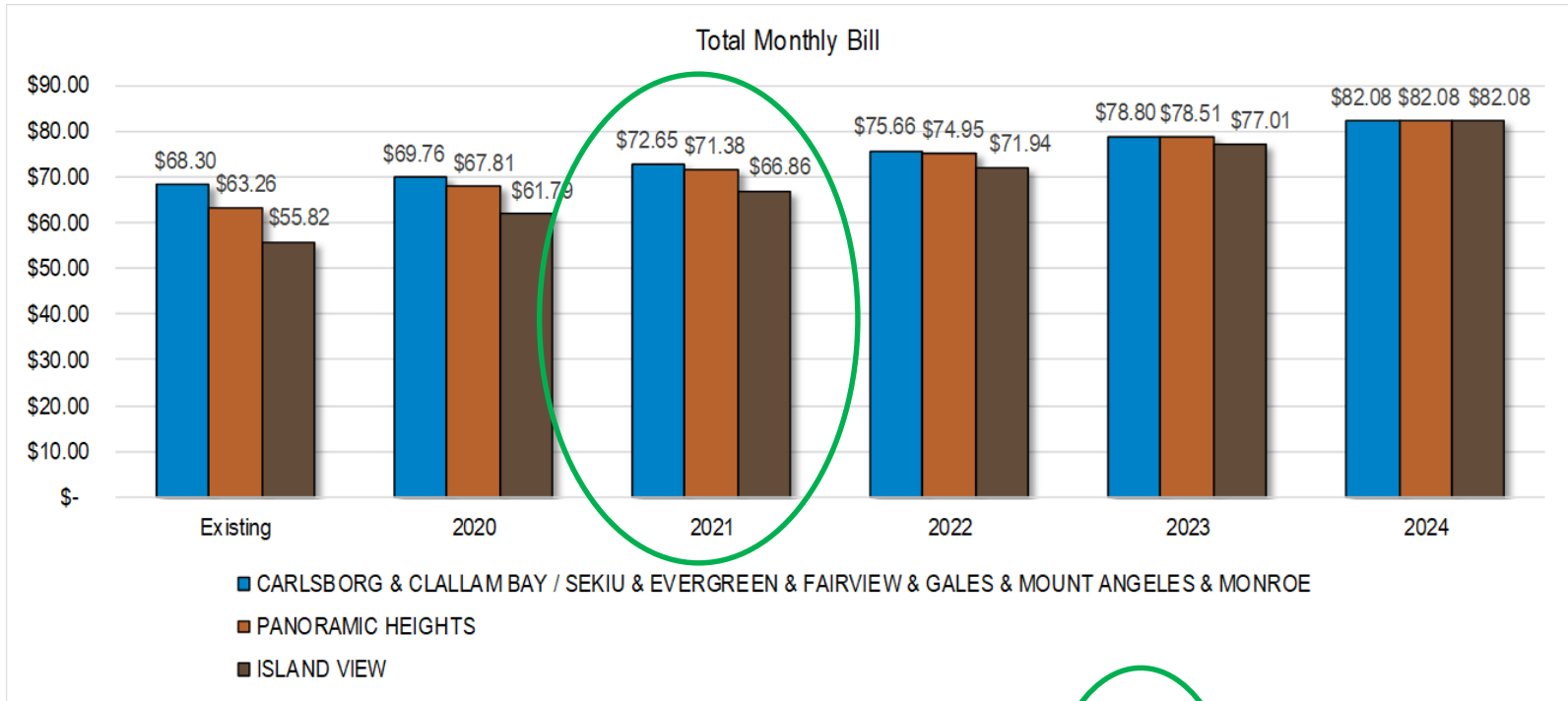
Year	Proposed Increase	Before Increase	After Increase	Increase Amount
2021	3.50%	\$130.09	\$134.68	\$4.59
2022	3.50%	\$134.68	\$139.39	\$4.71
2023	3.25%	\$139.39	\$143.92	\$4.53
2024	3.25%	\$143.92	\$148.60	\$4.68
2025	3.25%	\$148.60	\$153.43	\$4.83
2026	3.25%	\$153.43	\$158.42	\$4.99
2027	3.25%	\$158.42	\$163.57	\$5.15
2028	3.00%	\$163.57	\$168.47	\$4.91
2029	3.00%	\$168.47	\$173.53	\$5.05
2030	3.00%	\$173.53	\$178.73	\$5.21

# Residential Rate Comparison (1250 kWh)



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

# Adopted Water Rates



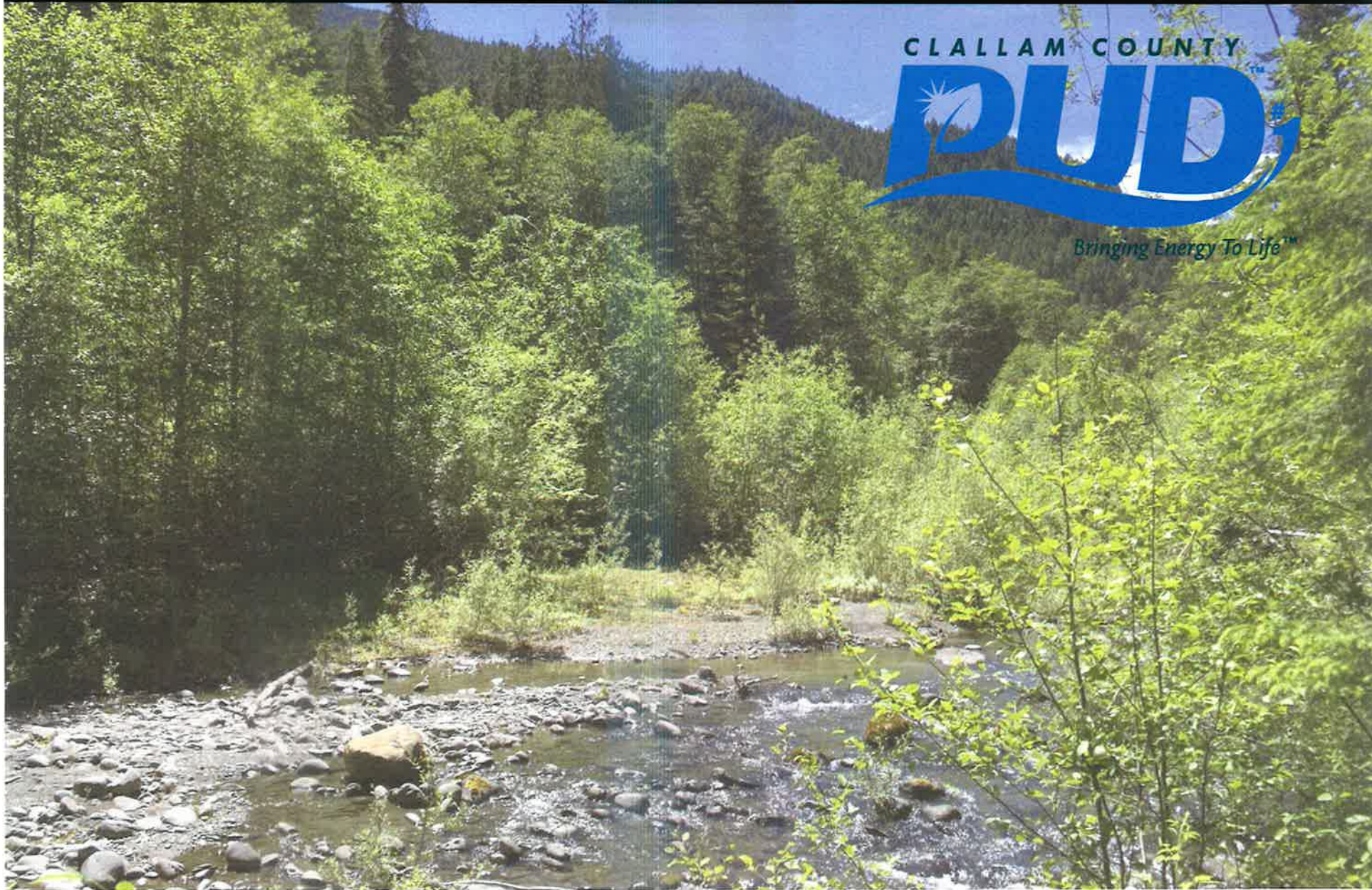
\$ Change to Monthly Bill	2020	2021	2022	2023	2024
Carlsborg   Clallam Bay/Sekiu   Evergreen   Fairview   Gales   Mount Angeles   Monroe	\$ 1.46	\$ 2.89	\$ 3.01	\$ 3.14	\$ 3.28
Panoramic Heights	4.55	3.57	3.57	3.57	3.57
Island View	5.97	5.07	5.07	5.07	5.07

**Note:** 5/8" meter & 7.00 ccf usage



# Questions and Discussion

# 2021 STRATEGIC PLAN





# 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.

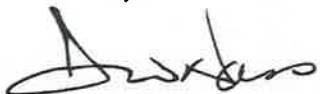
As a utility that has earned the American Public Power Association's Reliable Public Power Provider (RP3) designation of operational excellence, we are proud of our accomplishments and our service to you the ratepayers of Clallam County Public Utility District.

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.

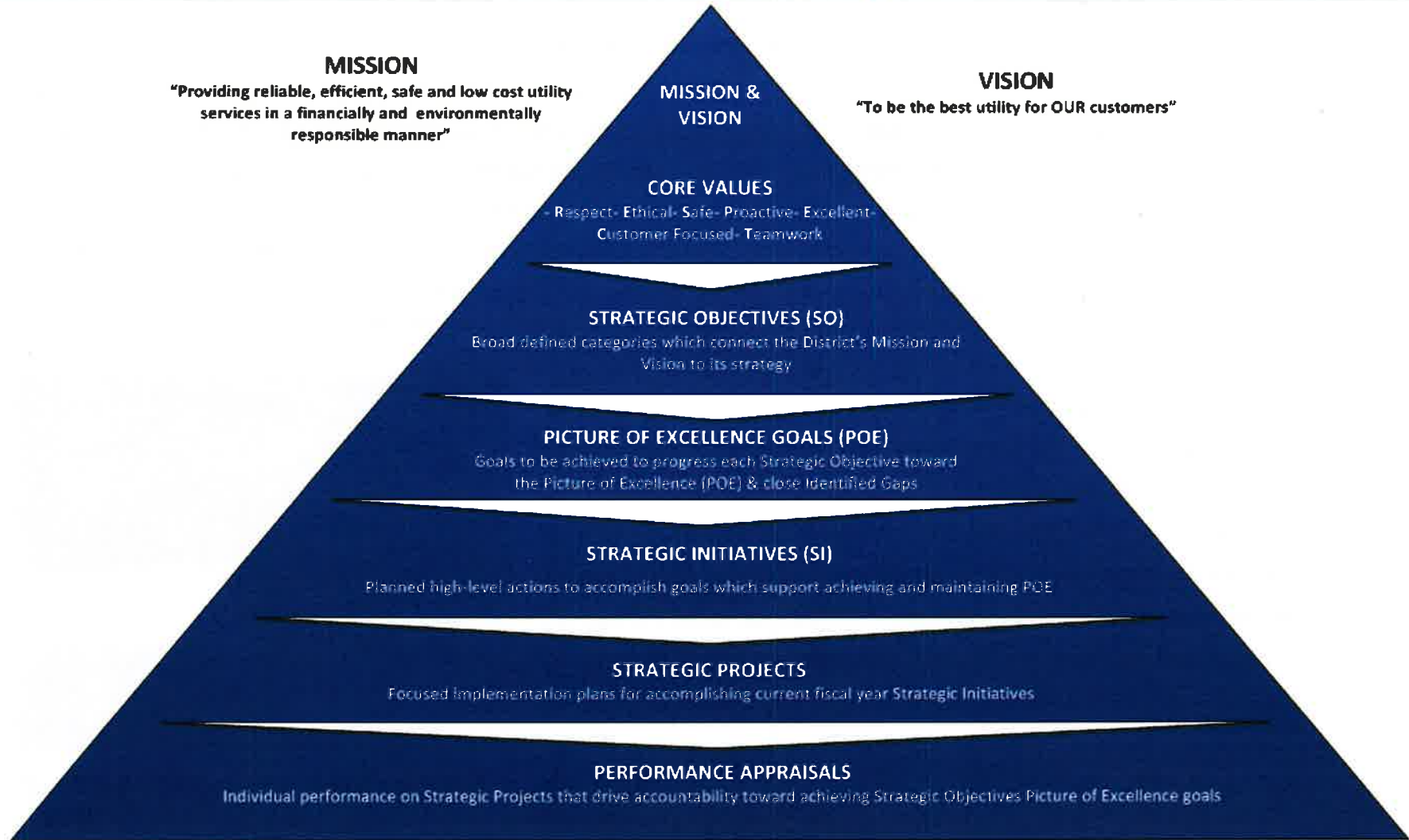
Today PUD #1 serves over 28,000 customers with electric service, and over 4,500 with water connections. We have offices in Forks, Clallam Bay/Seki, as well as a main office in Carlsborg that provide one-stop shopping for customers and high efficiency for employees.

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 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



## 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

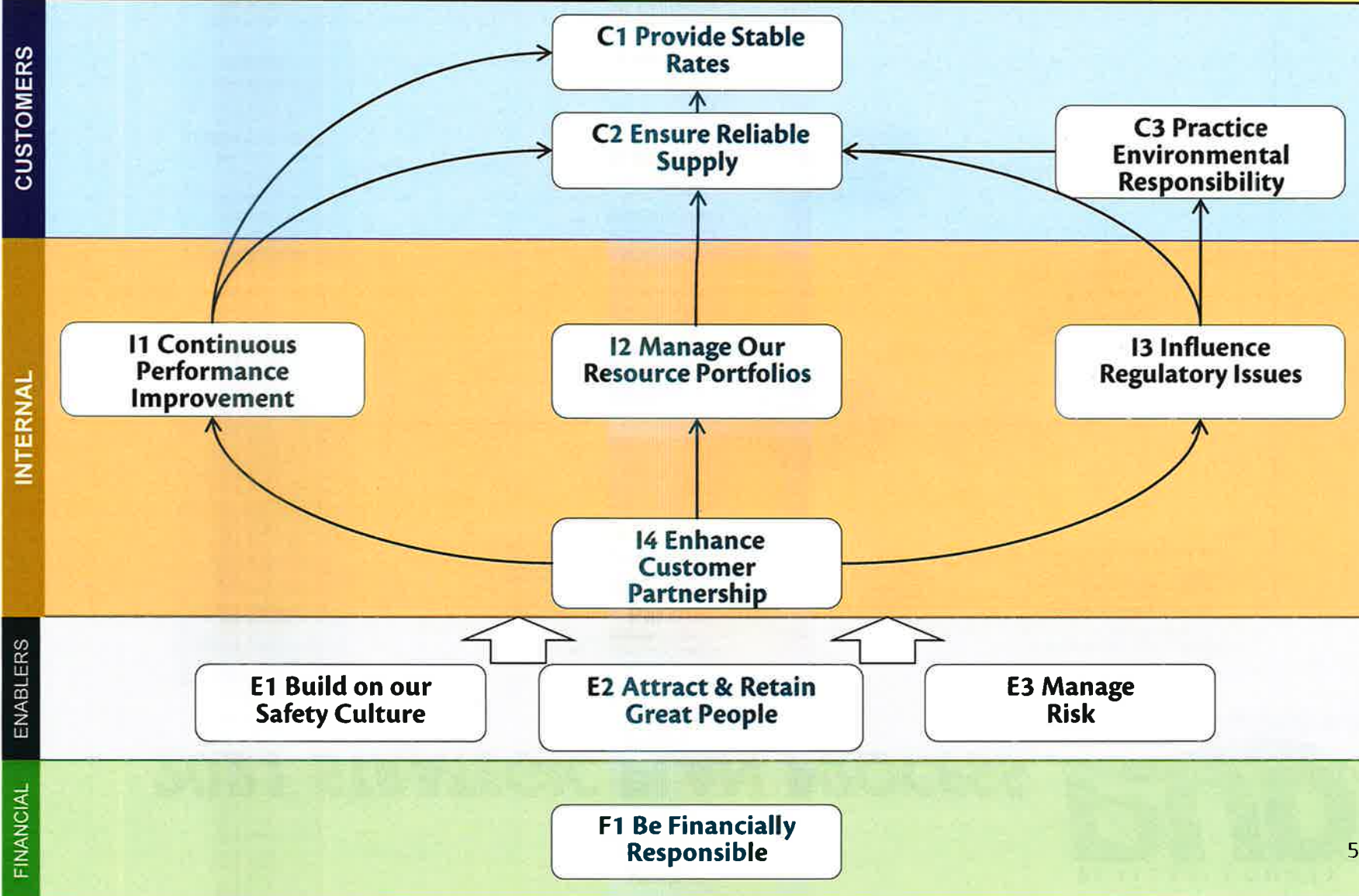
**ENABLERS:** Build on our Safety Culture; Attract & Retain Great People; Manage Risk

**FINANCIAL:** Be Financially Responsible

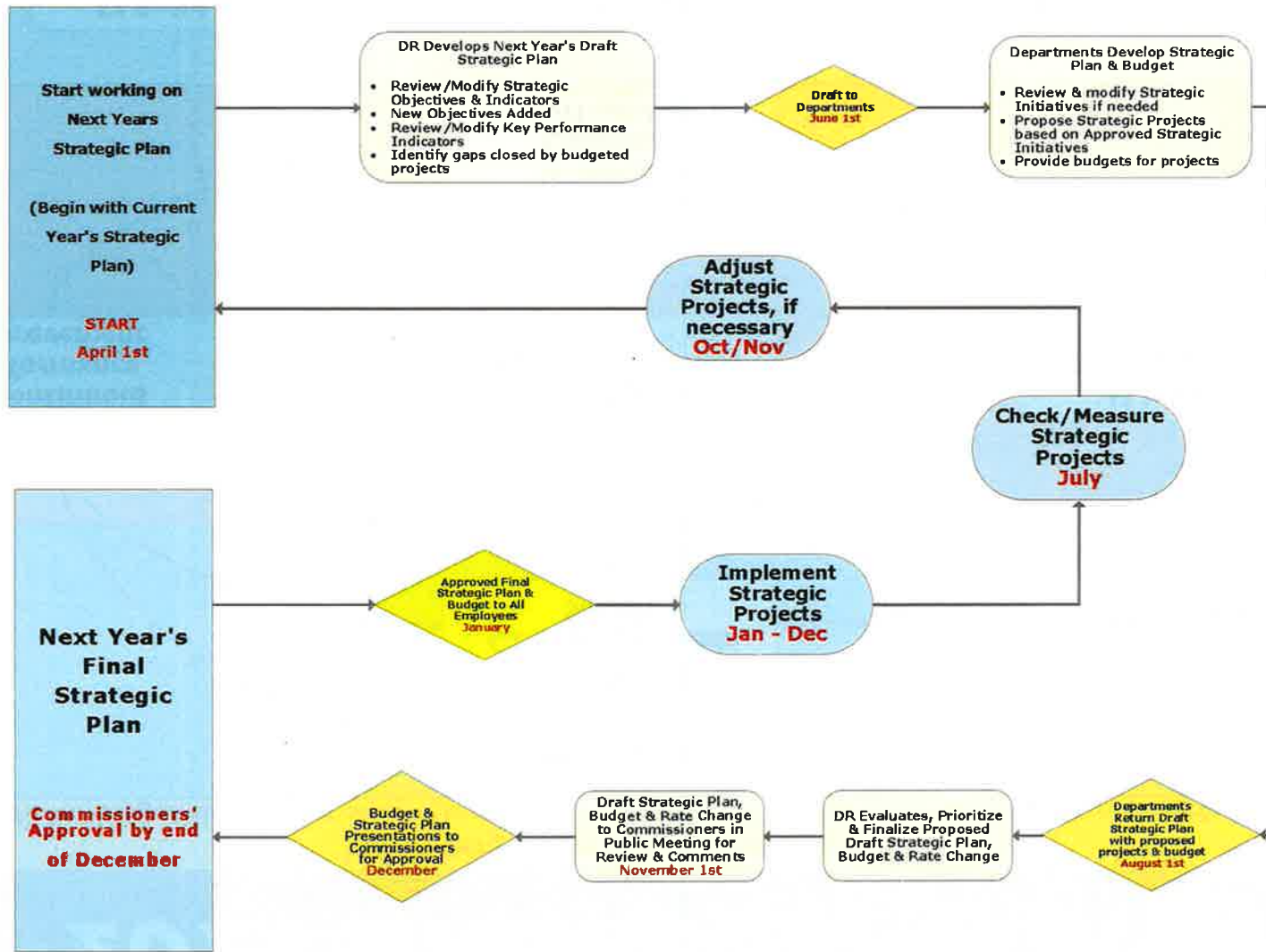
# 2021 STRATEGIC PLAN

**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

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

### Strategic Initiatives

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

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

### 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

- a. Aging infrastructure has negative impact on system reliability.
- b. Inadequate looping and system redundancy.
- c. SCADA is not installed on all substations & water systems.
- d. Reduce outage duration and frequency for all utility services.
- e. GIS for Water is not complete
- f. Optimize system operations through technological innovation.

### Strategic Initiatives

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

#### Electric

1. Conduct 10-year planning study, with annual review, and effective implementation of associated projects.
2. Track cable faults and effectively implement cable replacement projects.
3. Development and implement SCADA-, GIS- and OMS-based applications and tools.
4. Complete substation modernization and SCADA.
5. Plan, design and implement engineering projects to meet future requirements and contingencies
6. 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
7. 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.
8. Ensure product is readily available when needed by crews during outages and emergency situations.
9. Maintain established vegetation cycles, and management plan.
10. Be prepared for emergencies

### Direct Report Leads

John Purvis, AGM

Tom Martin, Water Superintendent

### Telecommunications

1. Maintain Service Level Agreements (SLAs) with Encourage, support, and work with local Internet Service Providers (ISPs).
2. Develop staff network proficiency and availability.
3. Continue to pursue grants that can expand broadband throughout our county in a cost responsible manner.
4. Continue to expand broadband for our services that increases access to Clallam County unserved and underserved communities if surplus capacity is available for ISPs.

### Water

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

# 2021 STRATEGIC PLAN

## STRATEGIC OBJECTIVE

### ENSURE RELIABLE SUPPLY ...continued

Direct Report Leads

John Purvis, AGM

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 and implements proven technologies that result in the lowest cost to our customers. The District seeks to identify and implement cost effective actions that enhance environmental responsibility.

### Identified Big Gaps To POE

- Procure or mitigate for sufficient water rights to satisfy DOE & DOH mandates
- District lacks a comprehensive recycle program.
- Inadequate first responder and backup training for oil spills
- Develop a Clean Energy/Climate Action Plan
- 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?)*

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

### Electric:

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

### Water:

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

### Direct Report Leads

John Purvis, AGM

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

### Strategic Initiatives

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

1. Management and employee training on continuous improvement and innovation
2. Enhance employee recognition program for work improvement suggestions
3. Implement proven industry technologies and applications that improve processes and productivity
4. Improve quality and accessibility of data to enhance processes and productivity
5. Utilize project and work assignments to develop staff and expand staff competencies
6. Create a culture of continuous improvement of employees, teams and the District as a whole
7. Develop and Implement the "Pursuing Excellence" Program
8. Integrate Strategic Plan initiatives and KPIs into employee goals, objectives and performance.
9. Implementation of Grid Modernization-Meters.
10. Maximize functionality of our new integrated NISC and Laserfiche software solutions.
11. 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

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

#### 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

#### 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 and review CETA compliant power supply technologies, and conduct periodic financial feasibility analysis necessary and to decarbonize the power supply, including: EV charging, battery storage, SMR, solar and micro-grid technologies.
- Active participation in WPAG, WPUDA 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.

#### Direct Report Leads

John Purvis, AGM

Tom Martin, Water Superintendent

Sean Worthington, Finance Manager/Treasurer

#### 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

### Direct Report Lead

Nicole Clark, Communications & Government Relations 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 WPUDA and communicates to customers and employees the legislative issues facing PUDs.

### Identified Big Gaps To POE

- a. Minimal influence with state and federal legislators – need for understanding of impact to utilities
- b. Lack of customer and employee awareness of impact of regulatory requirements, new legislation, and initiatives
- c. 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?)

1. 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.
2. Promote the benefits of Public Power and Local Control at all levels of government.
3. Monitor and provide comment on proposed regulatory, legislative, case law, and code changes
4. Educate policymakers, customers, and employees describing issues and impacts
5. Responsive to requests for comments on proposed changes as it pertains to the District
6. Effective staff representation at external meetings
7. Communication conveyed to internal stakeholders about information learned at meetings attended.
8. 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 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

### 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 WPUDA, NWPPA, APPA and others.

### Direct Report Lead

**Nicole Clark**, Communications & Government Relations Manager

### 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

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

### Strategic Initiatives

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

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

### 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 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: MANAGE RISK – External\*\*

### 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 risk.

### Picture of Excellence (POE)

The District works with outside agencies such as WPUA, WPAG and PPC to identify and reduce external risks. Where external risks are only threatening the District, hiring a consultant and/or if adequate internal resources are available, and risk is high, then cost effective risk mitigation should be investigated.

### Identified Big Gaps To POE

- a. External risks need to be identified and vetted.
- b. Any external risks that are not already identified by participating agencies to WA PUDs should be brought to their attention.
- c. Identify external risks applicable only to the District utility and not others.
- d. Take action on those external high risks identified in “c”.

### Strategic Initiatives

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

1. Prepare for results of BPA joining the EIM.
2. Prepare for final rules impact in CETA and other legislative requirements.
3. Preparation for a large earthquake.
4. Preparation for risk of major wildfires in Clallam County.
5. Mitigate exposure to lawsuits through wildfire preparation in county.
6. Evaluate a major adoption of EVs on District’s electric system.
7. Prepare for a pandemic that effects majority of District personnel.
8. Preparations in the event the District computer system experience a major breach or ransomware.
9. Periodic Cost of Service analysis to ensure sufficient revenue to comply with legislative mandates and implementation of strategic initiatives..

**\*\*NEW SLIDE PUT TOGETHER BY STAFF TO ADD “EXTERNAL” RISKS TO STRATEGIC PLAN**

### 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”



# 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

- a. Need to evaluate cash reserve policy and related recommendation for 150-180 day reserve.
- b. Lack of asset management program for replacement of aging water infrastructure.
- c. Revenue variations due to weather.
- d. No integration of budget process into enterprise software system.
- e. Variable storm related expenses.
- f. Limited resources to acquire failing water systems.

### Strategic Initiatives

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

1. Develop budget monitoring process to better and more timely react to areas of cost concerns
2. Provide asset management training and develop an asset management plan. (life cycle cost, etc.)
3. Provide regular progress updates on major projects and contracts.
4. Plan, design and implement projects and technology to reduce future O&M and energy procurement costs.
5. Establish Cash Reserve and Debt Service Ratio Policy
6. Evaluate potential acquisitions of existing water systems to determine financial feasibility.
7. Create Low Income CETA Program to mitigate rate impacts.
8. 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



[www.clallampud.net](http://www.clallampud.net)

\*Special note of thanks for Energy Northwest in providing help with some Strategic Planning formats

## Nicole Hartman x231

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**From:** NWPPA <nwppa@nwppa.org>  
**Sent:** Thursday, December 10, 2020 2:08 PM  
**To:** Nicole Hartman x231  
**Subject:** The Line Weekly Newsletter—December 10, 2020

[View this email in your browser](#)



Thursday, December 10, 2020



### Legislative Announcements

- [Forest Service Takes Step to Implement Vegetation Management Law](#)
- [Water Resources Bill Approved in House](#)
- [House Oversight Subcommittee Examines FERC Pipeline Siting](#)
- [Allison Clements Sworn In at FERC](#)
- [Lawmakers Extend Funding Deadline While COVID Relief Negotiations Falter](#)

- [House Passes Four Energy Efficiency-Related Bills](#)

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## Public Power Announcements

- [Nelson Hydro Hires New General Manager](#)
- [WPUDA Honors Rogers, Coppock, and Dunlap with Annual Awards](#)
- [Clallam Spreads Holiday Cheer for Its Employees](#)
- [NuScale Power Releases Updated Evaluation for 77 MWe Module Clean Hydrogen Production](#)
- [SnoPUD Partners with PSE to Support Small Businesses](#)
- [Tantalus Announces Community Strong Award Winners](#)
- [New Technology Paves the Way for a More Efficient Chelan PUD](#)
- [Seattle City Light Recognized as No. 1 West Midsize Utility by J.D. Power Study](#)
- [Success in the Sierra: French Meadows Partnership Doubles Pace in Second Season of Work](#)
- [Grays Harbor PUD Student Awarded WPUDA Educational Scholarship](#)
- [Fitch Rates Northwest OpenAccess Network's TelecomRevs, Port of Morrow, OR Trans Facilities](#)

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(December 4) The Washington Public Utility Districts Association presented its annual awards recognizing the outstanding dedicated service and commitment of individuals serving PUDs at the organization's Annual Conference, December 3-4. The Washington PUD Association presents awards annually for lifetime achievement, commitment to public service, and meritorious action in a life-threatening situation.

This year, Kittitas County PUD Commissioner Paul Rogers was presented with the Washington Public Utility District's highest honor, the Lifetime Achievement Award, for his more than 55 years of dedicated support for public power and the mission of Public Utility Districts.

"Paul has shown his dedication to the ratepayers and the industry by his work and many years of service; never missing a beat and holding himself accountable to be the best commissioner he could be," said WPUDA President Liz Green. "And he was a great commissioner."

Okanogan PUD's recently retired finance director, Don Coppock, received the William T. Elmgren Public Service award. The award is presented to a full-time district employee who exemplifies PUD commitment and involvement in the community.

"With over 28 years of service to public power and contributions to the community through public service activities, Don is very deserving of this honor," said WPUDA Awards Committee Chairman and Douglas County PUD Commissioner Ron Skagen.

Energy Northwest Electrician Levi Dunlap received the Good Samaritan Award for his quick actions in response to clearing the airway of a choking coworker. Dunlap was recognized for his role in a July 10, 2020, incident in which he noticed a coworker in distress. Dunlap quickly realized the individual was choking and administered the Heimlich maneuver, clearing the coworker's airway.

"The most important thing is my coworker was able to go home to his family," said Dunlap. "Anything else is irrelevant."



## Clallam Spreads Holiday Cheer for Its Employees



(December 9) Clallam PUD (Sequim, Wash.) uses virtual bulletin boards in their employee-only breakrooms to display upcoming training, safety messages, events, etc. However, with not much going on, Communications & Government Relations Manager Nicole Hartman says that the content has been pretty stagnant.

"So today I got inspired to solicit pictures from employees featuring seasonal pictures of the area, their families, or pets, and the responses started coming in!" she said. "Hopefully this will brighten our workdays to have personal pictures

featured."

On the virtual board in the photo: two-and-a-half-year-old Jaxsen, who is the grandson of Clallam PUD Substation Foreman Stacie Hoveskeland.

## NuScale Power Releases Updated Evaluation for 77 MWe Module Clean Hydrogen Production

(December 9) Today, NuScale Power announced updated evaluations for the technical feasibility and economics of producing hydrogen using heat and electricity from a NuScale Power Module™ (NPM) as a result of the [recent announcement](#) that a NPM can generate an additional 25% more power per module for a total of 250 MWt (or 77





# Public Power Announcements

## Nelson Hydro Hires New General Manager



(December 4) The City of Nelson (B.C.) has welcomed Scott Spencer as the new general manager for Nelson Hydro. Spencer has returned to his home in Nelson after three years in the Northwest Territories, working as the chief technical officer, Asset Management & Engineering for the Northwest Territories Power Corporation. He brings with him a wealth of knowledge and experience in operations, projects, engineering and asset management, technical, leadership, and business experience.

“I am very excited to join the great team at the City of Nelson and look forward to being able to contribute to my community in a professional capacity,” he said.

Spencer completed a Master of Business Administration in renewables, a master’s certificate in project management, and a bachelor’s in mechanical engineering. After starting his career with the Canadian Forces Electrical and Mechanical Engineering Branch for four years, he spent time with GE Canada, HeatWave Technologies, Teck Cominco, and Zellstoff Celgar. Finally, he finished up as the director of major projects for Columbia Power Corporation before moving to the NWT. His knowledge of the local area, combined with this education and experience, will be a great benefit to the City of Nelson.

“It with great pleasure that I welcome Scott as the new general manager of Nelson Hydro. Scott has lived in Nelson for 20 years and is passionate about our community,” said City Manager Kevin Cormack. “Scott is a professional engineer with a variety of experience in both hydro and alternative energy projects, including biomass and solar. His unique set of skills and experience makes him the ideal person to lead Nelson Hydro into the future. Please make sure to introduce yourself to Scott when you see him.”

## WPUDA Honors Rogers, Coppock, and Dunlap with Annual Awards



*Don Coppock*



*Paul Rogers*



*Levi Dunlap*

