

**COMMISSIONERS PREAGENDA
FOR THE REGULAR MEETING OF
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
BOARD OF COMMISSIONERS
NOVEMBER 22, 2021 at 1:30 PM**

Join Zoom Meeting:

<https://us06web.zoom.us/j/83474934310?pwd=SzZLMVoxV1krQjVUaUhMZG9ZNTA4UT09>

Meeting ID: 834 7493 4310 | **Passcode:** 523914

One tap mobile: +12532158782,,83474934310#,,,,*523914# US (Tacoma)

Find your local number: <https://us06web.zoom.us/u/kb0ewBf4UK>

- **Consent Agenda Items**

The Commissioners will consider approving Consent Agenda items.

- **Clallam County Redistricting**

Staff will report on the 2020 Census and Redistricting and recommend that the submitted Districting map be approved at the December 13, 2021 board meeting.

- **Recommending Memo of the Purchase of a 100 ft. Aerial Highline Bucket Truck**

The Commissioners will consider authorizing the purchase of a 100 ft. Aerial Highline Bucket Truck from Altec Industries.

Staff recommendation: Authorize the purchase of a 100 ft. Aerial Highline Bucket Truck with a Flatbed on a New Freightliner 114 SD Diesel-Powered Chassis. Per the Sourcewell Contract, the not-to-exceed purchase amount is \$496,649.00 (not including WSST) from the lowest bidder, Altec Industries.

- **2022 Strategic Plan**

Staff will present the proposed 2022 Strategic Plan and recommend it be reviewed and commented on until the next meeting where it is recommended it be approved at the December 13, 2021 board meeting with any changes Commissioners agree on.

- **Resolution 2222-21 Declaring an Emergency and Authorizing Emergency Repair Work in Clallam Bay-Sekiu**

The Commissioners will consider approving Resolution 2222-21 declaring an emergency and authorizing certain emergency work, without formal bid, for the Clallam Bay-Sekiu emergency water repair.

Staff recommendation: approve Resolution 2222-21 declaring an emergency and authorizing certain emergency work, without formal bid, for repair of the Hoko pump station and construction of a by-pass pipeline on Highway 112 along Clallam Bay.

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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FOR THE REGULAR MEETING OF
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1. CALL TO ORDER

2. APPROVAL OF CONSENT AGENDA

- a. Minutes of the November 8, 2021 regular meeting; and
- b. Claim vouchers for November 8 through November 15, 2021 for a total of \$985,477.53.

3. AGENDA REVISIONS

4. COMMENTS FROM THE PUBLIC

5. BUSINESS ITEMS

- a. 2020 Census and Redistricting Commissioner Boundaries Sean Worthington
- b. Recommendation Memo: 100ft Aerial Highline Bucket Truck Jason Seibel
- c. Proposed 2022 Strategic Plan Sean Worthington, Staff
- d. Update on storm and related issues, including crew addressing water shortages Tom Martin
- e. Resolution 2222-21 Declaring an Emergency and Authorizing Emergency Repair Work in Clallam Bay-Sekiu emergency water repair Tom Martin
- f. BPA Post-2028 Contract Discussion Commissioners, Staff

6. CORRESPONDENCE/COMMUNICATIONS

7. COMMISSIONER REPORTS

8. STAFF REPORTS

- a. Employee Recognition Nicole Hartman

9. BOARD ACTIONS FOR STAFF

10. COMMENTS FROM THE PUBLIC

11. EXECUTIVE SESSION

12. ADJOURN

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1

Minutes of the Regular Meeting of the Board of Commissioners

Main Office | 104 Hooker Road | Sequim, WA 98382

November 8, 2021 – This meeting was held remotely via ZOOM

Commissioners Present

Will Purser, President

Rick Paschall, Vice President

Jim Waddell, Secretary

Staff Present

Doug Nass, General Manager

John Purvis, Assistant General Manager

Sean Worthington, Finance

Manager/Treasurer

Steve Schopfer, IT Services Manager

Ruth Kuch, Finance Analyst

Chanda Halvorsen, Customer Service

Supervisor

Jamie Spence, HR Manager

Lori Carter, Controller/Auditing Officer

Chelsey Jung, Payroll Coordinator

Julie Metzger, Power Systems Project
Coordinator

Tom Martin, WWW Manager

Mike Hill

Tyler King, Power Analyst

Ryan Espegard, District Attorney

Don Cohen, District Attorney

Rebecca Turner

Nicole Hartman, Communications Manager

Larry Morris, Safety Manager

Others Present as Identified

Paul Pickett

Janet Marx

Patricia Morris

Jennifer A, last name not provided

Kenneth Reandean

Tara, last name not provided

The meeting commenced at 1:30 PM.

CONSENT AGENDA :30

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

- a. Minutes of the October 25, 2021 regular meeting;
- b. Minutes of the November 2, 2021 special meeting;
- c. Claim vouchers for October 19 through November 31, 2021 for a total of \$1,037,747.20;
- d. Payroll vouchers for the period of October 15 through October 31, 2021; and
- e. Removal of delinquent accounts from the November 2021 active accounts receivable totaling \$7014.78 including a 30% collection fee

AGENDA REVISIONS 1:20

An Executive Session will be held to discuss potential litigation with legal counsel representing the PUD pursuant to RCW 42.30.110(1)(i). We do not expect any action.

COMMENTS FROM THE PUBLIC 1:48

A new ratepayer and previous Thurston Water PUD Commissioner who recently moved to Port Angeles stated that he is listening in to learn about Clallam PUD.

BUSINESS ITEMS STARTING AT 3:15

- a. **3:16:** Upon recommendation of staff, and upon motion of Commissioner Waddell seconded by Commissioner Paschall carried, the Board approved RESOLUTION 2218-21, which adopts the 2022 Electric Operating Fund, Water Operating Fund, and Wastewater Operating Fund budgets as finally determined.
- b. **12:36:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved RESOLUTION 2220-21 authorizing the disposal of surplus property consisting of a variety of inoperable or obsolete computer laptops, cameras, iPads, software disks, desktops, and printers. These items combined have a total estimated value of \$1590.
- c. **16:07:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved RESOLUTION 2221-21 establishing titles and monthly salary ranges for staff employees and rescinding Resolution 2212-21.
- d. **22:07:** Bonneville Power Administration's (BPA)'s post-2028 contract: Commissioner Waddell attended the BPA-PPC Provider of Choice meeting on cost management. He recommended that the other Commissioners read – and provide their opinion on – slide 25 of the presentation which addressed some of BPA's core costs.

CORRESPONDENCE/COMMUNICATIONS 28:25

No correspondence today.

COMMISSIONER REPORTS 28.32

Commissioner Waddell expressed his concern about the controllable costs of the BPA-2028 contract.

Commissioner Paschall attended a BPA Provider of Choice meeting and a Northwest RiverPartners meeting.

Commissioner Purser attended an Energy Northwest Board of Directors meeting and also their Public Power Energy Forum.

STAFF REPORTS 40:49

Customer Service Supervisor Chanda Halverson provided a detailed update on American Rescue Plan Utility Arrearage Assistance (ARPA) assistance and the actions taken on Do Not Pays (DNP) accounts. Ratepayers are encouraged to apply for this and other assistance programs. Information on how to do so can be found at <https://clallampud.net/covid-19-customer-support/>.

The meeting convened and recessed at 2:43 PM for a five minute break. The meeting reconvened at 2:48 PM.

BOARD ACTION ITEMS FOR STAFF 1:19:10

- a. Staff is to forward the PowerPoint about ARPA Assistance programs to the Commissioners for their reference when/if ratepayers inquire about assistance programs.

COMMENTS FROM THE PUBLIC 1:20:14

Received via chat: A request to provide a brief update on how the District will handle redistricting?

The meeting convened and recessed at 2:51 PM for an estimated 45 minutes.

EXECUTIVE SESSION 1:21:03

The Commissioners held an executive session to discuss potential litigation with legal counsel representing the PUD pursuant to RCW 42.30.110(1)(i). In attendance were Commissioners Purser, Waddell, and Paschall, Finance Manager/Treasurer Sean Worthington, and District Attorneys Don Cohen and Ryan Espeguard.

The meeting reconvened at 3:32 PM. No decisions were made or actions taken.

ADJOURN 1:22:29

There being no further business to come before the Commission, the meeting adjourned at 3:32 PM.

ATTEST:

President

Vice President

Secretary

A detailed transcript of this meeting via audio recording is available to the public on the Commission Meetings page of the PUD website here: <https://clallampud.net/commission-meetings/>.

November 8, 2021

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 11/16/21
AUDITING OFFICER

[Signature] DATE 11/17/21
GENERAL MANAGER

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 11/8/2021–11/15/2021

Checks	\$	871,419.10
Wire Transfers		73,114.03
E-Payment		40,849.40
Prepays		95.00
Total	\$	985,477.53

COMMISSIONER

COMMISSIONER

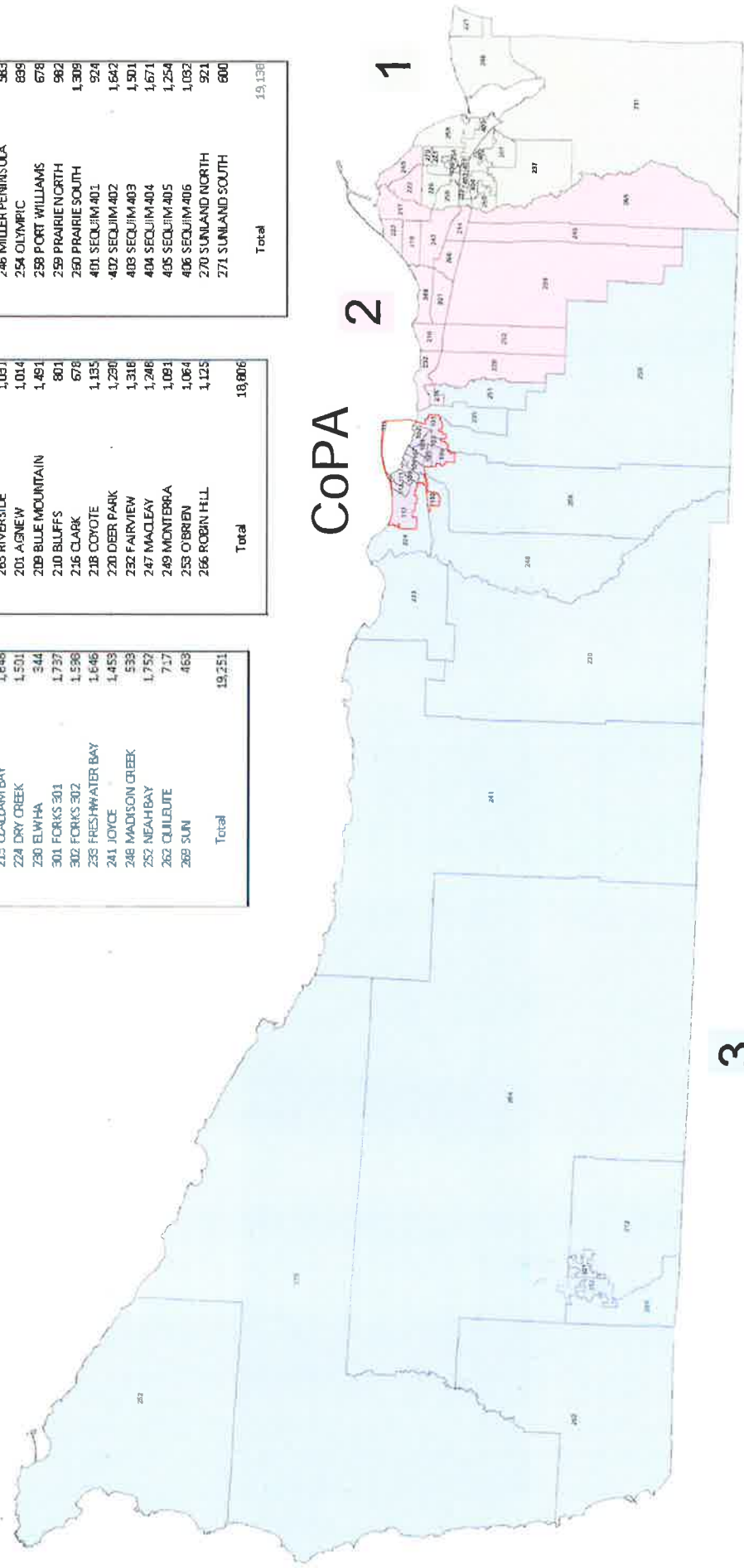
COMMISSIONER

Proposed 2021 PUD Districts 2020 Census

District 3		
Precinct Number	Precinct Name	Population
205	BELLEVUE	1,649
208	BLACK DIAMOND	656
250	MOUNT ANGELES	635
251	MOUNT PLEASANT	1,098
204	BEAVER	1,019
212	BOGACHIEL	638
215	CLALLAM BAY	1,648
224	DRY CREEK	1,501
230	ELWHA	344
301	FORKS 301	1,737
302	FORKS 302	1,596
238	FRESHWATER BAY	1,646
241	JOYCE	1,459
248	MADISON CREEK	533
252	NEAH BAY	1,752
262	CLULUTE	717
269	SUN	463
Total		19,251

District 2		
Precinct Number	Precinct Name	Population
214	CARLSBORG	1,171
217	CLINE	1,152
222	DUNGNESS EAST	1,073
229	DUNGNESS WEST	627
240	JAMESTOWN	807
245	LOST MOUNTAIN	750
265	RIVERSIDE	1,031
201	AGNEW	1,014
209	BLUE MOUNTAIN	1,491
210	BUFFS	801
216	CLARK	678
218	COYOTE	1,135
220	DEER PARK	1,290
232	FAIRVIEW	1,318
247	MACLEAY	1,246
249	MONTERRA	1,091
253	O'BRIEN	1,064
266	ROBIN HILL	1,125
Total		18,806

District 1		
Precinct Number	Precinct Name	Population
207	BELL HILL	858
211	BLVN	1,140
221	DIAMOND POINT	1,046
226	EAGLE	1,025
229	ELK	322
237	HAPPY VALLEY	811
246	MILLER PENINSULA	583
254	OLYMPIC	899
259	PRAIRIE NORTH	678
260	PRAIRIE SOUTH	982
401	SEQUIM 401	1,309
402	SEQUIM 402	1,642
403	SEQUIM 403	1,501
404	SEQUIM 404	1,671
405	SEQUIM 405	1,254
406	SEQUIM 406	1,032
270	SUNLAND NORTH	921
271	SUNLAND SOUTH	600
Total		19,136



3



Clallam PUD Redistricting

November 22, 2021



Redistricting Basics



- Governments redistrict every 10 years, immediately following the decennial census.
- Redistricting is the process of changing voting districts so that all districts have approximately the same number of people.
 - As communities grow and change, peoples' representation in government begins to get out of balance.
 - Redistricting brings everything back into balance.

For Clallam PUD, this means that the 2020 decennial census prompted a review and balancing of the three Commissioner Districts.



Redistricting Criteria



In general, local redistricting plans are required to draw internal districts to be:

- Nearly equal in population as possible
- As compact as possible
- In a geographically contiguous area
- NOT used for the purposes of favoring or disfavoring any racial group or political party
- To the extent feasible, coincide with existing recognized natural boundaries and preserve existing communities of related and mutual interest.



RCW 29A.76.010 Counties, municipal corporations, and special purpose districts.
<https://app.leg.wa.gov/rcw/default.aspx?cite=29A.76.010>

Current District Map



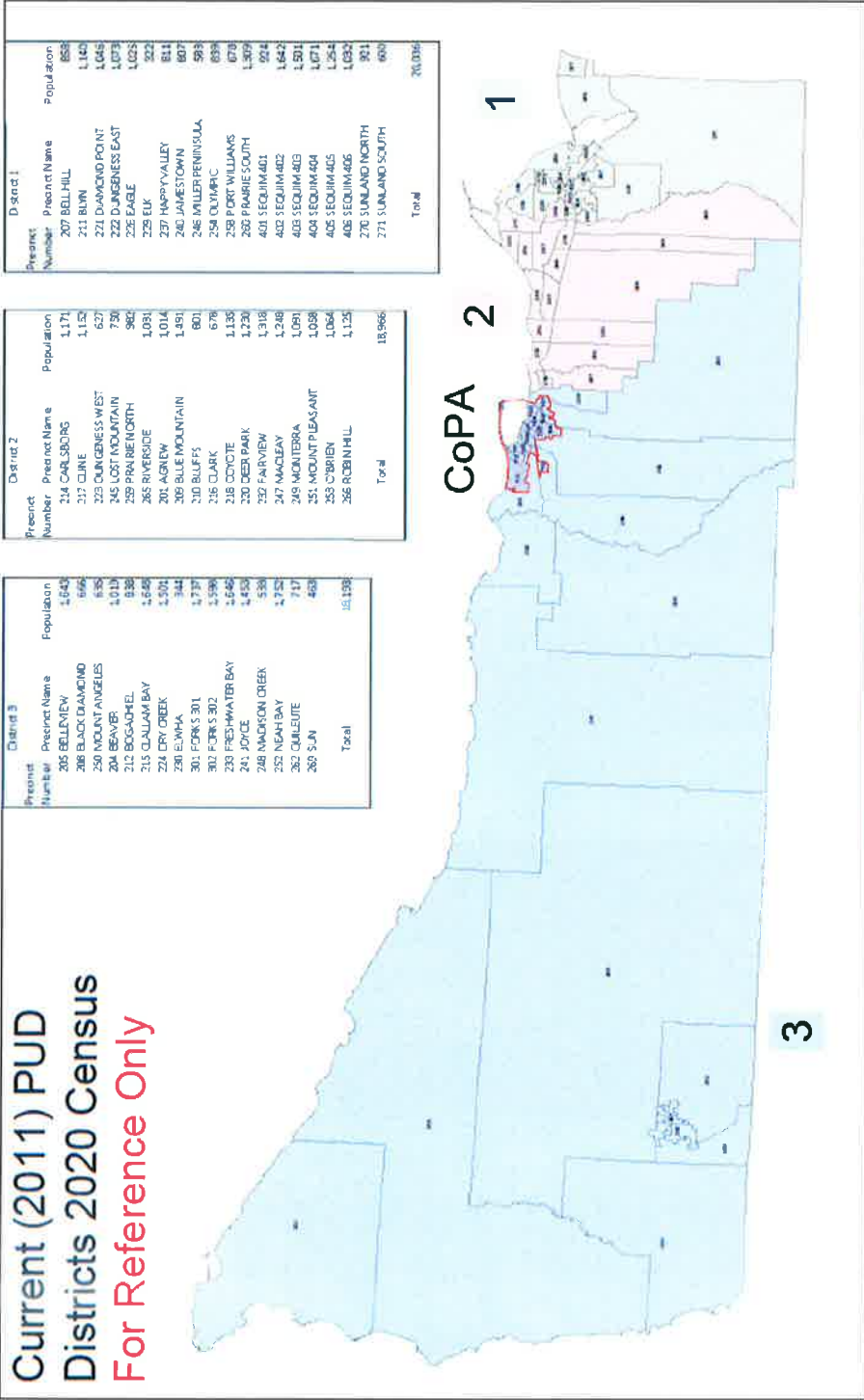
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Current (2011) PUD
Districts 2020 Census
For Reference Only

District 3		
Precinct Number	Precinct Name	Population
205	BELEVIEW	1,643
208	BLACK DIAMOND	666
250	MOUNT ANGELES	658
304	BEAVER	1,017
312	BOGARDHEL	1,588
313	CLALLAM BAY	1,686
324	DRY CREEK	1,501
390	ELMHA	344
301	FORKS 301	1,737
302	FORKS 302	1,598
333	FRESHWATER BAY	1,645
241	JOYCE	1,453
248	MACKON CREEK	538
252	NEAH BAY	1,752
362	QUILUTE	717
260	SUN	428
Total		16,198

District 2		
Precinct Number	Precinct Name	Population
214	CARLSBURG	1,171
217	CLUNE	1,157
225	CUNBERGESS WEST	627
245	LOST MOUNTAIN	730
259	PRAIRIE NORTH	962
265	RIVERSIDE	1,081
201	AGNEW	1,014
209	BLUE MOUNTAIN	1,491
210	BUFFS	801
216	CLARK	678
218	COVOTE	1,135
200	DEER PARK	1,230
237	FARVIEW	1,318
247	MACLEAY	1,248
249	MONTERRA	1,091
351	MOUNT PLEASANT	1,058
353	OBRIEN	1,064
266	ROBIN HILL	1,125
Total		18,986

District 1		
Precinct Number	Precinct Name	Population
207	BELL HILL	658
211	BURN	1,140
221	DAMIANO POINT	1,046
222	DUNGENESS EAST	1,079
226	EAGLE	1,025
229	EUK	202
237	HAPPY VALLEY	611
240	JAMESTOWN	607
246	MILLER PENINSULA	593
254	OLYMPIC	639
258	PORT WILLIAMS	670
262	PRAIRIE SOUTH	1,369
401	SECUM 401	904
402	SECUM 402	1,442
403	SECUM 403	1,801
404	SECUM 404	1,071
405	SECUM 405	1,264
406	SECUM 406	1,052
270	SUNLAND NORTH	911
271	SUNLAND SOUTH	690
Total		20,036



Current Districts



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	DISTRICT 1	DISTRICT 2	DISTRICT 3
BELL HILL	858	AGNEW	1,014
BEAVER			1,019
BLYN	1,140	BLUE MOUNTAIN	1,491
BELLEVIEW			1,643
DIAMOND POINT	1,046	BLUFFS	801
BLACK DIAMOND			666
DUNGENESS EAST	1,073	CARLSBORG	1,171
BOGACHIEL			838
EAGLE	1,025	CLARK	678
CLALLAM BAY			1,648
ELK	322	CLINE	1,152
DRY CREEK			1,501
HAPPY VALLEY	811	COYOTE	1,135
ELWHA			344
JAMESTOWN	807	DEER PARK	1,230
FORKS 301			1,737
MILLER PENINSULA	583	DUNGENESS WEST	627
FORKS 302			1,598
OLYMPIC	839	FAIRVIEW	1,318
FRESHWATER BAY			1,646
PORT WILLIAMS	678	LOST MOUNTAIN	750
JOYCE			1,453
PRAIRIE SOUTH	1,309	MACLEAY	1,248
MADISON CREEK			533
SEQUIM 401	924	MONTERRA	1,091
MOUNT ANGELES			635
SEQUIM 402	1,642	MOUNT PLEASANT	1,058
NEAH BAY			1,752
SEQUIM 403	1,501	O'BRIEN	1,064
QUILEUTE			717
SEQUIM 404	1,671	PRAIRIE NORTH	982
SUN			463
SEQUIM 405	1,254	RIVERSIDE	1,031
ROBIN HILL			
SEQUIM 406	1,032	ROBIN HILL	1,125
SUNLAND NORTH	921		
SUNLAND SOUTH	600		
	<u>20,036</u>	<u>18,966</u>	<u>18,193</u>
	35.03%	33.16%	31.81%

**Total District
Population
57,195**



Proposed Changes



2021 Redistricting Changes from Previous 2011 Redistricting

- Precinct number 251: **Mount Pleasant**, moved from District 2 to District 3
- Precinct number 259: **Prairie North**, moved from District 2 to District 1
- Precinct number 222: **Dungeness East**, moved from District 1 to District 2
- Precinct number 240: **Jamestown**, moved from District 1 to District 2



Proposed, continued



2021 Redistricting Changes from Previous 2011 Redistricting

DISTRICT 1		DISTRICT 2		DISTRICT 3	
PRAIRIE NORTH	982	MOUNT PLEASANT	(1,058)	MOUNT PLEASANT	1,058
DUNGENESS EAST	(1,073)	PRAIRIE NORTH	(982)		
JAMESTOWN	(807)	DUNGENESS EAST	1,073		
		JAMESTOWN	807		
	<u>19,138</u>		<u>18,806</u>		<u>19,251</u>
	33.46%		32.88%		33.66%

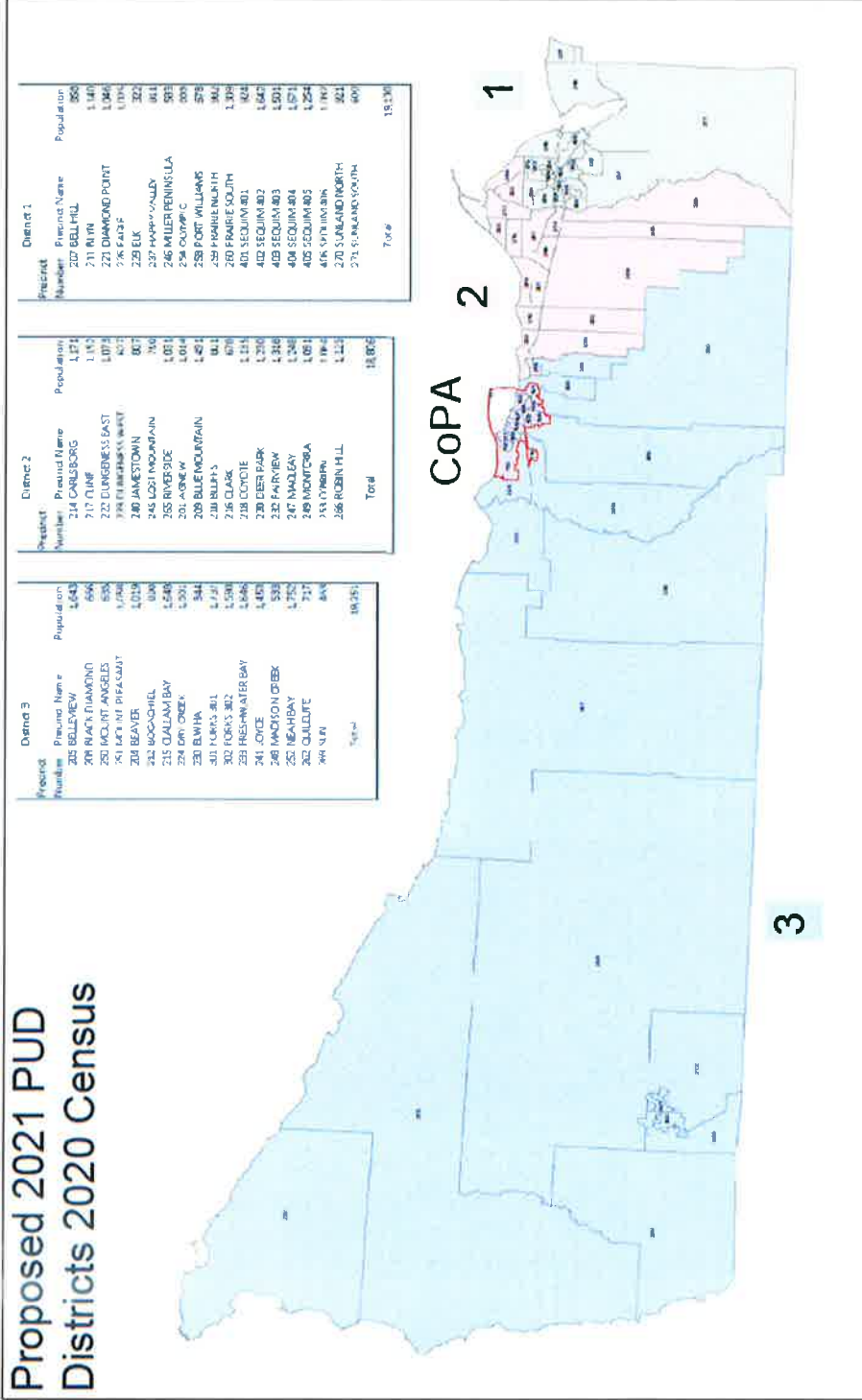


2021 Draft Map



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Proposed 2021 PUD Districts 2020 Census



Proposed Districts



DISTRICT 1		DISTRICT 2		DISTRICT 3	
BELL HILL	858	AGNEW	1,014	BEAVER	1,019
BLYN	1,140	BLUE MOUNTAIN	1,491	BELLEVIEW	1,643
DIAMOND POINT	1,046	BLUFFS	801	BLACK DIAMOND	666
EAGLE	1,025	CARLSBORG	1,171	BOGACHIEL	838
ELK	322	CLARK	678	CLALLAM BAY	1,648
HAPPY VALLEY	811	CLINE	1,152	DRY CREEK	1,501
MILLER PENINSULA	583	COYOTE	1,135	ELWHA	344
OLYMPIC	839	DEER PARK	1,230	FORKS 301	1,737
PORT WILLIAMS	678	DUNGENESS EAST	1,073	FORKS 302	1,598
PRAIRIE NORTH	982	DUNGENESS WEST	627	FRESHWATER BAY	1,646
PRAIRIE SOUTH	1,309	FAIRVIEW	1,318	JOYCE	1,453
SEQUIM 401	924	JAMESTOWN	807	MADISON CREEK	533
SEQUIM 402	1,642	LOST MOUNTAIN	750	MOUNT ANGELES	635
SEQUIM 403	1,501	MACLEAY	1,248	MOUNT PLEASANT	1,058
SEQUIM 404	1,671	MONTERRA	1,091	NEAH BAY	1,752
SEQUIM 405	1,254	O'BRIEN	1,064	QUILEUTE	717
SEQUIM 406	1,032	RIVERSIDE	1,031	SUN	463
SUNLAND NORTH	921	ROBIN HILL	1,125		
SUNLAND SOUTH	600				
	<u>19,138</u>		<u>18,806</u>		<u>19,251</u>
	33.46%		32.88%		33.66%

**Total District
Population
57,195**



Other Considerations



During this Redistricting process, we became aware that the District originally included the City of Port Angeles at the District's formation in 1940. Beginning in 1981, the District began excluding the City of Port Angeles from its voting precincts. There is good justification for such exclusion:

- Since 1981 (40 years) – Port Angeles has been excluded.
- We have not been able to determine why the change was made, but it is possible there were public policy concerns with a large unserved population voting in PUD elections, and potentially a City preference that the PUD not provide redundant competing service within the City.
- There are arguments that can be made for inclusion and exclusion of the City of Port Angeles.
- There are reasons that the Commission may want to consider, such as county residents not served by the PUD voting in PUD elections.

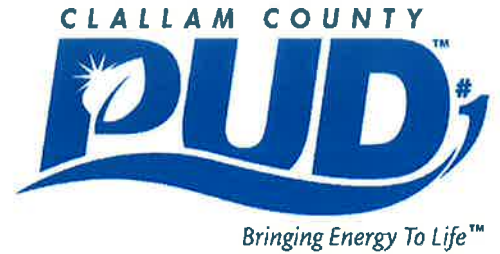
Management's recommendation is to continue with the same redistricting procedure used since 1981 and adopt the redistricting map as presented.





Questions?






MEMORANDUM

Date: November 22, 2021

To: Doug Nass, General Manager

From: Terry Lind, Operations Manager 

Re: RECOMMENDATION MEMO,
ALTEC, AH 100, 100 FT AERIAL HIGHLINE MAN-LIFT HYDRAULIC OPERATED, WITH
ALUMINUM FLATBED MOUNTED ON:
NEW FREIGHTLINER MODEL 114 SD DIESEL-POWERED CHASSIS,
SOURCEWELL CONTRACT NO. 012418-ALT
ALTEC QUOTE NUMBER 1014825-2

After evaluation of bids received from Sourcewell contract 012418, for a 100 ft Aerial Highline Bucket Truck with a Flatbed on a New Freightliner 114 SD Diesel-Powered Chassis, we recommend the District award the purchase of the above-referenced equipment, in the amount of \$496,649.00, to the lowest bidder, Altec Industries for the following:

- (1) Altec AH100 Aerial highline manlift with Aluminum flatbed mounted on a New Freightliner 114 SD, 6x4, diesel-powered regular cab chassis.

**Not to Exceed Total: \$496,649.00
(not including tax)**

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

Doug Nass, General Manager

POSITIVES

100 FT Highline Bucket Truck
RFQ DUE: November 3, 2021, 2:30 p.m.

VENDOR	AMOUNT	ALTERNATIVEBID	DELIVERY TIME	ADDENDUM 1	ADDENDUM2	NEGATIVES
ALTEC	\$ 496,649.00		No later than 310 days	Yes	Yes	Over 2 years with no delivery on PO22373
VERSALIFT	No response					
TEREX	\$ 622,305.00		360+ days	Yes	Yes	Price can change until shipped
ELLIOT	No response					

POSITIVES

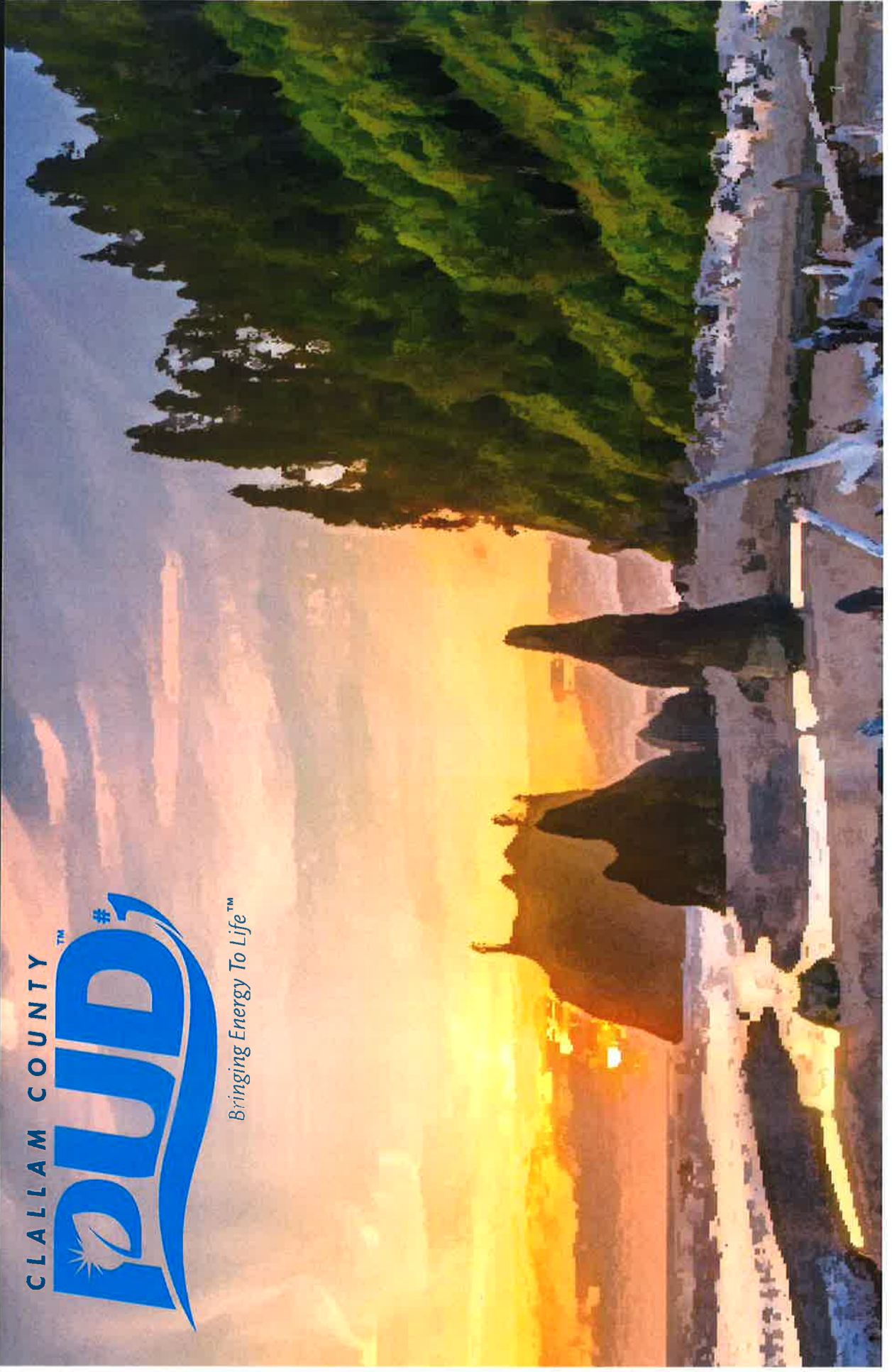
1year warranty labor & parts, 90days warranty for travel

Tow cvrg \$550 12mo unlimited mileage

2022 STRATEGIC PLAN



Bringing Energy To Life™



2022 STRATEGIC PLAN

We are proud to present to you PUD #1 of Clallam County's 2022 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

2022 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.

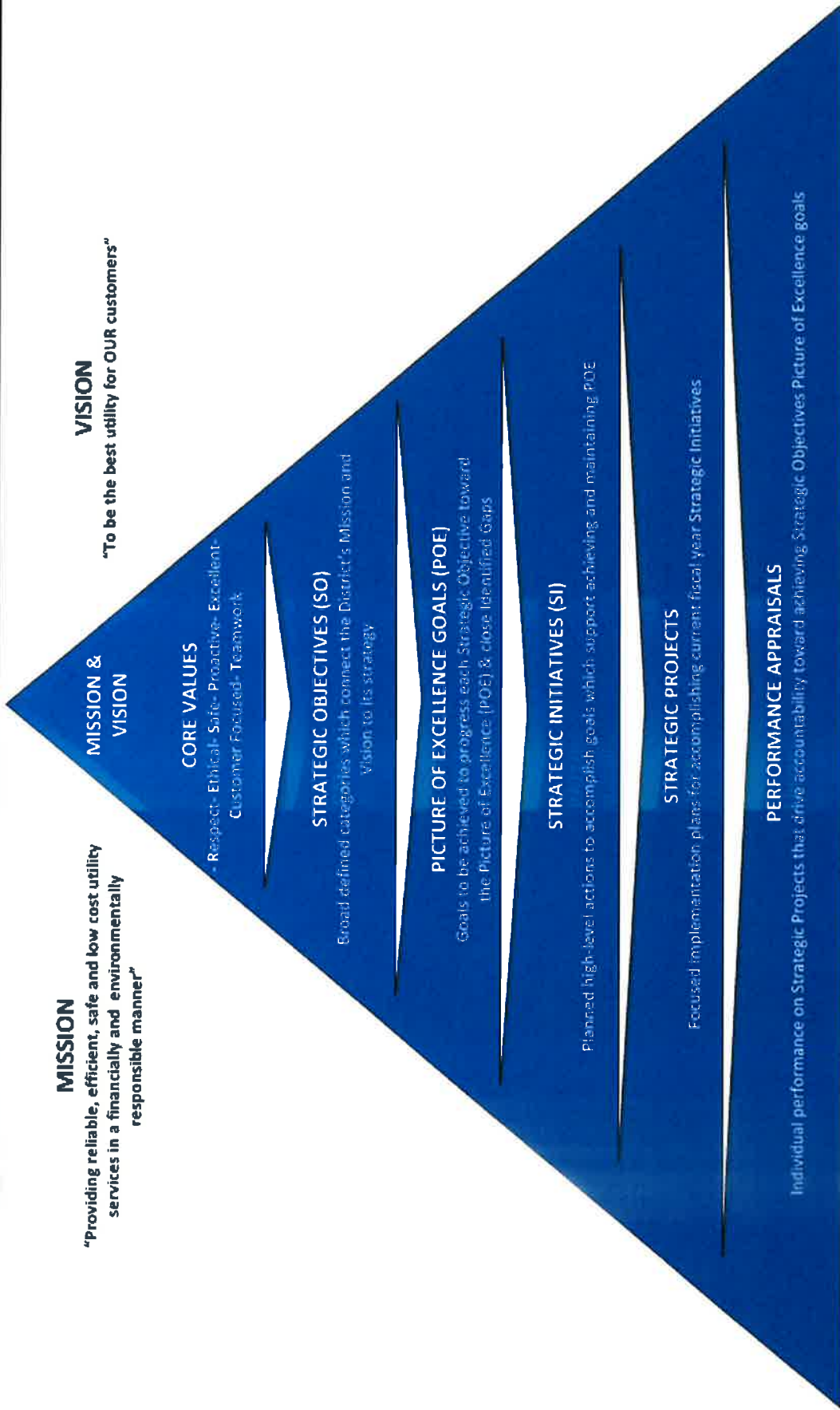
Today PUD #1 serves over 28,000 customers with electric service, and over 4,500 with water connections. We have offices in Forks, Clallam Bay/Seki, as well as a main office in Carlsborg that provide one-stop shopping for customers and high efficiency for employees.

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.

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.

2022 STRATEGIC PLAN



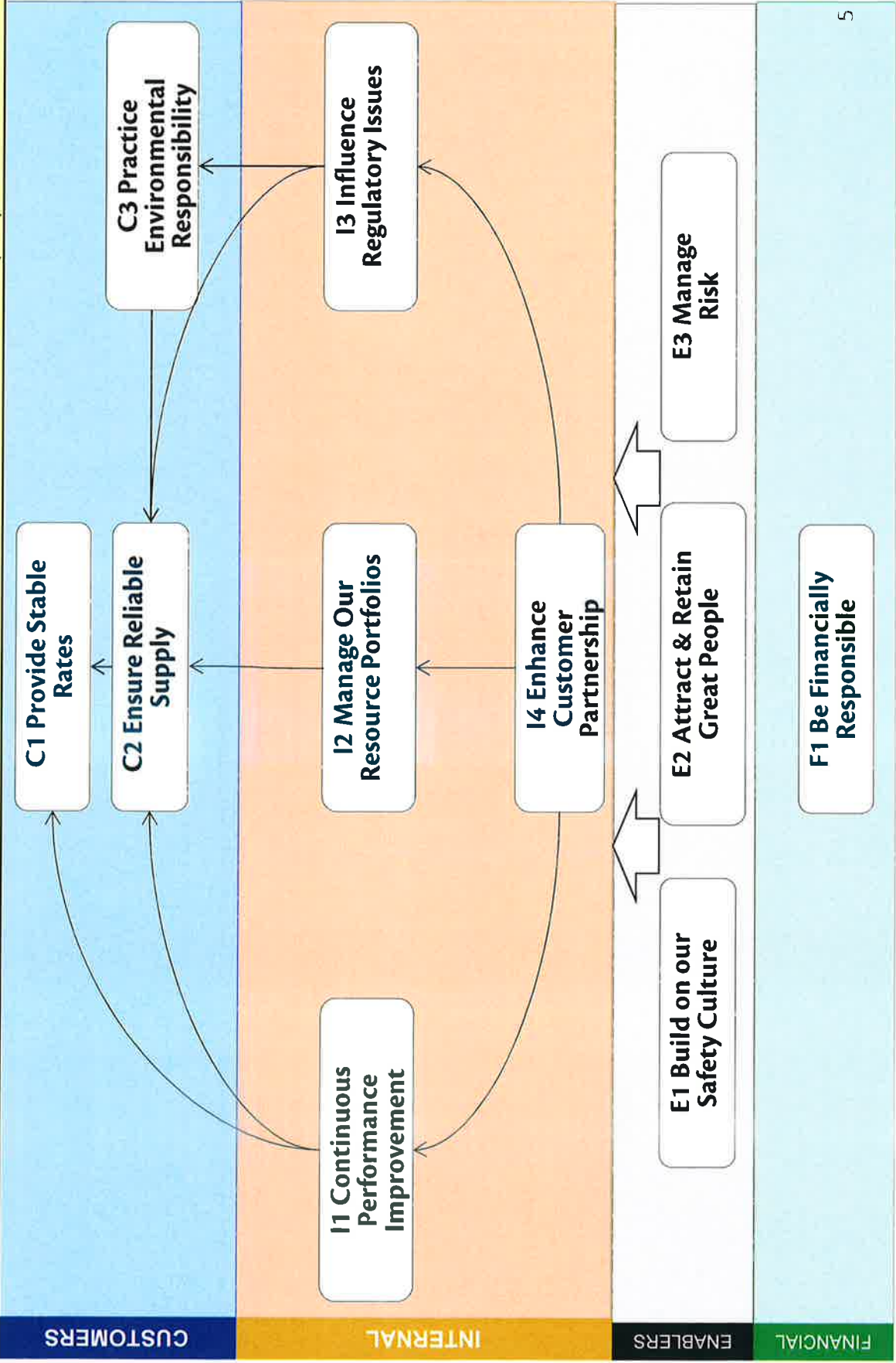
STRATEGIC OBJECTIVES (SO)

- 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

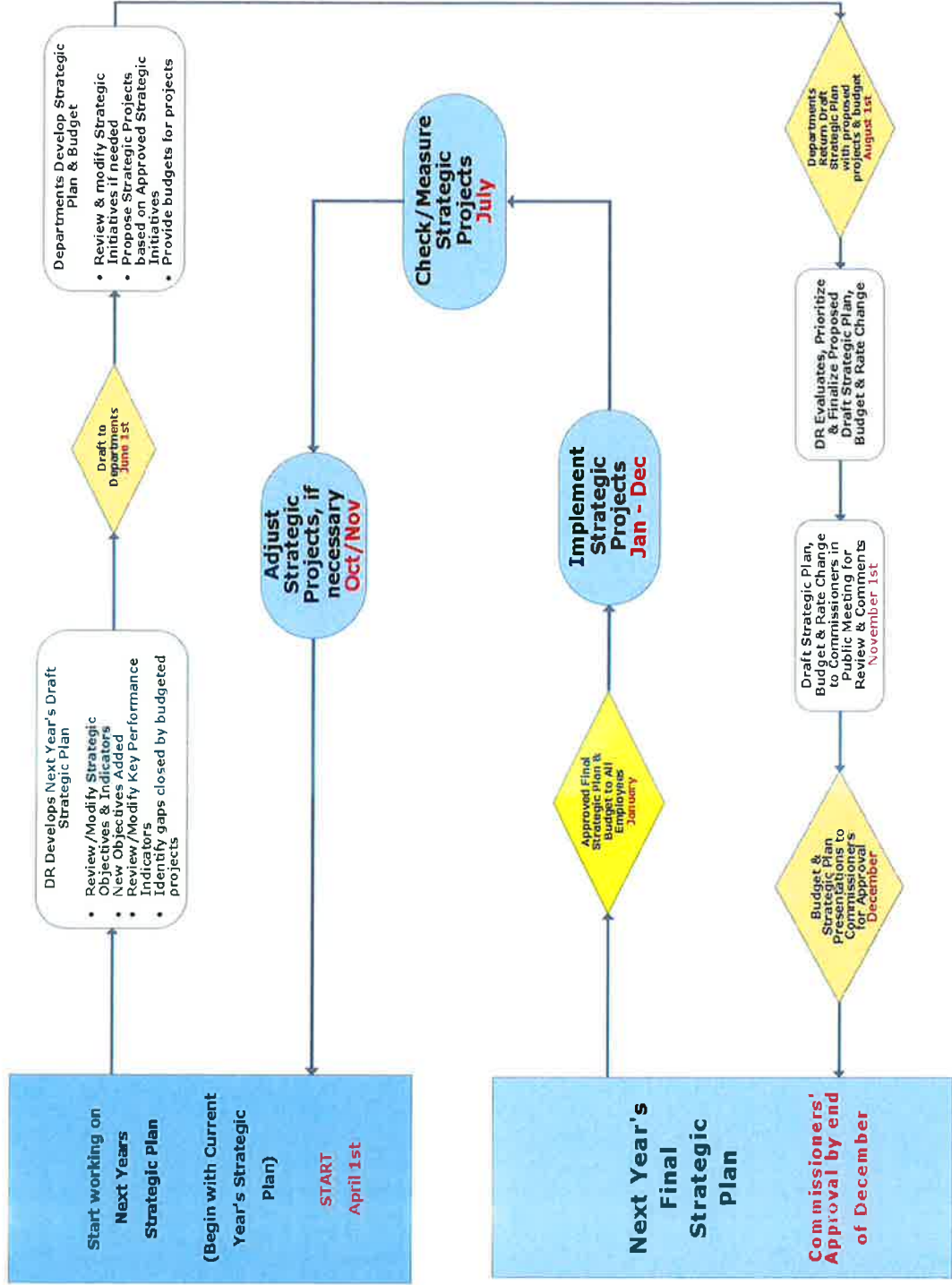
2022 STRATEGIC PLAN

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.



2022 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.

2022 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



2022 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 **Independence Act 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, unusual weather events, disasters, and other unforeseen events..
9. **Review and Maintain 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

2022 STRATEGIC PLAN

STRATEGIC OBJECTIVE: ENSURE RELIABLE SUPPLY

Direct Report Leads

John Purvis, AGM

Tom Martin, Water/WW Systems Manager

Telecommunications

1. 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.

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

2022 STRATEGIC PLAN

STRATEGIC OBJECTIVE

ENSURE RELIABLE SUPPLY ...continued

Direct Report Leads

John Purvis, AGM

Tom Martin, Water/WW Systems Manager

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%



2022 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/WW Systems Manager

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



2022 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%



2022 STRATEGIC PLAN

STRATEGIC OBJECTIVE:

MANAGE OUR RESOURCE PORTFOLIO

Direct Report Leads

John Purvis, AGM

Tom Martin, Water/WW Systems Manager

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

Strategic Initiatives

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

Electric

- Monitor CETA rulemaking, develop compliant **integrated** Resource Plan (IRP), **CEIP** and conduct associated feasibility studies **y**.
- 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 capability to meter time of use (TOU) for electricity and **develop TOU Rate**.
- Monitor and review CETA compliant power supply 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.
- Replace aging infrastructure based on cost/benefit.
- Continually optimized portfolio meeting all resource requirements at the lowest cost.

Water (Con't)

- 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%

2022 STRATEGIC PLAN

STRATEGIC OBJECTIVE: INFLUENCE REGULATORY ISSUES

Direct Report Lead

Nicole Hartman, 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

- 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.

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%



2022 STRATEGIC PLAN

STRATEGIC OBJECTIVE: ENHANCE CUSTOMER PARTNERSHIPS

Direct Report Lead

Nicole Hartman, 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 WPUDA, 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%



2022 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

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

Strategic Initiatives

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

- Supervisor Training on Labor and Industry reporting, property damage and applicable safety requirements
- 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)
- Complete average of 3 Field employees Safety Audits per quarter.
- Acknowledgement of work group locations with 1- year accident free.
- Ensure personnel are provided and utilize quality reliable and up-to-date Personal Protection Equipment and safety supplies.
- All personnel to keep and maintain a clean and hazard free work space and environment.
- Conform to all applicable NESC, WAC and new OSHA safety requirements.
- Develop Awards program that recognizes safety performance and is reviewed quarterly. Recognition of Departments with 1- year accident free.
- Industry Safety awards recognizes the District for its excellent safety record.
- Utilize Safety Committee team to review safety processes and to examine injuries/property damage/reporting for possible solutions.
- 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

2022 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

- 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

2022 STRATEGIC PLAN

STRATEGIC OBJECTIVE: MANAGE RISK - INTERNAL

Direct Report Lead

John Purvis, AGM

Sean Worthington, Finance Manager

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.



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

2022 STRATEGIC PLAN

STRATEGIC OBJECTIVE: MANAGE RISK – External

Direct Report Lead

John Purvis, AGM

Sean Worthington, Finance Manager

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 WPUDA, 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

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

Strategic Initiatives

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

- Prepare for results of BPA joining the EIM.
- Prepare for final rules impact in CETA and other legislative requirements.
- Preparation for a large earthquake.
- Preparation for risk of major wildfires in Clallam County.
- Mitigate exposure to lawsuits through wildfire preparation in county.
- Evaluate a major adoption of EVs on District’s electric system.
- Prepare for a pandemic that effects majority of District personnel and ensure adequately incorporated into District ERRP.
- Preparations in the event the District computer system experience a major breach or ransomware.
- Periodic Cost of Service analysis to ensure sufficient revenue to comply with legislative mandates and implementation of strategic initiatives.
- Implement a multi-factor authentication solution to meet the Cyber-security insurance (PURMS) mandate and to harden District user systems sign-in requirements.

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”



2022 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 recommendations 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. **Monitor and review Establish** Cash Reserve and Debt Service Ratio Policy
6. Evaluate potential acquisitions of existing water systems to determine financial feasibility.
7. **Manage Create** Low Income CETA Program to mitigate rate impacts.
8. ~~Maintain~~ **scoping** plans for utility scale qualifying CETA projects 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



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

A RESOLUTION Declaring an Emergency and Authorizing Certain Emergency Work, Without Formal Bid, for Repair of the Hoko Pump Station and Construction of a By-Pass Pipeline on Highway 112 Along Clallam Bay.

WHEREAS, The District has a pump station on the Hoko River near Sekiu and a water main on Highway 112 along Clallam Bay; and

WHEREAS, the intense storm, which flooded the Hoko Pump Station and caused landslides that broke the main, resulted in significant water outages and the need for immediate repairs; and

WHEREAS, procuring the necessary pump system and water main repair services and materials through the normal procurement process would take several weeks to accomplish; and

WHEREAS, an emergency declaration and quotation procedure will reduce procurement and mobilization time to allow contractors Straits Electric, Jacobs Excavating, to immediately repair the damaged Hoko Pump Station and water main on Highway 112 along Clallam Bay and several vendors (e.g. Costco, Olympic Springs, Core & Main and Ferguson) to provide drinking water and material; now, therefore, be it

RESOLVED, That District staff is authorized to negotiate a purchase order with Straits Electric, Jacobs Excavating and the necessary drinking water and material vendors for the repair of the Hoko Pump Station and water main on Highway 112 along Clallam Bay, without a formal bid after having taken precautions to secure the lowest price practicable under the circumstances.

PASSED, by the Board of Commissioners of Public Utility District No. 1 of Clallam County, Washington, this the 22th day of November 2021.

President

ATTEST:

Vice President

Secretary