

Strategic Plan

April 27, 2021



Overview

Mission

Quality Service at Low Cost

Vision

“To be valued as a trusted and respected Public Utility District providing the services our rural communities need.”

Core Values

Safety and Health

Share a commitment to protecting the safety and health of our employees, customers, and contractors in order to ensure a reliable workforce.

Community

Help and improve the communities where we live and work through collaborative working and volunteering.

Decisiveness

Make timely choices and necessary changes based on the best interests of the District and its customers.

Customer Focus

Respect our customers, listen to their requests and understand their needs. Strive to exceed expectations with regard to reliable service and affordable cost.

Integrity

Be guided by what is ethical and right and fulfill all commitments as a responsible steward of public assets and trust. Foster open and honest communications, listen, and understand other perspectives.

Teamwork

Value diversity and work together to unite the District and its departments to better serve the community.

SWOT Analysis



- Financial strength and integrity
- Technical and operational expertise
- Well-constructed and professionally maintained power plants, distribution, fiber and water infrastructure
- Leaders and Management Team
- Nimbleness
- Commitment of employees to the community
- Internal hydroelectric resources
- Among the lowest rates in Washington



- Lack of diversity in electricity resources
- Lack of energy market knowledge and expertise
- Lack of bench strength and succession planning
- Need better alignment of organizational culture with new strategies
- Lack of adaptive strategy
- Future financial uncertainty
- Separate locations
- Isolated, rural area



- Asset optimization – water, transmission, generation, fiber and sales
- Increased communication and educational outreach
- Community involvement
- Leverage existing resources for improved efficiency
- Partnerships with others to mitigate risks and costs
- Customer growth
- Expansion of fiber to North County



- Regulatory and legislative uncertainty
- Knowledge loss as employees retire
- Climate change/Global warming (Fires, snow pack, regulations)
- Pacific northwest power market price depression
- Distributed generation and batteries
- Low orbit satellites
- Low customer count



Financial Health

Be financially resilient and provide community value through responsive leadership, prudent planning and market competitiveness.

Measures:

- Moody's & Fitch investment grade ratings
- Total annual costs held at or below actual level of inflation

Critical Tasks:

- Optimize every job opening or retirement
- Optimize operational costs while maintaining safety and reliability
- Finalize and implement the Off-License Settlement Agreement (OLSA)
- Investigate potential asset sales
- Finalize transmission right-of-way agreement with the Port District
- Optimize post-2025, long-term power sale agreement
- Explore use of current or new technologies to find efficiencies in business operations
- Limit capital spending to necessities or projects that have a 5-year ROI

Customer Experience

Make it convenient to do business with Pend Oreille PUD while delivering valuable utility services and solutions for an exceptional customer experience.

Measure:

- Customer satisfaction levels measured by volunteered feedback via comment cards

Critical Tasks:

- Update utility services policies
- Maintain public transparency by publishing monthly financials, board packet materials and fillable forms on website
- Analyze Advanced Metering Project
- Explore north-county fiber expansion without incurring additional debt
- Consider new water system acquisitions if the opportunity arises

System Reliability

Operate secure and reliable utility systems by using innovative technologies and cost effective solutions.

Measures:

- SAIDI (System Average Interruption Duration Index)
- SAIFI (System Average Interruption Frequency Index)
- Number and duration of outages

Critical Tasks:

- Analyze the need for additional substations (Bare Mountain and/or Dalkena)
- Analyze transmission build between Newport and Diamond Lake
- Analyze options for the replacement or repair of the OPGW line between Pine Sub to Cusick Sub
- Complete Sunvale Water distribution line replacement
- Evaluate upgrade of equipment at substations to increase fiber backbone capacity to Spokane

Employee Experience

Foster a diverse and results-oriented workforce and a culture of inclusion, support and development. Continue our commitment that employees have the appropriate tools, training and resources to effectively perform their jobs.

Measure:

- Performance Evaluation Tool

Critical Tasks:

- Succession planning and cross-training
- Identify opportunities to improve energy market knowledge
- More community involvement including PUD sponsored employee volunteer opportunities
- Benefits and compensation review
- Comprehensive facilities review

Health & Safety

Enhance the health and safety of ourselves and our community.

Measures:

- Regularly filed incident reports
- Zero lost time

Critical Tasks:

- Box Canyon physical security and beautification
- Newport Operations facilities improvement
- Work schedules review
- Implement a school aged education program

*Economic Development

Pend Oreille PUD has been a catalyst for economic development in Pend Oreille County since its formation after a vote of the people in 1936. There are, however, some limitation on what kind of economic benefits can be funded.

Measures:

- Low cost, reliable utilities
- Taxes back to State and Local entities
- Sales tax paid on items purchased
- Labor benefits associated with projects
- Community donations (parks, boat launches, truck washes, athletics)
- Employee volunteerism

Critical Questions:

- Level of resource dedication?
- Level of stranded asset risk?
- Level of price and credit risk?
- Rate class philosophy?
- What does a change mean to our foundational principles?

