



Strategic Plan Quarterly Update

December 5, 2023

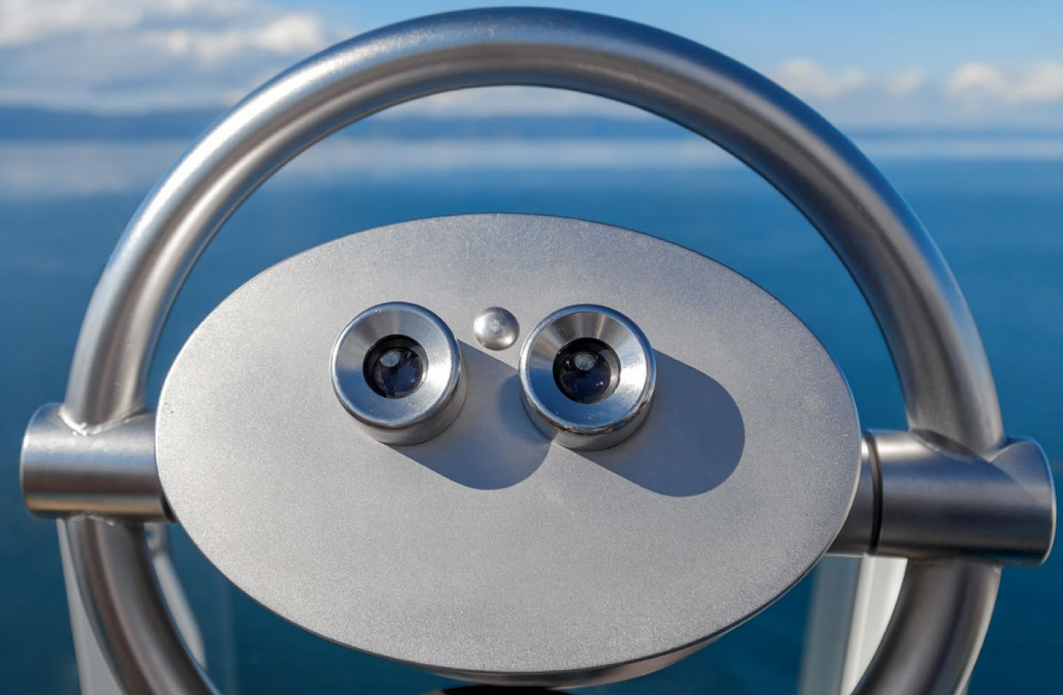
Laura Lemke
Strategy & Performance Planning Leader

Prior Presentation: January 24, 2023

SNOHOMISH
PUD
Energizing Life In Our Communities

**FOCUS ON
THE FUTURE**

2023-2027 STRATEGIC PLAN



Prior Presentations & Conversations

Feb 7, 2023	Approval of the 2023-2027 Strategic Plan
Jan 24, 2023	Draft 2023-2027 Strategic Plan
Aug 16, 2022	District Strategic Planning Update
May 3, 2022	Draft Long-Term District Strategy
Jan 25, 2022	Special Meeting – Strategic Priorities Workshop
Jan 4, 2022	District Strategy: 2040 Scenario Planning Insights
Aug 17, 2021	District Strategy Scenario Planning Briefing
Mar 29, 2021	Special Meeting – Strategy Workshop

Approved 2023-2027 Strategic Plan: [Strategic Priorities - Snohomish County PUD \(snopud.com\)](https://snopud.com/strategic-priorities)

The background of the slide is a photograph of several rolled-up newspapers. The newspapers are stacked, with the top one showing a blue masthead. The entire image is overlaid with a semi-transparent green filter. On the left side, there is a solid green rectangular bar.

Today's Purpose:
Update on the
2023-2027 Strategic
Plan implementation.

**Request of the
Commission:**
This presentation is
informational,
no action is requested.

Next Steps When We Spoke in January

Leadership, Timing and Resources

Leadership and implementation teams will work together to determine responsibility and specific scope, timing, and resources for each initiative and activity.

Performance Management & Assessment

Develop internal action plan to guide implementation.

Develop performance management framework including performance metrics and reporting

Implementation Progress Feb – Nov 2023



Briefly: District Strategic Plan Elements

OUR PURPOSE (what guides us)

We deliver essential utility services to help our communities thrive

OUR VALUES (how we behave)

Every day we **SAFEGUARD** what matters, putting employee and community safety first.

We have **INTEGRITY**. We are a **TEAM**. We **SERVE** with pride, and **RISE** to challenges. We choose to **INCLUDE** all, **SEEK** growth, and be **BOLD**.

OUR COMMITMENT (the tenets that anchor us)

- To fulfill our role in the community, we:
- Are a **powerful partner**
 - Provide **exceptional value**
 - Deliver **excellent experiences**
 - Are the **best version of TeamPUD**

The enduring fundamentals that inform everything we do and are the filters we use to make decisions

OUR VISION (where we're going)

Be the utility that delights our customers and energizes life in our communities

The goal that the strategic plan is driving toward.



A key area of focus required to achieve our vision and hold true to our Purpose and Commitment. We have five Strategic Priorities.

The specific outcomes we are driving toward under a priority. There are 2 or more under each priority.

The specific work actions and work intended to help us achieve the objective. There are 3 or more under each objective.

[Click to view approved 2023-2027 Strategic Plan](#)

Initiative Prioritization

To set internal expectations and inform planning, the ELT prioritized the initiatives in context of each other based on two factors:



Benefit and Value
to the District in
realizing benefits or
mitigating risks



Urgency or Flexibility
for completing work
or making significant
progress

The relative priority of the initiatives, and the interdependencies between them and other District work, informs expectations for timelines and progress and the assignment of resources (people and budget).



Strategic Plan Roles & Responsibilities

Executive Leadership Team (ELT)

With the Commission, the ELT shares overall ownership and sponsorship of the District's Strategic Plan.

Collectively, the ELT is responsible and accountable for:

- Providing support and leadership for all elements of the Strategic Plan.
- Establishing shared District-wide ownership of our purpose, values, and commitment and understanding of our strategic priorities and objectives.
- Ensuring decisions and actions align with our values, our commitments, our vision, and the Strategic Priorities.
- Aligning organizational structure, planning, and resources with the strategic plan.
- Fostering the cross-functional collaboration and agility required to successfully implement the Strategic Plan.

ELT Objective Champion

Each Strategic Objective has one ELT Champion.

- The Objective Champion provides executive oversight and direction for the Objective overall, serving as a bridge between the ELT and the Objective's Strategic Initiative Leads.
- The Objective Champion is responsible for ensuring that the Strategic Initiative action plans are cohesive and align with the Objective's goals.
- The Objective Champion fosters and expects collaboration between Initiative Leads, within and across strategic objectives.
- The Objective Champion communicates achievements, strategic considerations and concerns, and significant action plan changes to the ELT for awareness, input, or resolution.

Strategic Initiative Lead

Each Strategic Initiative has one Initiative Lead.

- The Initiative Lead is responsible for providing direction and oversight for the Initiative.
- The Initiative Lead is responsible for ensuring that the action plan aligns with the goals of the Initiative and that engagement and collaboration happens with interdependent Initiatives, programs, and projects.
- The Initiative Lead is accountable for the documentation and implementation of the Initiative's action plan, though they may not be responsible for doing or leading individual actions.
- Strategic Initiatives that are not actively underway may not have a named Initiative Lead.

*Each Objective Team includes
the ELT Champion and the Initiative Leads*

Initial Action Plan

We asked Objective Champions and Initiative Leads to develop initial action plans for each initiative that included:

- summary of current state
- interdependencies on other initiatives or projects
- challenges or risks to success
- key actions and resources
- any resource constraints or gaps

The ELT collectively reviewed action plans.

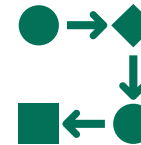
We asked Initiative Leads to:



Think inclusively about who to engage in plan development



Identify planned work, needed new actions, and work to pause or delay



Account for interdependencies and align plans



Be realistic when assessing resource needs and availability



Set appropriate and achievable timelines.

Performance Tracking and Reporting

Objective Champions and Initiative Leads report progress and update plans quarterly.

Key Performance Indicators (KPIs) have been identified for each Strategic Objective. Data sources, metrics, and reports are in development.

Work is underway to finalize KPIs for each strategic priority.



Strategic Plan Edits & Additions

Edits:

As Initiative Leads began developing and documenting action plans, it became clear that we needed to clarify the language used to describe some initiatives. Please see next slide for details.

Additions:

Generative AI became a reality just as we finalized our 2023-2027 Strategic Plan. The ELT has added an initiative under the objective: Increase Organizational Alignment and Effectiveness.

The initiative is: Develop and implement a strategy to capture opportunities and mitigate risks of generative AI tools.

The published strategic plan will be updated to reflect these changes and posted to www.snopud.com

Initiative Language Edits Under the Strategic Priority: **CREATE THE CULTURE AND CAPABILITIES NEEDED FOR THE FUTURE**

To clarify the intent of the initiatives, the wording was revised as shown below.

OBJECTIVE	INITIATIVES: PUBLISHED STRATEGIC PLAN WORDING	INITIATIVES: REVISED WORDING
Be an employer of choice	Define and communicate our employment value proposition, outlining what we offer and what we expect.	Define and communicate our employment value proposition, outlining what we offer and what we expect. [removed and incorporated into other strategic initiatives]
	Develop and implement a strategy to effectively support flexible, hybrid work. Regularly assess and adapt to ensure business, customer, and employee value.	Develop and implement a strategy to effectively support flexible, hybrid work.
	Develop and implement a strategy to ensure current and emerging leaders build, sustain, and model our culture and values.	Develop and implement a strategy to increase manager effectiveness.
	Increase transparency and equity of access to advancement and development opportunities. Complete job description and compensation analysis projects.	Increase transparency and equity of access to advancement and development opportunities.
	Implement the Diversity, Equity, and Inclusion Initiative Blueprint. Establish and track performance metrics.	Implement the Diversity, Equity, and Inclusion Initiative Blueprint. Establish and track performance metrics.
	Develop and implement an ongoing process and framework for listening to and acting on employee sentiment and feedback.	Develop and implement a consistent and meaningful framework for measuring employee experience and acting on the insights.
Evolve workforce skills and capabilities	Develop and implement a multi-year talent strategy and supporting plans that are informed by strategic needs, rapid technological change, and shifting operational needs.	Develop and implement a strategic workforce plan.
	Develop and implement an internal talent development plan. Align and enhance training, education, mentorship, and supporting programs and resources.	Align and enhance training and development to meet needs of the future.
	Develop and implement an expanded external workforce development plan that intentionally engages community and industry partners.	Enhance community workforce pipeline development strategy.
	Develop and implement a recruitment and retention plan that results in employees with the desired capabilities and alignment with organizational values.	Develop and implement a strategy to strengthen recruiting and on-boarding.
	Increase utilization of analytics in workforce planning. Equip employees and leaders with the data and insights they need for decision-making.	Strengthen workforce reporting, planning, and analytics capabilities.

A wooden puzzle piece with a notch and a tab, resting on a surface with a grid pattern. The piece is light-colored wood with a visible grain. The background is a light blue surface with a grid of thin, dark blue lines. The overall image has a teal overlay on the left side.

Looking Forward to Q4 2023 and Q1 2024

Strategic Plan Implementation & Reporting

An updated version of the plan, with the new language for initiatives under Objectives 5.1 and 5.2 will be posted to [Strategic Priorities \(snopud.com\)](https://snopud.com)

Collaboration and Coordination

- Collaboration with the new Enterprise Project Governance Board on framework for prioritizing projects and planning resources
- Coordination with Budget and Financial Planning to continue integrating action plans and budget development
- Initiative Leads are collaborating and coordinating to account for interdependencies and opportunities for synergy

Performance & Progress Monitoring

- Continued refinement of quarterly review process
- Continued development of key performance indicators (KPIs) and targets for the Strategic Plan
- Integration of KPIs into quarterly Commission reports

Strategic Considerations & Concerns

- Monitoring of District operations and operating environment to determine where, if any, changes or adjustments are warranted

Planned Commission Reports

2024 DATES	TOPIC
Feb 20	Q4 2023 Report
May 21	Q1 2024 Report
Aug 20	Q2 2024 Report
Nov 19	Q3 2024 Report

Division Operating Plan Development

Each division will develop an operating plan:

The plans will detail the work required to implement strategic initiative action plans and core planning efforts including capital plans, technology roadmaps, continual improvement initiatives, the Integrated Resource Plan, the Water Plan, and other operational priorities.

Operating Plan Framework:

- Each Division will articulate their overarching goals for the planning period and the work required to achieve them.
- Each goal will identify how it ties to the Strategic Plan.
- There will be a standard template for Operating Plans.
- KPIs will be incorporated into dashboards and reporting.
- Targeting end of Q1 2024 for substantial completion.

Benefits and Outcomes:

- Increased organizational alignment
- Increased transparency and accountability
- Insight into the high-level goals and supporting work for each division and how they interrelate and support the Strategic Plan
- Alignment and integration with the new Enterprise Project Governance Board and planning processes
- Informs and informed by District financial planning

Q3 2023 Strategic Plan Report



PRIORITY 1:
**BOLSTER OPERATIONAL
RELIABILITY AND
RESILIENCY**

Electrification of transportation, heating, and industry will intensify customer and community dependence on electricity, increase overall energy use, and change usage patterns. The regional shift towards clean energy and accelerating climate change creates new operational complexities. Ensuring that energy and water are available whenever and wherever needed will require sophisticated planning, new and upgraded infrastructure, continual improvement of our practices, and responsible financial management.

HOW WE WILL MEASURE OUR PROGRESS

System reliability metrics

Financial performance metrics

Customer satisfaction with reliability and value of our services

STRATEGIC OBJECTIVES

2023-Q3 **ACHIEVEMENTS** & KEY ACTIVITIES

ELT CHAMPION

1.1 Develop the capabilities for an increasingly complex energy future

Invest in the insight, infrastructure, technology, and programs required to meet the rapidly changing and increasingly complex demands of the future.

- Developing draft position statement on role the District intends to play in community electrification.
- Work underway to identify technology needed to support initiatives.
- Team kicked off requirements development for selection of new data management tool for the District.

Jason Zyskowski
*Assistant General Manager,
Facilities, Generation, Power,
Rates & Transmission
Management*

1.2 Build the distribution grid of our future

Modernize and automate infrastructure and operational practices to increase reliability and resiliency. Identify, understand, and mitigate risks to service delivery.

- **District awarded SnoSMART grant to fund ADMS upgrade and distribution automation.** Progress with CADA integration; slated for completion in October. Five distribution automation devices have been installed.
- The first draft of Transmission Design Guidelines has been completed and is being peer edited.
- A team has been formed for identifying and prioritizing replacement of aged and unreliable transmission plant through inspections.
- Work underway to identify needed data and analytics to support initiatives.

Guy Payne
*Assistant General Manager,
Distribution & Engineering
Services*

1.3 Ensure resource adequacy by expanding and protecting resources

Cultivate an integrated resource portfolio that is cost-effective, reliable, and responsive to the requirements of the future.

- Energy Efficiency targets being met.
- Energy Storage Agreement negotiations.
- Fully engaged in BPA post-2028 contract negotiation policy Record of Decision and submitted comments.
- Lake Stevens Water Treatment Plant re-design underway.

Jason Zyskowski
*Assistant General Manager,
Facilities, Generation, Power,
Rates & Transmission
Management*

1.4 Preserve exceptional customer value

Ensure long-term financial health and stability through robust planning, cost and risk management, and adequate reserves.

- Finance 101 and OAAA work order classes being developed for staff.
- **Bonneville Power Administration Passthrough implemented and effective November 1, 2023.**

Scott Jones
*Chief Financial Officer,
Finance*

PRIORITY 2:
**EVOLVE AND ENHANCE
CUSTOMER EXPERIENCES**

Our communities are increasingly diverse with evolving customer needs and preferences. The standards set by other industries are influencing what our customers expect of us.

To continue delivering excellent experiences and earn customer loyalty we must keep pace and adopt a customer-centric focus across all aspects of our operations. We must hear, understand, and respond to what customers want, need, expect, and value.

HOW WE WILL MEASURE OUR PROGRESS

Customer satisfaction ratings for:

- Service channels and platforms
- Communication from us
- Tools for understanding usage and billing
- Billing and rate options

STRATEGIC OBJECTIVES

2.1 Center our work around customer desires, challenges, and expectations

Proactively assess, understand, and anticipate customer needs and expectations and take timely, intentional actions.

2.2 Deliver creative, personal, and convenient solutions

Enable customers to interact with us in the ways that work best for them. Expand proactive communication capabilities using customer-preferred platforms and channels.

2.3 Give customers increased flexibility and control over their usage and costs

Meet customer needs with rate and billing options that fit varying lifestyles and business operations. Leverage new technologies and data to help customers make informed decisions.

2023-Q3 **ACHIEVEMENTS** & KEY ACTIVITIES

- JD Power Q3 Customer Satisfaction report results received and shared.
- Ongoing customer experience workshops with department specific focus.
- Customer Experience Manager and Vegetation Management working together on continual improvement project relating to the customer notification process.

- Self Service Customer Moves on MySnoPUD was completed by the vendor and is being tested by Customer Service.
- Outage Alert customer feedback results for Q3: YTD customer satisfaction score of 9.36 / 10 and opt-in rate at 77% . “THANK YOU” comments representing 82% of total comments

- **Completed ConnectUp Go-Live and Hypercare.**
- Usage interval data is being presented to customers in MySnoPUD.
- Developed roadmap to coordinate rate updates & backlogs prior to planned AMI Tech Upgrade in Q2 2024.
- Rates Strategy Working Group kickoff planned for Oct 2023

ELT CHAMPION

Pam Baley
*Assistant General Manager,
Customer & Energy Services*

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*Assistant General Manager,
Customer & Energy Services*

Kristi Sterling
*Chief Information Officer,
Information Technology
Services*

PRIORITY 3:
**ACTIVELY HELP OUR
COMMUNITIES THRIVE**

We have been part of the fabric of our communities since our creation and are committed to providing equitable services and access. Water and power are vital to ensuring Snohomish County and Camano Island thrive today and in the future.

Looking to the future we believe we have the opportunity, and responsibility, to become an even more powerful partner.

HOW WE WILL MEASURE OUR PROGRESS

Internal assessment of our work and its impacts

Community partnerships and customer feedback

STRATEGIC OBJECTIVES	2023-Q3 ACHIEVEMENTS & KEY ACTIVITIES	ELT CHAMPION
3.1 Strengthen our community connections Expand the breadth, depth, and impacts of our engagement. Meet customers where they are and where they need us to be.	<ul style="list-style-type: none">A cross-functional team has drafted a philosophy for our community engagement framework.Team has identified the many ways the District engages with customers and for each is determining who is accountable, how decisions will be made, and how to define success.	Lisa Hunnewell <i>Director, Communications, Marketing & Business Readiness</i>
3.2 Support the economic vitality of our communities Partner with community leaders and stakeholders to foster a vibrant and resilient local economy. Support development and new construction.	<ul style="list-style-type: none">Successful recruitment of nine (9) new line apprentices.Improving easement process with developers and builders is in process.	Scott Jones <i>Chief Financial Officer, Finance</i>
3.3 Align our practices with our communities' diverse needs Understand if and where inequities exist in our practices and operations. Take appropriate and intentional action to increase equity.	<ul style="list-style-type: none">An action plan for the first initiative under this objective has been developed. Work has not yet begun.	Colin Willenbrock <i>General Counsel</i>

PRIORITY 4:
**BUILD A SUSTAINABLE
FUTURE WITH OUR
COMMUNITIES**

We have long prioritized providing affordable carbon-free power to our communities while being sensitive to the natural environment in our planning, construction, and operations. With growing momentum toward electrification, decarbonization, local energy generation and storage, and conservation of natural resources, we are uniquely positioned to help our communities develop and achieve their sustainability goals.

HOW WE WILL MEASURE OUR PROGRESS

Performance metrics defined in the environmental sustainability action plan

Internal assessment of efforts to support community and customer sustainability goals

Feedback from community partners and customers

STRATEGIC OBJECTIVES

4.1 Responsibly minimize and mitigate our environmental impacts
Strengthen our focus on reducing our greenhouse gas emissions, reducing waste across our business activities, and reducing our environmental impacts.

4.2 Help our customers and communities achieve their goals
Engage with community leaders and customers to understand their varying sustainability goals. Develop mutually agreeable strategies and timelines to meet their objectives.

2023-Q3 **ACHIEVEMENTS** & KEY ACTIVITIES

- Members have been identified for the Environmental Sustainability Action Plan (ESAP) core team. Began drafting ESAP team kickoff training program.
 - Created draft for Materiality Assessment which will be used to determine significance of actions identified in the 2022 environmental key performance indicators draft report and form foundation for prioritizing work in the ESAP.
 - Evaluated software from providers who offer environment, health, and safety modules that provide good potential for filling our data tracking and dashboard reporting needs.
-
- Facilitated collaborative discussions and input to identify community and customer groups; sustainability goals and drivers within those groups; what it means to partner and support; and identify current programs as well as material gaps and opportunities for improvement.

ELT CHAMPION

Guy Payne
*Assistant General Manager,
Distribution & Engineering
Services*

Colin Willenbrock
General Counsel

PRIORITY 5:
CREATE THE CULTURE
AND CAPABILITIES
NEEDED FOR THE FUTURE

Our employees are the heart of our organization; they are fundamental to our ability to deliver on our commitments and achieve our vision. We must attract, develop, and retain a workforce that embodies our values and reflects the diversity of our communities. Our employees need not only the capabilities and resources to do their jobs safely and effectively, but also access to development and advancement.

HOW WE WILL MEASURE OUR PROGRESS

Employee sentiment metrics

Recruitment and retention metrics

Diversity and equity metrics

STRATEGIC OBJECTIVES	2023-Q3 ACHIEVEMENTS & KEY ACTIVITIES	ELT CHAMPION
<p>5.1 Be an employer of choice</p> <p>Offer rewarding work experiences that meet evolving employee needs. Create an inclusive culture where everyone can feel safe, welcome, and valued. Engage and empower our people in consistent, meaningful ways.</p>	<ul style="list-style-type: none">• Finalized proposed compensation structure and philosophy and received approval for both from Commission on 9/5/23. Manager education sessions in September and October. Began system work to implement changes.• Reviewed past employee surveys and developed plan for moving forward with 2024 and beyond surveys.• Revised key initiative descriptions to use more approachable language.	<p>Kristi Sterling Chief Information Officer, Information Technology Services</p>
<p>5.2 Evolve workforce skills and capabilities</p> <p>Anticipate the workforce capabilities needed in the next 10 years and develop a robust strategy to meet those needs. Invest in our people to ensure they have skills, knowledge, and tools to succeed.</p>	<ul style="list-style-type: none">• Human Resources held collaborative planning sessions to coordinate work and develop a framework for moving forward with initiatives.• Community outreach email communication to multiple organizations announcing employment opportunity – Meter Deployment Technician, AMI Project.• Implemented continual improvement changes to process for selecting participants for external leadership development programs.• Revised key initiative descriptions to use more approachable language.	<p>Colin Willenbrock General Counsel</p>
<p>5.3 Increase organizational alignment & effectiveness</p> <p>Ensure that all of Team PUD shares a common vision and works together to achieve it. Establish systems to support organizational alignment, planning, prioritization, and decision-making.</p>	<ul style="list-style-type: none">• Established Enterprise Project Governance Board. Work is well underway to develop and implement District-wide project prioritization and resource planning framework and tools.• Implemented strategic plan management system including action plan tracking, quarterly reporting, and draft key performance indicators. Introduced Monday Metrics report for District management.• ELT added strategic initiative to develop and implement a strategy to capture opportunities and mitigate risks of generative AI tools. Established Generative AI Advisory Team and implemented interim policy on Nov 1, 2023.• Assembled core team and conducted kickoff meeting for culture of trust and collaboration initiative.	<p>Kristi Sterling Chief Information Officer, Information Technology Services</p>

Questions & Discussion

