



Energizing Life In Our Communities

Strategic Plan Quarterly Report

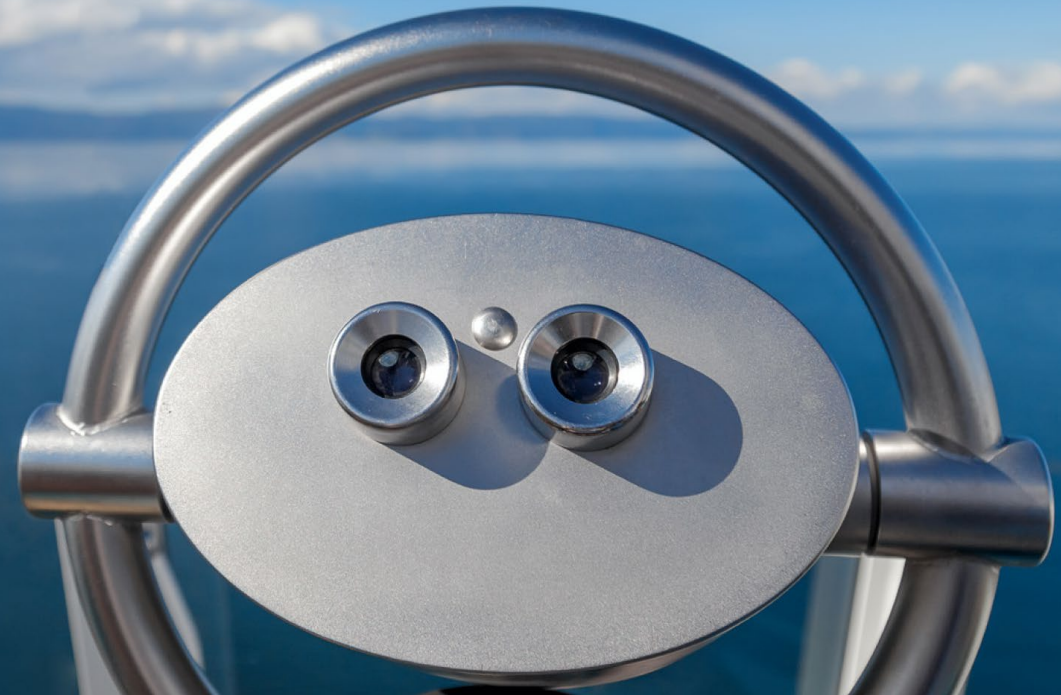
November 19, 2024

Laura Lemke, Senior Program Manager



FOCUS ON THE FUTURE

2023-2027 STRATEGIC PLAN



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](#)



2023-2027 Strategic Plan

Key Performance Metrics

Strategic Performance Metrics

(data through September 30, 2024)

Safeguard What Matters

Recordable Incident Rate

Last 12 Months
3.81 Prior 12M 4.55 ↓

Incident Severity Rating

Last 12 Months
3.5 Prior 12M 19.8 ↓

Preventable Vehicle Accidents

Last 12 Months
27 Prior 12M 36 ↓

Employee Experience

Voluntary Employee Turnover

Last 12 Months
2.4% Prior 12M 3.2% ↓
2 Years Ago 4.8% ↓

Electric System Reliability

SAIDI *average minutes a customer was without power*

Last 12 Months
162.1 Target 105.0 ↑
Prior 12M 151.2 ↑

ASAI *% time power was available to average customer*

Last 12 Months
99.969% Target 99.980% ↓
Prior 12M 99.971% ↓

SAIFI *average # times a customer was without power*

Last 12 Months
1.61 Target 1.00 ↑
Prior 12M 1.20 ↑

CEMI-5 *% customers experiencing >5 outages*

Last 12 Months
1.8% Prior 12M 1.1% ↑
5 Yr Avg 1.1% ↑

Water System Reliability

Unplanned Outages per 1,000 Customers

Last 12 Months
0.62 Prior 12M 0.75 ↓

Customer Experience

Overall Customer Satisfaction Index

2024 Q3
728 2023 Score 738 ↓
Leader Score 781 ↓

Net Promoter Score

2024 Q3
8 2023 Score 4 ↑
Leader Score 47 ↓

JD Power Residential Customer Satisfaction Survey

Community Engagement

Involvement in Community

2024 Q3
6.82 2023 Score 6.78 ↑
Leader Score 7.52 ↓

JD Power Residential Customer Satisfaction Survey

Financial Stability

Current Ratio

Electric
2.21 Requirement 1.00 ↑
Same Q Last Yr 2.43 ↓

Water
2.79 Requirement 1.00 ↑
Same Q Last Yr 4.26 ↓

Debt Service Coverage Ratio

Electric
4.04 Board Requirement 1.75 ↑
Same Q Last Yr 3.78 ↑

Water - Parity
4.37 Board Requirement 1.75 ↑
Same Q Last Yr 5.76 ↓

Operating Ratio

Electric
87.2% Budget YTD 83.7% ↑
Last Yr YTD 82.6% ↑

Water
81.3% Budget YTD 87.1% ↓
Last Yr YTD 75.5% ↑

2024 Financial Results are unaudited

Safeguard What Matters

(data through September 30, 2024)

Recordable Incident Rate (RIR)

(# recordable incidents * 200,000) / total working hours

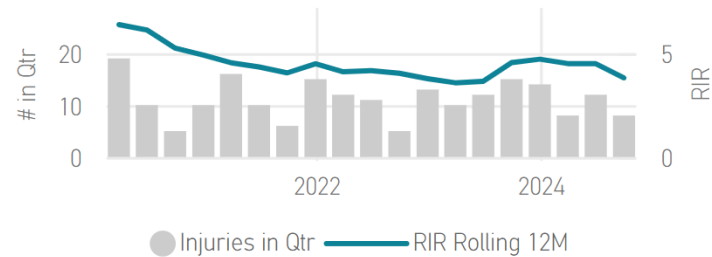
Last 12 Months

3.81

Prior 12M 4.55 | -16% | -0.74 ↓

42 recordable injuries, ▼ 50 in the prior 12 months

Rolling 12 Month RIR, by Quarter End Since 2020



Severity Rating

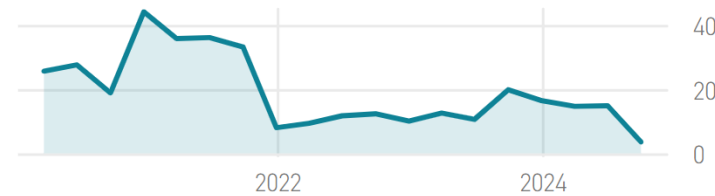
lost days / # recordable injuries

Last 12 Months

3.5

Prior 12M 19.8 | -82% | -16.3 ↓

Rolling 12 Month Severity Rating, by Quarter End Since 2020



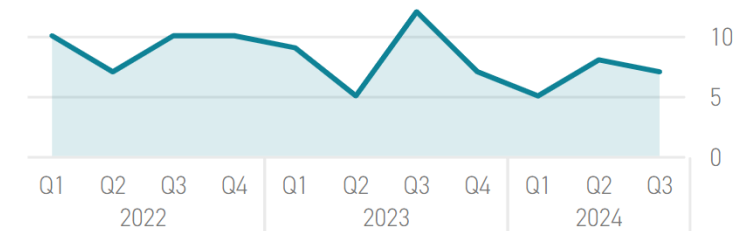
Preventable Vehicle Accidents

Last 12 Months

27

Prior 12M 36 | -25% | -9 ↓

Accidents by Quarter



Recordable Incident Rate (RIR) provides a standardized measure of safety performance, allowing the District to track workplace injuries and illnesses over time, compare our safety record with industry benchmarks, and identify areas for improvement.

This rolling 12-month calculation is not our official OSHA recordable incident rate. The OSHA metric is calculated by calendar year.

Severity Rating provides a common language for discussing and understanding the impact of safety incidents.

The PUD’s Driving Committee meets the first Tuesday of each month to review accidents and determine which were preventable.

Note: Historical RIR may change as incidents may be reported up to one year after they occur and their classification of reportable or not may change. Severity rating may change as the count of recordable incidents shifts and as lost days continue to accrue to past injuries. The metrics will update each quarter to reflect the most recent data.

System Reliability

(data through September 30, 2024)

Electric System Reliability

SAIDI (System Avg Interruption Duration Index)

average minutes a customer was without power

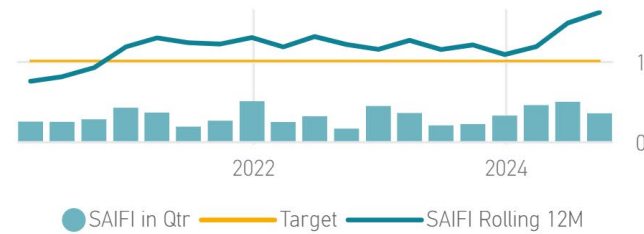
Last 12 Months **162.1** | Target **105.0** | **+57.1** ↑
 Prior 12M **151.2** | **+11.0** ↑



SAIFI (System Avg Interruption Frequency Index)

average # times a customer was without power

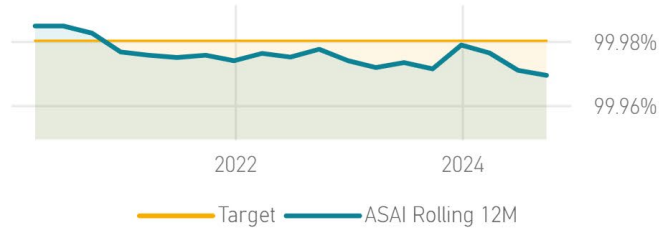
Last 12 Months **1.61** | Target **1.00** | **+0.61** ↑
 Prior 12M **1.20** | **+0.41** ↑



ASAI (Avg System Availability Index)

% time power was available to the average customer

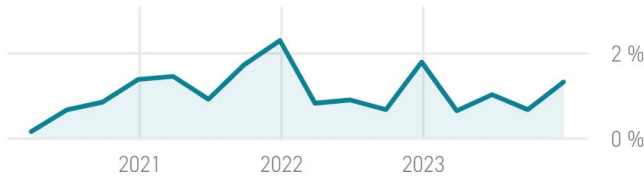
Last 12 Months **99.969%** | Target **99.980%** ↓
 Prior 12M **99.971%** ↓



CEMI-5 (Customers Experiencing Multiple Interruptions)

% customers experiencing more than 5 outages

Last 12 Months **1.8%** | Prior 12M **1.1%** | **+61%** | **+1pp** ↑

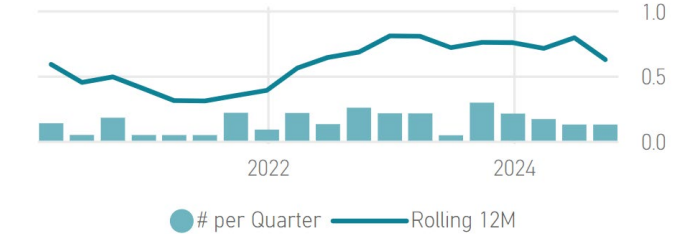


Water System Reliability

Water Outages per 1,000 Customers

Unplanned outages only

Last 12 Months **0.62** | Prior 12 **0.75** | **-18%** | **-0.13** ↓



A lower **SAIDI** value indicates fewer or shorter interruptions.

ASAI translate SAIDI into a metric that describes the percentage of time that power was available to customers.

The calculation is:

$$(total\ minutes\ in\ period - SAIDI\ minutes) / total\ minutes\ in\ period$$

A lower **SAIFI** value indicates fewer power interruptions.

CEMI-5 includes outages of >1 minute. A lower score indicates that fewer customers are experiencing multiple outages.

Note: Electric system reliability metrics exclude planned outages and Major Event Days (MEDs). MED's are days in which the daily system SAIDI exceeds a calculated threshold that is evaluated and established for each calendar year. MEDs are identified to allow study of the system's daily operation without being influenced by a few large events.

Financial Stability

(data through September 30, 2024; 2024 financial results are unaudited)

Electric Utility

Current Ratio

Current & Accrued Assets / Current & Accrued Liabilities

Qtr End 2.21	Requirement	1.00	+1.21 ↑
	Last Qtr	2.87	-0.66 ↓
	Same Q Last Yr	2.43	-0.22 ↓

Debt Service Coverage Ratio

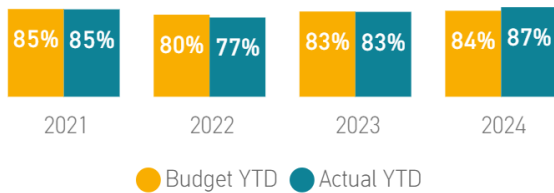
Operating Cash Flow / Total Debt

Qtr End 4.04	Board Requirement	1.75	+2.29 ↑
	Last Qtr	4.04	0.00 ↓
	Same Q Last Yr	3.78	+0.26 ↑

Operating Ratio

Operating Expense / Operating Revenue

YTD 87.2%	Budget YTD	83.7%	+4% ↑
	Last Yr YTD	82.6%	+6% ↑



Water Utility

Current Ratio

Current & Accrued Assets / Current & Accrued Liabilities

Qtr End 2.79	Requirement	1.00	+1.79 ↑
	Last Qtr	3.14	-0.35 ↓
	Same Q Last Yr	4.26	-1.47 ↓

Debt Service Coverage Ratio

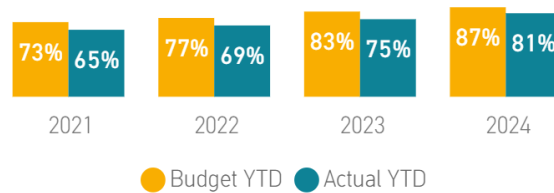
Operating Cash Flow / Total Debt

Qtr End 4.37	Board Requirement	1.75	+2.62 ↑
	Last Qtr	4.21	+0.16 ↑
	Same Q Last Yr	5.76	-1.39 ↓

Operating Ratio

Operating Expense / Operating Revenue

YTD 81.3%	Budget YTD	87.1%	-7% ↓
	Last Yr YTD	75.5%	+8% ↑



Current Ratio measures an organization's ability to pay its short-term obligations or those due within one year. A current ratio of 1 indicates that the company has exactly enough short-term assets to cover its short-term obligations.

Debt-Service Coverage Ratio is used to assess whether an organization has sufficient net operating income to service its debt obligations. The ratio can influence credit ratings, borrowing costs, and overall financial stability. A ratio of 1 indicates that an organization has exactly enough operating income to pay its debt service costs.

Operating Ratio is an indicator of operational effectiveness. It is also a useful benchmark for both comparing organizational performance over time and comparing our performance to that of similar organizations.

Operating Expense includes O&M, Transmission, and Purchased Power / Water costs. For better comparison, Operating Expense actuals exclude an annual year-end non-cash adjustment related to an accounting standard requirement.

Operating Revenue excludes the Unbilled Revenue Adjustment.

Customer Experience and Community Engagement

JD Power Residential Customer Satisfaction Survey

Overall Customer Satisfaction Index

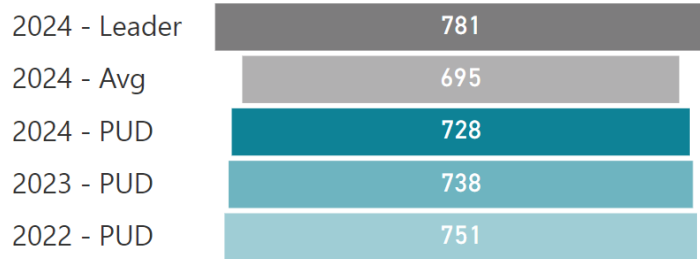
2024 Q3 Score **728**

2023 Score **738** | -10 ↓

2022 Score **751** | -23 ↓

Leader Score **781** | -53 ↓

Segment Rank = **12 of 62**, ▼ from 11 last yr



Net Promoter Score

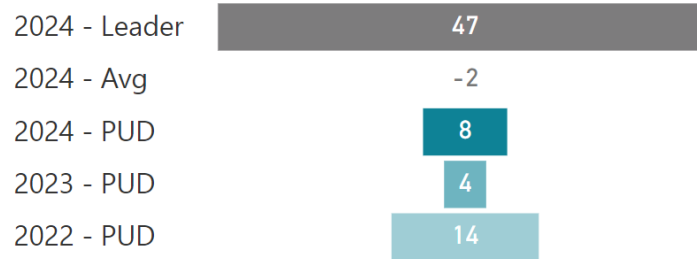
2024 Q3 Score **8**

2023 Score **4** | +4 ↑

2022 Score **14** | -6 ↓

Leader Score **47** | -39 ↓

Segment Rank = **16 of 62**, ▲ from 23 last yr



Involvement in Community

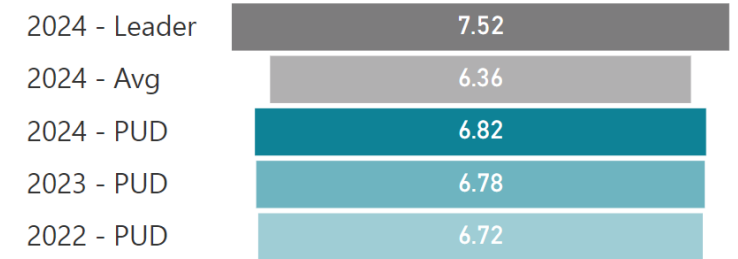
2024 Q3 Score **6.82**

2023 Score **6.78** | +0.04 ↑

2022 Score **6.72** | +0.10 ↑

Leader Score **7.52** | -0.70 ↓

Segment Rank = **8 of 62**, ▲ from 11 last yr



JD Power surveys evaluate the quality of customer service provided by an organization, based on factors such as the customer's experience with the company's representatives, resolution of issues, and overall satisfaction. This is the top-level aggregated score. Our target is 800.

The JD Power Net Promoter Score (NPS) starts by classifying respondents into promoter, detractor, and passive segments. Then, the % of customers that are detractors is subtracted from the % that are promoters to determine the NPS.

This JD Power Score is in response to the question "On a scale of 1-10, where 1 is unacceptable and 10 is Outstanding, how would you rate Snohomish PUD on Involvement in the Community (e.g. local charities, civic organizations, etc.)?"

Note: Snohomish PUD is in the Midsize Utility segment, which includes a total of 62 utilities. The Leader score shown above = the top score in that category. The Avg score = the Midsize Utility segment average score.

Employee Experience

(data through September 30, 2024)

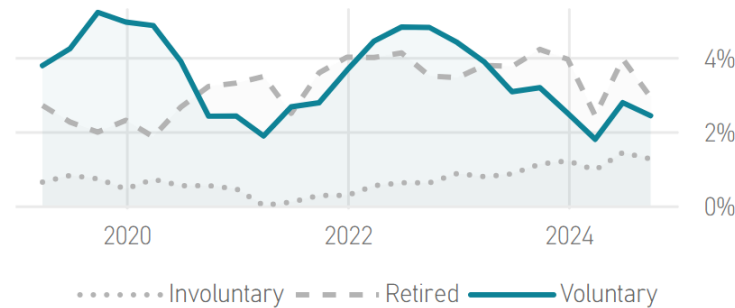
Voluntary Employee Turnover

excludes retirements and involuntary separations

Last 12 Months
2.4%

Prior 12M 3.2% | -25% ↓
2 Years Ago 4.8% | -50% ↓

Rolling 12-month Turnover, by Separation Reason



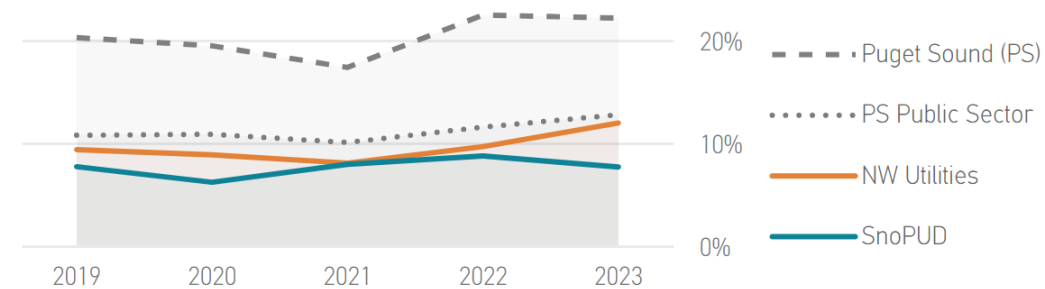
Overall Employee Turnover

includes all separation reasons

Last 12 Months
6.5%

Prior 12M 8.5% | -23% ↓
2 Years Ago 8.9% | -26% ↓

Annual Overall Turnover, with Milliman Benchmarks



Voluntary Employee Turnover measures the rate at which employees willingly leave SnoPUD. This can reflect job satisfaction levels, career development opportunities, and overall employee engagement. Voluntary turnover also includes people satisfied with their work at SnoPUD that leave due to new opportunities, relocation, and personal reasons.

This is a best available metric. We anticipate supplementing or replacing it with a new employee engagement metric later this year.

Overall Employee Turnover with a comparison to regional benchmarks helps put SnoPUD's voluntary turnover into context. Benchmarks are provided by Milliman and available annually.

2023 – 2027 Strategic Plan

2024 Q3 Key Achievements, by Strategic Objective



BOLSTER OPERATIONAL RELIABILITY AND RESILIENCY

STRATEGIC OBJECTIVES

2024 Q3 KEY ACHIEVEMENTS AND ACTIVITIES

RELATED 2024 Q3 COMMISSION PRESENTATIONS

1.1 Develop the capabilities for an increasingly complex energy future

Jason Zyskowski | Chief Energy Resources Officer

- Data Science Program officially started.
- Electric Vehicles included in planning software.

1.2 Build the distribution grid of our future

Mark Flury (interim) | Sr Manager Transmission & Distribution System Operations & Engineering

- Transmission and Distribution Planning Guideline updates were completed on September 30.
- Received contract from DOE for SnoSMART (GRIP Grant).
- All transmission lines fully inspected in 2024.
- Identified fault locations on highest SAIDI circuits for the last 5 years.

- SnoPUD Reliability 2023 | Jul 16
- SnoSMART Commission Program Overview | Aug 20

1.3 Ensure resource adequacy by expanding and protecting resources

Jason Zyskowski | Chief Energy Resources Officer

- Completed BPA Product Analysis and recommended product change which was supported by the Commission.
- Completed a capacity exchange transaction for scheduling services, which helped the District acquire 50MW of market capacity while generating net revenue.
- Main replacements on Marine Drive and Soper Hill Road are progressing on schedule and should be completed in Q4 2024.

- Bonneville Power Administration Power Product Analysis | Aug 1
- Contingency Services | Aug 20
- Discretionary Purchased Water Cost Adjustment Language | Sep 17

1.4 Preserve exceptional customer value

Scott Jones | Chief Financial Officer

- Budget and financial planning team completed interviews with key stakeholders and prioritized pain points.
- Enterprise Risk Management (ERM) conducted opportunity analysis. Held the first ERM workshop and introduced new risk survey and risk rating scales.

- 2nd Quarter 2024 Financial Conditions and Activities Monitoring Report | Aug 20
- Cash Reserve Policy Updates | Sep 3

EVOLVE AND ENHANCE CUSTOMER EXPERIENCES

STRATEGIC OBJECTIVES

2024 Q3 KEY ACHIEVEMENTS AND ACTIVITIES

RELATED 2024 Q3 COMMISSION PRESENTATIONS

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

John Hoffman | *Chief Customer Officer*

- Customer Experience included in New Employee Orientation Program
- Energy Assistance Dashboard utilized to develop targeted outreach for HEARs rebate program.

- Resolution Recognizing and Designating the Week of Oct 7-11 as Customer Service Appreciation Week | Sep 17

2.2 Deliver creative, personal, and convenient solutions

John Hoffman | *Chief Customer Officer*

- Completed PUD Branding Guidelines.
- Completed testing for proactive outage alerts system.
- Whole Building Aggregation went live in MySnoPUD.
- Credit card expiration and autopay alerts were implemented on MySnoPUD
- Kicked off Owner-Agent app replacement.

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

Kristi Sterling | *Chief Information Officer*

- Released monthly Reverse Energy Report to help identify customers producing energy and sending it onto the grid without submitting the required PUD application.
- Released Transformer Overload Report for use by Distribution Engineering.

- ConnectUp Quarterly Updates

ACTIVELY HELP OUR COMMUNITIES THRIVE

STRATEGIC OBJECTIVES

2024 Q3 KEY ACHIEVEMENTS AND ACTIVITIES

RELATED 2024 Q3 COMMISSION PRESENTATIONS

3.1 Strengthen our community connections

Lisa Hunnewell | *Chief Communications Officer*

- Community Engagement Council charter developed and approved by Executive Leadership Team (ELT).
- Online form launched for post event data collection to inform metrics.

- Regular Communications and Community Engagement briefings

3.2 Support the economic vitality of our communities

Scott Jones | *Chief Financial Officer*

- Final draft of New Load Policy approved by legal, finalization dependent on Large Load Policy currently in development.

3.3 Align our practices with our communities' diverse needs

Colin Willenbrock | *General Counsel*

- Definition of what community equity means for the District drafted and approved by ELT.
- Initial inventory underway of our current practices, programs, and services that includes if and how they incorporate equitable practices.

BUILD A SUSTAINABLE FUTURE WITH OUR COMMUNITIES

STRATEGIC OBJECTIVES

2024 Q3 KEY ACHIEVEMENTS AND ACTIVITIES

RELATED 2024 Q3 COMMISSION PRESENTATIONS

4.1 Responsibly minimize and mitigate our environmental impacts

Colin Willenbrock | *Chief Legal Officer*

- Draft Environmental Sustainability Action Plan being reviewed by internal stakeholders.
- Key metrics for energy and water use have been identified.
- Woods Creek Sustainability Center: permitting for shelter and trail submitted, State Environmental Policy Act assessment complete; critical area site mitigation plan complete; contract for shelter issued

4.2 Help our customers and communities achieve their goals

Colin Willenbrock | *Chief Legal Officer*

- Transitioning to new initiative lead.

CREATE THE CULTURE AND CAPABILITIES NEEDED FOR THE FUTURE

STRATEGIC OBJECTIVES

2024 Q3 KEY ACHIEVEMENTS AND ACTIVITIES

RELATED 2024 Q3 COMMISSION PRESENTATIONS

5.1 Be an employer of choice

Sara Kurtz | Chief Human Resources Officer

- 2025 Manager development workshop plan drafted
- 2024 Employee Engagement Survey Completed with a 68% response rate

- Snohomish PUD’s Journey to Inclusive Excellence | Sep 17

5.2 Evolve workforce skills and capabilities

Sara Kurtz | Chief Human Resources Officer

- Refresh & Recommit training feedback summary and action plans presented to ELT.
- Everett Career Link Intern Program: Student completed 90 hour program with focus in the trades.
- Implemented "mobile apply" - better applicant experience when using a mobile device.
- Streamlined job application to remove obsolete and redundant sections, improving user experience by limited information to be manually entered
- Added "Our Values" section to all job postings

5.3 Increase organizational alignment & effectiveness

Kristi Sterling | Chief Information Officer

- Enterprise Project Governance Board rolled out training on business case development to pilot group.
- ELT revised framework for monthly business review meeting and associated reporting.
- Integrated strategic plan into New Employee Orientation and New Manager training programs.

- Strategic Plan Report | Aug 20