



Energizing Life In Our Communities

Strategic Plan Quarterly Update

March 3, 2026

Laura Lemke

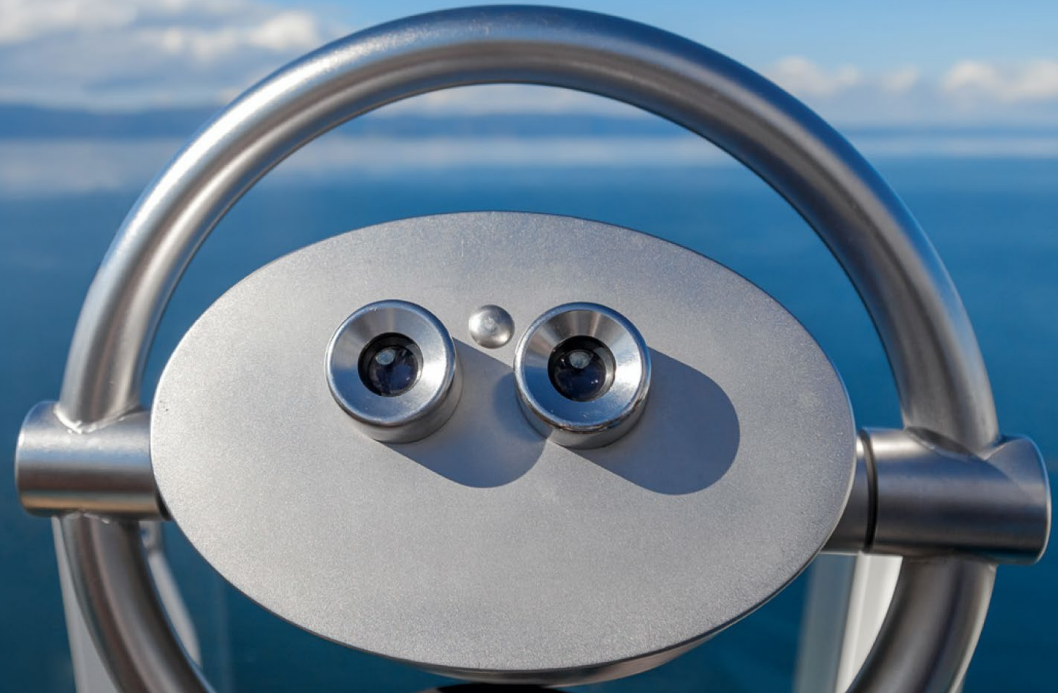
Program Director – District Strategy and Performance

Prior Presentation: August 19, 2025



FOCUS ON THE FUTURE

2023-2027 STRATEGIC PLAN



Prior Presentations & Conversations

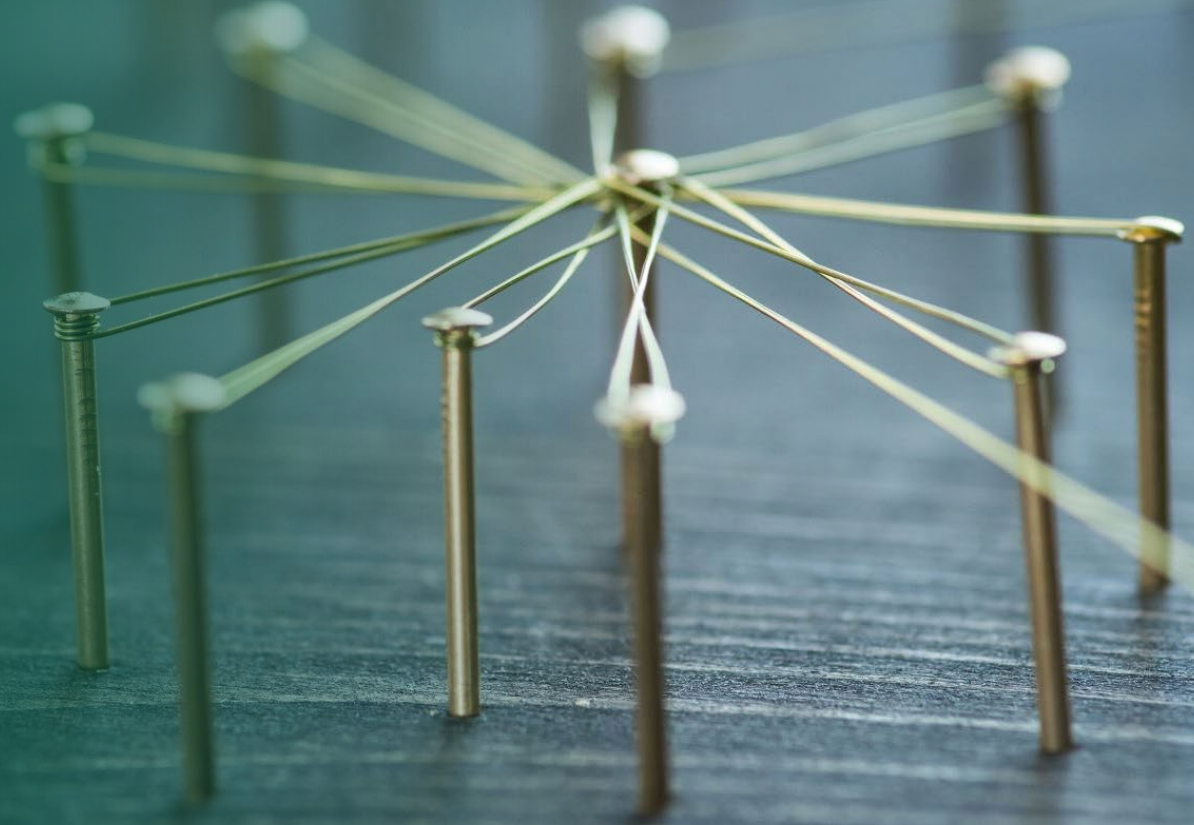
August 19, 2025	Strategic Plan Quarterly Update
February 18, 2025	Strategic Plan Quarterly Update
August 20, 2024	Strategic Plan Quarterly Update
February 20, 2024	Strategic Plan Quarterly Update
December 5, 2023	2023-2027 Strategic Plan Update
February 7, 2023	Approval of the 2023-2027 Strategic Plan
January 24, 2023	Draft 2023-2027 Strategic Plan

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



Today's Purpose:
Update on our
2023-2027 Strategic Plan
execution.

This presentation is
informational,
no action is requested.



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.



Strategic Priority

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



Objective

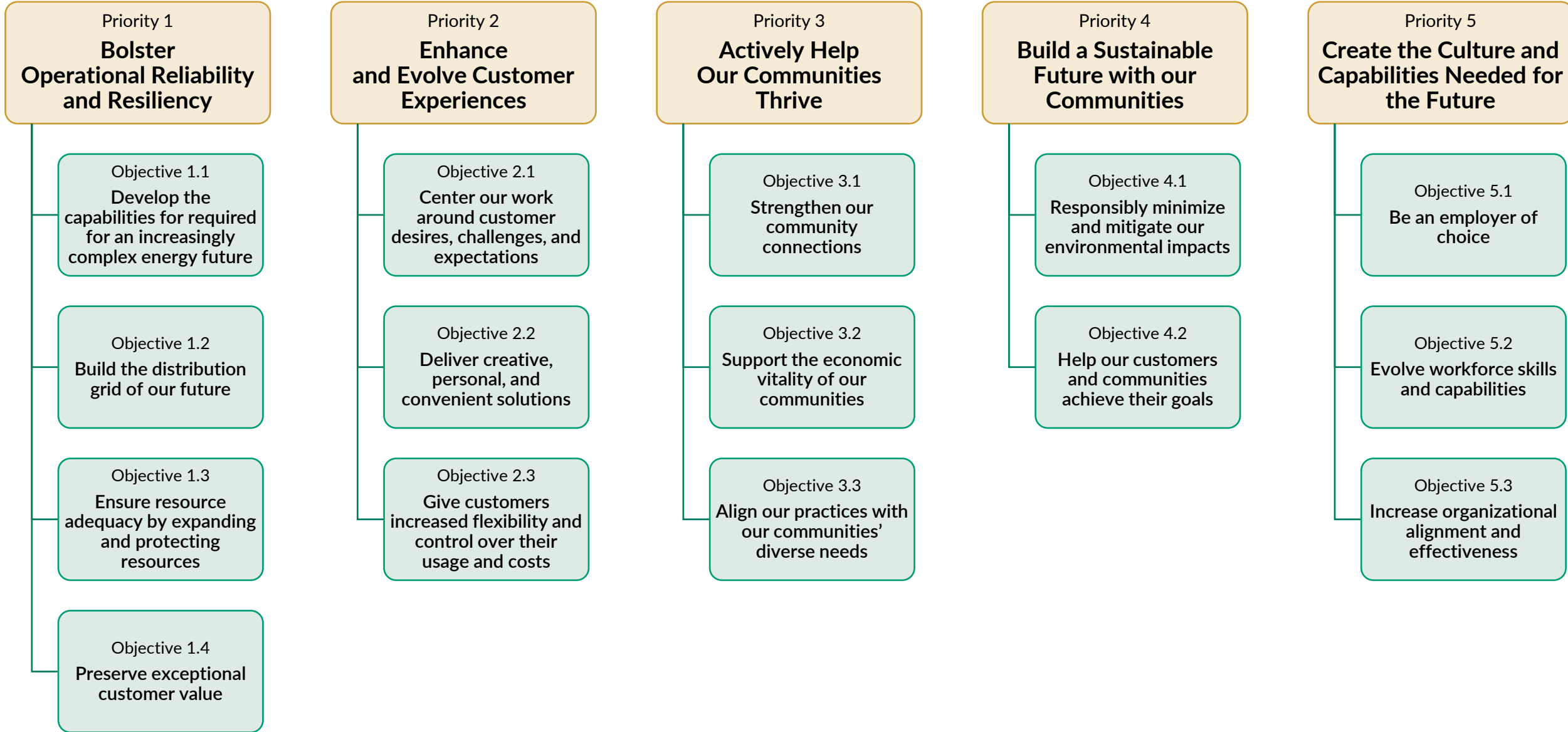
The specific outcomes we are driving toward under a priority. There are 2 or more under each priority.



Initiative

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

Our Strategic Priorities and Objectives





2023-2027 Strategic Plan

Key Performance Metrics

Strategic Performance Metrics

(data through December 31, 2025; 2025 financial results unaudited)

Safeguard What Matters

Recordable Incident Rate

Last 12 Months
4.45 Prior 12M **3.79** ↑

Incident Severity Rating

Last 12 Months
5.83 Prior 12M **7.28** ↓

Preventable Vehicle Accidents (PVA)

Last 12 Months
24 Prior 12M **35** ↓

Employee Experience

Voluntary Employee Turnover

Last 12 Months
2.9% Prior 12M **2.5%** ↑
2 Years Ago **2.3%** ↑

Employee Experience 2025 Survey

Overall Favorability 2024 **68.2%** ↓
BPTW **75.3%** ↓

Overall Engagement 2024 **75.5%** ↑
BPTW **79.0%** ↓

Electric System Reliability

SAIDI *average minutes a customer was without power*

Last 12 Months
149.5 Target **105.0** ↑
Prior 12M **185.1** ↓

ASAI *% time power was available to average customer*

Last 12 Months
99.972% Target **99.980%** ↓
Prior 12M **99.965%** ↑

SAIFI *average # times a customer was without power*

Last 12 Months
1.26 Target **1.00** ↑
Prior 12M **1.59** ↓

CEMI-5 *% customers experiencing >5 outages*

Last 12 Months
0.9% Prior 12M **1.4%** ↓
5 Yr Avg **1.6%** ↓

Water System Reliability

Unplanned Outages per 1,000 Customers

Last 12 Months
0.78 Prior 12M **0.54** ↑

Customer Experience

Overall Customer Satisfaction Index

our target is top 3 by end of 2026

2025 YTD Rank
7 vs Target **-4** ↓
vs 2024 **0** ↑

Customer Trust

our target is top 3 by end of 2026

2025 YTD Rank
9 vs Target **-6** ↓
vs Last Qtr **-2** ↓

JD Power Residential Customer Satisfaction Survey

Community Engagement

Involvement in Community

our target is top 3 by end of 2026

2025 YTD Rank
10 vs Target **-7** ↓
vs 2024 **-2** ↓

JD Power Residential Customer Satisfaction Survey

Financial Stability

Current Ratio

Electric
2.88 Requirement **1.00** ↑
Same Q Last Yr **2.61** ↑

Water
3.97 Requirement **1.00** ↑
Same Q Last Yr **3.21** ↑

Debt Service Coverage Ratio

Electric
6.35 Board Requirement **1.75** ↑
Same Q Last Yr **3.21** ↑

Water - Parity
4.02 Board Requirement **1.75** ↑
Same Q Last Yr **3.34** ↑

Operating Ratio

Electric
78.8% Budget YTD **81.7%** ↓
Last Yr YTD **87.0%** ↓

Water
69.6% Budget YTD **81.7%** ↓
Last Yr YTD **77.2%** ↓

*2025 Financial Results are unaudited.
Operating Expenses exclude GASB adjustment.*

BPTW = Best Places to Work. Last 12 months = Jan 1, 2025 to Dec 31, 2025 and Qtr End = Dec 31, 2025

Recordable Incident Rate (RIR)

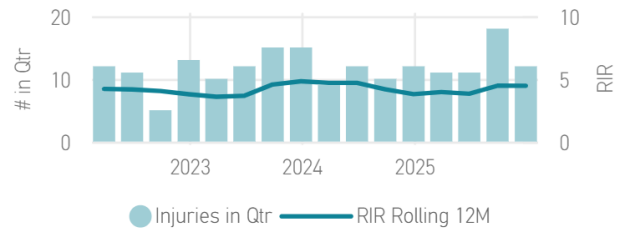
(# recordable incidents * 200,000) / total working hours

Last 12 Months

4.45 Prior 12M **3.79** | +18% | +0.66 ↑

52 recordable injuries, ▲ from 43 in the prior 12 months

Rolling 12 Month RIR, by Quarter End



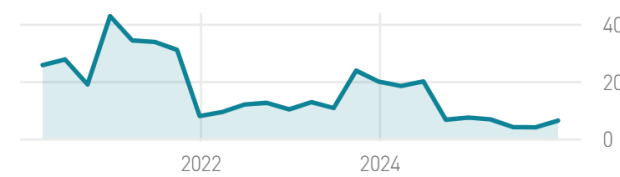
Severity Rating

lost days / # recordable injuries

Last 12 Months

6.2 Prior 12M **7.3** | -15% | -1.1 ↓

Rolling 12 Month Severity Rating, by Quarter End Since 2020

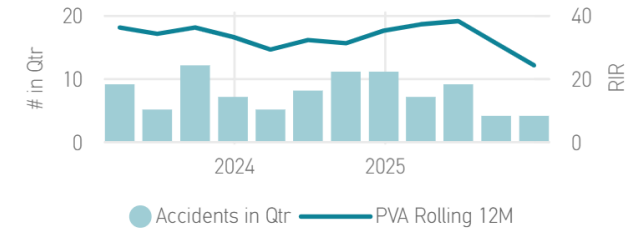


Preventable Vehicle Accidents (PVA)

Last 12 Months

24 Prior 12M **35** | -31% | -11 ↓

Rolling 12 Month PVA, by Quarter End



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.

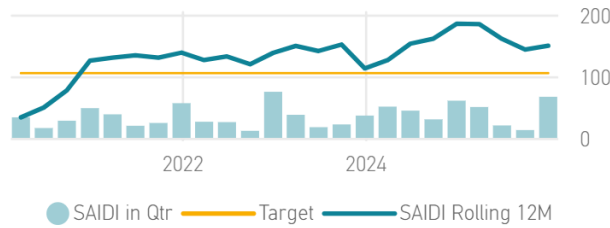
System Reliability

(data through December 31, 2025)

Electric System Reliability

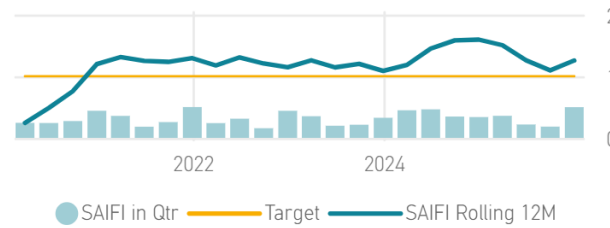
SAIDI (System Avg Interruption Duration Index) average minutes a customer was without power

Last 12 Months **149.5** Target **105.0** | **+44.5** ↑
Prior 12M **185.1** | **-35.6** ↓



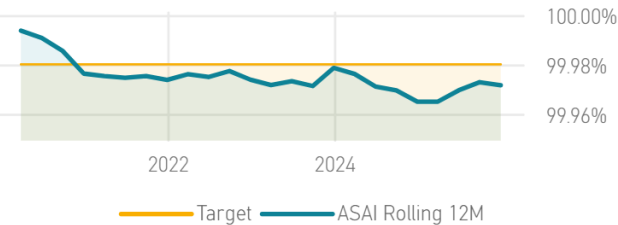
SAIFI (System Avg Interruption Frequency Index) average # times a customer was without power

Last 12 Months **1.26** Target **1.00** | **+0.26** ↑
Prior 12M **1.59** | **-0.34** ↓



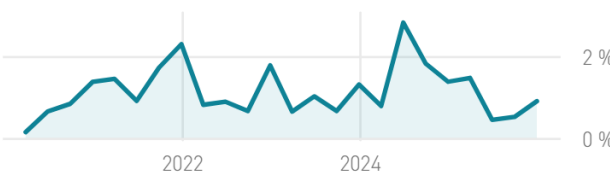
ASAI (Avg System Availability Index) % time power was available to the average customer

Last 12 Months **99.972%** Target **99.980%** ↓
Prior 12M **99.965%** ↑



CEMI-5 (Customers Experiencing Multiple Interruptions) % customers experiencing more than 5 outages

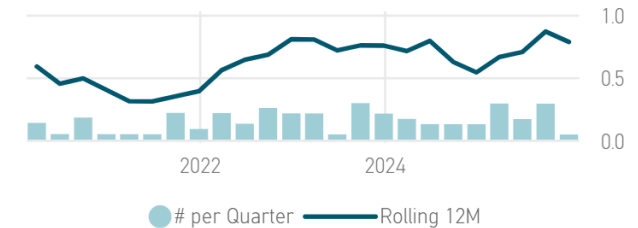
Last 12 Months **0.9%** Target **1.4%** | **-35%** ↓
Prior 12M **1.4%** | **-0pp** ↓



Water System Reliability

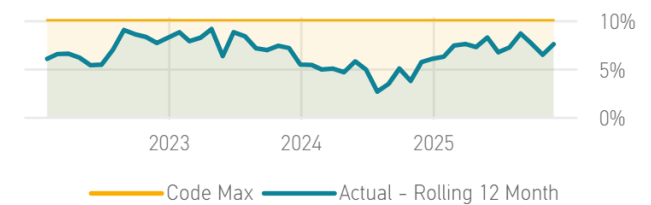
Water Outages per 1,000 Customers unplanned outages only

Last 12 Months **0.78** Target **0.54** | **+45%** ↑
Prior 12M **0.54** | **+0.24** ↑



Distribution System Leakage includes apparent and real losses

Last 12 Months **7.5%** Target **5.6%** | **+33%** ↑
Prior 12M **5.6%** | **+33%** ↑



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

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 December 31, 2025; 2025 financial results unaudited)

Electric Utility

Current Ratio

Current & Accrued Assets / Current & Accrued Liabilities

Qtr End	Requirement	1.00	+1.88	↑
2.88	Last Qtr	3.00	-0.13	↓
	Same Q Last Yr	2.61	+0.27	↑

Debt Service Coverage Ratio

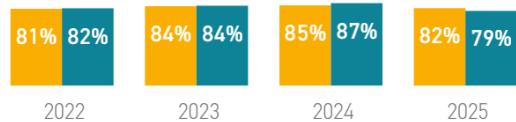
Operating Cash Flow / Total Debt

Qtr End	Board Requirement	1.75	+4.60	↑
6.35	Last Qtr	4.61	+1.74	↑
	Same Q Last Yr	3.21	+3.14	↑

Operating Ratio

Operating Expense / Operating Revenue

YTD	Budget YTD	81.7%	-4%	↓
78.8%	Last Yr YTD	87.0%	-9%	↓



● Budget YTD ● Actual YTD

Water Utility

Current Ratio

Current & Accrued Assets / Current & Accrued Liabilities

Qtr End	Requirement	1.00	+2.97	↑
3.97	Last Qtr	4.47	-0.49	↓
	Same Q Last Yr	3.21	+0.76	↑

Debt Service Coverage Ratio

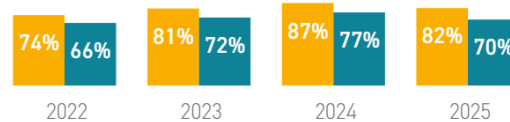
Operating Cash Flow / Total Debt

Qtr End	Board Requirement	1.75	+2.27	↑
4.02	Last Qtr	3.58	+0.44	↑
	Same Q Last Yr	3.34	+0.67	↑

Operating Ratio

Operating Expense / Operating Revenue

YTD	Budget YTD	81.7%	-15%	↓
69.6%	Last Yr YTD	77.2%	-10%	↓



● Budget YTD ● Actual YTD

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

(data through Q4 2025)

Overall Customer Satisfaction Index

our target is top 3 by end of 2026

2025 YTD Rank

7

vs Our Target -4 ↓

vs 2024 Rank 0 ↑

vs 2023 Rank +4 ↑

Our YTD score is 548 vs the leading score of 613 held by EPB

2025 YTD Scores

2025 - Leader

613

2025 - Avg

491

2025 - PUD

548

Customer Trust

our target is top 3 by end of 2026

2025 YTD Rank

9

vs Our Target -6 ↓

vs Last Quarter -2 ↓

Our YTD score is 557 vs the leading score of 633 held by EPB

2025 YTD Scores

2025 - Leader

633

2025 - Avg

495

2025 - PUD

557

Involvement in Community

our target is top 3 by end of 2026

2025 YTD Rank

10

vs Our Target -7 ↓

vs 2024 Rank -2 ↓

vs 2023 Rank +1 ↑

Our YTD score is 7.13 vs the leading score of 7.50 held by Entergy Mississinni

2025 - Leader

7.50

2025 - Avg

6.74

2025 - PUD

7.13

2024 - PUD

6.83

2023 - PUD

6.78

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. The scoring calculation changed in 2025 so there is no score comparison to prior years.

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 your level of trust with Snohomish PUD (e.g., community involvement, environmental impacts)? This metric is new in 2025 so there is no comparison to prior years.

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

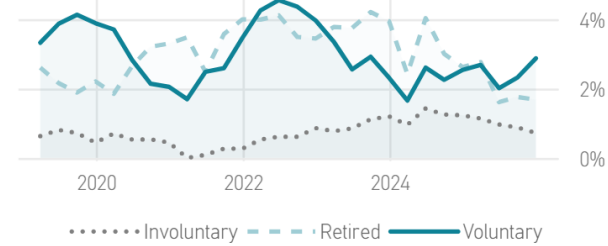
(data through December 31, 2025)

Voluntary Employee Turnover

excludes retirements and involuntary separations

Last 12 Months **2.9%** | Prior 12M 2.5% | +13% ↑
 2 Years Ago 2.3% | +24% ↑

Rolling 12-month Turnover, by Separation Reason

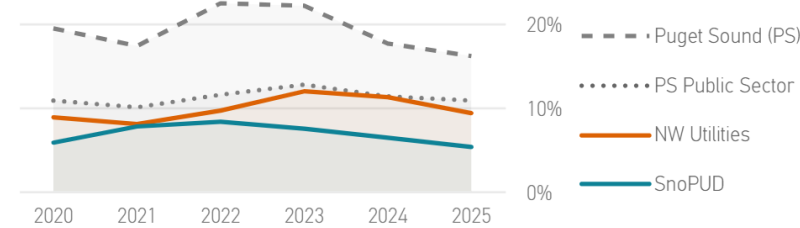


Overall Employee Turnover

includes all separation reasons

Last 12 Months **5.3%** | Prior 12M 6.4% | -17% ↓
 2 Years Ago 7.4% | -29% ↓

Annual Overall Turnover, with Milliman Benchmarks



Employee Experience

results from fall 2025 Employee Experience Survey

Overall Favorability **67.7%** | 2024 Score 68.2% ↓
 Best Places to Work 75.3% ↓

Overall Engagement **76.2%** | 2024 Score 75.5% ↑
 Best Places to Work 79.0% ↓

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.

2024 is the first year for which Snohomish PUD has data. The survey will be conducted annually. Benchmarks are provided by Quantum ratings for their identified Best Places to Work employers with 1,000-4,999 employees.

Overall Favorability is the percentage of favorable survey responses for every survey question

Overall Engagement is the % favorable responses to nine key employee engagement questions and captures the core of how employee engagement is measured. They help reveal the current state of employee engagement within organizations. Outcomes are not actionable as they are the targets the organization should strive to maintain or enhance.

Strategic Performance Metrics

(data through December 31, 2025; 2025 financial results unaudited)

Safeguard What Matters

Recordable Incident Rate

Last 12 Months
4.45 Prior 12M **3.79** ↑

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5 Yr Avg **1.6%** ↓

Water System Reliability

Unplanned Outages per 1,000 Customers

Last 12 Months
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Customer Experience

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Strategic Initiative Edits



Strategic Plan Edits & Additions

Edits:

As we continue to execute our 2023-2027 Strategic Plan and develop detailed actual plans for each initiative, we have discovered a need to rename initiatives to align with the work completed, planned, and underway.

OBJECTIVE	INITIATIVES: PUBLISHED STRATEGIC PLAN WORDING	INITIATIVES: WORDING CHANGES
5.1 Be an Employer of Choice	A. Develop and implement a strategy to effectively support flexible, hybrid work.	None
	B. Develop and implement a strategy to increase manager effectiveness.	None
	C. Increase transparency and equity of access to advancement and development opportunities.	None
	D. Implement the Diversity, Equity, and Inclusion Initiative Blueprint. Establish and track performance metrics.	D. Develop and implement a diversity, equity, and inclusion program
	E. Develop and implement a consistent and meaningful framework for measuring employee experience and acting on the insights.	None

The published strategic plan will be updated to reflect this change and posted to www.snopud.com

2023-2027 Strategic Plan

2023-2025 Execution Progress Report

✓ = strategic initiative scope is complete



Strategic Priority

BOLSTER OPERATIONAL RELIABILITY & RESILIENCY

HOW WE MEASURE OUR IMPACT

- System reliability metrics
- Financial performance metrics
- Customer satisfaction with reliability and value of our services

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.

OUR 2023-2027 STRATEGIC OBJECTIVES:

- **Preserve exceptional customer value**
- **Ensure resource adequacy by expanding and protecting resources**
- **Build the distribution grid of our future**
- **Develop the capabilities for an increasingly complex energy future**

Strategic Objective

Preserve Exceptional Customer Value

We will ensure long-term financial health and stability through robust planning, cost and risk management, and adequate reserves

STRATEGIC INITIATIVES:

- C. Bolster enterprise risk management practices and protocols.
- D. Improve budgeting, cost management, and long-term planning; enhance budget and financial reporting.
- E. Develop and implement a long-term rate strategy and supporting policies.

Note that work for initiative A – Develop and enterprise-wide approach to operational planning has been tracked under Objective 5.3 – Increase Organizational Alignment and Effectiveness. The original initiative B was merged into initiative D.

Progress to Date

Enterprise Risk Management:

- ✓ Established Policy and Procedures Manual
- ✓ Established risk register, risk profile report, and high-priority risk mitigation plans
- ✓ Established Risk Oversight Committee and quarterly risk monitoring and reporting system

Financial Stewardship and Rate Strategy:

- ✓ Established PUD Financial Principles and implemented training
- ✓ Improved executive leadership team and Commission budget review reporting
- ✓ Improved annual budget development process to increase transparency
- ✓ Conducted external review of Cost of Service Analysis (COSA) and rate making process
- ✓ Accelerated budget development, COSA, and rate adjustment recommendation development to support coordinated Commission review and decision making

Looking Ahead in 2026

- ➔ ERM developing key risk indicators and dashboard and departmental risk inventory
- ➔ Creation and implementation of Financial Fundamentals for Managers training
- ➔ Increasing District financial acumen and awareness through the Dollars and Sense blog
- ➔ Development and approval of new budget and financial planning governance policies
- ➔ Implementation of enterprise capital project prioritization
- ➔ Develop Intra-class Rate Equity Metrics and explore time-based COSA models

Strategic Considerations

- The Budget office is a very lean group and other priorities could impact timelines
- Balancing desire to address rate design imbalances with maintaining customer affordability

Strategic Objective

Ensure resource adequacy by expanding and protecting resources

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

STRATEGIC INITIATIVES:

- ✓ A. Implement electric system Integrated Resource Plan (IRP) action. Evolve plans as indicated by future IRPs.
- ✓ B. Implement the 2021 Water System Plan.
- C. Proactively identify and initiate asset and infrastructure projects with long planning horizons.

Progress to Date

Electric System IRP:

- ✓ Transitioned to Bonneville Power Administration (BPA) load following product
- ✓ Remarketed surplus energy resources, transitioned transmission products, and monetized surplus transmission rights.
- ✓ Withdrew from Western Resource Adequacy Program (WRAP)
- ✓ Acquired Renewable Energy Credits (RECs) to reduce regulatory compliance risks in future
- ✓ Developed 2025 IRP to guide us through the remainder of our 2023-2027 Strategic Plan

Water System Plan:

- ✓ Operationalized implementation of the Water System Plan, including capital and operational components
- ✓ Completed the 2023-2025 portions of the 2021 Water System Plan
- ✓ Completed Connect Up meter deployment in February 2026

Looking Ahead in 2026

- ➔ The 2025 IRP Action plan will be integrated into division operating plans and processes
- ➔ The 2021 Water Plan will continue to be executed through the water utility operations and work / budget planning processes

Strategic Considerations

- The move to load following mitigates resource adequacy risks and direct wholesale market price exposure and better aligns power and transmission portfolios with electrification load pressures moving forward. These changes also require an updated approach to clean energy regulatory compliance which is being implemented

Strategic Objective

Build the distribution grid of our future

We will modernize and automate infrastructure and operational practices to increase reliability and resiliency. We will identify, understand, and mitigate risks to service delivery.

STRATEGIC INITIATIVES:

- A. Enhance load forecast evaluation and impact analyses and update system planning practices.
- B. Develop and implement grid-hardening policies and practices resilient to climate change impacts and responsive to long-term load changes.
- C. Increase the value and impacts of our reliability and resiliency improvement work with more sophisticated planning and new approaches.
- D. Implement distribution automation capabilities leveraging smart grid communication infrastructure.
- E. Refine our maintenance work prioritization and asset management practices.

Progress to Date

- ✓ Secured federal grant to fund distribution automation work in SnoSMART project
- ✓ Equipment ratings update about 70% complete
- ✓ Updated Transmission and Distribution Planning Guidelines
- ✓ System inspections identified easy grid hardening fixes
- ✓ Developed “blue sky” definition to segment system reliability metrics
- ✓ Improved outage metrics reporting and mapping capabilities

Looking Ahead in 2026

- ➔ Deploy 100 3-phase reclosers, begin 1-phase recloser deployment with focus on critical wildfire risk areas, and begin regulator retrofit deployment through SnoSMART program
- ➔ Deliver 10-year Small Area Forecast, 20-year Long Range Plan, and 60-year Horizon Plan
- ➔ Assess the current state of maintenance activities and update asset maintenance plan
- ➔ Develop circuit classification tool to quantify feeder constraints and score each feeder

Strategic Considerations

- Equipment delays have impacted distribution automation project progress
- New local forecasting requirements may expose technical gaps that require substantial investment in software or automation
- Data & Analytics resources constrained with TWO the Cloud and SnoSMART projects
- Grid-hardening, reliability work, and asset maintenance plans are dependent on prioritization and approval of budget requests

Strategic Objective

Develop the capabilities for an increasingly complex energy future

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

STRATEGIC INITIATIVES:



- A. Develop a clear, unified vision of the role we want to play in community decarbonization and electrification.
- B. Develop a strategy and implement action plans to achieve our vision, meet electrification demands, and serve rapidly evolving customer loads.
- C. Implement a cohesive cross-functional portfolio of technology, infrastructure, resource, analytics, and program solutions to meet utility and customer needs.

Progress & Impacts to Date

- ✓ Developed vision statement to articulate the role we want to play in community decarbonization and electrification

Looking Ahead in 2026

- ➔ Articulating our strategy for achieving our vision statement and meeting the system, customer, and load demands of electrification

Strategic Considerations

- We are prioritizing developing the strategy for 2026
- Measurable progress on initiative C is dependent on early work on the strategy being completed to inform the action plans and solution design

Strategic Priority

ENHANCE & EVOLVE CUSTOMER EXPERIENCES

HOW WE MEASURE OUR IMPACT

Customer ratings for:

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

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.

OUR 2023-2027 STRATEGIC OBJECTIVES:

- **Give customers increased flexibility and control over their usage and costs**
- **Deliver creative, personal, and convenient solutions**
- **Center our work around customer desires, challenges, and expectations**

Strategic Objective

Give customers increased flexibility and control over their usage and costs

We will meet customer needs with rate and billing options that fit varying lifestyles and business operations. We will leverage new technologies and data to help customers make informed decisions

STRATEGIC INITIATIVES:



- A. Prioritize, plan, and implement solutions to enable meaningful smart grid benefits to customers in the near and long-term.
- B. Offer customers new ways to understand and manage their usage and costs including new billing options, insights, and recommendations.
- C. Develop and offer new rate options that meet PUD and customer needs.
- D. Enhance our ability to implement rate and billing changes through new and improved processes, tools, and systems.

Progress & Impacts to Date

Enabling Smart Grid Benefits:

- ✓ Delivered Connect Up Day 1 Benefits
- ✓ Made AMI data accessible and developed self-service data tools for internal analysis

Customer Insights and Tools:

- ✓ Implemented interval billing for customers and usage threshold alerts for customers
- ✓ Made AMI data accessible for customers to help them understand their usage and billing
- ✓ Implemented Real Time Payment Network

Rate Options:

- ✓ Implemented Evaluated time of day usage rate options and reviewed with Commission
- ✓ Developed 2026 demand response programs and rates in alignment with 2023 IRP
- ✓ Established customer experience rates strategy group

Looking Ahead in 2026

- ➔ Migrate MySnoPUD to new hosting platform
- ➔ Establish Industrial Demand Curtailment rate
- ➔ Establish Residential Voluntary Reduction Program
- ➔ Establish Customer Experience Rate Strategy and publish future rate map
- ➔ Complete gap analysis of our ability to implement rate and billing changes

Strategic Considerations

- No timeline for MySnoPUD migration impedes ability execute roadmap and timelines
- Rate and demand response offerings are dependent on new technology and staff availability. Full will require significant budget investment in future years.

Strategic Objective

Deliver creative, personal, and convenient solutions

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

STRATEGIC INITIATIVES:



- A. Increase consistency and coordination of customer service options and communications across divisions.
- B. Implement new and enhanced self-service options responsive to customer needs, expectations, and preferences.
- C. Design and deliver personal and proactive customer communications regarding outage restoration, system work, and relevant programs and opportunities.
- D. Centralize and utilize customer-preference management.

Progress & Impacts to Date

- ✓ Developed PUD brand standards and toolkit
- ✓ Expanded customer self-service options
- ✓ Implemented and enhanced customer outage communication
- ✓ Updated MySnoPUD email templates
- ✓ Implemented proactive opt-in customer billing alerts

Looking Ahead in 2026

- ➔ Migrate MySnoPUD to new hosting platform
- ➔ Significant data testing and validation of TWO the Cloud data changes
- ➔ Additional improvements to outage alerts
- ➔ Finalize metrics and dashboards for proactive customer alerts
- ➔ Develop Customer Preference Management strategy and establish implementation plan

Strategic Considerations

- We are prioritizing the work to develop a customer preference management strategy because identifying and implementing a solution is key to our ability to meet customer expectations and deliver excellent customer communications
- We are in a freeze pending moving to the new platform for MySnoPUD
- Change implementation is constrained by two high-priority projects utilizing the same core resources. Execution is contingent upon resource availability and may be deferred

Strategic Objective

Center our work around customer desires, challenges, and expectations

We will proactively assess, understand, and anticipate customer needs and expectations and take timely, intentional actions.

STRATEGIC INITIATIVES:

- A. Enhance and employ our overarching customer experience strategy through a shared vision and action plans.
- B. Create a customer-centric culture, shared across all divisions and teams. Support and train employees.
- C. Improve our ability to make customer-centric decisions.

Progress & Impacts to Date

- ✓ Drafted our refreshed customer experience strategy
- ✓ Developed training materials for all employees, new employees, and leadership.
- ✓ Incorporated customer experience metrics into dashboards and operational reporting
- ✓ Expanded our voice of the customer industry benchmark portfolio
- ✓ Established voice of the customer post-transaction survey program
- ✓ Refined energy assistance dashboard
- ✓ Launched Customer 360 data lake

Looking Ahead in 2026

- ➔ Finalize customer experience strategy
- ➔ Establish a Customer Experience Council to implement the strategy
- ➔ Refresh customer experience training
- ➔ Develop maps to help inform program development and evaluation

Strategic Considerations

- Executing our strategy requires focus and attention, we must ensure that the work is focused and resourced
- Data & Analytics constrained with TWO the Cloud and SnoSMART projects.

Strategic Priority

ACTIVELY HELP OUR COMMUNITIES THRIVE

HOW WE MEASURE OUR IMPACT

- Internal assessment of our work and its impacts
- Community partnerships and customer feedback

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.

OUR 2023-2027 STRATEGIC OBJECTIVES:

- **Strengthen our community connections**
- **Support the economic vitality of our communities**
- **Align our practices with our communities' diverse needs**

Strategic Objective

Strengthen our community connections

We will expand the breadth, depth, and impacts of our engagement. We will meet customers where they are and where they need us to be.

STRATEGIC INITIATIVES:

- ✓ A. Clearly define and communicate the framework for how we will intentionally connect and engage with our communities.
- B. Strengthen and expand our existing approach to create more and deeper engagement with a broad set of organizations and customers.
- ✓ C. Better support employees volunteering in their communities with clear guidelines, policies, and appropriate resources.
- ✓ D. Centralize information and materials to increase awareness of engagement, ease of access, and consistency of engagement.

Progress & Impacts to Date

- ✓ Created Engagement Council and developed framework and charter
- ✓ Established centralized events calendar
- ✓ Developed tool to track and report community engagements
- ✓ Revised Directive 95 - Employee Community Involvement
- ✓ Implemented consistent, equitable process for employee participation

Looking Ahead in 2026

- ➔ Develop and launch an app that will allow us to collect real-time data from events
- ➔ Utilize engagement data to guide our strategy for 2027 and beyond

Strategic Considerations

- Increasing our understanding of where we might want more depth, breadth, or impact may change our event selection and staffing strategies

Strategic Objective

Support the economic vitality of our communities

We will partner with community leaders and stakeholders to foster a vibrant and resilient local economy. We will support development and new construction.

STRATEGIC INITIATIVES:

- A. Develop and implement a strategy to strengthen our support of economic vitality, capitalizing on our value as a community asset and acting on input from partners and stakeholders.
- B. Evaluate and improve the new service process, focusing on improving the customer experience while maintaining fair and transparent policies.
- C. Improve our ability to meet new connection needs and timelines, focusing on proactive planning, cross-functional and agency collaboration, and construction practices.

Progress & Impacts to Date

- ✓ Drafted vision statement of how we support economic vitality in our communities
- ✓ Drafted edits to 2021 New Load Policy for loads up to 9.9MW
- ✓ Documented current PUD practices to identify improvement opportunities
- ✓ Actively engaged in regional and national planning as well as state legislative session
- ✓ Established cross functional team to develop strategy and action plans to address large loads and our overall new connection approach

Looking Ahead in 2026

- ➔ Develop new load program framework and strategy
- ➔ Update New Large Load Policy
- ➔ Standardize New Load Intake Process
- ➔ Identify opportunities for improving critical new load processes
- ➔ Evaluate options for automated updates to give customers better visibility and status updates for their projects

Strategic Considerations

- This is a broad cross functional effort and we must prioritize among other work to ensure we make timely and effective progress
- HB 2515 will require the District mitigate negative impacts from a specific class of customers - data centers >20MW. Requirements are reasonable and generally align with risk mitigation approach that staff will recommend as part of this Objective's work
- IT resource availability is constrained due to TWO the Cloud and SnoSMART projects

Strategic Objective

Align our practices with our communities' diverse needs

We will understand if and where inequities exist in our practices and operations. We will take appropriate and intentional action to increase equity.

STRATEGIC INITIATIVES:



A. Clearly define what equity means for us in context of our communities, customers, services, and operating requirements.



B. Evaluate our current practices, programs, and services to identify inequities and their impacts. Engage our customers and communities as part of this work.

C. Incorporate equity into our decision-making and service and program design. Support and train employees. Establish equity performance metrics.

Progress & Impacts to Date

- ✓ Established a definition of customer and community equity
- ✓ Conducted internal interviews with program managers and decision makers to understand existing processes and how equity is considered
- ✓ Delivered written report and recommendations for next steps

Looking Ahead in 2026

- ➔ Initiate outreach and connection with decision makers to identify specific opportunities for how customer and community equity is embedded into business processes

Strategic Considerations

- Work will require discussion and time to ensure we are consistent in how we approach incorporating equity

Strategic Priority

BUILD A SUSTAINABLE FUTURE WITH OUR COMMUNITIES

HOW WE MEASURE OUR IMPACT

- 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

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.

OUR 2023-2027 STRATEGIC OBJECTIVES:

- **Responsibly minimize and mitigate our environmental impacts**
- **Help our customers and communities achieve their [sustainability] goals**

Strategic Objective

Responsibly minimize and mitigate our environmental impacts

We will strengthen our focus on reducing our greenhouse gas emissions, reducing waste across our business activities, and reducing our environmental impacts.

STRATEGIC INITIATIVES:

- A. Develop an environmental sustainability action plan that establishes clear goals, priorities, and roadmaps. Institute key metrics and implement tracking and reporting systems.
- B. Implement plans and actions to reduce our greenhouse gas emissions and minimize electricity and water waste.
- C. Develop and support a culture of environmental stewardship through education and engagement. Incorporate environmental value into decision making practices.

Progress & Impacts to Date

- ✓ Drafted our environmental sustainability action plan (ESAP)
- ✓ Established Environmental Stewardship Committee
- ✓ Constructed and opened Woods Creek Sustainability Center pavilion shelter
- ✓ Finalized side channel construction project signage
- ✓ Developed Communications Plan for highlighting environmental stewardship efforts

Looking Ahead in 2026

- ➔ Finalize environmental sustainability action plan (ESAP)
- ➔ Prioritize ESAP actions using the ERM aligned risk assessment
- ➔ Begin setting action plans to achieve ESAP goals for the highest priority focus areas
- ➔ Contribute to initiatives addressing greenhouse gas emissions and electricity and water use.
- ➔ Update Vegetation Management Policy and Program, and Tree Book
- ➔ Develop and begin implementation of education Outreach Plan in alignment with ESAP
- ➔ Finalize updated Capital Plan for phased approach to Woods Creek Sustainability Center (WCSC) development
- ➔ Conduct outdoor enhancements at WCSC to support education and engagement
- ➔ Conduct ORCA card pilot program

Strategic Considerations

- Budget and staffing availability constrain the speed at which we can implement work

Strategic Objective

Help our customers and communities achieve their goals

We will engage with community leaders and customers to understand their varying sustainability goals. We will develop mutually agreeable strategies and timelines to meet their objectives.

STRATEGIC INITIATIVES:



- A. Clearly articulate guidelines and expectations of how we partner and support our communities and customers, appropriate to our role as a public utility.
- B. Strengthen our ability to support local governments, agencies, and key accounts.
- C. Enhance our ability to support residential and small-to-midsize business customers by continuing, evolving, and expanding existing environmental sustainability programs.

Progress & Impacts to Date

- ✓ Completed guideline document to inform decision making
- ✓ Documented framework for how we will assist local governments, agencies, and key account customers with achieving their sustainability goals
- ✓ Environmental Stewardship Committee (ESC) adopted the framework

Looking Ahead in 2026

- ➔ ESC sub-committee (CESG) will develop a charter to guide their decision making
- ➔ CESG will establish a process for project review and partnership selection, and develop reporting metrics, supportive materials, and communication plan
- ➔ CESG will pilot the new process, providing quarterly updates to ESC

Strategic Considerations

- Unknown amount of interest in this program (quantity of requests, costs) so the process will be piloted and data collected to inform program moving forward
- Ability of departments to be efficient and nimble in review and inclusion of requests depends on resource availability and types of requests received
- Coordination with responsible departments to integrate requests with existing programs or development of new programs will necessitate early communication and involvement

Priority 5

CREATE THE CULTURE AND CAPABILITIES NEEDED FOR THE FUTURE

HOW WE MEASURE OUR IMPACT

- Employee sentiment metrics
- Recruitment and retention metrics
- Diversity and equity metrics

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.

OUR 2023-2027 STRATEGIC OBJECTIVES:

- **Increase organizational alignment & effectiveness**
- **Be an employer of choice**
- **Evolve workforce skills and capabilities**

Strategic Objective

Increase organizational alignment & effectiveness

We will ensure that all of Team PUD shares a common vision and works together to achieve it. We will establish systems to support organizational alignment, planning, prioritization, and decision-making.

STRATEGIC INITIATIVES:

- ✓ A. Create a culture of trust and collaboration.
- B. Clarify decision making and accountability by establishing and communicating expectations and guidelines.
- C. Develop and implement enterprise work prioritization and resource planning.
- D. Develop and implement strategic plan performance management to build understanding and buy-in.
- E. Develop and implement a strategy to capture opportunities and mitigate risks of AI tools.
- F. Manage data as a critical asset to enhance business processes, support informed decision-making, and drive innovation.

Key Progress & Impacts to Date

- ✓ Developed Standard of Trust and established key measurement metrics
- ✓ Integrated Standard of Trust and expectations into employee and manager training
- ✓ Evaluated decision-making practices and identified opportunities for clarification
- ✓ Established the Enterprise Project Governance Board (EPGB) and supporting framework
- ✓ Held multiple rounds of business case development training
- ✓ Implemented system to track and report strategic plan progress and key metrics
- ✓ Established enterprise-wide operating plan structure and template
- ✓ Developed an artificial intelligence strategy, directive, and use guidelines
- ✓ Established clarity around successful delivery of manage data as a critical asset initiative

Looking Ahead in 2026

- ➔ Continue work to foster our culture of trust and collaboration through our DEI program
- ➔ Clarify decision authority for high-stakes and broad-impact decisions
- ➔ Develop training to foster effective decision delegation and bolster decision making skills
- ➔ Finalize EPGB resource allocation, metrics, project tracking and reporting systems
- ➔ Implement centralized division operating plan tracking and reporting to eliminate duplicate entry, foster accountability, and increase transparency
- ➔ Develop comprehensive inventory of AI use cases and outline high-level solution plan
- ➔ Develop and begin implementing action plan for managing data as a critical asset

Strategic Considerations


- These initiatives require significant culture change
- IT and shared services constraints due to TWO the Cloud and SnoSMART projects

Strategic Objective

Be an employer of choice

We will offer rewarding work experiences that meet evolving employee needs. We will create an inclusive culture where everyone can feel safe, welcome, and valued. We will engage and empower our people in consistent, meaningful ways.

STRATEGIC INITIATIVES:

- A. Develop and implement a strategy to effectively support flexible, hybrid work.
- B. Develop and implement a strategy to increase manager effectiveness.
-  C. Increase transparency and equity of access to advancement and development opportunities.
- D. Develop and implement a Diversity, Equity, and Inclusion Program.
- E. Develop and implement a consistent and meaningful framework for measuring employee experience and acting on the insights.

Key Progress & Impacts to Date

- ✓ Drafted flexible work vision statement & decision-making guidelines for people managers
- ✓ Developed a Monthly Manager Workshop program and shared annual goals
- ✓ Updated Non-Represented Employee Rules of Conduct / Performance Management directive
- ✓ Completed restructure of job descriptions for non-represented positions and aligned salary structure based on market review
- ✓ Established employee and manager education program focused on building a culture where everyone can feel welcomed and valued
- ✓ Implemented key elements of the 2021 diversity, equity, and inclusion blueprint
- ✓ Established the Inclusion Committee and internal program managers
- ✓ Established annual employee engagement survey and framework for acting on insights

Looking Ahead in 2026

- ➔ Complete and communicate Flexible Work Manager Toolkit.
- ➔ Develop a program to recognize leaders who exemplify our culture and values
- ➔ Establish DEI program workplan and identify and integrate key metrics
- ➔ Foster internal understanding of DEI program through department meetings
- ➔ Implement employee lifecycle survey program (onboarding and exit surveys)
- ➔ Support managers in acting on employee survey results

Strategic Considerations


- We ask a lot of our people managers, and we risk manager training fatigue
- Misunderstanding of what DEI means at the District

Strategic Objective

Evolve workforce skills and capabilities

We will anticipate the workforce capabilities needed in the next 10 years and develop a robust strategy to meet those needs. We will invest in our people to ensure they have skills, knowledge, and tools to succeed.

STRATEGIC INITIATIVES:

- A. Develop and implement a strategic workforce plan.
- B. Align and enhance training and development to meet needs of the future.
- C. Enhance community workforce pipeline development strategy.
- D. Develop and implement a strategy to strengthen recruiting and on-boarding.
-  E. Strengthen workforce reporting, planning, and analytics capabilities.

Key Progress & Impacts to Date

- ✓ Developed timeline and deliverables for Strategic Workforce Plan and hired HR Business Partner to manage workforce planning
- ✓ Developed District Trainer best practices and expectations training program
- ✓ Expanded Foreman- and Leads-in-Training programs with new curricula
- ✓ Developed outline of Community Outreach efforts and goals.
- ✓ Developed interview question bank that supports leadership core competency model
- ✓ Redesigned the www.snopud.com Career Page, job application, and candidate status messages to improve the applicant experience
- ✓ Implemented new employee onboarding system
- ✓ Developed and implemented Workforce Dashboard that gives insights into key metrics
- ✓ Implemented new reporting tool for better data access to core employee data

Looking Ahead in 2026

- ➔ Conduct meetings with Division Leaders to discuss future workforce needs and anticipated changes driven by technology and industry standard changes.
- ➔ Define and articulate our Employer Promise to strengthen engagement.
- ➔ Identify training gaps and implement Manager Training Program
- ➔ Manager Hiring Training regarding interview, selection, and onboarding expectations

Strategic Considerations

- Competing priorities and resource shifts may impact timelines
- Aligning on a single approach requires willingness to change existing practices

Looking Ahead



Upcoming Presentations

- **March 17** | 2028-2032 Strategic Plan Development Roadmap
- **April 7** | Strategic Foresight and Scenario Planning



Questions?

