



Energizing Life In Our Communities

Strategic Plan Quarterly Update

August 20, 2024

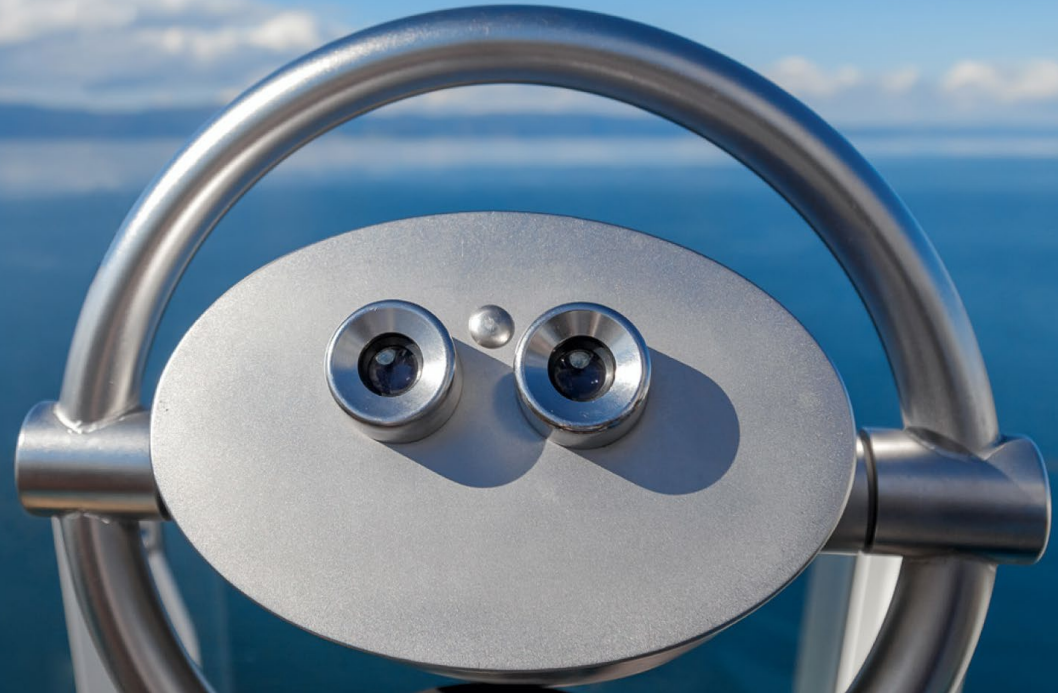
Laura Lemke
Senior Program Manager

Prior Presentation: February 20, 2024



FOCUS ON THE FUTURE

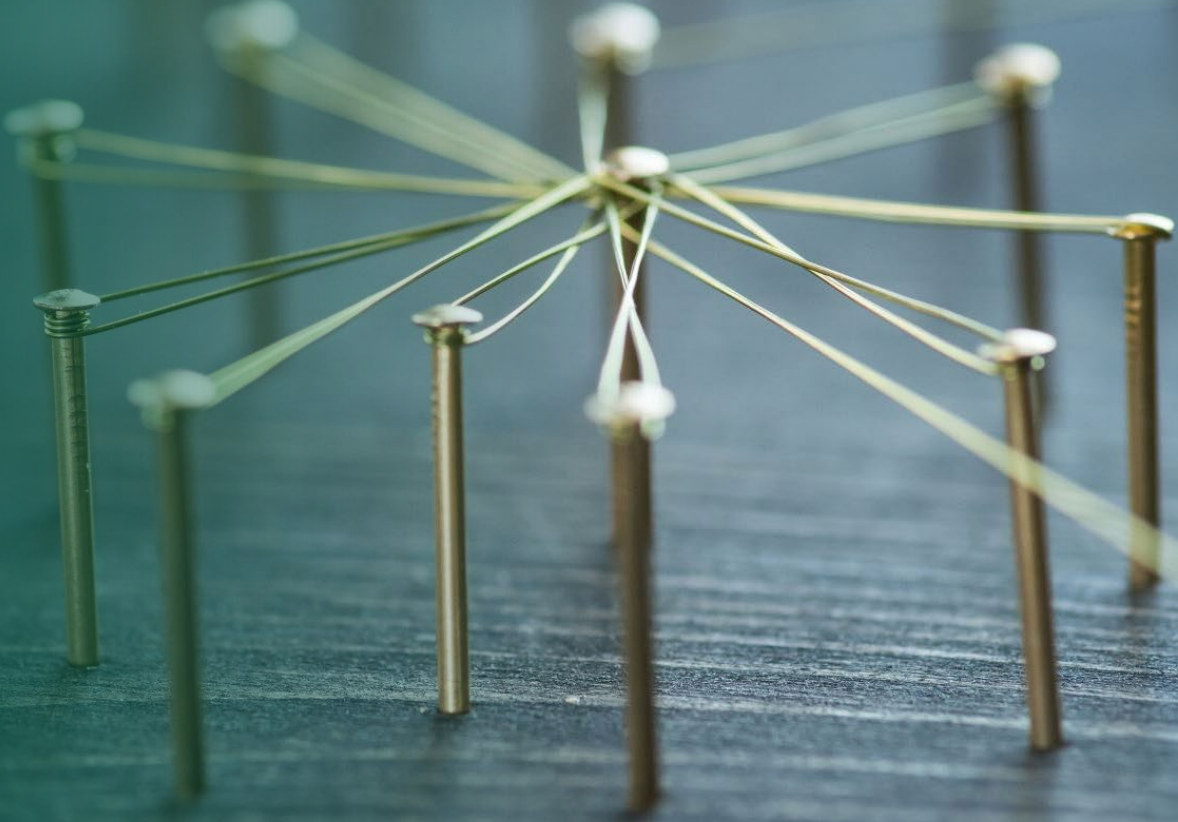
2023-2027 STRATEGIC PLAN



Prior Presentations & Conversations

Feb 20, 2024	Strategic Plan Quarterly Update
Dec 5, 2023	2023-2027 Strategic Plan Update
Feb 7, 2023	Approval of the 2023-2027 Strategic Plan
Jan 24, 2023	Draft 2023-2027 Strategic Plan

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



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

Request of the Commission:
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.



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 June 30, 2024)

Safeguard What Matters

Recordable Incident Rate

Last 12 Months
4.13 Prior 12M 3.65 ↑

Incident Severity Rating

Last 12 Months
11.6 Prior 12M 9.4 ↑

Preventable Vehicle Accidents

Last 12 Months
32 Prior 12M 34 ↓

Employee Experience

Voluntary Employee Turnover

Last 12 Months
2.8% Prior 12M 3.1% ↓
2 Years Ago 4.8% ↓

Electric System Reliability

SAIDI average minutes a customer was without power

Last 12 Months
153.8 Target 105.0 ↑
Prior 12M 140.8 ↑

ASAI % time power was available to average customer

Last 12 Months
99.971% Target 99.980% ↓
Prior 12M 99.973% ↓

SAIFI average # times a customer was without power

Last 12 Months
1.47 Target 1.00 ↑
Prior 12M 1.14 ↑

CEMI-5 % customers experiencing >5 outages

Last 12 Months
2.8% Prior 12M 2.3% ↑
5 Yr Avg 1.2% ↑

Water System Reliability

Unplanned Outages per 1,000 Customers

Last 12 Months
0.79 Prior 12M 0.71 ↑

Customer Experience

Overall Customer Satisfaction Index

2024 Q2
726 2023 Score 738 ↓
Leader Score 785 ↓

Net Promoter Score

2024 Q2
8 2023 Score 4 ↑
Leader Score 47 ↓

JD Power Residential Customer Satisfaction Survey

Community Engagement

Involvement in Community

2024 Q2
6.82 2023 Score 6.78 ↑
Leader Score 7.66 ↓

JD Power Residential Customer Satisfaction Survey

Financial Stability

Current Ratio

Electric
2.87 Requirement 1.00 ↑
Same Q Last Yr 2.55 ↑

Water
3.14 Requirement 1.00 ↑
Same Q Last Yr 4.04 ↓

Debt Service Coverage Ratio

Electric
4.04 Board Requirement 1.75 ↑
Same Q Last Yr 3.99 ↑

Water - Parity
4.04 Board Requirement 1.75 ↑
Same Q Last Yr 5.60 ↓

Operating Ratio

Electric
87.1% Budget YTD 78.6% ↑
Last Yr YTD 81.5% ↑

Water
83.0% Budget YTD 87.1% ↓
Last Yr YTD 79.2% ↑

2024 Financial Results are unaudited

Safeguard What Matters

(data through June 30, 2024)

Recordable Incident Rate (RIR)

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

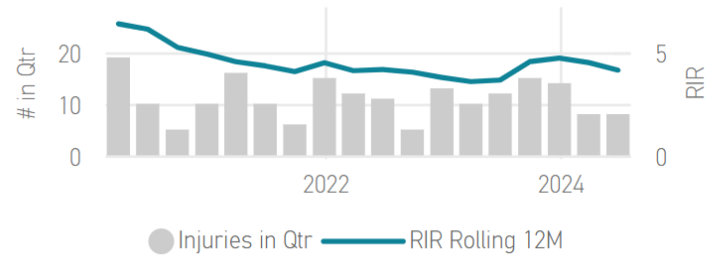
Last 12 Months

4.13

Prior 12M 3.65 | +13% | +0.48 ↑

45 recordable injuries, ▲ from 40 in the prior 12 months

Rolling 12 Month RIR, by Quarter End Since 2020



Severity Rating

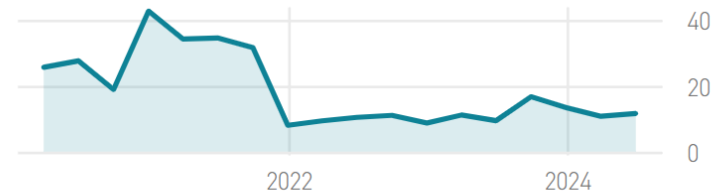
lost days / # recordable injuries

Last 12 Months

11.6

Prior 12M 9.4 | +23% | +2.2 ↑

Rolling 12 Month Severity Rating, by Quarter End Since 2020



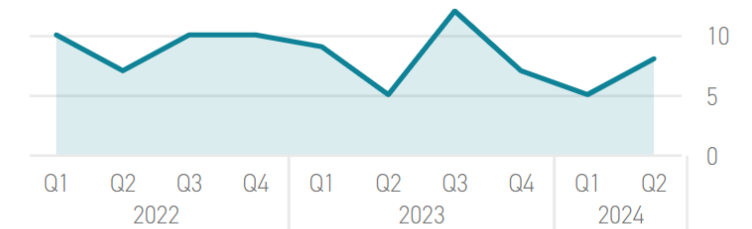
Preventable Vehicle Accidents

Last 12 Months

32

Prior 12M 34 | -6% | -2 ↓

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

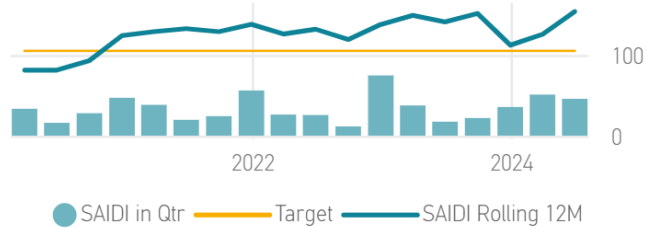
(data through June 30, 2024)

Electric System Reliability

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

Last 12 Months
153.8

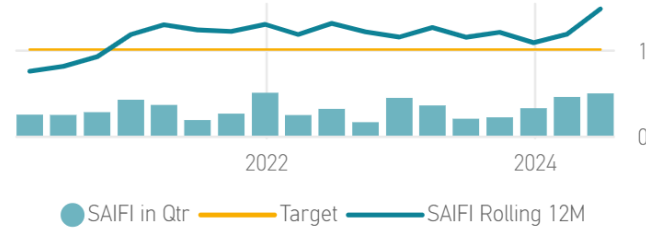
Target **105.0** | +48.8 ↑
Prior 12M **140.8** | +13.0 ↑



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

Last 12 Months
1.47

Target **1.00** | +0.47 ↑
Prior 12M **1.14** | +0.33 ↑

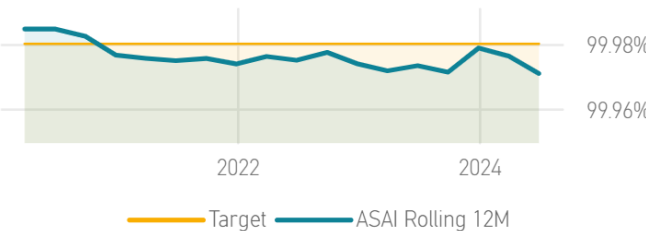


ASAI (Avg System Availability Index)

% time power was available to the average customer

Last 12 Months
99.971%

Target **99.980%** ↓
Prior 12M **99.973%** ↓

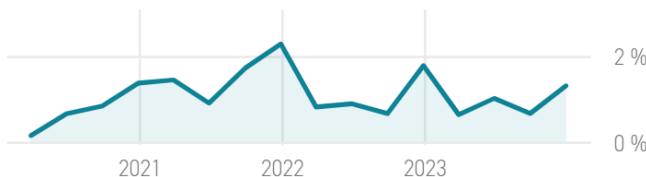


CEMI-5 (Customers Experiencing Multiple Interruptions)

% customers experiencing more than 5 outages

Last 12 Months
2.8%

Prior 12M **2.3%** | +24% | +1pp ↑

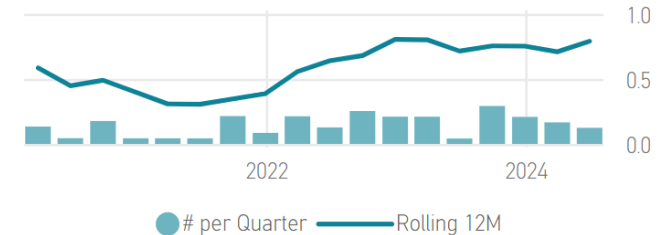


Water System Reliability

Water Outages per 1,000 Customers
Unplanned outages only

Last 12 Months
0.79

Prior 12 **0.71** | +11% | +0.08 ↑



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 June 30, 2024; 2024 financial results are unaudited)

Electric Utility

Current Ratio

Current & Accrued Assets / Current & Accrued Liabilities

Qtr End	Requirement	1.00	+1.87	↑
2.87	Last Qtr	2.44	+0.44	↑
	Same Q Last Yr	2.55	+0.33	↑

Debt Service Coverage Ratio

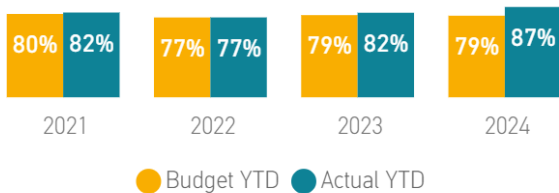
Operating Cash Flow / Total Debt

Qtr End	Board Requirement	1.75	+2.29	↑
4.04	Last Qtr	3.35	+0.69	↑
	Same Q Last Yr	3.99	+0.05	↑

Operating Ratio

Operating Expense / Operating Revenue

YTD	Budget YTD	78.6%	+11%	↑
87.1%	Last Yr YTD	81.5%	+7%	↑



Water Utility

Current Ratio

Current & Accrued Assets / Current & Accrued Liabilities

Qtr End	Requirement	1.00	+2.14	↑
3.14	Last Qtr	3.66	-0.51	↓
	Same Q Last Yr	4.04	-0.90	↓

Debt Service Coverage Ratio

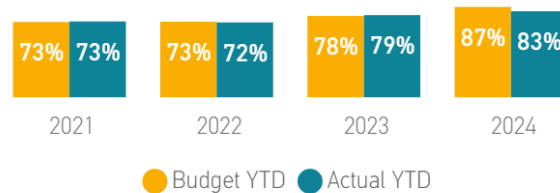
Operating Cash Flow / Total Debt

Qtr End	Board Requirement	1.75	+2.29	↑
4.04	Last Qtr	6.05	-2.01	↓
	Same Q Last Yr	5.60	-1.56	↓

Operating Ratio

Operating Expense / Operating Revenue

YTD	Budget YTD	87.1%	-5%	↓
83.0%	Last Yr YTD	79.2%	+5%	↑



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

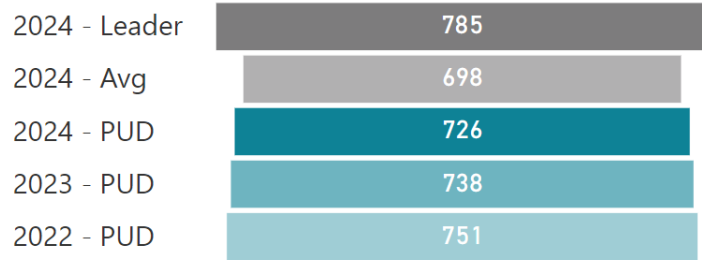
2024 Q2 Score **726**

2023 Score **738** | -12 ↓

2022 Score **751** | -25 ↓

Leader Score **785** | -59 ↓

Segment Rank = **16 of 62**, ▼ from 11 last yr



Net Promoter Score

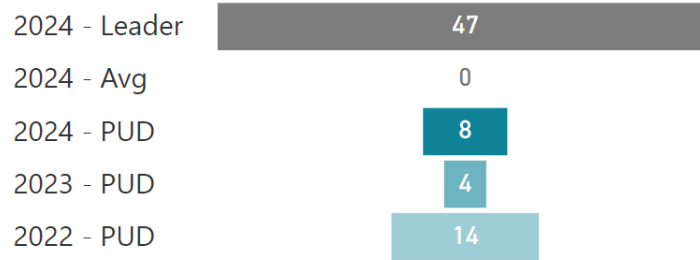
2024 Q2 Score **8**

2023 Score **4** | +4 ↑

2022 Score **14** | -6 ↓

Leader Score **47** | -39 ↓

Segment Rank = **19 of 62**, ▲ from 23 last yr



Involvement in Community

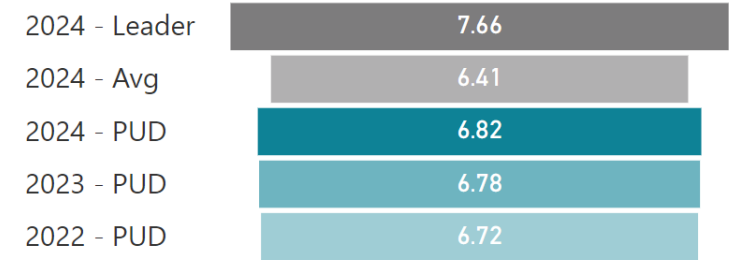
2024 Q2 Score **6.82**

2023 Score **6.78** | +0.04 ↑

2022 Score **6.72** | +0.10 ↑

Leader Score **7.66** | -0.84 ↓

Segment Rank = **10 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

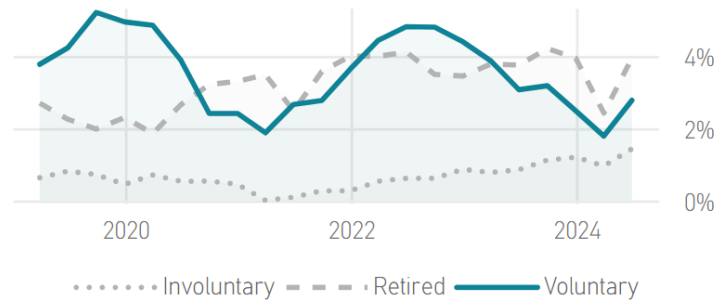
(data through June 30, 2024)

Voluntary Employee Turnover

excludes retirements and involuntary separations

Last 12 Months **2.8%** | Prior 12M 3.1% **-10%** ↓
 2 Years Ago 4.8% **-42%** ↓

Rolling 12-month Turnover, by Separation Reason

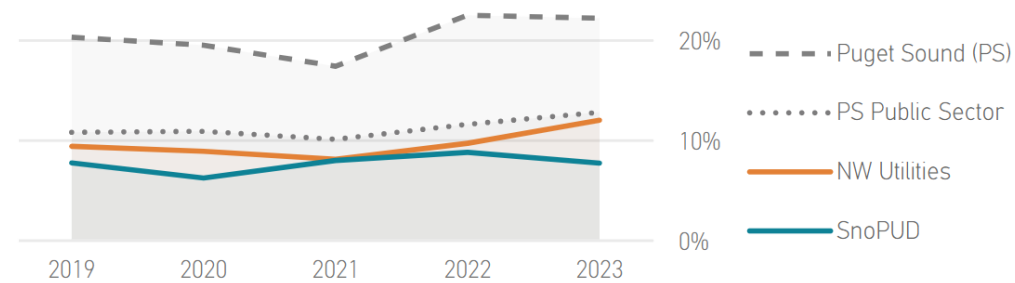


Overall Employee Turnover

includes all separation reasons

Last 12 Months **8.1%** | Prior 12M 7.7% **+6%** ↑
 2 Years Ago 9.5% **-14%** ↓

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.

Strategic Performance Metrics

(data through June 30, 2024)

(intentionally duplicated)

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Last Yr YTD 79.2% ↑

2024 Financial Results are unaudited



2023-2027 Strategic Plan

Key Achievements Q1-Q2 2024



Key Achievements, Q1-Q2 2024

BOLSTER OPERATIONAL RELIABILITY AND RESILIENCY

- Contract execution and continued progress on Battery Energy Storage System.
- Creation of Load Forecasting Steering team.
- Enterprise Risk Management program launched.
- Completed 2024 Cost of Service Analysis (COSA) and rates.

EVOLVE AND ENHANCE CUSTOMER EXPERIENCES

- ConnectUp Solution Upgrade completed.
- Launched online discount application platform.
- Launched customer self-attestation form for distribution of \$14.4 million in energy credits.
- Launched iEnergy platform for customer energy efficiency programs.

CREATE THE CULTURE AND CAPABILITIES NEEDED FOR THE FUTURE

- Implemented new non-represented job descriptions and compensation structure.
- Completed 2024-2028 Collective Bargaining Agreement and related training.
- Refresh & Recommit: Managing With Heart & Mind training for all leaders.
- Launched full formal mentor program.
- Enterprise Project Governance Board (EPGB) budget and resource prioritization process and “big-room” planning sessions.
- Launched enterprise level operational and strategic key metrics reporting for leadership, all employees, and Commission.

2023 – 2027 Strategic Plan

2024 Q2 Key Achievements, by Strategic Objective



BOLSTER OPERATIONAL RELIABILITY AND RESILIENCY

STRATEGIC OBJECTIVES

2024 Q2 KEY ACHIEVEMENTS AND ACTIVITIES

RELATED 2024 Q2 COMMISSION PRESENTATIONS

1.1 Develop the capabilities for an increasingly complex energy future

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

- Presented draft electrification statement to the ELT.
- Completed SAP & advanced metering infrastructure (AMI) upgrades.
- Transitioned Customer 360 analytics project into operations mode.

1.2 Build the distribution grid of our future

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

- ADMS/SCADA Vendor Demos Complete.
- Increased to 11 distribution automation devices communicating in the field and 5 commissioned in SCADA.
- Transmission grid hardening projects begun.
- Data requirements completed for analytics to support initiatives.

1.3 Ensure resource adequacy by expanding and protecting resources

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

- Phase 1 of the 2025 IRP was launched and is underway.
- Significant work on BPA Product Analysis.
- Rezoning and permitting work for the battery energy storage system moving forward.
- Warm Beach Well #4 project and Marine Drive Water Main Extension underway. Kayak Reservoir #2 contract awarded. Lake Stevens Treatment Plant Addition project awarded.

- Organized Market Updates | Jun 4
- Post-2028 BPA Power Contract Update | May 21
- BPA Power Product Analysis | May 7
- Water Supply Update | Apr 16

1.4 Preserve exceptional customer value

Scott Jones | *Chief Financial Officer*

- Budget and financial planning process evaluation meetings completed; documented pain points and process improvement suggestions.
- Enterprise Risk Management vendor selection process complete and contract signed.
- ELT cost of service analysis (COSA) training sessions 1 and 2.

- Energy Risk Management Report | Apr 16
- 2023 Audit Results Update | Apr 16
- Electric and Water rates presentations

EVOLVE AND ENHANCE CUSTOMER EXPERIENCES

STRATEGIC OBJECTIVES

2024 Q2 KEY ACHIEVEMENTS AND ACTIVITIES

RELATED 2024 Q2 COMMISSION PRESENTATIONS

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

John Hoffman | Assistant General Manager,
Customer & Energy Services

- Customer Experience added to New Employee Orientation Program
- Energy Assistance / Vulnerable Customer dashboard complete.
- Launched customer self-attestation form for distribution of \$14.4 in energy credits.

2.2 Deliver creative, personal, and convenient solutions

John Hoffman | Assistant General Manager,
Customer & Energy Services

- Developed team for PUD branding guidelines communication plan.
- Implemented broadcast messaging one-time outage alerts
- Enabled customer alert for scheduled AutoPay.
- Customer Data Governance Council recommended SAP as the system of record.

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

Kristi Sterling | Chief Information Officer

- Connect Up Solution Upgrade completed with no major outstanding defects.
- Progress on interval data stabilization to ensure accuracy of information presented to customers via MySnoPUD.
- Rates Strategy Working Group developed a cost-adjustment model and survey.
- Energy Assistance Update | Jun 4
- ConnectUp Quarterly Updates

ACTIVELY HELP OUR COMMUNITIES THRIVE

STRATEGIC OBJECTIVES

2024 Q2 KEY ACHIEVEMENTS AND ACTIVITIES

RELATED 2024 Q2 COMMISSION PRESENTATIONS

3.1 Strengthen our community connections

Lisa Hunnewell | *Director, Communications, Marketing & Business Readiness*

- Identified members of the Community Engagement Council.
- Held second annual Energy Block Party.
- Began work to develop related employee training and even toolkits.

- Regular Communications and Community Engagement briefings

3.2 Support the economic vitality of our communities

Scott Jones | *Chief Financial Officer*

- New Load Policy revisions complete and approved by Legal; awaiting direction from ELT on additional language to address new large loads.
- Apprentice testing and selection underway. Finalists identified.

3.3 Align our practices with our communities' diverse needs

Colin Willenbrock | *General Counsel*

- Research was done and a draft definition was shared with key SMEs within the organization for feedback. Draft definition was adjusted and presented to ELT.

BUILD A SUSTAINABLE FUTURE WITH OUR COMMUNITIES

STRATEGIC OBJECTIVES

2024 Q2 KEY ACHIEVEMENTS AND ACTIVITIES

RELATED 2024 Q2 COMMISSION PRESENTATIONS

4.1 Responsibly minimize and mitigate our environmental impacts

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

- Environmental Sustainability Action Plan phase 1 development is almost complete. Phase 1 includes baseline metrics, preliminary sustainability priorities, and a draft management plan.
- ELT approval to establish an internal Sustainability Champions Team. Held kick-off meeting.
- Held Woods Creek food forest volunteer day.
- Finalized Woods Creek critical area site plan and submitted to County with permit applications.

4.2 Help our customers and communities achieve their goals

Colin Willenbrock | *General Counsel*

- Completed internal survey to get input from subject matter experts for drafting of guidelines and expectations.

CREATE THE CULTURE AND CAPABILITIES NEEDED FOR THE FUTURE

STRATEGIC OBJECTIVES

2024 Q2 KEY ACHIEVEMENTS AND ACTIVITIES

RELATED 2024 Q2 COMMISSION PRESENTATIONS

5.1 Be an employer of choice

Kristi Sterling | Chief Information Officer

- 2024-2028 Collective Bargaining Agreement (CBA): Negotiations complete and contract approved by Commission. Completed employee and manager training about CBA changes. System changes planning complete and work begun.
- Held Refresh & Recommit: Managing With Heart & Mind training for all leaders.
- Developed a new directive template.
- Continual improvement project for recruiting underway; rolled out update to mobile job application.
- Inclusion Committee established 3 subgroups, supported by ELT members, to move core work forward. Recruitment underway for new cohort of Inclusion Committee members.
- Contracted with Quantum Workplace for employee engagement survey.

- Benefit Program Proposal for Changes for Non-Represented Employees | Apr 16
- Proposed Leave Program Changes for Non-Represented Employees | Apr 16
- 2024-2028 Collective Bargaining Agreement Resolution | Apr 2

5.2 Evolve workforce skills and capabilities

Colin Willenbrock | General Counsel

- Incorporating strategic plan and customer experience into employee and leadership training.
- Developed cohesive summer student worker experience with relevant utility focused opportunities.
- Final Workforce Dashboard component, budgeted FTEs, launched.
- Began implementation of People Stories - SuccessFactors, an upgraded reporting tool enabling better access to employee and learning data for analysis.

5.3 Increase organizational alignment & effectiveness

Kristi Sterling | Chief Information Officer

- Drafted standard of trust for ELT review.
- Enterprise Project Governance Board operationalized project prioritization in support of resource and budget planning for 2024 and 2025. Completed first Annual Project Prioritization session.
- Launch and roll-out of Monthly Metrics All Employee and Commission versions.
- AI strategy drafted and reviewed by the ELT. Supporting resource request under review as part of 2025 budget planning.

- Strategic Plan Report | May 21

Questions & Discussion

