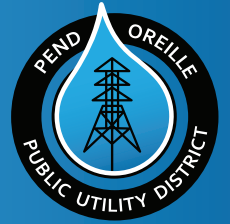


# Strategic Plan



2021-2025

Public Utility District No.1 of  
Pond Oreille County

# STRATEGIC OVERVIEW

*This plan provides the roadmap for continuing our success, delivering on our mission, and helping us progress toward our vision.*

## *Our Story*

In 1936, the citizens of Pend Oreille County took control of their future and organized a public utility that they could call their own. Since those momentous beginnings, Pend Oreille PUD has earned a reputation as a pioneer in publicly-owned utility services. Pend Oreille PUD is recognized as one of the first public utility districts in the nation to build its own hydroelectric project (Box Canyon Dam), one of the first in the state to build a high-speed fiber optic broadband network, and one of only a handful to provide high-quality drinking water to its customer communities.

Pend Oreille PUD is currently in a state of transition following the closure of its long-time industrial customer, Ponderay Newsprint, and the global pandemic that has changed the landscape for utility providers across the globe. This refreshed strategic plan builds on the strengths of the previous version by focusing on core goals that will move the utility and its customers toward a stronger, more sustainable future. Sharpening our focus will allow our teams to move quicker and with greater impact than ever before. This plan, which covers 2021-2025, continues our long tradition of efficiency and innovation by reinvigorating our employees and customers, as well as committing to continuously improving the way we operate.

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## *Our Mission*

Quality Service at Low Cost

## *Our Vision*

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

## *Core Values*

### **Safety and Health**

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

### **Customer Focus**

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

### **Community**

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

### **Teamwork**

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

### **Integrity**

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

### **Decisiveness**

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

# STRATEGIC GOALS

*Focusing on core goals that will move us toward a stronger, more sustainable future.*

## *Financial Health*

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

### *Critical Tasks*

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

### *Measures*

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

## *System Reliability*

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

### *Critical Tasks*

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

### *Measures*

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

## Health & Safety

*Enhance the health and safety of ourselves and our community.*

### Critical Tasks

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

### Measures

- Regularly filed incident reports
- Zero lost-time accidents

## Employee Experience

*Foster a diverse and results-oriented workforce and a culture of inclusion, support and development.*

*Continue our commitment that employees have the appropriate tools, training and resources to effectively perform their jobs.*

### Critical Tasks

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

### Measure

Performance  
Evaluation Tool

## Customer Experience

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

### Critical Tasks

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

### Measure

Customer  
satisfaction levels  
measured by  
volunteered feedback  
via comment cards

# SWOT ANALYSIS

*Evaluating our areas of strength, weakness, opportunity, and threat.*

## Strengths

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

## Weaknesses

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

## Opportunities

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

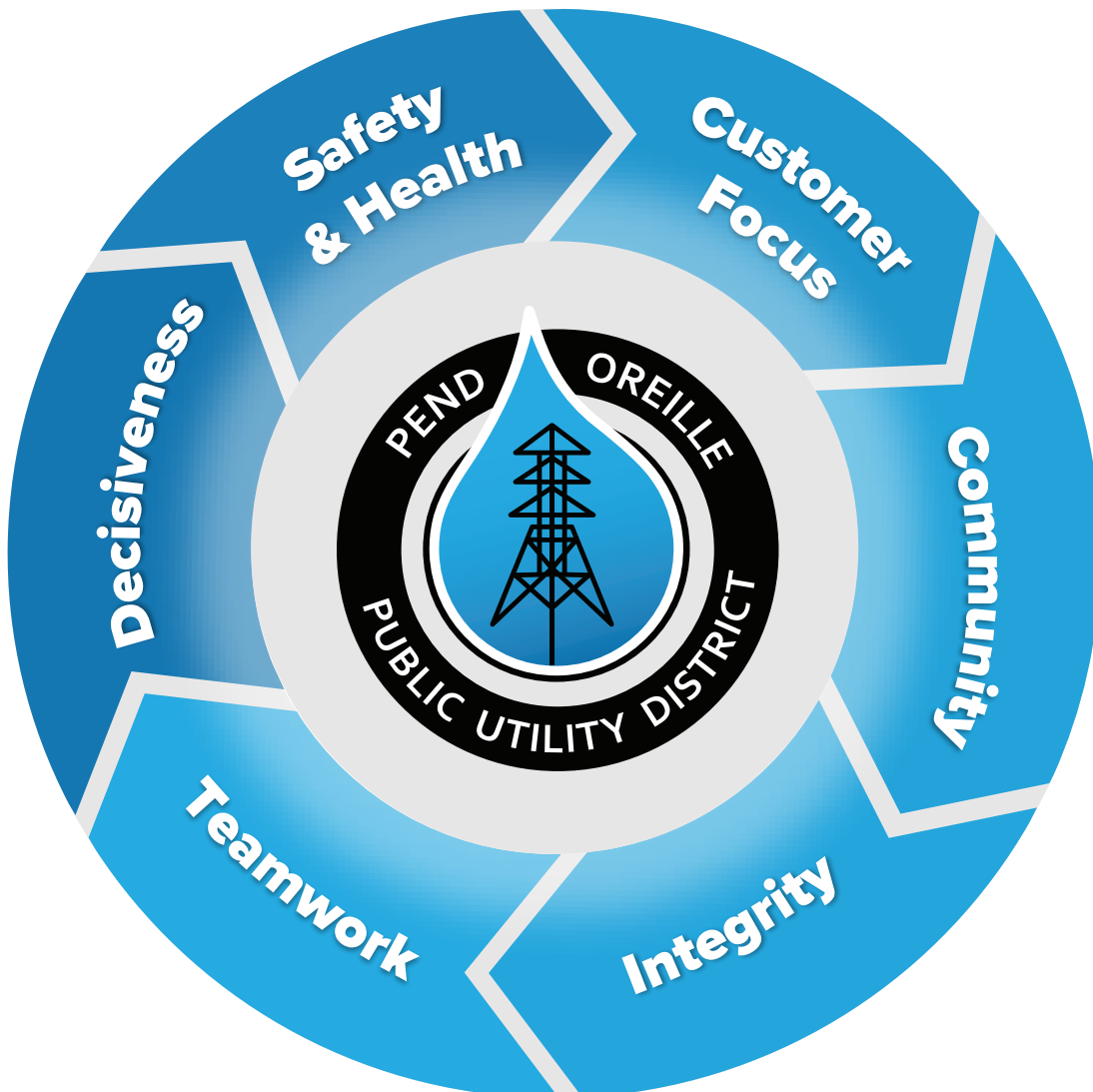
## Threats

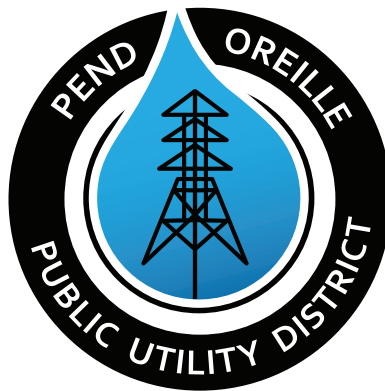
- Regulatory and legislative uncertainty
- Knowledge loss as employees retire
- Climate change/Global warming (Fires, snow pack, regulations)
- Pacific northwest power market price depression
- Distributed generation and batteries
- Low orbit satellites
- Low customer count

SWOT  
ANALYSIS



## *Core Values*





# **STRATEGIC PLAN**

## **2021-2025**