

A photograph of a waterfall cascading down mossy rocks in a forest. The water is white and frothy as it falls, surrounded by lush green moss and ferns on the rocky banks. The scene is captured from a slightly elevated angle, looking down into the waterfall.

Skagit
PUD
PUBLIC UTILITY DISTRICT

STRATEGIC PLAN
2018-2022

Adopted 6/26/18

SKAGIT PUD COMMISSIONERS

Eron Berg

Al Littlefield

Robbie Robertson

PLANNING COMMITTEE

Mike Benton, Project Manager

Gary Chrysler, IT Manager

Mike Fox, Operations Manager

Angie Garza, Customer Service Representative

Mark Handzlik, Engineering Manager

Cody Haugstad, Construction Worker

Rob Sager, Water Treatment Plant Operator

Sally Saxton, Treasurer

George Sidhu, General Manager

Doug Streeter, Contracted Auditor and Interim Finance Manager

Kevin Tate, Community Relations Manager

Matt Walker, Meter Technician

Kathy White, Human Resources Manager

The logo for BERK, featuring a stylized 'B' icon composed of three vertical bars of varying heights, followed by the word 'BERK' in a bold, sans-serif font.

BERK

LETTER FROM SKAGIT PUD'S GENERAL MANAGER

Since 1936, Skagit PUD has committed to providing safe and reliable utility services to meet the current and future needs of Skagit County residents. As the largest water purveyor in Skagit County, we have a responsibility to serve our customers, but also to manage the water resources that have been placed in our trust. We strive to be a responsible steward of those resources by being a customer-focused, forward-looking, and fiscally responsible utility.

During the strategic planning process, we received a tremendous amount of valuable input from a broad range of people that helped determine plan objectives. Our local partners and employees were surveyed for their insights and a Strategic Planning Committee comprised of staff from all of our departments was created to help direct and guide the process.

Skagit PUD's 5-year Strategic Plan establishes our strategic objectives in three main areas:

1. Customer-Focused Services (Water, Telecom, Sewer).
2. Communication with the Public and Partners.
3. Internal Operations, Communication, and Organizational Development.

The focus of the Strategic Plan is on the short-term horizon to help guide decisions that will define our organization going forward. The challenges that we face in Skagit County are similar to many of the challenges facing Washington State and the nation. Water system planning, aging infrastructure, increasing rates, strong communications, and hiring and retaining a high quality workforce are many of the complex issues we will address during this planning horizon.

It is critical for our organization to have a clear vision of where we want to be and a commitment on how we intend to get there. The completion of this Strategic Plan is the first step in outlining our commitments, and developing an implementation plan to achieve our strategic objectives.

I want to recognize everyone who worked on this Strategic Plan and the collaborative approach that was used. On behalf of the Strategic Planning Committee, we extend our thanks to the partners and District staff that participated in pre-planning surveys. Our team is excited about the challenges and opportunities that will result from the Strategic Plan, and we are eager to realize the continuous quality improvements coming to Skagit PUD.



A handwritten signature in blue ink, appearing to read "G. Sidhu". The signature is fluid and cursive, written in a professional style.

George Sidhu, P.E.
General Manager



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OVERARCHING GUIDANCE

VISION, MISSION, AND CORE VALUES

Our Vision is to be an outstanding regional leader and innovative utility provider.

Our Mission is to provide our customers with high-quality water services at an affordable price.

As we pursue our Vision and advance our Mission, we demonstrate and maintain balance among our **Core Values**:

- **Quality.** We seek to exceed customer expectations by providing exceptional service.
- **Environmental Stewardship.** We act to preserve our region's natural resources.
- **Financial Prudence.** We strive to keep our rates as low as possible while making wise capital investments and strategic business decisions.



SUMMARY OF GOALS AND STRATEGIES

I. CUSTOMER-FOCUSED SERVICES

A. *Water*

1. Make prioritized and strategic capital infrastructure investments to maintain existing assets and quality to serve the growing Skagit community.
2. Steward partnership-based efforts that advance the strategic regional use of water resources.

B. *Telecommunications*

1. Invest in the telecommunications infrastructure necessary to securely and efficiently manage our water system and facilitate the extension of broadband infrastructure within Skagit County.
2. Stay current and decide whether we should enter the telecom industry as a retail provider if public utility districts are given the authority to do so.

C. *Sewer*

1. Explore and understand the connection between sewage and reclaimed water.

II. COMMUNICATION WITH THE PUBLIC AND PARTNERS

1. Strengthen communications and engagements with our customers.
2. Seek opportunities to engage youth in water-related education.
3. Ensure our policy-setting and decision-making processes are transparent and easily accessible.
4. Strengthen our provision of high-quality customer service.
5. Strengthen our relationships with our partners.

III. INTERNAL OPERATIONS, COMMUNICATION, AND ORGANIZATIONAL DEVELOPMENT

1. Strengthen internal systems and the use of technology to create efficiencies.
2. Address our aging District headquarters facility.
3. Attract, retain, and develop a high-quality workforce.
4. Improve internal communications throughout the organization.



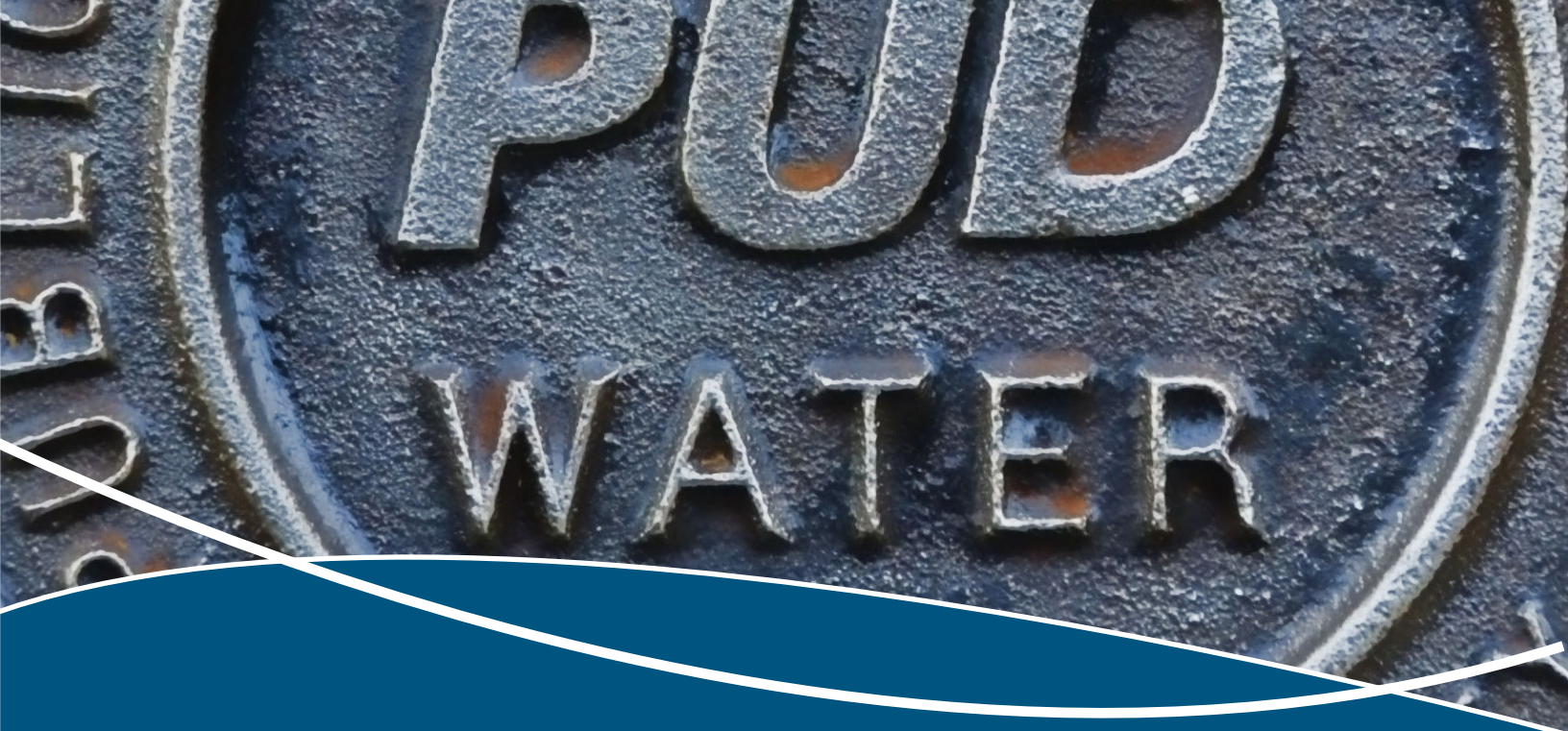
I. CUSTOMER-FOCUSED SERVICES



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A. WATER

STATEMENT OF INTENT

Skagit PUD's core focus is providing water to residential, business, and agricultural customers. We make strategic and sustainable investments to ensure our water rights, infrastructure, and other resources are managed for the benefit of our customers and for the long-term benefit of the region.

The most significant contribution we can make to environmental sustainability is by improving the efficiency of our system and by encouraging smart water use among our customers. By making strategic investments to reduce wasted water, we will also diminish our need for finding additional water sources and for making large capital improvements in the future.

The District will play a supportive role in addressing the legal availability of water for agriculture and rural land owners.

1 Make prioritized and strategic capital infrastructure investments to maintain existing assets and quality to serve the growing Skagit community.

- a. Refine existing criteria for assessing, prioritizing, and selecting capital projects and operational improvements.
 - Implement and provide additional resources to our asset management system, including development of an economic risk model.
 - Reduce equipment failure rates.
 - Collect data from existing infrastructure at every opportunity, especially main breaks, leak repairs, and low pressure events.
 - Perform regular and routine maintenance on infrastructure to develop a database of information.
- b. Expand the inputs that inform our capital planning.
 - Develop a GIS-based, extended-period, hydraulic model to be used for water system planning, flushing program development, and contaminant transport simulation.
 - Update our Customer Buildout Capacity Analysis.
- c. Update our Water System Plan and Capital Improvement Program that:
 - Identifies major capital facilities and components.
 - Identifies maintenance procedures and replacement criteria.
 - Establishes a level of service for the system.
 - Establishes goals for preventative maintenance.
- d. Implement SCADA systems to maintain security of our infrastructure [see development of internally-focused fiber network under B. Telecommunications].

2 Steward partnership-based efforts that advance the strategic regional use of water resources.

- a. Engage local partners and stakeholders in implementing efficient solutions that meet the future water demands of Skagit County communities by utilizing an updated Coordinated Water System Plan.
- b. Foster outreach to partners to identify synergy projects and community development programs [coordinate with efforts under II.5].
- c. Reduce water waste by making strategic investments in District technology and infrastructure and by increasing our efforts to encourage smart water use among our customers.
- d. Apply strategic resources to the issue of the legal availability of water for agriculture and rural land owners by continuing to advocate for a state level solution and exploring potential regional solutions.

5-YEAR RESOURCE NEEDS

Goal 2 includes significant investment in existing and potentially new infrastructure to serve current and future water customers as directed by our Capital Improvement Program. By focusing additional staff capacity in asset management and planning as directed by Goal 1, we will prioritize making smart long-term investments that maximize and prolong the value of our infrastructure, water rights, and other resources.





B. TELECOMMUNICATIONS

STATEMENT OF INTENT

Investment in telecommunications infrastructure is necessary to the security and effective management of Skagit PUD's water systems. Skagit PUD is collaborating with the Port of Skagit County on the SkagitNet effort for development of telecommunications services to support the growth and prosperity of the Skagit County community. In these efforts, Skagit PUD will favor the development of wholesale capacity over becoming a retail provider.

1 Invest in the telecommunications infrastructure necessary to securely and efficiently manage our water system and facilitate the extension of broadband infrastructure within Skagit County.

- a. Develop a fiber and radio network focused on meeting District needs.
- b. Continue our SkagitNet partnership with the Port of Skagit County, seeking greater clarity in roles and responsibilities.
- c. Carefully consider additional opportunities to develop broadband infrastructure, favoring partnerships and a focus on the wholesale provision of backbone capacity.

2 Stay current and decide whether we should enter the telecom industry as a retail provider if public utility districts are given the authority to do so.

- a. Monitor policy and market changes and review case studies, lessons learned, and best practices from elsewhere in the state or country.

5-YEAR RESOURCE NEEDS

Beyond our current commitment to create a broadband network for a portion of the Skagit community in partnership with the Port, we do not foresee the need for substantial investment in this area based on the preceding Statement of Intent.





C. SEWER

STATEMENT OF INTENT

While Skagit PUD has the legal authority to provide sewer services, we are not seeking to develop this service area. We would, however, be willing to meet regional needs if directed to do so by state and local agencies.

We will more actively pursue opportunities to use sewage as a method of increasing water availability and reducing or deferring investment in our water system infrastructure through water reclamation and recycling.

1 Explore and understand the connection between sewage and reclaimed water.

- a. Conduct an annual review of policy changes, technology trends, and the state of the sewer field, particularly in connection to water rights.
- b. Attend industry conferences to maintain a sense of the sewer industry and how it relates to water rights.
- c. Develop a contingency plan for how we would provide sewer services if mandated to do so.

5-YEAR RESOURCE NEEDS

We do not foresee the need for substantial investment in this area during the coming five years.



The background of the page is a photograph of a natural landscape. In the foreground, the backs of two people wearing jackets are visible as they look out over a calm body of water. The middle ground shows a wide, flat area, possibly a meadow or a dry riverbed, leading to a dense forest of evergreen trees. In the distance, a large mountain range is visible under a cloudy, overcast sky. The overall tone is muted and atmospheric.

II.

COMMUNICATION WITH THE PUBLIC AND PARTNERS

STATEMENT OF INTENT

As a service provider and steward of public resources, it is incumbent on us to communicate effectively with our customers, members of the public, and partners.

1 Strengthen communications and engagements with our customers.

- a. Develop an agency-wide Communications Plan that includes:
 - Implementation of a focused and consistent mission-based message.
 - Specific tactics for print, web, social media, public relations, and broadcast channels.
 - Strategies to implement online tools that provide easy access to information for customers, generating efficiencies for customers and District staff.
 - Identification of value communications, such as pushing out messages rather than keeping all resources available on demand at all times.

2 Seek opportunities to engage youth in water-related education.

- a. Continue outreach to schools and tours of the Water Treatment Plant and source water intakes.
- b. Explore opportunities to have a presence and offer internships at regional higher educational institutions, expanding our partnerships over time.

3 Ensure our policy-setting and decision-making processes are transparent and easily accessible.

- a. Maintain current efforts for making Commission meetings accessible and transparent.
- b. Continue to assess public interest and calibrate our investments in this area.

4 Strengthen our provision of high-quality customer service.

- a. Improve wayfinding signage for the driveway and entrance to the building.
- b. Begin implementation of a regular customer satisfaction survey.
- c. Increase customer familiarity with payment channels.
- d. Monitor rate increases and consider options to minimize impacts on customers.

5 Strengthen our relationships with our partners.

- a. Establish a prioritized plan for strengthening our relationship with partners.
- b. Assess our channels for communicating and sharing information with partners and make strategic improvements to key communication channels.

5-YEAR RESOURCE NEEDS

Additional staff capacity may be required to develop and implement the communications plan directed by Goal 1.





III.

INTERNAL OPERATIONS, COMMUNICATION, AND ORGANIZATIONAL DEVELOPMENT

STATEMENT OF INTENT

To provide high-quality services for our customers, it is imperative that we have strong staff and supporting systems.

1 Strengthen internal systems and the use of technology to create efficiencies.

- a. Identify needs and an appropriate solution for a document or content management system to increase efficiencies for contract approvals and other processes.
- b. Learn and implement the full capabilities of core software systems.
- c. Establish security and emergency response plans, policies, and procedures.
- d. Evaluate the most effective and resource-efficient use of in-house and contracted staffing and resources.
- e. Revisit our Strategic Plan on an annual basis, tracking our progress and ensuring it guides our budgeting and activities.

2 Address our aging District headquarters facility.

- a. Complete the feasibility study and determine whether the District headquarters should be housed in a new or existing building and at our current site or in a new location.
- b. Based on this plan, outline the scope, schedule, budget, and funding/financing plan with consideration of the impact on rate payers.
- c. Make repairs to the current building as necessary, or use temporary spaces until a permanent solution is in place.

3 Attract, retain, and develop a high-quality workforce.

- a. Strengthen our ability to recruit highly capable employees.
 - Stay current on staffing trends to develop and update our hiring and recruitment practices, including compensation trends, benefits, and what is desired by the workforce.
 - Implement updates and best practices as appropriate while maintaining a level of consistency with hiring practices.
- b. Anticipate and plan for pending retirements.
 - Identify likely staffing needs for the next five years and beyond considering anticipated retirements.
 - Develop a succession plan based on identified needs, which can be revised and updated as operations evolve at the District. The succession plan should include evaluation of current staff and opportunities to provide development opportunities where appropriate.
 - Continue to evaluate our needs when openings or retirements occur, seeking efficient solutions as conditions change.
- c. Strengthen and systematize our focus on staff development.
 - Identify development opportunities by asking staff, reviewing needs identified in the evaluation process, and gathering input from management personnel.
 - Establish a staff development process that benefits both employees and the District.

4 Improve internal communications throughout the organization.

- a. Increase transparency of internal communication throughout the District.
- b. Use the content of this Strategic Plan to structure internal meetings and communications.
- c. Continuing to gather input and suggestions from staff about internal communications.

5-YEAR RESOURCE NEEDS

The items listed above can be implemented with current resource levels.

IMPLEMENTATION FRAMEWORK

Skagit PUD will use this Strategic Plan to guide decision-making during the five-year period from 2018 to 2022. The direction established in this plan is at a high level and will be used to inform more detailed and actionable annual plans.

Using this Strategic Plan as a foundation, Skagit PUD will:

- Establish annual implementation steps, timelines, and performance metrics or milestones to guide and monitor implementation of the Goals and Strategies established in the Strategic Plan.
- Use the Strategic Plan to inform and frame:
 - » Budget development.
 - » Work unit work plans.
 - » Meetings, including Commission meetings and all-staff meetings.
 - » Communications with staff, customers, and partners.
- Provide regular progress reports, including:
 - » Quarterly staff progress reports to the General Manager.
 - » Annual General Manager progress reports to the Commission.

