



FRANKLIN COUNTY PUBLIC UTILITY DISTRICT #1

STRATEGIC PLAN FOR YEARS 2018-2023

Updated 2020

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MESSAGE FROM THE GENERAL MANAGER

Scott Rhees

General Manager

I began my employment as General Manager of Franklin PUD in April 2019; well into the second year of the Strategic Plan. The 2018-2023 Strategic Plan was created by Franklin PUD's Board of Commissioners and staff, who identified challenges facing the electric industry and developed strategic priorities to mitigate these challenges. This document describes the Strategic Plan and the objectives set to help achieve our goals and fulfill our mission - *to provide safe, reliable, and affordable cost-based power that benefits our customers.*

Staff has accomplished many of the goals that were set and as we move forward with the Strategic Plan, we will continue to be focused on our four primary guiding principles.

These guiding principles set our strategic direction:

- **Safety** First
- Maintaining Low, and Stable **Rates**
- Sustaining High Systems **Reliability**
- Developing Strong & Supportive **Relationships** with customers and community partners

Change continues to sweep the electric industry at an unprecedented pace causing significant changes in how we are required to do business. I am committed to fostering a positive work environment that supports dedicated employees, demonstrates sound governance and promotes continued improvement, all in an effort to provide excellent service for our customers. I look forward to continuing to work collaboratively with the Commissioners, staff and customers to carry out our mission and to pursue excellence in all we do.

We invite our customers' participation, review, questions and comments as we work together to develop and implement plans aimed at achieving our mission.

Sincerely,



Scott Rhees



ABOUT FRANKLIN PUD

Customer-owned utilities in the public power family like Franklin PUD are owned and governed by the people and communities we serve. We have an obligation to provide you ownership and control of your utility and to do so reliably, efficiently, and at the lowest reasonable cost.

Electricity powers the way we live, energizes our homes and businesses, and ensures economic vitality. Franklin PUD purchases, transmits, distributes, and sells electric energy to 25,000 customers. In addition, we are authorized under state law to provide wholesale telecommunications services (broadband). Our service area is approximately 435 square miles in Franklin County and includes Connell, Kahlotus and most of Pasco.

Currently we have 20 substations, 1,112 miles of transmission and distribution lines. Franklin PUD has 100 employees with revenues in excess of \$83 million and total assets of over \$196 million. An elected three-member Board of Commissioners governs the District.



COMMISSION & ORGANIZATIONAL CHART



ROGER WRIGHT
DISTRICT 1



BILL GORDON
DISTRICT 2



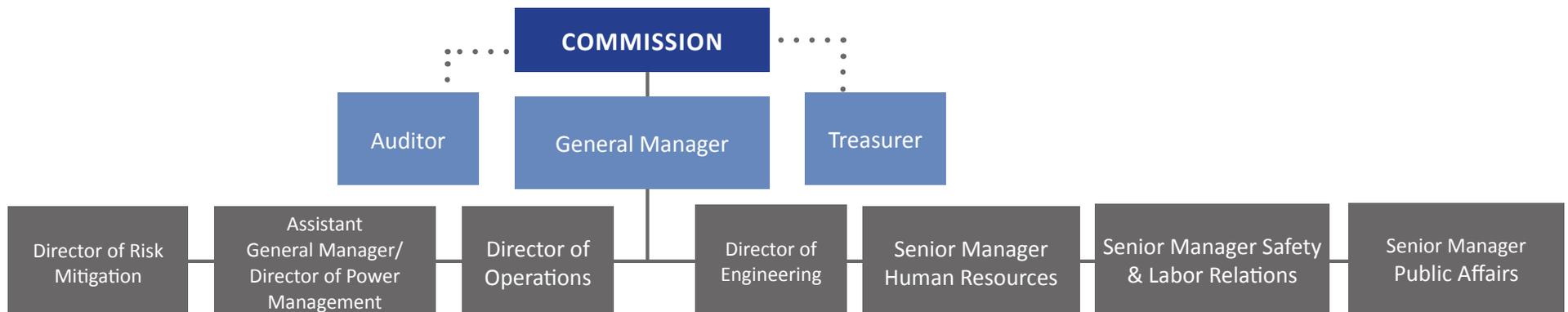
STU NELSON
DISTRICT 3

Franklin PUD's Board of Commissioners is the governing body for Franklin PUD. Commissioners have overall responsibility for setting policy and appointing the General Manager, who is responsible for the implementation of policies and direction of operations.

Franklin PUD has a three-member Commission, and each Commissioner represents a certain district of Franklin County, as shown on the Commissioner District map on the next page. Commissioners are elected to serve a six-year term.

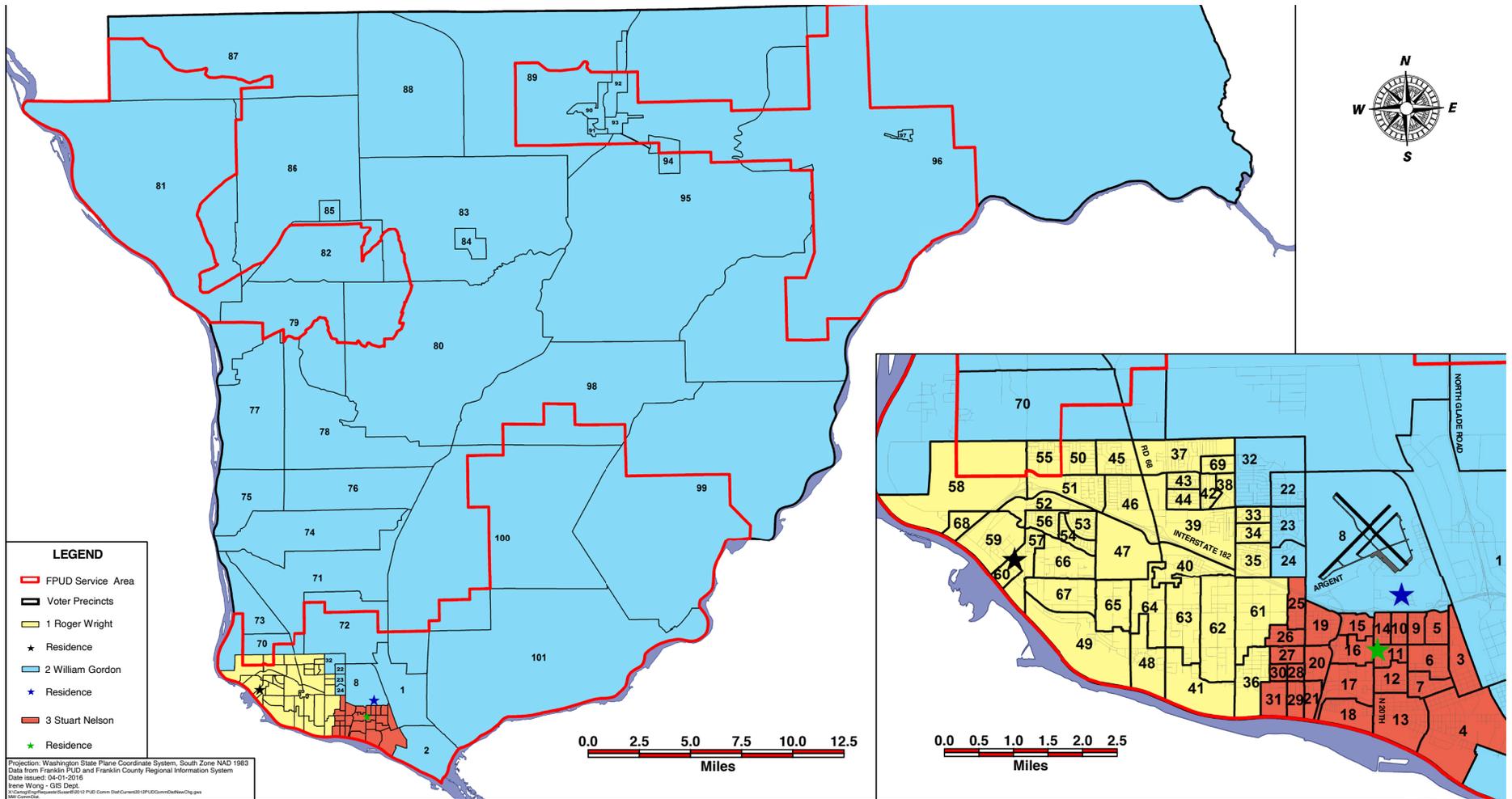
At the end of each year, the Commission elects a president, vice-president, and secretary for the coming year. The Commission President conducts the meetings. Minutes are taken at all meetings and are available to the public and on the website.

Organizational Chart



SERVICE AREA

FRANKLIN COUNTY



- LEGEND**
- FPUD Service Area
 - Voter Precincts
 - 1 Roger Wright
 - ★ Residence
 - 2 William Gordon
 - ★ Residence
 - 3 Stuart Nelson
 - ★ Residence

Projection: Washington State Plane Coordinate System, South Zone NAD 1983
 Data from Franklin PUD and Franklin County Regional Information System
 Date issued: 04-01-2016
 Irene Wong - GIS Dept.
© 2016 Franklin PUD. All rights reserved. PUD: C:\Users\Irene\Documents\GIS\MapData\FranklinPUD.mxd

COMMISSIONER DISTRICTS Public Utility District No. 1 of Franklin County

Adopted by the Board of Commissioners of Public Utility District No. 1 of Franklin County on December 2, 2011, revised June 26, 2012, and corrected April 26, 2016.



MISSION & VISION STATEMENTS

MISSION

To provide safe, reliable, and affordable cost-based power that benefits our customers.

VISION

The District will be a respected and reliable steward of electric and broadband systems, delivering high value to customers in the form of: low-cost and reliable power; a system infrastructure that supports safety and reliability; commitment to conservation of energy resources and our environment; and committed employees who excel in customer service and make the District a great place to work.



VALUES

CUSTOMER FOCUS

We respond to our internal and external customers, listening to their requests and understanding their needs. We strive to exceed their expectations.

RESPECT

We consistently treat every individual with dignity and respect. We foster open and honest communication, listen and understand other perspectives.

INTEGRITY

We are guided by what is ethical and right and fulfill our commitments as responsible public stewards.

PERSONAL RESPONSIBILITY

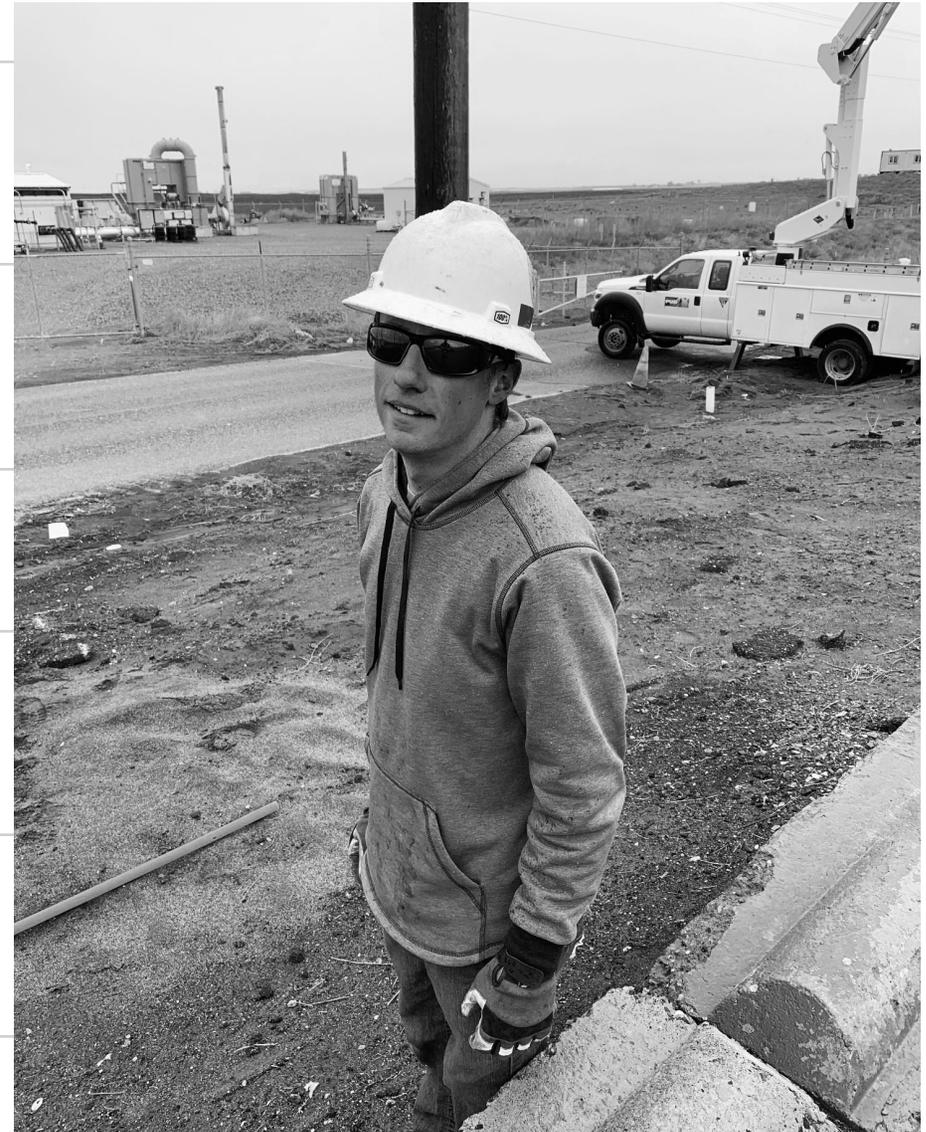
We are personally accountable to our customers and the District for the highest standards of behavior, including honesty and fairness in all aspects of our work.

TEAMWORK

We value diversity and draw strength from the wealth of viewpoints that reside within the District. We work together; demonstrate collaboration through mutual reliability, openness and flexibility.

FORWARD FOCUS

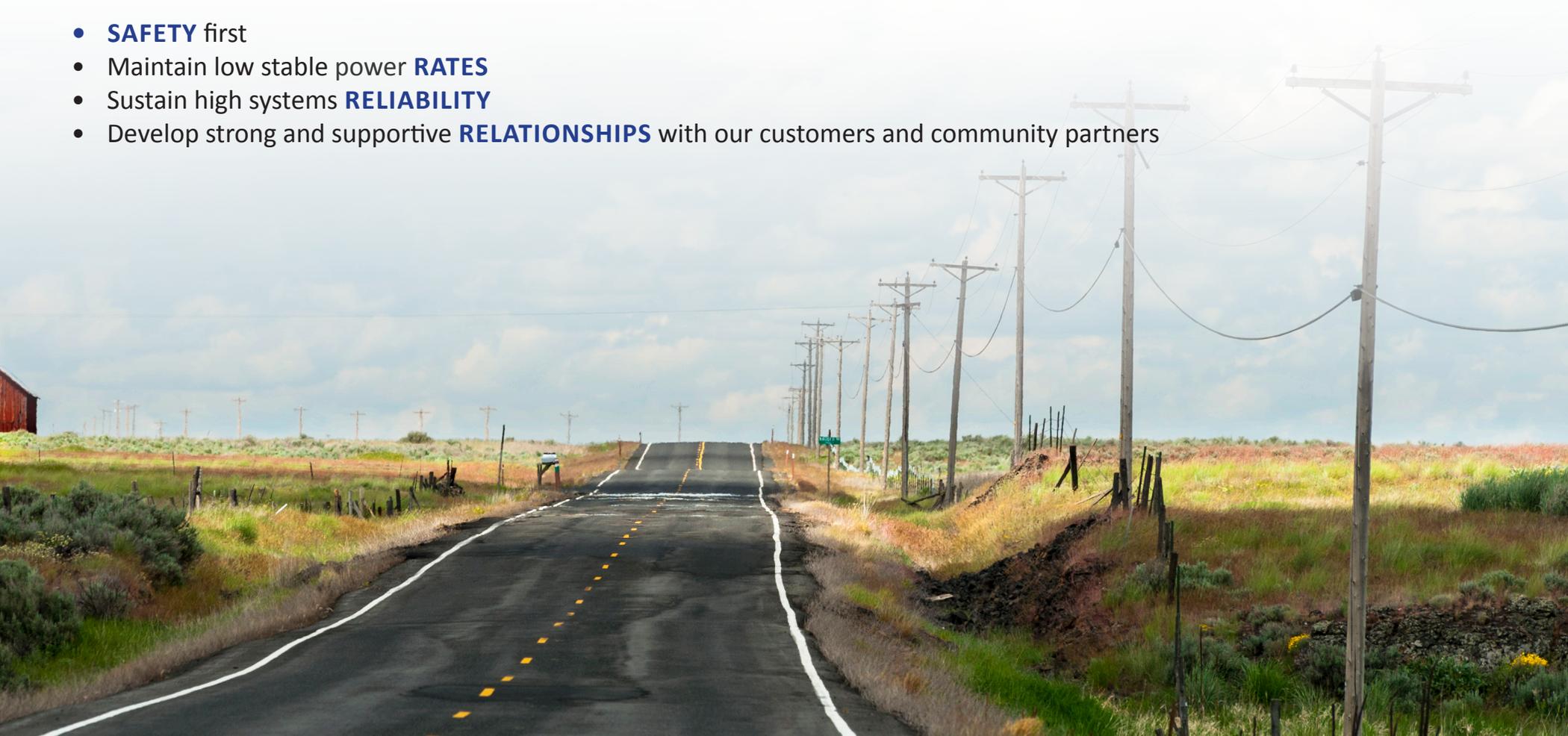
We anticipate and prepare for the future, encourage innovation and new ideas to better serve our customers.



GUIDING PRINCIPLES

The Guiding Principles are the cornerstones that guide our vision as we work to achieve our goals and fulfill our mission. They are not to be compromised and should be at the forefront of all business conducted on behalf of our customers.

- **SAFETY** first
- Maintain low stable power **RATES**
- Sustain high systems **RELIABILITY**
- Develop strong and supportive **RELATIONSHIPS** with our customers and community partners



ABOUT THE STRATEGIC PLAN

These components guide District decisions and make up our strategic plan.

MISSION STATEMENT

Our mission statement defines our purpose and role in our service area.

VISION STATEMENT

Our vision reflects how we strive to be viewed by our customers and community.

VALUES

Our values determine how we will pursue our mission.

GUIDING PRINCIPLES

Our Guiding Principles serve as the cornerstone that guide our vision as we work to achieve our goals and fulfill our mission.

STRATEGIC PRIORITIES

Our Strategic Priorities represent our areas of focus for the term of this strategic plan.

GOALS

Each Strategic Priority is supported by multiple goals, each of which serves to further our progress in that focus area

Two Year Operating Plan:

The Strategic Plan identifies priorities and strategies for the 2018–2023 period. To achieve the overarching goals established by the Commission and under the leadership of the General Manager, staff develops an Operating Plan in two-year increments to identify specific strategies accompanied by actionable tactics. The Operating Plan is approved and then reviewed quarterly by the Commission to assess progress and any needed corrections.

Strategies: Each goal is supported by the strategies we will use to achieve it.

Tactics: Each tactic represents a specified action with associated deadlines and accountability.

STRATEGIC PRIORITIES

Franklin PUD's commitment to safety and customer satisfaction are crucial components of achieving our mission, and incorporated into each strategic priority.

- 1** PROMOTE EMPLOYEE AND PUBLIC SAFETY
- 2** MAINTAIN SYSTEMS TO PROVIDE RELIABILITY FOR OUR CUSTOMERS
- 3** ENSURE STABLE POWER RATES
- 4** STRIVE FOR A POSITIVE CUSTOMER EXPERIENCE
- 5** PROVIDE AN EXCELLENT WORK PLACE ENVIRONMENT

GOALS & TACTICS SUPPORTING STRATEGIC PRIORITIES

Within each strategic priority Franklin PUD has developed multiple goals. Each goal is supported by tactics which are designed to achieve the goals within an expected time frame.

1

PRIORITY: PROMOTE EMPLOYEE AND PUBLIC SAFETY

Goal:

Expand a proactive employee driven safety program that provides training and information to our employees and customers in a format that is easy to understand.

Tactic 1.1

Assess employee training needs and develop programs that will meet them and instill a culture of safety.

- *Make certain trainings mandatory examples: CPR, Automated External Defibrillator, fire extinguisher, and First Aid.*

Tactic 1.2

Develop and maintain strong relationships with our community partners.

- *Reinforce communication with local police and fire departments.*
- *Be a valued safety partner with our neighboring utilities – Benton PUD, Big Bend Coop., Benton REA and City of Richland*

Tactic 1.3

Support and educate our customers.

- *Broaden our audience by providing more safety information and opportunities to the general public in Spanish and English.*

GOALS & TACTICS SUPPORTING STRATEGIC PRIORITIES

2

PRIORITY: MAINTAIN SYSTEMS TO PROVIDE RELIABILITY FOR OUR CUSTOMERS

Goal:

Meet or exceed established reliability indices, ensure adequate long term power supply, and maintain reliability of internal operations systems.

Tactic 2.1

Acquire long term power supply solutions to support load growth.

- *Secure financially viable resources in advance of contract expiration.*

Tactic 2.2

Continue to implement technology that will provide insight into our systems.

- *Full implementation of outage management systems, Landis and Gyr Gridstream meters, etc.*

Tactic 2.3

Analyze data to improve reliability.

- *Use business analytics in every aspect of our business, examples: response time, equipment upgrades, system improvements, etc.*

GOALS & TACTICS SUPPORTING STRATEGIC PRIORITIES

3

PRIORITY: ENSURE STABLE POWER RATES

GOAL:

Develop programs/process to monitor budgets to strengthen the District's financial position while moving the District's rates into the lower third of Washington State utilities.

Tactic 3.1

Effectively integrate Enterprise Risk Management into our processes to prioritize projects, capital investments and reduce exposure to business risks.

- *Evaluate and mitigate risk at every level of the organization fully utilizing systems and business analytics. (Fleet management, System Operations, NISC, etc.)*

Tactic 3.2

Establish controls to ensure District assets are being protected and utilized as intended.

- *Further expand audit processes, ensure employees are knowledgeable and adhere to purchasing processes and procedures.*

Tactic 3.3

Create broadband financials to effectively assess impact to electric system.

- *Evaluate small cell impacts, understand the community needs and benefits of providing broadband services, etc.*

GOALS & TACTICS SUPPORTING STRATEGIC PRIORITIES

4

PRIORITY: STRIVE FOR A POSITIVE CUSTOMER EXPERIENCE

Goal:

Establish a professional relationship with our customers, listen to understand and not to “defend”, and create an environment of mutual respect.

Tactic 4.1

Develop processes to help identify customer needs (Key Accounts Program, surveys).

- *Establish a Key Accounts Program, receive valid customer survey feedback, utilize communication tactics that reach our diverse customer base.*

Tactic 4.2

Provide employee training to help understand all aspects of the District and what “role” they play in it so employees can effectively assist customers.

- *Fair and Accurate Credit Transactions Act, Cyber Security, Rules and Regulations, Public Records Act, Engineering Standards, Customer Privacy, Energy Services Programs, etc.*

GOALS & TACTICS SUPPORTING STRATEGIC PRIORITIES

5

PRIORITY: PROVIDE AN EXCELLENT WORK PLACE ENVIRONMENT

Goal:

Set expectations that align with the District's mission, vision and values to create

Tactic 5.1

Ensure existing policies and procedures remain effective, are not duplicative and reflect the District's mission.

- *Review policies and procedures, condense when possible, simplify and ensure employees understand them.*

Tactic 5.2

Supervisors will take an active approach with their employees, treat their employees with respect, and invite questions regarding process improvement.

- *Provide resources and training to managers, make appropriate budget allowances to keep office equipment and internal systems working properly.*

Tactic 5.3

Foster open door policy that respects the District's integrity.

- *Every manager encourages open communication, feedback and discussion.*
- *Focus on developing teamwork to value diversity and draw strength from the wealth of employee's viewpoints.*
- *Develop a Business Code of Conduct.*

**FRANKLIN PUD
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