



Franklin PUD EXCELLENCE in Governance POLICIES

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Commission Obligations to Excellence

O-1

Set Strategic Direction and Outcomes for the District

O-2

Provide Sufficient Financial and Staff Resources

O-3

Engage and be Accountable to Rate Payers and Other Stakeholders

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Assure Effective Management

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Fulfill Financial Responsibilities

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Comply with Statutory and Regulatory Duties

Commission Member Actions for Excellence

A-1

Place Highest Priority on Public and Employee Health and Safety

A-2

Be Diligent and Prudent Stewards With Rate Payer Resources

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Provide Clear, Majority Based Direction

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Be Accountable for Commission Decisions

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Demonstrate, Communicate and Conduct Business Centered to the District's Values:
Customer Focus, Personal Responsibility, Respect, Teamwork, Integrity and Forward Focus

Characteristics for Commission Excellence

C-1

Critical Commission Self Evaluation

C-2

Maintain Commission Focus on Purpose, Policies and Procedures

C-3

Effective GM/Commission Working Relationship

C-4

Clear and Effective Performance Management

C-5

Comprehensive Commission Education and Development

EXCELLENCE in Governance Model

The Commission's Excellence in Governance Model includes an overarching statement of guiding leadership principles. These are positive, general principles that serve as the foundation of how we conduct business and lead the District as the governing body. They are motivational and driving traits for how we will engage as individuals and as a Board of Commissioners in the best interest of the District and its ratepayers.

Statement of Guiding Principles:

- **Safety First**
- **Rates**, provide stable rates at the lowest cost possible.
- **Reliability**, provide high systems reliability.
- **Relationships**, establish strong and supportive relationships between stakeholders and employees.

Tier 1 Commission Obligations to Excellence

The Commission's Obligations to Excellence are commitments by the Commission to ensure good stewardship of Franklin PUD (the District) on behalf of our ratepayers.

Tier 2 Commission Member Actions for Excellence

Commission Actions for Excellence represent individual and group excellence behaviors that significantly impact overall District performance.

Tier 3 Characteristics for Commission Excellence

The Commission's Characteristics of Excellence provide assurance methods to achieve predictable governance outcomes by promoting consistency in commission action.

Commission Obligations to Excellence

The Commission's Obligations to Excellence are commitments by the Commission to ensure good stewardship of Franklin PUD (the District) on behalf of our ratepayers.

O-1, Set Strategic Direction and Outcomes for the District

- Establish mission, vision and strategic priorities for the District.
- Guide and approve strategic focus areas (goals), performance indicators and milestones for the District. This will be accomplished pursuant to the District's Strategic Plan.
- Implement policies that allow Commission direction and outcomes to be achieved.
- Review results against goals regularly.
- Consider the District's unique characteristics.

O-2, Provide Sufficient Financial and Staff Resources

- Ensure the District has the necessary budget, staff, flexibility and other resources and assets to achieve and sustain excellence including during emergency situations.
- Provide adequate resources to support long-range planning as well as immediate/unexpected occurrences.
- Engage District staff and resources wisely in a manner that best serves public interests.

O-3, Engage and Be Accountable to Rate Payers and Other Stakeholders

- Directly engage and promote mutually beneficial partnerships with customers – create awareness; build support for the District; and be transparent, dependable and accessible.
- Communicate with customers in an honest, timely, clear and straightforward manner.
- Always consider the rate payers first and how District actions impact the rate payers.

O-4, Assure Effective Management

- Assure an effective management team through robust and comprehensive leadership development and succession planning.
- Critically assess General Manager candidates and appoint the best qualified individual.
- Define General Manager expectations in the General Manager job description, and through the District's strategic focus areas (goals).
- Incorporate General Manager expectations in performance appraisal/evaluation and/or refer to it during the performance review.
- Ensure the General Manager has the resources to provide financial incentives to attract and retain quality staff and to recognize excellent performance.
- Provide frequent and constructive feedback to the General Manager.

- Conduct an annual performance evaluation of the General Manager; evaluate how the General Manager contributes to the District’s strategic focus areas and strategic priorities; and provide honest evaluation with explanation.

0-5, Fulfill Financial Responsibilities

- Conduct Commission business for the sole benefit and interest of District rate payers.
- Fulfill obligations to rate payers and comply with statutory requirements to supply cost-effective services.
- Ensure the financial sustainability and predictability of the District in such a manner as to promote transparency, accuracy and accountability to rate payers.
- Foster a strict relationship of trust with all stakeholders, absent of any Commissioner conflicts of interest.
- Provide advice and counsel as appropriate to the General Manager.
- Consult with independent advisors as necessary or as needed.

0-6, Comply with Statutory and Regulatory Duties

- Be aware of Commission regulatory oversight processes and requirements (e.g., federal, state, local, RCW, etc.).
- Routinely engage with District counsel.

Notes

Commission Member Actions for Excellence

Commission Actions for Excellence represent individual and group excellence behaviors that significantly impact overall District performance.

A-1, Place Highest Priority on Employee and Public Health and Safety

- Make risk-informed decisions, placing highest priority on employee and public health and safety considering both short-term and long-term implications.
- Develop and maintain Commission-level oversight on safety.

A-2, Be Diligent and Prudent Stewards with Rate Payers Resources

- Regularly attend and participate actively in commission meetings, and individual education and development opportunities.
- Stay well informed on District issues.
- Engage District staff and use resources efficiently and cost-effectively to serve District objectives.
- Understand what staff can realistically achieve; avoid over-commitment of staff and resources.
- Support the long-term safe, reliable and cost-effective operation of District projects.

A-3, Provide Clear, Majority Based Direction

- Engage in thorough discussion prior to Commission decisions; support those decisions.
- Achieve a meeting of the minds, clearly articulated by Commission action.
- Seek to achieve consensus in direction given by the Commission, but majority direction must be provided if required.
- Acting as a unified body, clearly communicate direction and expectations for organizational results to the general manager.

A-4, Be Accountable for Commission Decisions

- Do what we say the Commission is going to do.
- Take ownership of our individual and group actions; do not undermine Commission decisions or other Commission members.
- Understand the impact Commission actions may have on the District, other individuals and other organizations.

A-5, Demonstrate, Communicate and Conduct Business Centered to the District's Values: *Customer Focus, Personal Responsibility, Respect, Teamwork, Integrity and Forward Focus*

- Serve with a strong sense of purpose and integrity, placing the interests of the rate payers and the District first in all deliberations.
- Comply with applicable state laws, and the intent and spirit of our Commission policies.
- Be responsible, acknowledging and fully engaging upon our duties.
- Protect confidential and privileged information concerning the District.
- Be respectful, ensuring fellow Commissioners have equal standing and act in a manner that brings credit upon the District.
- Foster a communication climate that supports unhindered, open and straightforward communication with the General Manager, any employee or group of employees; customers; members of the public; government officials or bodies; and any other party interested in the business of the District.
- Ensure fellow Commissioners are welcome to express opinions.

Characteristics for Commission Excellence

The Commission's Characteristics of Excellence provide assurance methods to achieve predictable governance outcomes by promoting consistency in commission action.

C-1, Critical Commission Self-Evaluation

- Hold ourselves to the highest standards of governance.
- Proactively self-evaluate Commission performance on a regular basis to determine and ensure effectiveness and cohesiveness as a Commission.
- Be our own toughest critic by identifying and examining lessons learned and incorporating those lessons, as applicable, into Commission processes.
- Question other Commission members in the same manner to which we question our staff.
- Commission will perform a self-evaluation annually.

C-2, Maintain Commission Focus on Purpose, Policies and Procedures

- Ensure policies and procedures are developed and maintained current for all important Commission responsibilities.
- Understand the role of the Commission; be familiar with the policies and procedures to ensure our Commission is fully-engaged and knowledgeable.

C-3, Effective GM / Commission Working Relationship

- Clearly define, understand and communicate working relationships between the Commission and the General Manager.
- As a unified body, make policy and policy-based decisions, and direct and hold accountable the General Manager to manage the District.
- Ensure policies and procedures are developed and maintained current for all Commission responsibilities.
- Understand the role of the Commission and general manager; be familiar with the policies and procedures available to ensure our Commission is fully-engaged and knowledgeable.

C-4, Clear and Effective Performance Management

- Clearly define General Manager performance objectives.
- Candidly assess General Manager performance regularly.
- Be intrusive and demonstrate a questioning attitude on General Manager-assigned actions to validate and verify expectations are being met.
- Participate in performance and compensation reviews of the General Manager.

C-5, Comprehensive Commission Education and Development

- Be fully and actively engaged in Commission business, to include participation in individual education and development opportunities.
- Increase Commission efficiency and effectiveness by proactively seeking opportunities to increase knowledge and expertise on the District, industry and governance.
- Conduct regular and timely Excellence in Governance Model reviews.
- New Commission members will complete orientation and review of applicable laws to the District.

Notes

EXCELLENCE in Governance

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