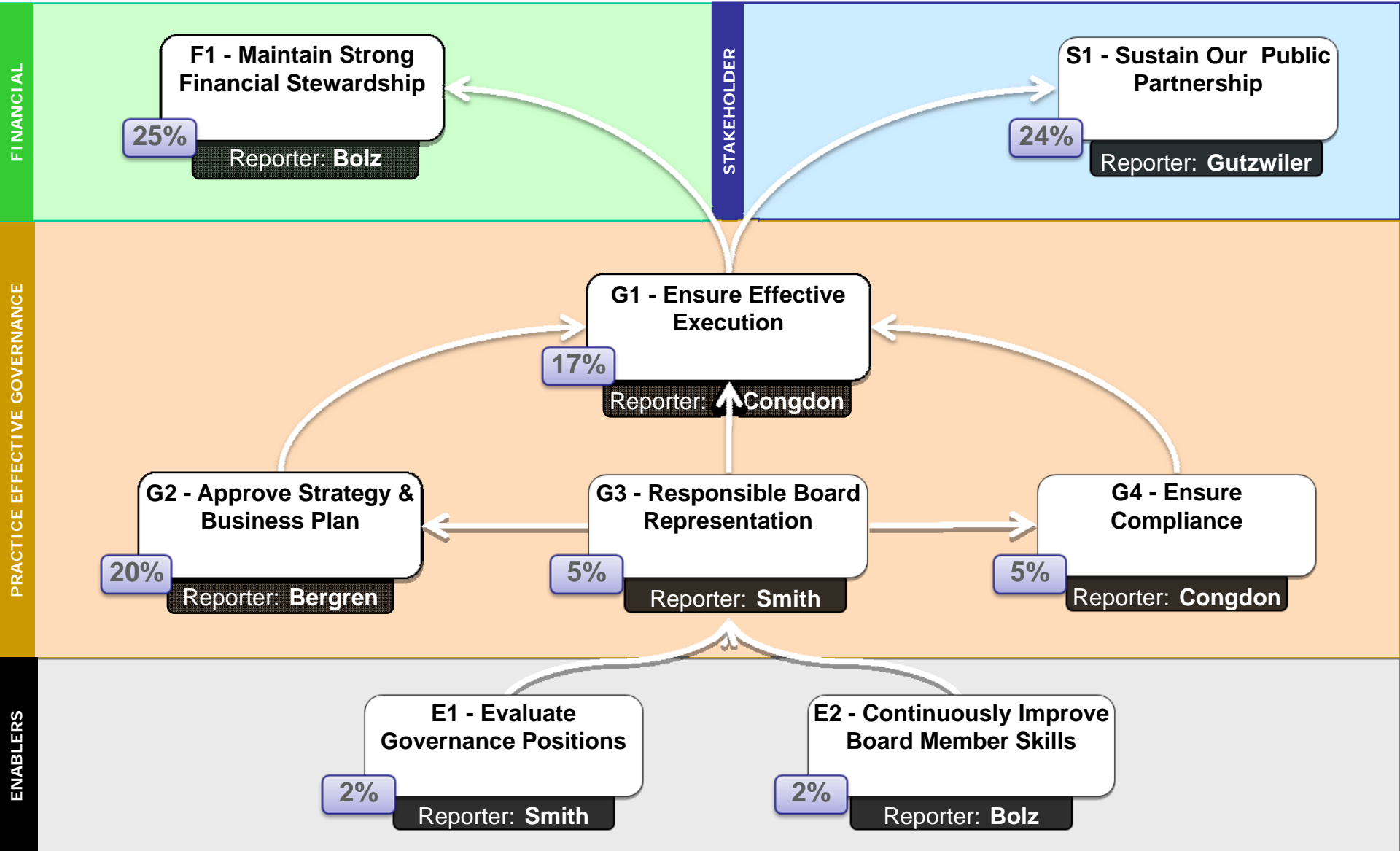


# With integrity, supporting customer-owners through the Vision & Mission of the PUD



**X%** { **Definition of Strategy weightings:**  
 Each strategic objective is important. The weightings do not represent the level of importance, but emphasize the appropriate amount of time, effort, and resources to be considered in business decisions.

# F1 - Maintain strong financial stewardship

## What is the Strategic Objective?

- ❖ Ensure policies and procedures are in place to responsibly use public funds to cover maintenance and operating cost, service debt, pay for construction, and maintain planned reserves.
- ❖ Ensure the policy for rate setting supports a long-term, integrated utility that provides financial stability for the District at acceptable risk levels
- ❖ Ensure policies are in place to manage growth at acceptable risk levels

## Why is it important?

- ❖ Provides the sound business principles and policies that will guide the District in running smoothly, predictably, and reliably
- ❖ Ensures longevity and preserves our valuable assets
- ❖ Leads to a sustainable business model

## Indicator:

- ❖ Quarterly operating and financial review presented by management within 45 days of each quarter end. The Board checks for adherence to budgets, long-range plans, guidelines, principles, policies, and acceptable risk levels. (Management's presentation to the Board would occur in [Feb/May/Aug/Nov](#))

# S1 - Sustain our public partnership

## What is the Strategic Objective?

- ❖ Develop and use outreach mechanisms to ensure that the Board hears the strategic viewpoints and values of its customer-owners, the community and other interested stakeholders.

## Why is it important?

- ❖ Community relations is an ongoing activity for all Board members
- ❖ Supports the principles of Public Power and keeps the customer-owners as a top priority

## Indicator:

- ❖ Board attendance at customer partnership groups
- ❖ Board attendance at regional stakeholder, advocacy or special interest group meetings vs. planned attendance
- ❖ Attendance at quarterly Mid-C Commissioners/Managers meetings

(These indicators would be based on information from commissioner blue books and tracked by the Clerk of the Board. Indicator results would be included in quarterly scorecard status updates given by the assigned Reporter in [Jan/Apr/Jul/Oct](#))

# G1 - Ensure effective execution

## What is the Strategic Objective?

- ❖ Ensure that policies and procedures are in place to:
  - ❖ Clearly define decision-making roles of the Board and General Manager
  - ❖ Communicate strategic direction to management and the public
  - ❖ Review pertinent information regarding District policies and procedures

## Why is it important?

- ❖ The district will not perform to the board's expectations unless those expectations are clearly established with the General Manager
- ❖ The General Manager is more accountable for the performance of the district if the Board (from a governance perspective) and the General Manager (from an operations perspective) work within their respective roles.

## Indicator:

- ❖ Quarterly review of board's balanced scorecard status. Each Commissioner gives an update of the status of their assigned objectives in [Jan/Apr/Jul/Oct](#) .
- ❖ Annual review of key District policies [Dec](#)
- ❖ Semi-annual evaluation of General Manager performance including communication of Board expectations – [Jul/Dec](#)
- ❖ Annual evaluation of General Counsel performance and compensation including communication of Board expectations – [Jan](#)

# G2 - Approve strategy and business plan

## What is the Strategic Objective?

- ❖ Charge management with developing & recommending strategic options
- ❖ Define strategic direction based on strategic options
- ❖ Review and adopt the District's budget annually, review quarterly the budget vs. actual and amend the budget as necessary and appropriate.
- ❖ Review and revise, as appropriate, the Mission and Vision statements of the District and other guiding policy documents.

## Why is it important?

- ❖ Ensures financial responsibility over public funds prior to expenditures
- ❖ Provides a check and balance process for comparing financial forecasts to Board guidelines

## Indicator:

- ❖ Annual review and revision, if needed, of Board's Balanced Scorecard to provide foundation for the strategic goal setting process – Apr
- ❖ Annual strategic planning goals reviewed and set to provide guidance to management before for the annual budget process starts – Apr
- ❖ Annual budget review and adoption – Dec

# G3 - Responsible Board Representation

## What is the Strategic Objective?

- ❖ The Board commits itself and its members to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum. Board members will avoid even the appearance of impropriety to ensure and maintain public confidence in the District.
- ❖ Board members conduct themselves in accordance with all laws, with civility and respect at all times with one another, and with staff and with members of the public.
- ❖ Board members represent the interest of Chelan County PUD customer-owners, superseding any conflicting interest of advocacy or special interest groups, or personal interest of any Board member

## Why is it important?

- ❖ Board members have a fiduciary responsibility to represent their constituents
- ❖ The District will operate more efficiently and effectively under the guidance of a well functioning board

## Indicator:

- ❖ Board coverage in key association meetings (WPUA, APPA, NWPPA, NHA, ENW)
- ❖ Attendance at regularly scheduled meetings  
(The two indicators above would be based on information from commissioner blue books and tracked by the Clerk of the Board. Indicator results would be included in quarterly scorecard status updates given by the assigned Reporter in [Jan/Apr/Jul/Oct](#))
- ❖ Establish/review/revise a process and mechanism for public and internal reporting and feedback on Board conduct – [Establish process by year end](#)

# G4 - Ensure Compliance

## What is the Strategic Objective?

- ❖ The Board will contract with an external independent auditor to audit the District's finances and procedures. It will assure that the District's Audit Committee operates appropriately as set forth by resolution approved by the Board.
- ❖ Ensure policies & procedures are in place to address legal and regulatory compliance.

## Why is it important?

- ❖ Ensures independent, objective advice is available to the Board regarding internal controls and compliance with applicable laws.

## Indicator:

- ❖ Board appoints 2 members to participate in Audit Committee (President and Vice President with Secretary as alternate) - [Jan](#)
- ❖ Annual internal audit committee report reviewed and receive quarterly update from Internal Auditor – [Jan/Apr/Jul/Oct](#)

# E1 - Evaluate Governance Positions

## **What is the Strategic Objective?**

- ❖ The Board will establish and adhere to the standards needed to govern with excellence. Standards will apply to matters such as attendance at meetings, preparation for meetings, policy making principles and codes of conduct. The Board will annually review its performance.
- ❖ Performance plans will be developed for the General Manager and General Counsel. Periodic reviews of the GM's and GC's performance will be conducted as set forth in the governance policy.

## **Why is it important?**

- ❖ Periodic review of governance-position performance enhances accountability and identifies opportunity for improvement.

## **Indicator:**

- ❖ Annual review/revision of Board Governance policy manual and Code of Ethics - Jul
- ❖ Annual review of Board performance - Oct

# E2 – Continuously improve board member skills

## What is the Strategic Objective?

- ❖ Continual Board development includes orientation of new Board members in the Board's adopted governance policies and processes, periodic training and education, Board discussion of process improvement for the Board members and review of the policies and procedures. The Board will regularly discuss and evaluate its performance through self-monitoring which includes comparison of Board activities to policies adopted by the Board. The Board will determine the appropriate manner of this feedback and evaluation.

## Why is it important?

- ❖ Continued training of Board skills, policies, and procedures ensures a smooth operational transition during Board member changes.
- ❖ Improvements in Board member skills positively affect district governance.

## Indicator:

- ❖ Development of annual training plan to be used for budget preparation – Jul
- ❖ Review and update the annual training program for newly elected Board members - Oct