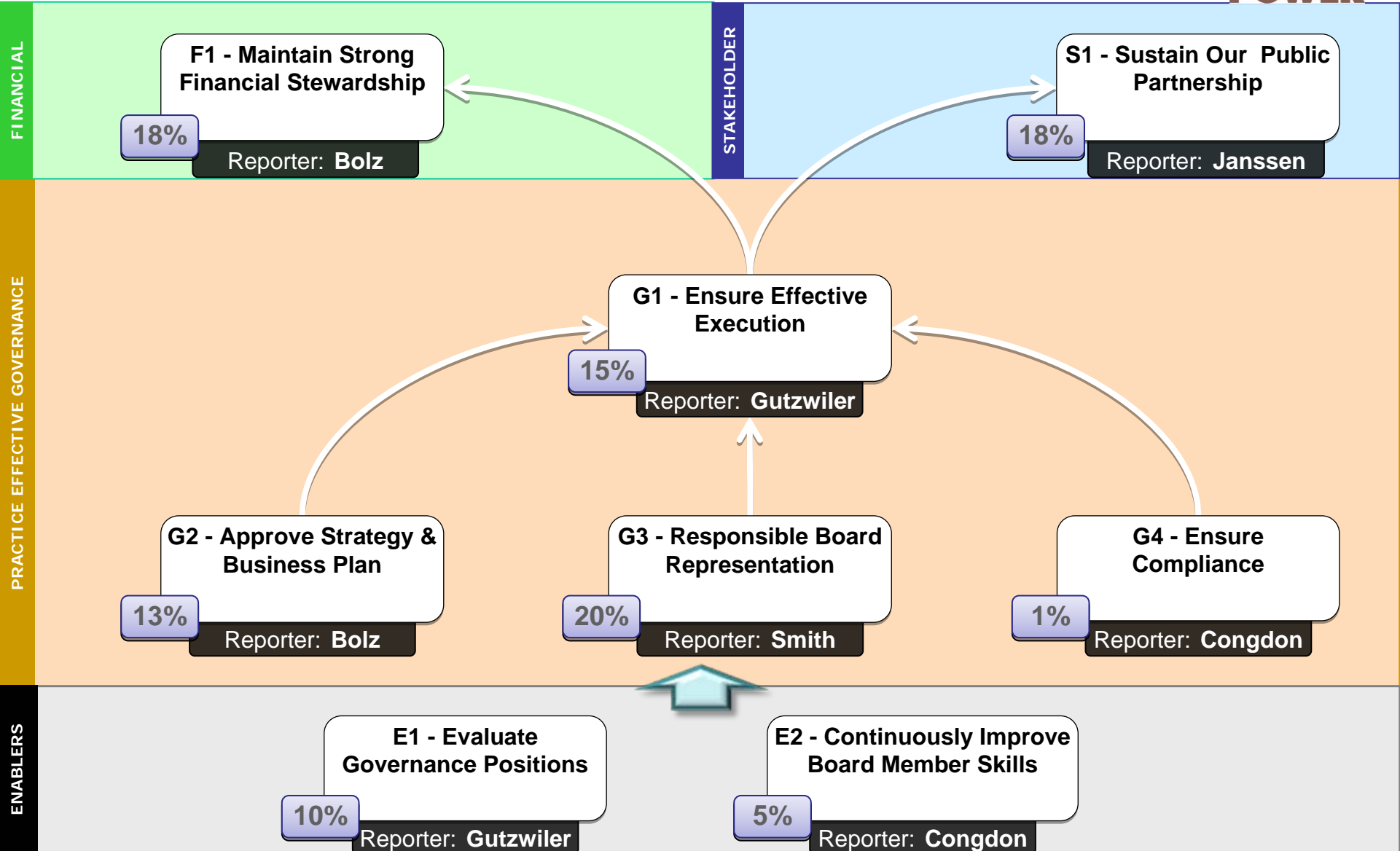


TBD by current strategy planning process - DRAFT



10% **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 - DRAFT

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

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 results reviewed (checking for adherence to long-range plans, guidelines, principles, or policies)
- ❖ Annual review of risk issues & mitigation plans (check risk tolerance against policy)
- ❖ Completion of annual planning cycle component that establishes/reviews/revises Board guiding financial principles and governing policies
- ❖ Ensure policies and processes are in place for appropriate rate setting for services provided

S1 - Sustain our public partnership - DRAFT

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
- ❖ Number of contacts with customer-owners
- ❖ Board attendance at regional stakeholder, advocacy or special interest group meetings vs. planned attendance
- ❖ Attendance at quarterly Mid-C Commissioners/Managers meetings

G1 - Ensure effective execution - DRAFT

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 and the General Manager work within their respective roles.

Indicator:

- ❖ Quarterly review of board's balanced scorecard
- ❖ Annual review of:
 - ❖ Internal controls policy
 - ❖ Communications policy
 - ❖ Regulatory compliance policy
 - ❖ Risk management policy
 - ❖ Risk mitigation plan
 - ❖ Financial policy
 - ❖ Annual internal audit plan
- ❖ Semi-annual evaluation of general manager including communications of Board expectations

G2 - Approve strategy and business plan - DRAFT

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/revision of Board's Balanced Scorecard
- ❖ Annual strategic planning goals set or reviewed
- ❖ Annual planning cycle actions completed on schedule
- ❖ Annual budget adoption
- ❖ Quarterly actual-vs.-budget review

G3 - Responsible Board Representation - DRAFT

What is the Strategic Objective?

- ❖ TBD

Why is it important?

- ❖ TBD

Indicator:

- ❖ TBD

Definitions and indicators
being developed by
Commissioner Randy
Smith

G4 - Ensure Compliance - DRAFT

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.

Why is it important?

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

Indicator:

- ❖ Audit guidelines reviewed annually
- ❖ Internal audit plan reviewed annually including providing input for special projects or reviews to be conducted
- ❖ Board appoints 2 members to participate in Audit Committee
- ❖ Audit committee updates full Board as necessary
- ❖ Ensure that policies and procedures are in place for monitoring and management of regulatory compliance
- ❖ Ensure that policies and procedures are in place to maintain a strong internal control environment

E1 - Evaluate Governance Positions - DRAFT

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.

Why is it important?

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

Indicator:

- ❖ Quarterly ratio of attendance at board meeting per Board member
- ❖ Attendance at board meetings
- ❖ Annual review of governance standards
- ❖ Annual review/revision of Board Governance policies manual including the Board Code of Conduct (policy no. 6)
- ❖ Annual review of Board performance
- ❖ Semi-annual review of General Manager performance
- ❖ Annual review of General Counsel performance

E2 – Continuously improve board member skills - DRAFT

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 for Board members
- ❖ Completion of hours and costs of training per board member vs. planned hours and costs
- ❖ Annual review of board training policies and procedures
- ❖ Establish/review/revise policies and procedures for self-monitoring and self-evaluation of Board performance including comparison of Board activities to policies (periodic review to be defined by board)
- ❖ Complete/review/revise the training program for newly elected Board members