

Jefferson County Public Utility District

Strategic Planning Recommendations

Prepared by the Washington Public Utility Districts Association

September 2019

Overview: Jefferson County PUD requested the assistance of the Washington Public Utility Districts Association in developing an updated strategic plan that would establish clear and measurable goals for the utility. In May of 2019, WPUA met with the PUD Board and several staff members to gather information to help guide the strategic planning process for Jefferson PUD.

Strategic planning is necessary but not enough for Jefferson PUD to be successful. Setting vision, developing culture and establishing realistic goals in the near term is key. Having the ability to achieve these efforts will require an investment in people and a commitment by the Board to acknowledge its official role and responsibilities at the PUD and empower the organization to succeed.

Follow this principle:

“Set the goals and objectives, hire the right people and get out of the way” or from the Board perspective, “Set the strategic goals, hire the general manager, get out of the way and use the Board process for accountability.”

The PUD today: In order to provide guidance in a strategic planning process, WPUA determined it was important to conduct research to gain an understanding of the PUD’s existing culture, operational functions, challenges and opportunities.

On May 14, 2019, WPUA conducted interviews with employees representing various departments within the PUD. Each employee was asked a series of questions related to the PUD’s operational functions, culture, and strategic direction. The research resulted in several key, consistent general underlying themes relevant to the PUD’s operations and future strategic planning:

- Little institutional knowledge among staff. – Average tenure of staff interviewed is 4 years.
- No common understanding of Commissioner roles and responsibilities.
- Vacancies in key leadership positions. GM span of control today is 15 people.
- Rapid change of leadership creating concerns about stability (job stability).
- Understaffed in several areas.
- Lack of clear direction and goals. AMI and Fiber identified as two major areas of concern.
- Department isolation (working in silos).
- Room for improvements and efficiency gains exist.
- Staff is optimistic for the future.
- Staff is dedicated to doing good work.

Recommendations: Based on our research, WPUDA is providing two recommendations:

1. Actions to address immediate needs.
2. A process for strategic planning.

Recommendations to address immediate needs:

Recommendations to the Board

1. Adopt clear goals and objectives for the immediate future in energy, water, telecommunications, administration, culture, safety and finance with the assistance of staff.
 - AMI
 - Telecommunications and Fiber build out
 - Financial indices related to debt, reserves, etc.
 - Safety
 - Outages
 - Organizational Stability and Communication
 - Commitment to Excellence
 - Teamwork and collaboration
2. Provide budget to the General Manager for recruiting and hiring senior management positions with the goal of having the general manager supervising no more than five direct reports in the following categories:
 - Chief Financial Officer
 - Engineering/Operations
 - Customer Service
 - Information Technology
 - Human Resources
3. Approve a recruitment plan for hiring these positions including the development of job duties, salary ranges, benefit profiles and PUD marketing brochure. – Have staff involvement in creating the marketing brochure – titled. “Working at Jefferson PUD, a beautiful place to work and live.”
4. Board members should approve a governance document that provides a roadmap for Board activities. The intent of the document is to provide guidelines for commissioner involvement in PUD activities outside the Commissioner statutory responsibilities specified in RCW 54.
 - Clearly defined roles and responsibilities for Board members related to PUD operations.
 - Communications protocols for Board Members to ensure an efficient and effective flow of information, consistent with the Open Meeting Act, between the Board and General Manager, Legal Counsel, Management and consultants.
 - Board members must ensure when they speak for the Board or for themselves.

- Once Board actions are taken, they are supported by all Board members.
 - Board members should limit the direction they provide only to the General Manager.
 - The board should use the resolution process for actions taken by the Board.
 - Ensure that communications with the public and the press are consistent.
 - Unless consultants are hired with the specific direction to work with the Board the consultant agreements should be managed by the GM or designee.
5. Approve criteria that should be used when deciding on consultants or staff for key functions of the PUD.
 6. Develop a media communication protocol that provides direction and process for Commissioners when dealing with the media or public.
 7. Have a customer/staff appreciation barbecue hosted by the Commissioners (see Mason PUD#1)

Recommendations to the General Manager

1. Develop drafts of material listed above with staff as necessary for Board approval.
2. Schedule Commissioner status briefings on regular basis regarding PUD issues and “to do” list.
3. Develop standard Commission agenda for departmental reports.
4. Plan Commissioner workshops to help communicate various activities of the PUD (tree trimming, rate setting, fiber connections, AMI progress, BPA, etc.).
5. Develop recruiting schedule for key management positions – identify review process, interview panels, etc.
6. Organize interdepartmental teams to suggest improvements to administrative processes within the PUD.
7. Look at benchmarking to determine staffing priorities, i.e. CSR/Customers served, etc.
8. Develop dashboard success meter for Board reports.
9. Establish professional development goals for the General Manager and direct reports.

Recommendations for strategic planning process:

Managing expectations before, during and after strategic planning: The process of strategic planning requires participants to be flexible (this will be a fluid process), willing to thoughtfully consider ideas and input from others, an understanding of roles and responsibilities, a focus on striving for consensus, and agreement that once a strategic plan is adopted it will be adhered to by staff and leadership.

Strategic planning process: The PUD's strategic planning process should be inclusive and efficient with involvement from the Board, employees and citizens. The recommended process is an outline that should, and likely will, be modified to fit the unique attributes of the PUD and the communities you serve.

1. To start, the strategic planning process needs foundational elements to serve as sideboards for the process:
 - a. Mission Statement
 - b. Vision Statement
 - c. Board members vision statements (a picture of what success for the PUD looks like).
2. Establish an employee "Core Values" team with one representative from each employee work group, the General Manager and Department Heads. The planning team will be facilitated by the GM or a designee. The planning team will meet at a regularly agreed upon time/location. The Board of Commissioners will be briefed on workgroup activities/progress by the GM at regularly scheduled board meetings.
3. The planning team will develop, if one isn't already in place, a "Core Values" statement which outlines the cultural rules of engagement (how you treat each other and work with each other). Examples of core values include:
 - a. We will treat our internal and external customers with respect, listen to their needs and be responsive to their requests.
 - b. We will be open and honest in our communications.
 - c. We will be responsible and accountable for our actions.
 - d. Safety will be a priority in all aspects of our work.
 - e. We will be open to innovation and new ideas.
4. A recommended Core Values statement will be presented to the Board for review, input and final approval.
5. The PUD will assemble a strategic planning team consisting of the General Manager and Department Heads with support from staff to develop draft strategic goals based on the PUD's mission statement, vision statement and Board members' vision statements. This process will likely involve periodic "check ins" with the Board to ensure the direction is consistent with the Board's direction. This process will include the following:
 - a. Identification of SWOT (Strengths, Weaknesses, Opportunities, Threats) used to provide context for strategic planning decisions.
 - b. Identify key focus areas of the business (customer programs, safety, reliability, environmental stewardship, financial, etc.)

- c. Using the mission statement, vision statement, and the Board's vision statements as a guide, develop key strategic goals.

Example:

Mission statement (what are goals will address): Deliver to the citizens of Jefferson County **reliable electric, water, septic, and wholesale telecommunications services** in a **cost effective, sustainable,** and **customer driven** manner.

Vision statement (how you will address them): Jefferson County PUD provides **great service,** makes **financially sound** decisions, and reflects **community values** in both day to day operations as well as in planning for the long-term future.

6. Draft initial recommended strategic goals to the Board of Commissioners in a workshop to provide an opportunity for feedback. Draft recommendations will be provided to the CAB for review.
7. Final recommended strategic planning goals presented to the Board for approval.
8. Departments will develop department operations plans to execute the goals and provide budget recommendations for implementation.