



Cowlitz PUD 2019 Strategic Plan

CUSTOMER SERVICE Cowlitz PUD's top priority: Our Customers. Helping our customers find the programs that fit their individual needs while maintaining our low rates is our strategic focus for Customer Service. Building and maintaining the correct tools to assist our customers is vital towards our commitment to improve their experience.

- Implement online payment option for customers to donate to the Warm Neighbor Fund.
- Complete "Single Sign On" system to improve the customer experience when logging in to our systems such as My Account, My Power Pay, Paymentus.
- Review and discuss contract with CAP to expand assistance to customers outside of the SDR/DDR program.
- Implement improved mobile app solutions that will allow customers to pay their bills, see outages and find other useful information from their mobile device.

POWER SUPPLY PORTFOLIO & RISK MANAGEMENT Cowlitz PUD works to ensure an adequate power supply to meet District loads, manage the risk of both its variable hydroelectric resources and wholesale market prices, and promote energy efficiency across its customer base. All of this is accomplished with the overarching goal of maintaining a reasonable power supply portfolio cost.

- Determine if the District's current forward hedging strategy needs to change based on expected and future wholesale power market conditions (an annual exercise).
- Evaluate the District's longer-term power supply portfolio beyond 2028 to see if we should rely less on BPA Tier 1 (or equivalent). It will likely still be too early to definitively answer this question in 2019. The District anticipates this will be an annual review exercise for the near future.

OPERATIONAL EFFICIENCY & EFFECTIVENESS Cowlitz PUD prides itself in providing affordable, safe, reliable, and sustainable electricity while remaining in compliance with state and federal laws and regulations. The power system is continuously evaluated for reliability and growth. The District's workforce is aligned with its strategic plan and anticipated needs, while always keeping up to date with ever changing technological needs and requests.

- Determine and put in place methodologies to track and demonstrate how efficiently the District deploys capital and develop District-wide, long-term maintenance program (D&T).
- Develop a plan to examine the District's existing and future Advanced Metering Infrastructure (AMI) requirements.
- Develop a 5-year technology requirements study to focus on current and future business/IT systems.

FINANCIAL STABILITY & RATES Cowlitz PUD will maintain a strong and viable utility while operating in a fiscally responsible manner. Specific areas of focus include following: sound financial policies, ongoing evaluation of performance and rates, continuing efforts with the Electric Rate Advisory Committee (ERAC) and communication of forecasted impacts of planning efforts (including 5-year budget).

- Update financial planning goals and objectives, focusing on financial flexibility: Target debt metric, with a cap. Cash reserve levels and liquidity alternatives. Funding for capital
- Rate-setting – Update cost of service model and evaluate current rate design to ensure: Equity among rate classes. Revenue stability. Fair cost recovery. Changes in customer use are considered, such as impacts of rooftop solar.

GOVERNMENT AFFAIRS Cowlitz PUD is actively involved in legislative and regulatory matters affecting our community. Influencing outcomes in Olympia and Washington DC is key to achieving our mission and broader strategic objectives. By participating in these discussions our PUD can achieve better relationships with our community, our legislators, and our regional stakeholders.

- Engage in and plan for Initiative rulemaking.
- If I-1631 passes, the utility will evaluate the ability to have tax obligations credited back to the PUD.
- Develop a proposal tool for a more defined approach to ensure reliability regionally.
- Build a 2019 outreach matrix for the Board and other key staff members of local and state level stakeholders.

EMPLOYEE PERFORMANCE & DEVELOPMENT Cowlitz PUD maintains its commitment to strengthen our workforce by building our current and future employee talent pool by providing opportunities for success, opportunity and development.

- Finalize activities surrounding succession planning annually as part of the budget process, review with Business Unit Directors, key positions, back up functionality and potential retirements over the next five-year period.
- Continue strong safety culture and focus by retaining a person to fill the Safety Manager role.
- Conduct market salary analysis for staff and key positions annually, and review staff positions within the defined market to make sure that the District is aligned to the strategy of paying fair market wages.