PLEDGE OF ALLEGIANCE

CONSENT AGENDA
1. Approval of Agenda 02/13/18
2. Approval of Minutes 01/23/18 Commission Meeting
3. Ratification of Vouchers 01/30/18; 02/06/18
4. Approval of Vouchers 02/13/18
5. Recommendation to Award Purchase of New Hydro Excavator Truck

AUDIENCE COMMENTS

OLD BUSINESS
6. Manager’s Report

NEW BUSINESS
7. Presentation on Document Management System
8. Motion for Removal of Capital Assets - **Action**
9. Recommendation to Award 5-Year Strategic Plan – **Action**
10. Review of New Administrative Practice and Procedures (AP&P’s) - **Discussion**
    AP&P #2043 - Salary Administration for Non-Represented Employees
    AP&P #2044 - Employee Evaluation Guidelines and Process
    Related Documents
11. Potential Areas of Facility Relocation - **Discussion**

MISCELLANEOUS

COMMISSIONER COMMENTS

ADJOURNMENT

JUDY RESERVOIR ELEVATION
MINUTES OF THE REGULAR MEETING OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

January 23, 2018

The regular meeting of the Commission of Public Utility District No. 1 was held in the Aqua Room of the utility located at 1415 Freeway Drive, Mount Vernon, Washington, on January 23, 2018.

The meeting was called to order at 4:30 PM. Those Commissioners in attendance were: Robbie Robertson, President; Eron Berg, Vice President; and Al Littlefield Secretary. Also in attendance were: George Sidhu, General Manager; Gary Chrysler, IT Manager; Peter Gilbert, Attorney; and Kim Carpenter, Clerk of the Board; Audience: Judy Littlefield, Rich and Trey Price; and District Employees: Catherine Price, Kathy White, Mike Fox, Kevin Tate, Luis Gonzalez, Mark Semrau, Doug Streeter, Vivian Ren.

Commissioner Littlefield led the Pledge of Allegiance.

Commissioner Littlefield moved to approve the Consent Agenda for January 23, 2018:
1. Approval of Agenda 01/23/18
2. Approval of Minutes 01/09/18 Commission Meeting
3. Ratification of Vouchers 01/16/18
   No. 2775 – Voucher Nos. 11387-11415 ($251,250.77)
4. Approval of Vouchers 01/23/18
   No. 2776 – Voucher Nos. 11416-11488, Payroll Check Nos. 21267-21346
5. Recommendation to Award Traffic Planning and Flagging Service

Audience Comments – None

Treasurer Saxton presented the Treasurer’s Report for the month of November 2017.

Under Old Business:
6. Manager’s Report Manager Sidhu reported on the following:
   • Work Session scheduled with Driftmier Architects on January 31 at 4:30 PM for presentation of the draft needs assessment for the District office complex followed by a walkthrough tour with the Commission.
   • Contract Auditor Streeter met with Treasurer Saxton and I today to discuss the work plan for the Finance Department for 2018 and what tasks Auditor Streeter would be working on. An email by Auditor Streeter updating them on his work tasks was sent to the Commission. Manager Sidhu requested that if the Commission had any questions to please respond to the email.
   • Division Street Tank and Booster Pump Station – trying to coordinate ribbon cutting with the WA PUD Association (WPUDA) meetings that will take place here April 18-20. The ribbon cutting is tentatively scheduled for 2:00 PM at the tank on April 18.
7. Quarterly Report – Human Resources/Safety
HR Manager White presented the quarterly update for Human Resources and Safety, which included staffing, job descriptions, policy and AP&P revisions, sick leave law implementation, employee training and various employee meetings, and L&I compliance. Discussion ensued regarding various aspects of the information presented. Commissioner Littlefield reported that the State is calling for blood donor day and asked if the District could possibly schedule one.

Under New Business:

8. Policy #1010 - Ethics in the Workplace – Action
Commissioner Berg moved to approve and authorize the General Manager to sign revised Policy #1010 – Ethics in the Workplace.

Discussion ensued regarding various aspects of the information presented, including the slides presented at the Public Utility Risk Management Services (PURMS) meeting in November regarding health and welfare claims and the summary table of the health and welfare costs for Skagit PUD from 2009-2017.

10. Big Lake Mitigation Plan – Discussion
Discussion ensued regarding various aspects of the mitigation plan and figures that were sent to the Commission last week, including questions and comments that will be submitted to DOE regarding assumptions built in to the calculations and property fronting waterlines. Manager Sidhu requested that the Commission email him if they have additional comments or questions.

11. 2018 Schedule for Cayenta Upgrade – Discussion
Manager Sidhu stated that Vivian Ren, Financial Systems Administrator, who previously worked for Cayenta, is saving the District a lot of money. IT Manager Chrysler stated that Vivian has done a great job and has a great depth of knowledge of the product. Discussion ensued regarding various aspects of the schedule presented; including modules approved in the 2018 Budget and planned 2019 Budget.

MISCELLANEOUS

12. Reminder – 1/30 Work Session 4:30 PM
Driftmier Architects Draft Needs Assessment Presentation

Under Commissioner Comments, Commissioner Robertson gave a legislative update with regard to the Hirst fix.
Having no further business to come before the Board, Commissioner Littlefield moved for adjournment. The motion passed and the meeting of January 23, 2018 was adjourned at 5:52 PM.

Respectfully submitted:

__________________________
Kim Carpenter
Clerk of the Board
February 6, 2018

TO: George Sidhu, P.E., General Manager

FROM: Mike Fox, Operations Manager

SUBJECT: Recommendation to Award Purchase of New Hydro Excavator Truck

Requested Action:
Authorize the General Manager to enter into a contract with Atlantic Machinery for the purchase and supply of a new hydro excavator in the amount of $434,500 plus taxes.

Background:
The hydro excavator is one of the most valuable pieces of equipment that the District owns, as it allows our staff to complete many of our maintenance activities and leak repairs without disturbing a large footprint that would require restoration. The District’s existing hydro excavator had to be taken out of service for multiple periods in 2017 for maintenance and repairs and the District needs a more reliable piece of equipment. The existing hydro excavator is reaching the end of its useful life and a new line item was approved in the 2018 budget to purchase a replacement.

Fiscal Impact:
Funding for this purchase will come from Capital Budget Request Line Item 11 from the approved 2018 Budget.
<table>
<thead>
<tr>
<th>Requirement Specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro-Excavator with all standard equipment VX312LHE/1100</td>
</tr>
<tr>
<td>Freightliner 114SD 6 x 4, 66,000 GVWR, DD13, 450 HP diesel engine with Allison 4500RDS Transmission</td>
</tr>
<tr>
<td>Body mounting on chassis</td>
</tr>
<tr>
<td>Rear mounted 8’ x 8” telescoping boom with steel elbow</td>
</tr>
<tr>
<td>1100 Gallon polyethylene water tank capacity with 10 year warranty</td>
</tr>
<tr>
<td>12 yard Debris tank 3/16” corten steel, (5 year warranty) with full opening rear door, minimum 50 degree debris tank dumping, power up and down</td>
</tr>
<tr>
<td>Automatic vacuum breaker (prevents operation when full and contains debris when moving unit) and overfill protection</td>
</tr>
<tr>
<td>3-Stage centrifugal compressor creating 200” vacuum and 0-8000 CFM with cyclone separator</td>
</tr>
<tr>
<td>Hydraulic tail gate door latches with hydraulic door grabber and safety latch</td>
</tr>
<tr>
<td>Hydrostatic drive of vacuum system with pump upgrade</td>
</tr>
<tr>
<td>Giant Water pump rated 20 GPM @ 4000 PSI with smooth continuous pressure</td>
</tr>
<tr>
<td>6” Knife valve in lieu of 5” butterfly valve</td>
</tr>
<tr>
<td>Flat style rear door in lieu of domed door</td>
</tr>
<tr>
<td>Built in body prop</td>
</tr>
<tr>
<td>Electric vibrator</td>
</tr>
<tr>
<td>Rear splash guard</td>
</tr>
<tr>
<td>Requirement Specification</td>
</tr>
<tr>
<td>---------------------------</td>
</tr>
<tr>
<td>Screen over drain port in debris tank</td>
</tr>
<tr>
<td>50' capacity hand gun hose reel with ½ hose</td>
</tr>
<tr>
<td>Air purge system</td>
</tr>
<tr>
<td>Centrifugal compressor fan flushout system</td>
</tr>
<tr>
<td>Debris body Power Flush system</td>
</tr>
<tr>
<td>Pre-tank Y filter</td>
</tr>
<tr>
<td>Water pump remote oil drain</td>
</tr>
<tr>
<td>Auto Lube Kit for centrifugal compressor</td>
</tr>
<tr>
<td>Centrifugal compressor silencer, constructed of stainless steel</td>
</tr>
<tr>
<td>Cone Rack, between bogies</td>
</tr>
<tr>
<td>Cone rack</td>
</tr>
<tr>
<td>Heavy reinforced “Wear Back” elbow</td>
</tr>
<tr>
<td>Rear mounted tow hooks</td>
</tr>
<tr>
<td>Remote boom grease zerk assembly</td>
</tr>
<tr>
<td>Remote debris tank grease zerk assembly</td>
</tr>
<tr>
<td>LED 4 strobes, two front bumper, two rear bumper</td>
</tr>
<tr>
<td>LED arrow stick</td>
</tr>
<tr>
<td>LED boom mounted flood lights with guards</td>
</tr>
<tr>
<td>LED mid body mounted flood lights with guards</td>
</tr>
<tr>
<td>LED Rear mounted flood lights with guards</td>
</tr>
<tr>
<td>Two LED rear mounted strobe lights with guards</td>
</tr>
<tr>
<td>Two LED mirror mounted strobe lights with guards</td>
</tr>
<tr>
<td>6 way pendant control</td>
</tr>
<tr>
<td>Grounding cable with screw clamp &amp; 25' of cable</td>
</tr>
<tr>
<td>Requirement Specification</td>
</tr>
<tr>
<td>---------------------------</td>
</tr>
<tr>
<td>Low water alarm with light</td>
</tr>
<tr>
<td>Traffic camera system with color monitor</td>
</tr>
<tr>
<td>Rear camera placement</td>
</tr>
<tr>
<td>Wireless remote control system</td>
</tr>
<tr>
<td>Cam locks for water fill hose</td>
</tr>
<tr>
<td>Anti-sail mud flaps</td>
</tr>
<tr>
<td>Basket style tool box in lieu of upper driver side water tank</td>
</tr>
<tr>
<td>Tool box installation by local dealer</td>
</tr>
<tr>
<td>Hydraulic power tool option, rear bumper control valve</td>
</tr>
<tr>
<td>Folding pipe rack (3) mounted rear door</td>
</tr>
<tr>
<td>Folding pipe rack (3) mounted curbside</td>
</tr>
<tr>
<td>Two roll out shelves for behind cab tool box</td>
</tr>
<tr>
<td>8&quot; quick clamp, spare</td>
</tr>
<tr>
<td>8&quot; to double 4&quot; Y adapter</td>
</tr>
<tr>
<td>Block heater</td>
</tr>
<tr>
<td>Heated motorized mirrors</td>
</tr>
<tr>
<td>Duralift “Self-steer” suspension axle: 13,500lb./Air ride, Air lift W/295/75R22.5 Tires</td>
</tr>
<tr>
<td>20' 6&quot; aluminum intake pipe (1 - 3', 1 - 5', 1 - 6' and 1 - 6.5' catch basin nozzle)</td>
</tr>
<tr>
<td>ICC lighting</td>
</tr>
<tr>
<td>Hydrant wrench, 25' of fill hose</td>
</tr>
<tr>
<td>20 gpm @ 600 PSI wash down system with hand gun and 25' of 1/2&quot; hand gun hose</td>
</tr>
<tr>
<td>Paint Vac-Con unit White, Safety striping: Blue</td>
</tr>
<tr>
<td>Local dealer pre delivery inspection</td>
</tr>
<tr>
<td>Requirement Specification</td>
</tr>
<tr>
<td>---------------------------</td>
</tr>
<tr>
<td>Training at customer facility</td>
</tr>
<tr>
<td>Consignee Delivery</td>
</tr>
<tr>
<td>TOTAL UNIT COST PER CONTRACT</td>
</tr>
</tbody>
</table>

*Delivery is 90-120 Days after receipt of chassis*

**NJPA CONTRACT NO 022014-AMI**

**CONTRACT HOLDER/VENDOR:** ATLANTIC MACHINERY, INC.

2628 GARFIELD AVE.
SILVER SPRING, MD 20910

**CONTACT:** M.J. DUBOIS
**EMAIL:** MJDUBOIS@ATLANTICMACHINERYINC.COM
PRELIMINARY

VERIFY ALL DIMENSIONS, TRUCK TYPE, HOSE REEL CENTER LINE AND BOOM LENGTH. THIS DRAWING IS CREATED AS A REPRESENTATION OF WHAT WE WILL BUILD BASED ON INFORMATION SUPPLIED WITH THE SALES ORDER.

Rear Axle
- Empty: 25500
- Water tanks full: 29583
- Debris tank full: 45584

Total
- 40769
- 47431
- 60776

Front Axle
- 15260
- 17843
- 15092

SKAGIT COUNTY PUD
MT. VERNON, WA

VAC-CON
GREEN COVE SPRINGS, FLORIDA USA

DRAWN: M/C
DATE: 1/23/18
CHECKED: -
DATE: -

SCALE: NTS
WEIGHT: -LB

TRUCK SPECIFICATIONS
CHASSIS: FL114SD 6X4
FRAME: 800-09430
MODEL: X113/14/1500
CA/CT: 181.60 ROLL TO 241.00
SETBACK: 21.00

REFERENCE:
QUOTE # 82148

701-50337
SHEET 1 OF 1
This certificate entitles the entity named above the opportunity to purchase off of nationally, competitively solicited contracts. The entity will save time by using NJPA contracts, save money by leveraged volume pricing and obtain quality products from nationally acclaimed vendors.
Document Management System Overview Graphic

Digital Data

Commission Meetings
- Agendas, Materials, Minutes, Recordings, Resolutions

Bill Image Scanning
- Customer portals for online information

Northstar
- Data Produced by or through Northstar
  - Digital Reports
  - Print Queues
  - Archived Customer Data
  - Maintain Permanent Data

Cayenta
- Data Produced by or through Cayenta
  - Digital Reports
  - Print Queues
  - Manage Data Marked for Archive or Deletion
  - Maintain Permanent Data

Cityworks and ArcGIS
- Database holding the current information specific to our system in order to track and maintain our Asset Maintenance and Management history and to display in Graphical Format the details of our system.

Enterprise Content Management

Document Management
- Policy-based rules

Website Published Data
- Texting

Policy-based rules
- Documents and data published to the web site. Information requests from website

Mobile Device Management
- Policy-based rules

Email Server
- Policy-based rules

Digital Documents (File Servers)
- Project and facility images, word, excel, pdf and other files, templates, and related document types for use by staff, departments, etc.

Engineering and Construction Document Scanning
- Ongoing Project
  - Scanned over equivalent of 100 banker boxes. ½ way. $1,000/box market cost.

Finance

Administration
- Old Resolutions, Contracts, etc.
  - Not started. Vulnerable to fire / flood (Sprinkler)

Operations and WTP
- Not Started

Scanner
- 7,000lbs of Paper (1/3)
  - destroyed 2017.
  - 14,000 remaining to be scanned.

Active Systems
- Approved Projects
- Proposed Projects

Agenda Item #7
February 13, 2018

TO: George Sidhu, P.E., General Manager
Commission

FROM: Sally Saxton, Finance Manager/Treasurer

SUBJECT: Recommendation for Removal of Capital Assets from Fixed Asset Ledger Surplus to the District’s Needs

Requested Action:
I recommend that the Commission move to retire the assets listed below at the meeting of February 13, 2018.

Background:
Per our Fixed and Tagged Asset Policy #1022, capital assets that are surplus to the District’s needs may be removed from the fixed asset ledger with approval by motion from the Commission.

<table>
<thead>
<tr>
<th>Fixed Asset Number</th>
<th>Description</th>
<th>Purchase Year</th>
<th>Amount</th>
<th>Reason for Removal</th>
<th>Method of Disposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>391-2690</td>
<td>Folder Inserter</td>
<td>2010</td>
<td>$36,975.98</td>
<td>End of Life</td>
<td>Sale, Auction</td>
</tr>
<tr>
<td>392-0091</td>
<td>5-yd Dump Truck</td>
<td>1978</td>
<td>$20,987.08</td>
<td>End of Life</td>
<td>Sale, Auction</td>
</tr>
<tr>
<td>392-0204</td>
<td>Chevy S-10</td>
<td>2002</td>
<td>$16,330.75</td>
<td>End of Life</td>
<td>Sale, Auction</td>
</tr>
<tr>
<td>392-0197</td>
<td>Chevy 1500</td>
<td>2000</td>
<td>$27,101.93</td>
<td>End of Life</td>
<td>Sale, Auction</td>
</tr>
<tr>
<td>396-0197</td>
<td>Stanley Compactor</td>
<td>2002</td>
<td>$5,349.17</td>
<td>End of Life</td>
<td>Sale, Auction</td>
</tr>
<tr>
<td>392-0217</td>
<td>Chevy Cargo Van</td>
<td>2006</td>
<td>$19,128.62</td>
<td>End of Life</td>
<td>Sale, Auction</td>
</tr>
<tr>
<td>392-0211</td>
<td>Chevy Colorado</td>
<td>2004</td>
<td>$19,493.43</td>
<td>End of Life</td>
<td>Sale, Auction</td>
</tr>
<tr>
<td>392-0167</td>
<td>GMC Jimmy</td>
<td>1995</td>
<td>$22,386.58</td>
<td>End of Life</td>
<td>Sale, Auction</td>
</tr>
</tbody>
</table>

kac
February 8, 2018

TO: Commission

FROM: George Sidhu, P.E., General Manager

SUBJECT: Recommendation to Award 5-Year Strategic Plan

Requested Action:
Authorize the General Manager to enter into a contract with BERK Consulting for the development of a 5-year Strategic Plan in the amount of $43,350.

Background:
The Commission has recognized the value and need of capital facility planning by the various departments to aid in the District’s budgeting process. Even though the District has vision and mission statements, there are currently no strategic objectives for evaluating various capital projects and programs.

The development of strategic objectives will provide clarity in selecting, prioritizing, and executing capital projects, deploying limited resources (manpower and equipment), and aligning financial investments. A 5-year strategic plan will help to align the Commission, management and staff to establish direction and priorities, guide decision-making, and communicate a clear path forward.

The development of a strategic plan was discussed at the regular commission meeting on October 20, 2017, where the Board directed me to develop a Request for Proposals (RFP) to solicit qualified consultants to prepare the 5-year Strategic Plan. The RFP was advertised December 22, 2017 and we received seven proposals on January 12. The proposals were scored and ranked by a selection committee and the top three firms were interviewed on January 19 in order to make the final selection. BERK Consulting was selected as the firm that the District would like to hire to develop the District’s 5-year Strategic Plan.

Attached is the scope of work, proposed fee estimate and proposal from BERK.

Fiscal Impact:
The funding for this contract will require a budget amendment, as the funds were not set aside in the 2018 budget. A budget of $40,000 was discussed during the planning for this project, and the scope of work provided by BERK is more than that amount. We have the option of deleting the Online Strategy Communication portion of the scope of work; however, I feel that this would be beneficial to our overall roll out of the plan.

kac
Public Utility District No. 1 of Skagit County – Strategic Planning

Scope of Work, Budget, and Schedule, 2/8/18

PROJECT UNDERSTANDING

Public Utility District No. 1 of Skagit County (District) seeks to develop a strategic plan that establishes direction and priorities, guides decision-making, and communicates a clear path forward. In addition to business- and resource-oriented decision making, the District's strategic plan should address its ongoing evolution as an organization.

The strategic planning process will engage and align Commissioners, staff, community partners, and customers. The final product will articulate what efforts are critical to serving customers and how the District will focus and prioritize to best serve them over the next five years.

SCOPE OF WORK

Task 1: Project Management

BERK staff will participate in a project kick-off call with the District’s Core Project Team consisting of the General Manager George Sidhu, Community Relations Manager Kevin Tate, and Capital Projects Manager Mark Semrau. During this meeting, we will discuss desired outcomes from the effort, a detailed project schedule, inputs to the Situation Assessment, and how we will communicate and collaborate effectively through completion of the final strategic plan.

BERK will stay in frequent communication with Mr. Sidhu, as the point person for the Core Project Team.

Approach to Project Management & Communication

We will implement quality assurance systems and internal review processes for the duration of the project. A detailed project work plan, including information on project scope, schedule, timelines, and analyst responsibilities, is established at the outset of the project. Throughout the course of the project, the BERK team meets on a regular basis to share information, adjust task sequencing as needed, discuss key project challenges, and conduct peer review of work-in-progress. Brian Murphy, Principal, will serve as Project Manager, with Natasha Dunlap providing day-to-day coordination. Other quality assurance systems and internal controls we employ include:

- A tracking system to monitor project budget and scope.
- We meet weekly to review key project milestones.

Core Project Team

- George Sidhu, General Manager
- Kevin Tate, Community Relations Manager
- Mark Semrau, Capital Projects Manager
Emphasis on internal peer review of work products.

**Task 1 Deliverables:**
- Project kickoff meeting discussion guide.
- Updated project schedule.

**Task 2: Information Gathering**
To build a shared understanding of the District's strengths, challenges, and opportunities, BERK will develop a Situation Assessment. The Situation Assessment will be a synthesis of inputs from staff, Board Commissioners, and key stakeholders, using data collected through a SWOT analysis, a survey, and interviews.
- BERK will conduct up to 12 interviews with Board Commissioners and key stakeholders. We will work with the Core Project Team to identify these individuals with a focus on reaching partners and customer group representatives.
- In parallel with stakeholder engagement, BERK will develop and implement an all-staff survey that gives staff throughout the District the opportunity to share their thoughts on the organization's Vision and Mission, as well as challenges and opportunities facing the District in the next five years and beyond.

**Joint Meeting 1: Board of Commissioners and Planning Committee Worksession 1**
This meeting will include Board of Commissioners and Planning Committee. The meeting will center on a SWOT exercise, building on the information gathered from interviews and the all-staff survey. BERK staff will facilitate an assessment of the District’s fundamental strengths, weaknesses, opportunities, and threats. We will consider external/environmental and internal/organizational factors, issues specific to individual lines of businesses, and overarching organizational issues.

During the meeting, we will also conduct a review of existing Mission, Vision, and Values statements.

**Task 2 Deliverables:**
- All-staff survey.
- Worksession agenda and materials.
- Draft and final Summary Situation Assessment that includes Board and Stakeholder interview findings, all-staff survey findings, and SWOT analysis.

**Task 3: Plan Development**
In collaboration with the Planning Committee and with input from the Board, we will develop a five-year Strategic Plan with Goals and Objectives. The Plan will read well to both informed and general audiences and describe the District’s desired future and the specific strategies and investments to fulfill its
Mission and realize its Vision.

Depending on the outcome of the Mission, Vision, and Values Statement Review in staff engagement and stakeholder interview discussion, BERK will work with the Planning Committee to either revise or affirm these statements for inclusion in the Draft Plan.

To facilitate implementation, specific measurable and trackable activities will be identified, including timelines and leads, in an accompanying Implementation Plan.

Joint Meeting 2 and Planning Committee Worksessions 2, 3, and 4

The second and third Planning Committee worksessions will focus on refining emerging Goals and Objectives for incorporation into the Preliminary Draft Plan. Board Commissioners will join the third worksession to review and comment on Draft Goals and Objectives. The fourth meeting will produce a Recommended Draft Plan for consideration by the Board. The fourth meeting will also cover implementation and communication tool options. These meetings are outlined in more detail on page 4.

Management Team Discussion for Plan Implementation

Additional shared screen meetings of the Management Team will focus on reviewing and revising iterative versions of the Draft Plan and developing a draft Implementation Plan for ongoing execution of the adopted Plan. Depending on timing, development of this more detailed Implementation Plan may occur after Board consideration of the Recommended Draft Strategic Plan.

Task 3 Deliverables:

- Worksession agendas and materials.
- Recommended Draft Plan.
- Implementation Plan.

Task 4: Plan Adoption

BERK will present and discuss the Recommended Draft Strategic Plan at a public hearing of the Board of Commissioners, with the intent of gaining final input on needed changes and a plan for adoption at the next meeting of the Board. If desired, BERK will attend the Commission meeting at which the plan is Final Strategic Plan is adopted.

If budget allows, BERK will develop an online, mobile-friendly strategy communication that lets the District share its plan for the future with customers, partners, and peers.

Task 4 Deliverables:

- Board presentation materials.
- Final Strategic Plan for Board adoption.
- Online version for communication (if budget allows).
SCHEDULE

We anticipate completing this project by the end of May 2018, depending on staff and Board availability. Our proposed schedule is outlined below and depicted visually on page 5.

- **Kick-off call with Core Project Team.** February 16.
  - Identify stakeholders, Board members and others to be interviewed.
  - Identify question approach for all-staff survey.
  - Share background documents and discuss plan to summarize District finances and other key internal inputs.

- **Joint Meeting 1: Board of Commissioners and Planning Committee Worksession 1.** Early to mid-March.
  - Review project purpose and schedule, as well as Committee charge.
  - Review draft Situation Assessment: summary of findings from interviews, staff survey, and internal documents.
  - Conduct SWOT assessment to add to the ideas gathered in the Situation Assessment.
  - Identify strategic options: major areas of focus to plan for.

- **Planning Committee Worksession 2.** Late March.
  - Review final Situation Assessment.
  - Develop draft Goals and major Strategies.

- **Joint Meeting 2: Board of Commissioners and Planning Committee Worksession 3.** Late April.
  - Refine Goals and Strategies, establishing a Preliminary Draft Plan.

- **Management Team Discussion.** Late April/May, by phone and shared screen.
  - Develop Draft Implementation Plan, mapping implementation over time. If necessary, this work will shift to later in the process.

- **Planning Committee Worksession 4.** Early May.
  - Finalize Recommended Draft Strategic Plan and discuss implementation approach.

- **Management Team Discussions.** Mid-May, by phone and shared screen.
  - Develop and finalize Implementation Plan.

- **Board Presentation.** May 22.
  - Present Recommended Draft Plan for review and adoption.

- **Web-based version of Strategic Plan.** Late May, following Board adoption.
  - Optional task – if budget allows.

- **Board Adoption.** June.
PROPOSED BUDGET

The proposed budget is an estimate of cost by task, based on the task descriptions above. We reserve the ability to shift hours between tasks and personnel to adapt to what is needed for successful project completion, but any adjustment to the total project cost must be approved by the District.

<table>
<thead>
<tr>
<th>Task 1: Project Management</th>
<th>Brian Murphy, Project Manager</th>
<th>Claire Miccio, Strategic Advisor</th>
<th>Natasha Dunlap, Lead Analyst</th>
<th>Total Hours and Estimated Cost by Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Management Kickoff Call</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>$2,700</td>
</tr>
<tr>
<td>Ongoing Project Coordination</td>
<td>4</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>6</strong></td>
<td><strong>2</strong></td>
<td><strong>10</strong></td>
<td><strong>18</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Task 2: Information Gathering</th>
<th>Brian Murphy, Project Manager</th>
<th>Claire Miccio, Strategic Advisor</th>
<th>Natasha Dunlap, Lead Analyst</th>
<th>Total Hours and Estimated Cost by Task</th>
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<td>Board and Stakeholder Interviews (Up to 12, by phone)</td>
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<td>All-Staff Survey</td>
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<tr>
<td>Draft and Final Summary Situation Assessment</td>
<td>5</td>
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<tr>
<td>Joint Meeting 1: Board of Commissioners and Planning Committee Worksession 1</td>
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<th>Task 3: Plan Development</th>
<th>Brian Murphy, Project Manager</th>
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<th>Natasha Dunlap, Lead Analyst</th>
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<tr>
<td>Joint Meeting 2 and Planning Committee Worksessions 2, 3, and 4</td>
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<td>Implementation Planning (with up to 2 shared screen meetings)</td>
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<td>Implementation and Communication Processes</td>
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<td>Draft Strategic Plan</td>
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<th>Brian Murphy, Project Manager</th>
<th>Claire Miccio, Strategic Advisor</th>
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<td>Online Strategy Communication</td>
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<td>Board Presentation</td>
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| Total Estimated Hours | 83 | 28 | 200 | 311 |
| Cost (Hours*Rate) | $20,750 | $4,200 | $18,000 | $42,950 |

Subtotal Consultant Cost | $42,950 |
Project Expenses @ ~1.0% of project budget | $400 |
Estimated Project Total | $43,350 |
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Letter of Introduction

January 12, 2018

Doug McConnell, Contracts Administrator
Public Utility District No. 1 of Skagit County
1415 Freeway Drive
Mount Vernon, WA 98273

RE: Skagit PUD 5-Year Strategic Plan | PROPOSAL

Dear Mr. McConnell and the Consultant Selection Panel:

BERK Consulting, Inc. (BERK) is pleased to submit our qualifications and proposal to support the Public Utility District No. 1 of Skagit County (Skagit PUD) in the development of a 5-Year Strategic Plan.

BERK has worked with communities and organizations across Washington State on strategic planning efforts for more than 29 years. We are pleased to highlight relevant projects in our full proposal. We also bring a good familiarity with changing conditions in Skagit County. BERK supported the County in the 2015 Comprehensive Plan Update, and through that process gained an understanding of the County and its cities. We have also worked with local jurisdictions, including the City of Mount Vernon on their Library Needs Assessment and land use planning code development, and the City of Sedro-Woolley and the Central Skagit Library District on a Library Needs Assessment. We are familiar with the current challenges and opportunities throughout the county, as well as throughout the north Puget Sound region.

Team Availability

The BERK team confirms their availability for this project, as outlined in the scope of work below and in the Request for Proposals. Natasha Dunlap and I will be active contributors to the project throughout, while Claire Miccio will be unavailable beginning in April 2018. As Principal and Project Manager, I have ultimate responsibility for the outcome of this project and will be involved in a hands-on way from project launch to completion.

We anticipate the project launching in February and concluding by the end of May 2018. BERK is confident that the three-month timeline, assuming the project starts on time, will produce an actionable Strategic Plan. We have no changes to the proposed project schedule at this time.
Authorized Personnel Contact info

- **Firm Location**: The BERK offices are located in Downtown Seattle at 2025 1st Avenue Suite 800 Seattle, WA 98121.
- **Project Manager**: Brian Murphy, Principal
- **Phone**: 206-324-8760
- **Email**: brian@berkconsulting.com

We look forward to discussing this project with you in detail. In the interim, more information about our firm, approach, team, and client satisfaction can be found on our website: www.berkconsulting.com.

Sincerely,

Brian Murphy, Principal
BERK Consulting, Inc.
ABOUT BERK CONSULTING, INC.

BERK is an interdisciplinary consultancy integrating strategy, planning, and policy development; financial and economic analysis; and facilitation, design, and communications. Founded in 1988, our passion is working in the public interest, helping public and nonprofit agencies address complex challenges and position themselves for success.

Our Mission is: Helping Communities and Organizations Create Their Best Futures. We do this by:

- Integrating the art of effective decision-making with the science of rigorous quantitative and qualitative analysis;
- Bringing people, ideas, and analysis together to generate understanding and consensus on the best strategies and decisions; and
- Bridging across disciplines to synthesize diverse information and facilitate relationships.

A hallmark of our approach is our ability to communicate complex information to a wide range of audiences, using words, numbers, pictures, and maps to convey information in accessible, understandable formats. We believe that when participants truly understand the issues and options before them, they are able to make good decisions, and then communicate and explain those decisions to the broader community.

Relevant Expertise

Strategic planning for public sector organizations and communities in Washington is the core of our consulting practice. It’s what we love to do, wrestling with aspirations and limitations to make strategic choices for the betterment of the community our clients serve.

While we do strategic planning all the time and do it well, we don’t have a template, a formula, or a turnkey process. At this point, we can’t foresee precisely what the Skagit PUD Strategic Plan will look like in the end. We are confident, however, that our expertise and
experience, combined with your input and insights will enable us collectively to develop a custom-fit, highly useful strategic plan for the organization.

While each strategic planning process is unique, our core approach to strategic planning can be distilled into the following insights:

- **Strategic Planning is both a process and a product;** sometimes the greatest value comes from the process itself. A great product requires understanding the multiple audiences who will view and or use the plan.

- **Planning is a collaborative, iterative process.** BERK’s expertise is in facilitating productive conversations among members of the client team and then working hard between meetings to build iterative drafts of the final product. This process, which involves melding our shared expertise, insights, and commitment to the community should result in a plan that is truly custom-fit for you.

- **The proof is in its utility.** We believe that strategic plans that don’t link to subsequent decisionmaking or budgeting processes are useless. For this reason, we focus on implementation throughout and often bridge from strategic planning to implementation by supporting our clients in developing tools and processes to link strategic plans to budgeting and other ongoing decisionmaking structures.
RELEVANT PROJECT EXPERIENCE

Alderwood Water and Wastewater District Strategic Plan

Tremendous growth in Snohomish County prompted the Alderwood Water and Wastewater District to engage us in helping them address that growth and better plan for the future. In addition to an online, mobile-friendly strategy communication, BERK worked with district leadership to create an annual process that links their strategy to everything from their biennial budget to tactical project planning.

- **Client Information:** Alderwood Water and Wastewater District, Gregg Cato, (425) 741-7955, gcato@awwd.com
- **BERK Staff:** Brian Murphy (Project Manager), Claire Miccio (Lead Analyst), Natasha Dunlap (Supporting Analyst)
- **Project Budget:** $55,000; delivered on budget
- **Similar Scope Elements:** Plan development, staff engagement, optional communications pieces

Puget Sound Regional Fire Authority Strategic Plan + One- and Two-Year Check ins

BERK worked with the Kent Regional Fire Authority to develop a Strategic Plan to provide a strategy and a future direction for their organization. In support of the Plan, BERK conducted stakeholder interviews and a staff engagement survey. BERK collaborated with a core team of RFA leadership, staff, and governing board members to create an engaging Plan that describes one to five-year goals and action strategies, and communicates the RFA’s direction to staff, the public, and local policymakers. In addition, BERK developed a suite of implementation tools to help RFA employees, stakeholders, and governing authorities pursue the strategy.

After the initial Plan was implemented and BERK completed a one-year check in with the RFA, the RFA underwent some significant
changes. Kent RFA became the Puget Sound RFA, and there was a transition at the Fire Chief level. Given these changes, BERK is currently supporting the RFA in a two-year check in, to ensure that the Plan continues to support this evolving organization.

- **Client Information:** Puget Sound Regional Fire Authority, Chief Matthew Morris, (253) 856-4300, MLMorris@pugetsoundfire.org
- **BERK Staff:** Brian Murphy (Project Manager), Claire Miccio (Lead Analyst), Natasha Dunlap (Supporting Analyst)
- **Project Budget:** $42,000 initial Plan; delivered on budget
- **Similar Scope Elements:** Plan development, staff and stakeholder engagement, implementation strategy development, 5-year Plan

Lake Stevens Fire District Strategic Plan

BERK led a strategic planning process for Lake Stevens Fire. The process included drafting a new vision, mission, and values for the district, developing goals and strategies, and building an implementation cycle for putting the plan’s ideas into action.

The process was organized around a Strategic Planning Committee with key inputs from staff, community leaders, Board Commissioners, and residents within the service area. The final plan is actionable, concise, and easy to share. The strategic planning process identified growing EMS needs in the community without commensurate resources. As a result, the plan outlines goals and strategies that led to a successful EMS levy lid lift in November 2017.

- **Client Information:** Lake Stevens Fire District, Chief Kevin O’Brien, (425) 334-3034, kobrien@lsfire.org
- **BERK Staff:** Brian Murphy (Principal in Charge), Claire Miccio (Project Manager), Natasha Dunlap (Supporting Analyst)
- **Project Budget:** $22,000; delivered on budget
- **Similar Scope Elements:** Plan development, refinement of Mission Vision, Values, implementation framework
TEAM ORGANIZATION

The BERK Team will be led by Brian Murphy, a Principal at BERK with 15 years of experience developing strategic plans for communities and organizations statewide. He will be supported by analysts Claire Miccio and Natasha Dunlap. Brian will serve as the main point of contact for the duration of the engagement. Additional information about each individual is below.

STAFF RESUMES

Brian Murphy is a Principal at BERK. His expertise includes strategic and business planning, facilitation, economic development and market analysis, and management consulting. His practice includes strategic planning for organizations and communities, emergency management, and work for libraries across the country, including strategic plans, return on investment studies, and staff and community surveys.

Brian joined the firm in 2002 and is a skilled manager of complex analytic and planning projects with many moving pieces and nuanced policy choices. He has managed dozens of strategic planning projects for communities and organizations across the state and also developed the firm’s national library strategic planning practice.

Brian recently completed the Alderwood Water and Waste Water District Strategic Plan, which included extensive stakeholder and staff engagement and resulted in the development of an actionable, goal-oriented plan. He has completed strategic planning efforts for communities and organizations across the state, including the Puget Sound Regional Fire Authority, Pierce County Library System, Bellevue Fire Department, Kirkland Police Department, and the cities of Burien, Tukwila, and Snohomish. He is currently working with Thurston County on a community-driven, priorities-based strategic planning process.

Education

- M.B.A., University of Washington, selected for Beta Gamma Sigma Honor Society
- B.A., Politics, University of California at Santa Cruz, graduated with honors

Years with BERK: 15
Years Professional Experience: 20
Claire Miccio is a Senior Associate specializing in facilitation, strategic planning, and data analysis. She has worked with organizations like Puget Sound Regional Fire Authority, Lake Stevens Fire, and the Alderwood Water and Waste Water District on staff engagement and strategic planning processes, working closely with staff to create actionable plans through a collaborative process.

Claire has experience designing accessible engagement tools and activities to gather useful feedback that advances strategy and fosters buy-in. Using the information gathered via these engagement tools, Claire helps develop strategies to help organizations reach their goals. This process creates a document which is supported both by staff and management.

Prior to joining BERK, she worked as the Strategic Planning Program Manager at Tacoma Water, where she led the implementation of the utility’s Strategic Plan using the Balanced Scorecard framework. Claire developed performance benchmarks and metrics, and led quarterly staff meetings to review and track progress against the Strategic Plan.

Natasha Dunlap is a Project Associate with strong quantitative and qualitative skills including data analysis, data modeling, survey development and analysis, and project coordination.

Natasha is currently working with the City of Bainbridge Island on the development of their Mission, Vision, and Values as part of ongoing strategic planning efforts. Natasha supports the project team by taking meeting notes, providing additional facilitation support for project meetings, and developing meeting materials and summaries.

Natasha served as a supporting analyst on both the Lake Stevens Fire District and Puget Sound Regional Fire Authority Strategic Plans. She also worked with the Alderwood Water & Waste Water District on their strategic planning effort. Her other strategic planning experience includes working with the Pierce County Library System, Bellevue Fire Department, and Kirkland Police Department.
PROJECT UNDERSTANDING

Skagit County is geographically diverse with several islands, a portion of the Cascade mountain range, and miles of rich agricultural valley. Skagit communities are just as diverse, ranging from cities such as Mount Vernon to remote farming and island towns. Water service and availability in the county is challenged by growth-related demands as well as impacts of the Hirst decision. It requires careful planning, aligned priorities, and smart use of limited resources to serve this broad geography and range of customer needs in the face of potential regulatory changes. This is why Skagit Public Utility District No. 1 (Skagit PUD or the District) seeks to develop a “road map” and a tool for making decisions and allocating resources across its core water business, complementary telecommunications service, and potential sewer business.

In addition to business- and resource-oriented decision making, the District’s strategic plan should address its ongoing evolution as an organization. It has new staff and leadership who are committed to providing an essential service to the region, now and for future generations. In the past year alone, Skagit PUD has implemented a number of changes including pay-by-phone, billing statement redesign, the purchase of 250-acres of watershed property, and employee compensation review.

These factors create the perfect opportunity for a strategic planning process that will engage and align commissioners, staff, community partners, ratepayers, and businesses. An energetic and disciplined planning process will generate a final product that articulates what efforts are critical to serving customers and how the District will focus and prioritize in order to best serve them.

PROJECT APPROACH & SCHEDULE

We will work with the General Manager, staff, and Commissioners to envision the future of Skagit PUD and build a strategic plan that establishes direction and priorities, guides decision-making, and communicates a clear path forward.
We suggest establishing a Strategic Planning Committee comprised of PUD management and key staff to help drive development of the plan. Our proposed approach is organized around four Committee worksessions, two of which include Commissioners. BERK’s project team will design and facilitate these worksessions to ensure that they are productive and efficient.

Our proposed process pivots from information gathering to plan development using a Situation Assessment. This document is a concise synthesis that articulates the District’s opportunities and choices and establishes a commonly understood foundation upon which we will develop the strategic plan.

In addition to exploring challenges and opportunities related to water, telecommunications, and (potentially) sewer service, we will also consider organization-wide supports, including culture, communication, and supporting technologies and infrastructure.

We will craft a final plan that is concise and accessible to a wide range of audiences, including staff at all levels of the organization, Commissioners, and the public. We will use pictures, graphics, and words to communicate the essence of the plan. The strategy will contain clear service and business goals, directions for operational improvement, and a path for organizational change.

Below are short descriptions of the project elements we suggest as part of our strategic planning approach for this project. We have identified a few optional project elements and look forward to collaborating to determine the approach that best meets Skagit PUD’s needs and priorities.

**Task 1: Project Management (February through May)**

BERK staff will participate in an in-person, project kick-off meeting with Skagit PUD’s General Manager, George Sidhu, and any other members of the core project team. During this meeting, we will discuss desired outcomes from the effort, a detailed project schedule, inputs to the Situation Assessment, and how we will communicate and collaborate effectively through completion of the final Strategic Plan.

- **Task 1 Deliverables:**
  - Kickoff Agenda
  - Project Schedule
Task 2: Situation Assessment (February and March)

The Situation Assessment paves the way for strategy development by building a shared understanding of Skagit PUD’s strengths, challenges, and opportunities. Throughout this effort, it will be important that we consider the District’s individual business line operations, as well as internal, organizational supports.

Board and Management Staff Interviews. BERK will conduct a mix of in-person and telephone interviews with Board Commissioners and identified management staff to gather key information for inclusion in the Situation Assessment, discussion within the Planning Worksessions, and consideration in strategy development. Questions will cover the District’s existing Mission, Vision, and Values statements as well as projects, programs, and policies to be considered in developing the Strategic Plan.

SWOT Analysis. In the first Planning Worksession, BERK staff will facilitate an assessment of Skagit PUD’s fundamental strengths, challenges, opportunities, and threats. We have developed several approaches to making this an engaging and useful conversation, using small groups, interactive exercises, and consideration of both external/environmental and internal/organizational factors. Again, we will consider issues specific to individual lines of business as well as overarching organizational issues.

If desired, we could also conduct stakeholder interviews as an input into the Situation Assessment. We often find it useful to conduct targeted interviews with key decisionmakers, partners, and other selected stakeholders. Brief phone calls, with structured questions provided in advance, are effective at obtaining insightful input. In this case, we would suggest targeted interviews with representatives of communities and businesses served by Skagit PUD.

Task 3: Worksessions & Presentations (March through May)

Strategic Planning Committee Worksessions. BERK will facilitate two meetings with the Planning Committee, a small group of
management staff who help drive development of the plan. We will design focused and productive meetings, share materials early, and advance draft material in between meetings, giving the group something concrete to respond to.

**Board and Strategic Planning Committee Worksessions.**

We propose facilitating two joint worksessions of the Board Commissioners and the Planning Committee. We will use the first as an opportunity to gain input early in the planning process on emerging Goals and Objectives. In the second, we will present a conceptual review of the emerging Draft Plan to solicit Commissioner input before presenting a full Draft Plan for adoption. Additional meetings of the Committee will focus on reviewing and revising iterative versions of the draft plan, including measurable activities and timelines.

**Board Presentation.** BERK will present and discuss the Strategic Plan at a public hearing of the Board of Commissioners, with the intent of final adoption.

**Task 4: Plan Development (April and May)**

**Mission, Vision, and Values Statements.** Depending on the outcome of the Mission, Vision, and Values Statement Review as described in Task 2, BERK will work with the Board and Planning Committee to either revise the statements so that they better focus and inspire the organization or affirm the statements and ensure that they are used as tool for prioritization in strategy development.

**Strategic Goals and Objectives.** We will work with the Board and Planning Committee to develop five-year Goals and Objectives. These major topics will be used to organize the Plan’s content and drive prioritization and phasing, making sure the most critical issues are addressed, given limited resources. Through this process, we will prioritize the District’s current activities and ensure that identified strategies for future activities align with Skagit PUD’s Mission, Vision, and Values.

**Draft and Final Plan.** With input and direction from the Board and Planning Committee, BERK will develop a five-year Strategic Plan.
that is aspirational and reads well to both informed and general audiences, including current staff, potential staff, and community stakeholders, including county residents. The final Plan will be an attractively designed document that artfully describes the District’s desired future and the specific strategies and investments to be undertaken to fulfill its Mission and realize its Vision. To facilitate implementation and action, specific measurable and trackable activities will be identified, including timelines and leads.

In addition to the above base proposal, we have identified the following potential additions to the project scope for consideration by the PUD:

- **Staff Engagement.** We often find it beneficial for staff outside of the Planning Committee to have an opportunity to review the emerging Draft Plan concepts and provide input on strategies to support Goals and advance the organizational Vision and Mission. This engagement generally leads to better plans, as well as greater buy-in by the full organization. For Skagit PUD, we suggest conducting either an open house or all-staff survey to encourage frank and open dialogue and ensure that discussion stays at the strategic level.

- **Online Strategy Communication.** Online communications are one of the best ways to communicate with today’s customers. BERK can develop an online, mobile-friendly strategy communication that lets Skagit PUD share its plan for the future with customers, partners, and peers.

- **Implementation and Communication Tools.** We can help Skagit PUD deftly transition from strategic planning to implementation, by developing tools and processes to ensure the final adopted Strategic Plan informs subsequent decision-making, resource investments, communications, and action.

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**Task 4 Deliverables:**
- Task Timeline
- Emerging Strategic Goals and Objectives
- Summary Memo
- Draft & Final Plans
APPRAOH TO PROJECT MANAGEMENT & COMMUNICATION

Project Management

Over the years, we have refined streamlined project management processes that help us deliver projects on schedule and budget, and at the highest quality levels. We have invested in our staff and internal management systems to enable us to plan, execute, and complete complex projects within very constrained schedules.

Quality assurance systems and internal review processes are in place for the duration of a project, from project design and scoping to completion of the final product. A detailed project work plan, including information on project scope, schedule, timelines, and analyst responsibilities, is established at the outset of each project. The project team holds a kickoff meeting to align team expectations, both regarding project content and the timeline according to which various components will be completed. Throughout the course of the project, the team meets on a regular basis to share information, adjust task sequencing as needed, discuss key project challenges, and conduct peer review of work-in-progress. Other quality assurance systems and internal controls we employ include:

- **A tracking system to monitor project budget and scope.** Time for project tasks is tracked daily, using time-tracking software that integrates with our accounting system and can deliver real-time progress and budget reports. A project manager may receive an up-to-date report of hours spent and budget remaining at any time. Monthly invoices detail hours spent by staff member and by task, and also provide summaries by task by billing period, year-to-date summaries, and project balance summaries.

- **We meet weekly to review key project milestones.** Firm project managers discuss project percent complete, budget status, staffing needs and availability, and upcoming key deliverables by project on a weekly basis. If necessary, staff
workloads are adjusted to make optimum use of available resources.

- **Emphasis on internal peer review of work products.** We take great pride in our products and review them extensively before submitting them for client review. Project milestones are established to allow for review of draft documents before they are submitted to the client, and each piece of work — including data collection and management, draft analysis, final analysis, and all documentation — undergoes internal peer review. Before the final product leaves our office, a final round of review is conducted, to ensure that the writing, formatting, and report layout are all of the highest quality. This review is conducted by BERK staff members not otherwise participating in the project in order to bring an outside perspective to the review.

**Project Communication & Collaboration**

While our teams bring a great deal of process and subject matter expertise, we understand that our clients have a direct understanding of their community, their organization, and the political context within which they operate. We listen, sometimes challenging what seem like unfounded assumptions, and collaborate closely with our clients. Our best client relationships are partnerships, with both parties working hard to achieve shared project aims. To support that partnership, we communicate openly, identifying challenges and working together to reach the best solution. We strongly adhere to a “no surprises” approach.

By the end of the process, the Strategic Planning Committee, as well as other staff and board commissioners, should feel a strong ownership and commitment to the final plan.
February 6, 2018

TO: George Sidhu, P.E., General Manager
FROM: Kathy White, HR Manager
SUBJECT: New Administrative Practice & Procedures #2043 & #2044

Requested Action:
Please review and sign two new AP&P’s, including #2043 Salary Administration for Non-Represented Employees and #2044 Employee Evaluation Guidelines & Processes.

Background:
In our continuing efforts to provide more transparency and clarity for employees regarding the District’s new compensation system for non-represented employees, in addition to our improved and upgraded evaluation processes, I request your approval of the following two new AP&Ps:

#2043 Salary Administration for Non-Represented Employees
This new AP&P outlines the District’s compensation philosophy, as well as the improved compensation structure and how the minimum, midpoint and maximum amounts in the ranges were calculated. It covers how new employee salaries will be calculated, and addresses the various salary adjustments, including how the CPI COLA will be calculated, how the merit-based adjustments will be determined, and when the market-based adjustments will be undertaken.

It is my hope that with this information clearly outlined for employees, it will help them to understand how our structure will work, eliminate inconsistency that has been prevalent in the past, and also help to avoid unrealistic expectations.

#2044 Employee Evaluation Guidelines & Processes
This new AP&P clearly outlines the District’s purpose in having a consistent performance evaluation process for all employees. It outlines the evaluation process for both union and non-union employees, and the various factors on which employees will be evaluated.

The AP&P clearly outlines the different elements of each evaluation process, which forms will be used, what is expected with regard to regular and consistent communication between supervisors and employees, how goals will be developed, the timeline that will be used, and gives specifics on effectively scoring employees and what criteria should be used.
Salaries Administration for Non-Represented Employees
Administrative Practice & Procedure #2043

**Purpose**
As outlined in Resolution 2256-17, the District has established positions and salary ranges for non-represented employees as part of a new compensation program. Based on this new resolution and salary structure, which is market-based and establishes ranges for each specific position, it is necessary to establish guidelines for how the system will be administered. The District’s intent is to:

- Attract and retain qualified and highly-skilled staff;
- Reward employee performance with merit-based increases; and
- Provide a total compensation and benefit package that takes into account market data, functional design, and internal equity within the District.

**Compensation Philosophy**
Highly qualified and dedicated employees are a key component for the District to achieve its mission. To attract and retain employees who can meet our high performance standards, the District strives to offer a workplace culture and environment where employee actions are directly aligned with the District’s strategic goals, where employees feel appreciated and are valued for their hard work, and where their contributions are acknowledged and rewarded.

The District strives to be an **employer of choice** in our area, to provide competitive salary and benefit programs, as well as other less tangible elements that are valued and appreciated by our employees such as a safe work environment, training and development opportunities, career growth and the overall work environment. These elements are integral in establishing the District as an employer people choose when they desire an opportunity to grow and develop their skills, knowledge and ultimately their careers.

**Compensation Structure**
The District’s compensation structure for non-represented employees is based on a three-pronged approach (more fully explained below in “Salary Adjustments”), including a yearly CPI-based cost-of-living adjustment, merit-based adjustments based on measurable performance standards, and market-based adjustments every two to three years, or as often as required for positions that are evolving.

The salary ranges for each position have a 44% range from minimum (100%) to maximum (144%) and the midpoint of the range (122%) serves as the control point. The midpoint control is set at 95% of the salary survey average used for each position. However, since the wage information from the comparable agencies used in the survey was mainly at or near the top of their pay ranges, the salary survey average represents close to the top of the salary range for those comparable agencies. As a result, the District’s midpoint for any given position is nearly equivalent to the top of the salary range for our comparators. The portion of the range above the midpoint (123-144%) is intended to be used to reward employees for high performance and longevity with the District.
The salary ranges are designed to provide the opportunity for above-average market compensation to those employees who are high performers and consistently make strong contributions to the District’s success. This means seasoned employees who perform well and have consistently strong and outstanding job performance will generally be paid competitively and above the market for the work they do. We will regularly assess our market comparators to ensure that our salary ranges remain competitive.

We define our market simply as the employers and locations where we look to secure labor talent. In general that means other public employers (including cities and counties), utility specific positions (other PUDs and water districts), and professional/managerial comparisons in the general industry.

**Benefits**
The District targets our benefit structure in total to provide above average value to our employees as compared to comparable entities. Each of our benefit programs is designed to provide an employee with security in case of unforeseen events and for retirement.

**Salary Administration Guidelines**
The following guidelines will be used in the administration of the District’s compensation program.

**A) Salary Structure**
The District will use one salary structure for non-represented positions, with the exception of the General Manager position, which is decided separately by the Board of Commissioners. The salary structure is comprised of individual pay ranges for each specific position, with each range based on the results of the market survey. Each position is placed in the salary structure based on its value in the marketplace, which is obtained by market review. For positions where market data is not readily available or adequate for a fair comparison, the position will be slotted into the salary structure based upon internal equity and review. Analysis of the internal relationships among positions will ensure the appropriate levels of internal equity are maintained.

For the purposes of this document, the following terms will be used:

- **Minimum:** Minimum of the pay range (100% of the salary range), and the lowest level of base salary paid for that position.
- **Midpoint:** Midpoint of the pay range (122% of the salary range) that approximates the market rate at the 95th percentile of comparable market wages.
- **Maximum:** Maximum of the pay range (144% of the salary range). The highest level of base salary that can be paid for a particular position.

**B) New Hire Starting Salaries**
Salary offers to new hires are coordinated through Human Resources and will generally be toward the bottom end of the salary range for the position. However, the following factors will be taken into account which could result in a starting salary above the minimum of the position’s pay range, subject to approval by the General Manager:

- The candidate’s education and experience are significantly above the minimum requirements;
The candidate has an especially desirable skill, talent, knowledge or ability that will benefit the District;
• When recruiting the needed level of talent in certain positions is a sustained problem and results in a negative impact on the District unless the position is filled; or
• When retention, succession planning and turnover concerns are critical.

Salary Adjustments
Salary adjustments will typically be made using the following three-pronged approach, to reflect reasonable cost of living adjustments, market comparisons, and to reward performance:

A) Yearly CPI Cost-of-Living Adjustment (COLA)
Annual COLA adjustments will be given at the beginning of each calendar year based on the Bureau of Labor Statistics Consumer Price Index for all Urban Consumers (CPI-U) for the Seattle area from the period of June-to-June. A revised resolution will be brought to the Board for ratification as part of the annual budget planning process. The percentage change will not be seasonally adjusted and it will include all items. Using June as a baseline will allow the District to calculate the estimated COLA for the coming year as part of the annual budget process.

B) Merit-Based Adjustments
Merit-based adjustments will be determined by the employee evaluation process and implemented at the beginning of each calendar year. For more information on the process and methods used for employee evaluations, please refer to Administrative Practice & Procedure #2044, Employee Evaluation Guidelines & Processes.

Merit wage adjustments will be determined using the following table:

<table>
<thead>
<tr>
<th>Scoring Range</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.76+</td>
<td>2.5% Merit Wage Increase</td>
</tr>
<tr>
<td>4.26-4.75</td>
<td>2.0% Merit Wage Increase</td>
</tr>
<tr>
<td>3.76-4.25</td>
<td>1.5% Merit Wage Increase</td>
</tr>
<tr>
<td>3.26-3.75</td>
<td>1.0% Merit Wage Increase</td>
</tr>
<tr>
<td>2.50-3.25</td>
<td>0.5% Merit Wage Increase</td>
</tr>
<tr>
<td>1.50-2.49</td>
<td>No Change</td>
</tr>
<tr>
<td>0-1.49</td>
<td>No Change</td>
</tr>
</tbody>
</table>

C) Market-Based Adjustments
Using the methodology utilized in the District’s 2017 compensation study, every two to three years (depending upon market indicators) a market review will be done and all positions will be reviewed and compared to the market to determine if adjustments are needed. The pay ranges and salaries will be adjusted accordingly, which may vary by department and position depending upon market conditions. These adjustments are at the discretion of District management and will not be customized or altered.

When adequate market data is not readily available or adequate for a fair comparison, the position will be slotted into the salary structure based upon internal equity and review. Analysis of the internal relationships among positions will help to maintain appropriate levels of internal equity.
D) Other Salary Adjustments

Promotional Increases – If an employee moves into a position with significantly more responsibility or that requires a greater level of knowledge or skill, specific increases may be given to compensate for the new responsibilities. In addition, the position may be reclassified and updated market data will be obtained.

Leaves of Absence – Increases for employees on a leave of absence without pay will generally become effective on the date the employee returns to work, with no prorated amounts. These situations will be reviewed on a case-by-case basis. If an employee is on leave with pay, the increase will become effective on the common date established for all employees.

Acting or Temporary Appointments – Temporary upgrades to a higher pay level or classification may be given at the discretion of District management. These situations will be reviewed on a case-by-case basis.

Position Downgrades – An employee may be moved to a lower paid position due to performance issues, reorganizations, job reclassifications, etc., at the discretion of District management. These situations will be reviewed on a case-by-case basis.

Other – Salaries of employees may be changed to provide annual individual increases or adjusted as necessary in response to market conditions. In addition, the District strives to maintain a fair differential between the salary of supervisors and their highest paid direct reports. Pay compression problems, or similar equity issues that cannot be adequately addressed through normal salary increases, will be addressed on a case-by-case basis at the discretion of the General Manager.

PLEASE NOTE: All salary adjustments are dependent upon any applicable budgetary restrictions and are not guaranteed. The District will adhere to these provisions as much as possible, but there is management discretion at all times. In addition, market conditions, Board decisions or budgetary constraints could justify minimizing increases or freezing salaries as necessary.

Summary
Our goal is to attract, retain and motivate committed, hard-working, creative and thoughtful employees who support the Mission, Vision and Core Values of the District, and who work hard to meet and exceed the expectations of our community, not only in the supply of necessary services but in building a better place for all of us to live and work.

Who to Contact if Questions
If you have questions about this AP&P or any of the practices and procedures outlined above, you should contact your supervisor, department manager, or the Human Resources Office.

<table>
<thead>
<tr>
<th>Former Title/AP&amp;P #:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date:</td>
<td></td>
</tr>
<tr>
<td>Revision Date:</td>
<td></td>
</tr>
<tr>
<td>General Manager Signature: Date:</td>
<td></td>
</tr>
</tbody>
</table>
Employee Evaluation Guidelines & Processes
Administrative Practice & Procedure #2044

Purpose
Understanding and clarity between management and employees about work and behavioral expectations provides an opportunity for employees to be successful at their jobs, to promote effective job performance, and for more effective overall management-employee relations. At the foundation of an effective evaluation process are open and ongoing discussions about job expectations and job performance, contributions to the District, department-specific objectives, and personal growth and development.

With an understanding of job expectations, employees can understand:
- What parts of their job are most important and where they should focus their efforts;
- How their work relates to our mission, and how their efforts help the success of the District;
- How they are performing and how to ask for support or assistance;
- Work priorities, thereby avoiding uncertainty and unclear communication; and
- Where performance improvement is needed and how it can occur.

For these reasons, the District has adopted an evaluation process in order to encourage employee success and to promote effective management-employee communication.

PLEASE NOTE: Non-union and union employees will have different evaluation forms and processes because non-union employees have a compensation system that includes a merit-based component.

Non-Union Employee Evaluation Process
The evaluation process for non-union employees will include four components, which are fully explained as follows:

A) Performance Expectations and Goal Setting (form attached)

Goal setting will be a collaborative process between the employee and manager/supervisor that identifies specific goals the employee should strive for during that review period. Managers and supervisors will incorporate the performance expectations and progress toward goal achievement as part of their evaluation with each employee.

The manager should complete the first page of the form, which includes the following sections:
- Position linkage with the District’s mission
- Performance expectations
- Training & development needs/opportunities
Once the manager/supervisor has reviewed this information with the employee, then specific goals for that time period will be identified. The employee will have one or more identified goals (goal process is more fully outlined in the Performance Expectations and Goal Setting form attached). Both the manager and the employee must sign the form indicating they understand the goals, and the original of this form will be turned in to the HR Department (see schedule table).

**B) Regular Manager/Employee Meetings**

All managers and supervisors must schedule specific dates and times to have regular check-in meetings with their employees. The purpose of these meetings is to: provide feedback; encourage effective communication; devote specific time to each employee; address any developing issues so correction and counseling can be given; review the progress of their goals; share appreciation of ways employees have helped the manager or the department; and to keep the manager aware of what is happening in their department.

Although each employee and department will be different, some examples of possible topics to cover in these meetings may include (examples only):

- **Departmental Projects and Objectives**: Does the employee have specific questions? How do they feel about the progress of the project? Are they struggling in any areas and how can the manager help? Are there areas of potential improvement they can focus on?

- **Goals**: Is the employee making progress toward their goals? Do any timelines need to be revised? Does the employee need additional resources?

- **Professional Development**: Does the employee have specific areas related to their duties where they would like additional training or coaching? (If they recently had training) What training or feedback do they feel was beneficial or helpful? Do they have new thoughts on future goals or objectives they would like to discuss?

- **Briefly touch on each section of the evaluation factors. Are there areas where the employee is doing well? Is there an area where they are struggling? These meetings are a good time to address those topics so by the time the employee receives their evaluation, there are no real surprises.**

**C) Semi-Annual Evaluations and Goal Review**

Semi-annual evaluations and goal reviews will be done at the end of each year (see schedule table), and managers/supervisors will use the regular Performance Evaluation form.

The purpose of this semi-annual evaluation is to have a formal check-in for both the manager and the employee to provide feedback, determine progress toward goals, and to develop a plan for the remainder of the year. Since the managers/supervisors will be having regular meetings with each employee, whatever is discussed in this semi-annual evaluation should not be a surprise.

The semi-annual evaluation is a time to discuss course corrections and discuss any performance issues, formally revise any timelines that may have become unrealistic due to unplanned projects or issues, and to identify support the manager may offer to assist the employee in the successful achievement of their goals.
D) Annual Performance Evaluation (form attached)

The annual performance evaluations will be completed by the manager/supervisor and turned in to Human Resources or the General Manager for review before giving them to employees (see schedule table). The purpose of this is to improve consistency of processes amongst departments. Once reviewed with Human Resources and/or the General Manager, the annual evaluation forms will be given back to managers, and managers will give employees their evaluations (see schedule table). Each employee will be evaluated on the following factors:

- Goal Achievement
- Workplace Behavior
- Communication Skills
- Professional Competence
- Commitment to Departmental Success/District Core Values
- Leadership Ability (for managers and supervisors)

Additional information and guidelines for proper ratings are outlined fully in the Performance Evaluation General Instructions.

Employees should be given a chance to review and comment on their evaluation form. Once completed and signed by both the manager/supervisor and the employee, the employee should be given a copy if requested. The original of the Performance Evaluations must be submitted to the HR Department for inclusion into the employee’s personnel file.

PLEASE NOTE: The District has opted to have non-union employee annual reviews mid-year in order to plan for potential budgetary impacts, and semi-annual reviews will be done at the end of each calendar year.

SCHEDULE TABLE for NON-UNION EMPLOYEE EVALUATION PROCESS

| 2018 Only |
|----------------|----------------|
| **Task**                  | **Due**       |
| Goals (for the first 6 months of 2018) | 02/09/18 |
| Annual Evaluations to HR/GM for Review | 07/13/18 |
| Evaluations Back to Managers | 08/03/18 |
| Employee Evaluations Completed and Employee Goals | 08/31/18 |
| for August 2018 - June 2019 |
| Signed Originals to HR | 09/07/18 |
| First Merit Increases | 01/01/19 |
| Semi-Annual Evaluations/Goal Progress Review | 2nd Friday in January |

* In order to develop accurate budget projections each year, employee annual evaluations will be done mid-year, and the semi-annual evaluation will be in December. Merit increases will take effect each January 1st.
2019 and Beyond

<table>
<thead>
<tr>
<th>Task</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Evaluation to HR/GM for Review</td>
<td>2nd Friday in July</td>
</tr>
<tr>
<td>Evaluations Back to Managers</td>
<td>1st Friday in August</td>
</tr>
<tr>
<td>Employee Evaluations Completed and Employee Goals for the next year</td>
<td>End of August</td>
</tr>
<tr>
<td>Signed Originals to HR</td>
<td>1st Friday in September</td>
</tr>
<tr>
<td>Mid-Year Eval/Goal Review</td>
<td>End of December</td>
</tr>
<tr>
<td>Merit Increases</td>
<td>January 1st</td>
</tr>
<tr>
<td>Semi-Annual Evaluations/Goal Progress Review</td>
<td>2nd Friday in January</td>
</tr>
</tbody>
</table>

### Scoring System

Each review category will be given a whole or a half number (example 2 or 2.5) score based on a 5-point scoring scale, with a score of 1 needing immediate improvement and a score of 5 consistently exceeding expectations (more fully explained in the *Performance Evaluation Instructions*). Non-supervisory employees will have 5 review categories and managers and supervisors will have 6 review categories. The overall review score for each employee will be the total of each of the individual scores divided by the total number of review categories.

A score of 1 in any category will necessitate performance counseling, and may require a Performance Improvement Plan (PIP), and there is management discretion on whether an employee will receive a merit increase until performance has improved to an acceptable level in all categories.

Scores given to employees require appropriate supporting documentation (such as working file notes). In addition, a score of 1 or 5 in any category (or the overall score) will require additional substantiation to justify that particular grade. The reasons for this are as follows:

**A Score of 1:** This indicates that performance is failing to meet what is expected in the position, and that immediate improvement is required for continued employment. Managers/supervisors are required to have specific, documented information to backup why this score is appropriate. A score of 1 or less will result in a performance planning meeting within two weeks of the approved evaluation being presented to the employee. The employee, supervisor, and possibly Human Resources will be present to establish a path of corrective action.

**A Score of 5:** This indicates that performance is always extraordinary and significantly far above what is expected of a qualified person in the position. To achieve this level of rating, the employee must always be at this optimal level 100% of the time. Managers/supervisors are required to have specific, substantiated information to document why this score is appropriate, which should include examples of consistently demonstrated performance. This grade will be unusual and although attainable, difficult to achieve even for high performers.
Union Employee Evaluation Process
The evaluation process for union-represented employees will include two components, a semi-annual performance evaluation and an annual performance evaluation, both using the Performance Evaluation – Union Employee form (attached). All union employees will be evaluated in the following categories:

- Professionalism and Work Ethic
- Interpersonal and Communication Skills
- Professional Competence
- Customer Service (internal and external)
- Commitment to Safe Work Practices
- Leadership Attributes (for foremen and leads)

A) Semi-Annual Evaluation Process

The semi-annual evaluation should be completed by the manager/supervisor and reviewed with the employee annually (see schedule table below).

The purpose of the semi-annual evaluation is to have a formal check-in for both the manager and the employee to assess the employee’s performance and behavior, provide feedback, and to develop a plan for the remainder of the year. Any informal meetings outside of the semi-annual meeting may be used by the manager or employee to provide feedback or discuss progress or concerns.

The semi-annual evaluation is a time to have an open and constructive discussion that leads to a greater understanding of the employee’s performance and how well they are meeting expectations. It is also an opportunity to provide course correction and to clarify a change in priorities. The goal is to keep the employee informed of their performance expectations and provide advice and direction about how to achieve or maintain better performance, in order to assist them to be successful at their positions.

All original forms must be submitted to the Human Resources Department for inclusion in the employee’s personnel file.

B) Annual Performance Evaluation

The annual evaluation should be completed by the manager/supervisor and reviewed with the employee, and employees should be given a chance to review and comment on their evaluation form.

Once completed and signed by both the manager/supervisor and the employee, the employee should be given a copy if requested. The original of the form must be submitted to the HR Department for inclusion into the employee’s personnel file.

SCHEDULE TABLE for UNION EMPLOYEE EVALUATION PROCESS

<table>
<thead>
<tr>
<th>Task</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-Annual Evaluations Completed</td>
<td>End of June</td>
</tr>
<tr>
<td>Signed Originals to HR</td>
<td>1st Friday in July</td>
</tr>
<tr>
<td>Annual Evaluations Completed</td>
<td>End of December</td>
</tr>
<tr>
<td>Signed Originals to HR</td>
<td>1st Friday in January</td>
</tr>
</tbody>
</table>
Scoring System
Each review category will be given a whole number score based on a 5-point scoring scale, with a score of 1 needing immediate improvement and a score of 5 consistently exceeding expectations. At the end of the review, an overall performance score is given that reflects an approximate average of the other scores. (Example: an employee who has received scores of “3” or “4” throughout the review should not be given an overall performance summary score of “5”).

Managers and supervisors should be aware that the scores given to employees should be backed up by appropriate documentation (such as working file notes). In addition, a score of 1 or 5 in any category (or the overall score) will require additional substantiation to justify that particular grade. The reasons for this are as follows:

*A Score of 1:* This indicates that performance is consistently unsatisfactory and the employee is failing to meet basic expectations for the position, and that immediate improvement is required for continued employment. Managers/supervisors are required to have specific, documented information to backup why this score is appropriate. A score of 1 will result in a performance planning meeting within two weeks of the approved evaluation being presented to the employee. The employee, supervisor, and possibly Human Resources will be present to establish a path of corrective action.

*A Score of 5:* This indicates that performance is extraordinary and significantly far above what is expected of a qualified person in the position. To achieve this level of rating, the employee must have optimal performance most all of the time. Managers/supervisors should have specific, substantiated information to document why this score is appropriate, which should include examples of consistently demonstrated performance. This grade is attainable but difficult to achieve, even for high performers.

Where to Go for Guidance
If you have any questions about the evaluation process, please feel free to ask your manager or supervisor, the Human Resources Department, or the General Manager.

Attachments Included
1) *Employee Performance Review General Instructions* (for non-represented employees)

2) *Performance Expectations and Goal Setting* form (can be obtained on the Public drive or from Human Resources)

3) *Performance Evaluation* form (can be obtained on the Public drive or from Human Resources)

4) *Performance Evaluation – Union Employee* form (can be obtained on the Public drive or from Human Resources)
EMPLOYEE PERFORMANCE EVALUATION

GENERAL INSTRUCTIONS
(for non-union employee evaluations)

The performance evaluation will assess an employee’s overall performance during the preceding calendar year or a specific time period.

Each of the following factors will be considered and rated according to the employee’s performance, and examples are included for rating guidelines.

**Employee Performance Factors**

1) Goal Achievement
   - Has the employee achieved their identified personal goals?
   - Have ad hoc (additional and specific) projects been completed during this time period (if specific projects come up that are time consuming, some goals may have been postponed.
   - Are there other achievements that are consistent with the performance rating given? Explain

   **Example of a “5” Rating:** The employee consistently develops and fulfills especially challenging personal goals, and they take steps to help others achieve their goals and objectives. They apply unique and effective ways to deal with challenges, and they always request opportunities to learn new duties and skills. Always goes above and beyond, and strives for improvement and growth opportunities.

   **Example of a “1” Rating:** The employee needs constant direction to achieve basic goals, and consistently does not meet their goals. Employee does not accept accountability or responsibility and places blame on others for lack of goal achievement. Not attentive to personal development, and does not seek out new work or additional responsibilities in order to help their department.

2) Workplace Behavior
   - Do they demonstrate good time management and personal responsibility overall (do they take ownership and responsibility?)
   - Is there teamwork and demonstrated respect for others in the workplace?
   - Do they demonstrate emotional stability, self-control, and ethical conduct?
   - Is there other workplace behavior that is consistent with the rating? Explain

   **Example of a “5” Rating:** Employee is always punctual and extremely dependable, and works extra time when necessary. Works completely independently, and takes charge in the absence of direction. They are always cooperative and respectful to co-workers and customers (both internal and external), and they maintain and model a positive attitude, even during highly stressful or challenging situations. Focuses on collaboration vs. competition, and demonstrates a pattern of behavior that is fair, honest, ethical, dependable, consistent and competent in all interactions. Works in a manner that fosters mutual respect and understanding of differences or workplace diversity.

   **Example of a “1” Rating:** Creates hardships on department and others due to lack of punctuality or dependability. Cannot be relied upon, and often does not follow through on commitments. Displays unprofessional or questionable behavior in interactions, and does not accept accountability or responsibility for own actions; places blame on others or situations.
Often uncooperative and/or disrespectful to others. Does not resolve conflicts appropriately. Does not demonstrate respect of differences or workplace diversity.

3) Communication Skills
- Do they have good interpersonal and communication skills? Do they relate well to others?
- Do they give and receive constructive criticism positively? Do they seek to resolve conflicts appropriately, collaboratively and responsibly?
- Is information shared appropriately, and do they accept ideas other than their own?
- Is there other behavior that is consistent with the communication rating? Explain

Example of a “5” Rating: Always a credible and effective communicator. Presents information clearly and succinctly, and shares ideas and information with others who may find it useful. Listens to others and asks probing questions to gain thorough understanding. Superior written and verbal communication skills. Accepts responsibility for their own actions and is open and amenable to constructive feedback, looking at it as an opportunity to improve both personally and professionally. Listens attentively to others and shares interest in hearing other viewpoints and ideas.

Example of a “1” Rating: Inconsistent, scattered or unclear communications, and does not share ideas or information as appropriate. Provides inadequate or misleading information, and does not keep others informed in a timely manner. Does not listen well, often interrupts others and can be argumentative. Written and/or verbal communication is below average. Does not accept constructive advice well and is defensive about even minor criticism. Does not listen attentively and does not express interest in hearing other viewpoints or ideas. Presentation of their own ideas can be inappropriate or questionable for the audience.

4) Professional Competence
- Are they competent within their profession and/or their expected professional skillset?
- Have they made the effort to become more knowledgeable in their field (given budgetary constraints)? Do they take initiative to become more knowledgeable?
- Do they exhibit flexibility in learning new things and adjusting to changes in assignments and working conditions?

Example of a “5” Rating: Thorough and complete knowledge of all relevant job duties and responsibilities and performs all duties with a high level of professional competence. Able to provide thorough answers to complex questions. Maintains professional certifications (if appropriate) and stays up to date on industry processes and trends. Applies new skills gained and advanced knowledge to work assignments and projects. Consistently seeks better ways to improve job and/or department, and contributes innovative and resourceful ideas, approaches and solutions. Open to new technology and processes and how it can help their operations.

Example of a “1” Rating: Limited knowledge and skills needed to perform the basic functions of the job, and does not exhibit the initiative to learn more. Usually unable to provide questions to questions. Does not pursue additional knowledge or skill building opportunities. Depends upon input from others to perform tasks instead of using provided resources. Waits for others to assign tasks. Unable to effectively work through business process changes or industry changes; struggles with basic changes in technology or processes.

5) Commitment to Departmental Success/District’s Core Values
- Do they have a good work ethic and dedication to the success of their department?
Have they demonstrated commitment to one or more of the District’s Core Values: quality-reliability-environmental responsibility-responsive service-low cost-economic responsibility?

Do they portray a positive image for the District in internal and external communications?

Is there other workplace behavior that is consistent with the commitment rating? Explain

Example of a “5” Rating: Consistently strong work ethic, and contributes, encourages, and promotes team building efforts for everyone in their department. Facilitates cooperation and recognizes the success of others. Demonstrates a strong commitment to one or more of the District’s values in a way that is appropriate and beneficial for their department and the District as a whole. Understands, applies and promotes District directives and policies.

Example of a “1” Rating: Focuses on self and actions can detract from group efforts. Behavior lowers productivity or group efforts due to negativity, and unnecessarily criticizes group members, other employees or departments. Does not demonstrate a commitment to District values in any meaningful way. Disregards District directives and policies, and can be openly disdainful of initiatives and policies.

6) Leadership Ability (only applicable to managers and supervisors)

- Have they made the effort to improve their leadership and management ability when possible?
- Do they motivate their employees and work to maintain effective morale in their department?
- Do they encourage employee responsibility and hold employees accountable?
- Do they demonstrate effective utilization of department resources and do they encourage their subordinates to do the same? Is there good budgetary management?
- Is there other leadership behavior that is consistent with the performance rating?

Example of a “5” Rating: Superior departmental communications and presentations, and encourages interdepartmental communication and collaboration. Leads by example and considered a mentor by staff and peers. Encourages employee input and shares ownership and successes with their team. Effectively addresses employee performance issues and seeks assistance when appropriate. Adaptable in changing District directives and manages employee expectations through effective and consistent communications. Demonstrates consistent support of District initiatives and effectively articulates organizational goals and vision to employees in a motivating way.

Example of a “1” Rating: Department work is poorly planned, and interdepartmental relations are often strained. Not open to input or suggestions by staff, leading to low department morale. Plays favorites and does not consistently apply or support District directives or policies. Department does not work effectively as a team, and employees to not seek out input or direction when appropriate. Undermines change and/or passively resists it, and does not effectively address employee anxiety about changes. Inflexible in adapting to changing organizational goals and does not effectively motivate staff.

Ratings will be whole or half numbers based on a 5 point grading scale. The overall score of the factors (5 factors for non-supervisory employees and 6 factors for supervisory employees) will be a total of the numbers divided by the number of factors. The final score will then fall into the appropriate range.

EXAMPLE: a non-supervisory employee gets a 3.5 on goal achievement, a 3 on workplace behavior, a 3 on communication skills, a 4 on professional competence, and a 3 on commitment to departmental success; the total of the individual scores is 16.5, which would be divided by the total number of categories (5); and that yields a score of 3.3, which falls into the range of 3.26-3.75.
A score of 1 in any factor may require a performance improvement plan or performance counseling, and there is management discretion on whether an employee will receive a merit increase based on their scores. Specifically, a score of “1” in any section may mean that an employee will not receive their merit increase until performance has improved.

**Rating Guidelines**
The rating of each factor (only using whole numbers) shall be consistent with the following:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td><strong>Consistently Exceeds Expectations (Exceptional)</strong> – This rating is very difficult to achieve and indicates that performance is always extraordinary and significantly far above what is expected of a qualified person for the position. To achieve this rating, the employee’s skills, behaviors and work products must be at this optimal level 100% of the time. The employee has achieved the optimum that could be expected for the position. Errors are very few and cause no significant impact to the District. Work requires virtually no oversight or follow-up, is performed safely, independently, ahead of established timelines, in a cooperative manner and with a high degree of accuracy. Employee anticipates problems, plans ahead and takes appropriate action to resolve problems. No surprises are encountered. Shows significant initiative and is a self-starter. Others seek out the employee because of unique knowledge, skills or abilities. Demonstrates pride in quality of work, their department, and the District.</td>
</tr>
<tr>
<td>4</td>
<td><strong>Exceeds Expectations (Very Good)</strong> – Performance consistently exceeds what is expected of a qualified, full performing person for the position, even on the more complex parts of the job. Knowledge of the operations is valued and sought on a regular basis. Work assignments and projects are completed safely, thoroughly, completely, and in a timely manner. End product is clear, concise and of high quality. Very few surprises are encountered. Thinks beyond the details of the job and works toward the overall objectives of the department and the District. Shows good initiative and planning. Errors are few and of low impact to the District. Requires only occasional supervision and follow up, and the majority of work is performed independently.</td>
</tr>
<tr>
<td>3</td>
<td><strong>Meets Expectations (Acceptable)</strong> – Performance is solid and adequate for what is expected of the position. Errors are occasional and seldom repeated. Normal supervision, direction or follow up is required. Work is performed safely, with thoroughness and in a timely manner. Can identify resources available for help and determine when additional assistance is needed. Few surprises are encountered. Demonstrates pride in quality of work.</td>
</tr>
<tr>
<td>2</td>
<td><strong>Expectations Not Completely Met (Improvement Needed)</strong> – Performance is not entirely meeting what is expected of a qualified person in the position. Improvement is needed to fully meet expectations. Lapses in performance have been observed due to the employee’s lack of skill, knowledge, or effort. Errors are more frequent. Employee has made some effort to learn from errors and mistakes by applying knowledge gained to improve job performance and development. More than normal supervision and direction is required. Employee generally seeks help and input to improve their performance.</td>
</tr>
</tbody>
</table>
| 1      | **Does Not Meet Expectations (Immediate Improvement Needed)** – Performance consistently fails to meet what is expected of a qualified person in the position. Immediate
improvement is required for continued employment. Unsuccessful job performance is due to the employee’s lack of knowledge, skills and/or effort and initiative. Constant supervision is required for nearly all aspects of job duties. Errors are frequent and often repeated. Employee’s lack of performance is creating morale problems for other team members who must help carry the workload. Employee may have received coaching and/or discipline with no sustained improvement during the review period.

Special Instructions: A PIP must be developed and implemented in order to determine whether employee can make the necessary improvements. However, if a previous PIP has been implemented and has been unsuccessful, or the employee’s overall performance indicates that further employment will not benefit either the employee or the District, the employee may be subject to disciplinary action, up to and including termination at management’s discretion.

Additional Special Instructions: A rating of 1 requires substantiating comments or documentation that supports this rating and reinforces the employee’s level of performance.
<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Department</th>
<th>Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Title</td>
<td>Evaluator's Name</td>
<td></td>
</tr>
<tr>
<td>Performance Period</td>
<td>From:</td>
<td>To:</td>
</tr>
</tbody>
</table>

Has job description been: [ ] Reviewed? [ ] Updated?

### Position Linkage with the District’s Mission
How do the responsibilities of this position link or contribute to the achievement of the District’s mission and goals? Provide a brief summary.

### Performance Expectations
Based on the position’s essential functions, what are the most important objectives, outcomes, and/or special assignments to accomplish in order to be successful during this time period?

### Training & Development Needs/Opportunities
What training and development needs and opportunities should the employee focus on in order to develop the knowledge, skills and abilities needed to meet the above expectations?
Employees: Use the goal setting worksheet to set goals for this time period.

**S.M.A.R.T. Goals Info Sheet**

**Effective Goals Must Be**

**Specific:** A specific goal has a much greater chance of being accomplished than a general one. To set a specific goal you must answer the six “W” questions:

- **Who – Who is involved?**
- **What – What do I want to accomplish?**
- **Where – Identify a location.**
- **When – Establish a time frame.**
- **Which – Identify requirements and constraints.**
- **Why – Specific reasons, purpose or benefits of accomplishing the goal.**

**Measurable:** Establish concrete criteria for measuring progress toward the attainment of each goal you set. When you measure your progress, you stay on track, reach your target dates, and experience the feeling of achievement that spurs you on to continued effort. To determine if your goals is measurable, ask questions such as.....

- **How much? How many?**
- **How will I now when it is accomplished?**

**Attainable:** When you identify goals that are most important to you, you begin to figure out ways you can make them come true. You develop the attitudes, abilities, skills, and capacity to reach them. You begin seeing previously overlooked opportunities to bring yourself closer to the achievement of your goals.

You can attain most any goal you set when you plan your steps wisely and establish a time frame that allows you to carry out those steps. Goals that may have seemed far away and out of reach eventually move closer and become attainable, not because your goals shrink, but because you grow and expand to match them.

**Realistic:** To be realistic, a goal must represent an objective toward which you are both willing and able to work. A goal can be both high and realistic; you are the only one who can decide just how high your goal should be. But be sure that every goal represents substantial progress.

**Timely:** A goal should be grounded within a time frame. With no time frame tied to it, there’s no sense or urgency.
The goals defined here incorporate specific tangible projects and responsibilities that are outside of your routine duties. Goals must be S.M.A.R.T. (Specific, Measurable, Attainable, Realistic, and Timely). Please refer to the SMART Goals Info Sheet for more information and a definition of a SMART goal.

Goal #1 Basic Description

Describe the relationship of the goal to District or departmental objectives:

<table>
<thead>
<tr>
<th>Steps to Achieve Goal #1</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
</tr>
<tr>
<td>Step 3</td>
<td></td>
</tr>
<tr>
<td>Step 4</td>
<td></td>
</tr>
</tbody>
</table>
The goals defined here incorporate specific tangible projects and responsibilities that are outside of your routine duties. Goals must be S.M.A.R.T. (Specific, Measurable, Attainable, Realistic, and Timely). Please refer to the SMART Goals Info Sheet for more information and a definition of a SMART goal.

**Goal #2 Basic Description**

<table>
<thead>
<tr>
<th>Step</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
</tr>
<tr>
<td>Step 3</td>
<td></td>
</tr>
<tr>
<td>Step 4</td>
<td></td>
</tr>
</tbody>
</table>

**Describe the relationship of the goal to District or departmental objectives:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The goals defined here incorporate specific tangible projects and responsibilities that are outside of your routine duties. Goals must be S.M.A.R.T. (Specific, Measurable, Attainable, Realistic, and Timely). Please refer to the SMART Goals Info Sheet for more information and a definition of a SMART goal.

**Goal #3 Basic Description**

Describe the relationship of the goal to District or departmental objectives:

**Steps to Achieve Goal #3**

<table>
<thead>
<tr>
<th>Step</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
</tr>
<tr>
<td>Step 3</td>
<td></td>
</tr>
<tr>
<td>Step 4</td>
<td></td>
</tr>
</tbody>
</table>

My manager and I are in agreement on the importance and value of achieving the above-listed goals for the betterment of the District and my department. I understand we will meet periodically to discuss progress of the goals and also mid-year to establish new goals for the second half of the year.

Employee Signature | Date
--- | ---

Manager/Supervisor Signature | Date

NOTE: Once the performance expectations form is completed and signed, the supervisor should provide the employee a copy, keep a copy for the designated time period, and the original is forwarded to Human Resources to be placed in the employee’s personnel file.
# Performance Evaluation

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Title</td>
<td>Time with District</td>
</tr>
<tr>
<td>Period From:</td>
<td>To:</td>
</tr>
<tr>
<td>Evaluation Date</td>
<td>Evaluator’s Name</td>
</tr>
</tbody>
</table>

**Evaluation Purpose:**
- [ ] Annual Evaluation
- [ ] Semi-Annual Review
- [ ] Other:

*NOTE: See General Instructions page for guidelines on ratings.*

## 1) Goal Achievement

- [ ] Has the employee achieved their identified goals? (Use separate worksheet to assess if needed)
- [ ] Have ad hoc (additional and specific) projects been completed during this time period?
- [ ] Other achievements consistent with the performance rating.

**Comments:**

## 2) Workplace Behavior

- [ ] Time management and personal responsibility.
- [ ] Teamwork and demonstrated respect for others.
- [ ] Demonstrates emotional stability and ethical conduct.
- [ ] Other workplace behavior consistent with the performance rating.

**Comments:**

*Overall Performance Rating:*
3) Communication Skills

- Interpersonal and communication skills.
- Gives & receives constructive criticism positively; seeks to resolve conflicts appropriately.
- Shares information appropriately and accepts other ideas.
- Other workplace behavior consistent with the communication rating.

Comments:

<table>
<thead>
<tr>
<th>Overall Performance Rating:</th>
</tr>
</thead>
</table>

4) Professional Competence

- Competence within the employee’s profession and/or expected professional skillset.
- Understanding of District operations and industry given length of service and job function.
- Effort to become more knowledgeable in field given budget constraints.
- Exhibits flexibility in learning new things and adjusting to changes in assignments & working conditions.
- Other areas consistent with the professional competence rating.

Comments:

<table>
<thead>
<tr>
<th>Overall Performance Rating:</th>
</tr>
</thead>
</table>
5) Commitment to Departmental Success/District’s Core Values

☐ Overall work ethic and demonstrated dedication to the success of their department.
☐ Demonstrated commitment to one or more of the District’s Core Values: (Quality; Reliability; Environmental Responsibility; Responsive Service; Low Cost; and Economic Responsibility) – Include explanation
☐ Portrays a positive image for the District in both internal and external communications.
☐ Other workplace behavior consistent with the commitment rating.

Comments:

6) Leadership Ability (for managers and supervisors)

☐ Effort to improve leadership and management ability whenever possible.
☐ Motivates employees and works to maintain effective morale in department.
☐ Encourages employee responsibility and holds employees accountable.
☐ Demonstrates effective utilization of department resources and encourages subordinates to do the same; good budgetary management.
☐ Other leadership behavior that is consistent with the performance rating.

Comments:

Overall Performance Rating:
**General Performance Feedback:** Provide a narrative assessment of the employee's performance as a whole. In general, did the employee achieve successful performance during this time period? Are there areas where improvement is needed?

**Performance Rating Summary**

<table>
<thead>
<tr>
<th></th>
<th>Goal Achievement</th>
<th>Rating Given</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Workplace Behavior Assessment</td>
<td>Rating Given</td>
</tr>
<tr>
<td>3</td>
<td>Communication Skills</td>
<td>Rating Given</td>
</tr>
<tr>
<td>4</td>
<td>Professional Competence</td>
<td>Rating Given</td>
</tr>
<tr>
<td>5</td>
<td>Commitment to Dept/Core Values</td>
<td>Rating Given</td>
</tr>
<tr>
<td>6</td>
<td>Leadership Ability (if applicable)</td>
<td>Rating Given</td>
</tr>
</tbody>
</table>

**Overall Performance Rating**

Tally up the ratings and divide by the number of sections used (5 for non-supervisors and 6 for supervisory employees).

<table>
<thead>
<tr>
<th>Number of Areas Scored</th>
<th>Overall Performance Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>0.0</td>
</tr>
</tbody>
</table>

**Employee Comments:**

**Signatures:** The signatures below indicate the supervisor and employee have discussed the performance evaluation.

Evaluator's Signature __________________________________________ Date __________________

Employee's Signature __________________________________________ Date __________________

Department Head (GM if applicable) ______________________________ Date __________________

**NOTE:** Once the evaluation form is completed and signed, the supervisor should provide the employee a copy (if desired) and the original is forwarded to...
Human Resources to be placed in the employee’s personnel file.
<table>
<thead>
<tr>
<th>Definitions for Performance Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5-Outstanding Performance</strong></td>
</tr>
<tr>
<td>Always carries out the examples given in criteria. Unique &amp; exceptional contributions, and supervision is very seldom needed. This rating is given only for <strong>consistently outstanding</strong> performance.</td>
</tr>
</tbody>
</table>

**Performance Criteria**

1) **Professionalism and Work Ethic**
- Shows honesty and integrity. Dependable & follows through with tasks. Shows dedication to the job and to their department.
- Effective time management; uses time effectively and appropriately. Demonstrates effective task prioritization.
- Good attendance and punctuality, and uses PL appropriately.
- Willing to contribute and does things that need to be done, regardless of job description.
- Projects a professional image in appearance and work area.
- Conscious of public perception regarding actions that affect the District.
- Self-motivated and looks for ways to improve processes.

**Explanation and Remarks:**

2) **Interpersonal and Communication Skills**
- Works collaboratively with co-workers and supervisory staff, and offers support when appropriate.
- Works effectively with a variety of personalities to achieve common goals, and contributes to a team-oriented environment.
- Respectful to others, and uses tact and courtesy. Gives and receives constructive criticism positively and professionally.
- Seeks to resolve conflicts effectively and collaboratively. Asks for explanation and additional facts when unclear.

**Explanation and Remarks:**

**Overall Performance Rating**
3) Professional Competence

- Demonstrates competence within their job. Exhibits interest in learning new skills, over and above what is required.
- Adaptable, flexible, and can adjust to changing situations and priorities.
- Delivers quality work, in an appropriate time frame, without constant supervision. Meets deadlines.
- Uses good judgment, does not jump to conclusions, and objectively evaluates information to make good decisions.
- Shows competence in operating equipment/tools that are specific to the job and keeps current in job-related knowledge.

**Explanation and Remarks:**

| Overall Performance Rating |

4) Customer Service (internal and external)

- Works diligently to anticipate and respond to the needs of our customers and community.
- Consistently maintains cohesive working relationships and collaboration with other departments. Facilitates cooperation.
- When approached by a customer, takes ownership of the problem until resolved or appropriately referred for resolution.
- Portrays a positive image for the District in internal and external communication and behavior.

**Explanation and Remarks:**

| Overall Performance Rating |

5) Commitment to Safe Work Practices

- Willingly complies with all safety requirements, including wearing appropriate PPE at all times.
- Cooperates with investigations and analysis of safety incidents. Implements required safety initiatives/corrections promptly.
- Takes ownership in personal safety responsibility, rather than makes excuses.
- Looks out for co-workers and other individuals, reinforcing work safety and appropriate work practices.
- Maintains and operates tools, equipment, and facilities appropriately, and promptly reports issues that need attention.
- Does not compromise safety for efficiency. Places appropriate level of importance on a safe work environment.

**Explanation and Remarks:**

| Overall Performance Rating |

6) Leadership Attributes (for Foremen, Leads and anyone who acts on a Lead capacity as needed)

- Displays fair, non-discriminatory, appropriate treatment of all individuals.
- Accepts responsibility for maintaining a safe work environment, and consistently promotes work safety.
- Encourages participation, and encourages team members to adapt to change and bounce back from failures.
- Leads by example instead of only giving direction. Provides both praise and constructive feedback appropriately.
- Appropriately refers behavioral and/or performance issues to management or Human Resources as appropriate.
- Accepts responsibility and admits mistakes instead of making excuses. Tries to solve, rather than ignore, problems.

**Explanation and Remarks:**

| Overall Performance Rating |
## Supervisor Comments for Evaluation Period

Specifically describe ways the employee has excelled, and how they can improve moving forward.

### Overall Performance Rating

Rating should reflect an average of the different rating categories – Showing their overall performance

<table>
<thead>
<tr>
<th>Outstanding Performance</th>
<th>Exceeds Expectations</th>
<th>Meets Expectations</th>
<th>Improvement Needed</th>
<th>Unacceptable Performance</th>
</tr>
</thead>
</table>

### Employee Comments


**EMPLOYEE**: I certify that my supervisor has reviewed the information contained in this document with me, and that I have been offered a copy for my records. I further understand my signature does not necessarily indicate agreement.

<table>
<thead>
<tr>
<th>Employee Signature</th>
<th>Date</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Supervisor Signature</th>
<th>Date</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Department Manager</th>
<th>Date</th>
</tr>
</thead>
</table>
February 8, 2018

TO: Commission
FROM: George Sidhu, P.E., General Manager
SUBJECT: Potential Areas of Facility Relocation

Requested Action:
Develop a narrowed geographic area for possible locations of a new District facility so that the General Manager can direct the architect and the real estate agent to focus on these areas in the site assessment phase of the project.

Background:
Driftmier Architects has been working with the District to address the future needs of our public facilities. Task 1 of their scope of work was to complete a needs analysis, which was presented to the Board during a work session on January 30. The next task in their scope of work is to coordinate with a local real estate agent to identify potential property options for a new facility, and to evaluate the value of the District’s existing property. In order to use their time efficiently, it would be preferable to narrow down the list of potential areas to evaluate during this process.

Fiscal Impact:
Narrowing down the geographic area for the architect to analyze will allow for a much more efficient use of District funds.

kac
FEMA Q3 100 Year Floodplain Map
TO: George Sidhu, P.E., General Manager
Commission
Peter Gilbert, Attorney

FROM: Sally Saxton, Treasurer

SUBJECT: Acknowledging review of LUD status and authorization to proceed with collection actions of delinquent LUD installments

Requested Action:
Acknowledge review of LUD status and move to authorize the Treasurer and Attorney to begin collection/foreclosure actions on delinquent LUD installments.

Background:
Per RCW 35.50.030, we have the authority to pursue foreclosure proceedings on LUD assessments that have become two or more installments delinquent or the final installment is more than one year delinquent. The process entails informing the Commission of the status of all delinquent LUD assessments and receiving acknowledgement of the review and permission to proceed. Next, landowners are notified by our attorney of our intent to foreclose. By March 1, foreclosure proceedings are commenced.

As of January 1, 2018 there are 23 LUD assessments with two or more delinquent installments for a cumulative total of $49,088.52 and one LUD assessment with the final installment delinquent for a total of $507.62. This represents 3.38% of the total outstanding principal and 9.45% of the total remaining assessments. In January 2018, two of the landowners paid their delinquent installments and are now current.

Table 1 - History of delinquent LUD installments by year

<table>
<thead>
<tr>
<th>YEAR ENDING</th>
<th>NUMBER</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>21</td>
<td>54,396.73</td>
</tr>
<tr>
<td>2010</td>
<td>19</td>
<td>69,763.74</td>
</tr>
<tr>
<td>2011</td>
<td>41</td>
<td>104,597.80</td>
</tr>
<tr>
<td>2012</td>
<td>31</td>
<td>109,875.82</td>
</tr>
<tr>
<td>2013</td>
<td>37</td>
<td>87,163.57</td>
</tr>
<tr>
<td>2014</td>
<td>23</td>
<td>59,744.07</td>
</tr>
<tr>
<td>2015</td>
<td>28</td>
<td>39,850.49</td>
</tr>
<tr>
<td>2016</td>
<td>25</td>
<td>30,714.27</td>
</tr>
<tr>
<td>2017</td>
<td>24</td>
<td>49,593.63</td>
</tr>
</tbody>
</table>
Table 2 – Summary of LUDs for 2017

### STATUS OF OUTSTANDING LOCAL UTILITY DISTRICTS (LUDs)
#### JANUARY 1, 2018

<table>
<thead>
<tr>
<th>LUD Name</th>
<th>Life of LUD</th>
<th>Year Final Assessment is Due</th>
<th>Original Number of Assessed Parcels</th>
<th>Remaining Number of Assessed Parcels</th>
<th>Original Assessment</th>
<th>Remaining Assessment</th>
<th>Average Original Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>#16 - Big Lake</td>
<td>30</td>
<td>2024</td>
<td>552</td>
<td>63</td>
<td>2,186,152</td>
<td>98,014</td>
<td>3,960</td>
</tr>
<tr>
<td>#19 - Hoogdal</td>
<td>20</td>
<td>2019</td>
<td>43</td>
<td>1</td>
<td>185,459</td>
<td>174</td>
<td>4,313</td>
</tr>
<tr>
<td>#20 - Panorama</td>
<td>20</td>
<td>2016</td>
<td>53</td>
<td>1</td>
<td>469,579</td>
<td>5,202</td>
<td>8,860</td>
</tr>
<tr>
<td>#21 - Big Rock</td>
<td>20</td>
<td>2018</td>
<td>26</td>
<td>7</td>
<td>325,171</td>
<td>20,518</td>
<td>12,507</td>
</tr>
<tr>
<td>#22 - Alger</td>
<td>20</td>
<td>2020</td>
<td>67</td>
<td>22</td>
<td>483,085</td>
<td>35,452</td>
<td>7,210</td>
</tr>
<tr>
<td>#23 - Podtech</td>
<td>20</td>
<td>2019</td>
<td>34</td>
<td>6</td>
<td>495,484</td>
<td>10,618</td>
<td>11,928</td>
</tr>
<tr>
<td>#24 - Lake Samish Road</td>
<td>20</td>
<td>2021</td>
<td>61</td>
<td>8</td>
<td>433,304</td>
<td>13,458</td>
<td>7,100</td>
</tr>
<tr>
<td>#27 - Skagit View Village</td>
<td>20</td>
<td>2026</td>
<td>128</td>
<td>68</td>
<td>1,017,096</td>
<td>263,027</td>
<td>7,846</td>
</tr>
<tr>
<td>#28 - Marblemount</td>
<td>20</td>
<td>2029</td>
<td>65</td>
<td>31</td>
<td>285,563</td>
<td>95,638</td>
<td>4,393</td>
</tr>
<tr>
<td>#29 - Bayview</td>
<td>20</td>
<td>2027</td>
<td>32</td>
<td>7</td>
<td>450,521</td>
<td>59,838</td>
<td>14,079</td>
</tr>
<tr>
<td>#30 - Samish River Park</td>
<td>20</td>
<td>2029</td>
<td>86</td>
<td>32</td>
<td>325,739</td>
<td>69,240</td>
<td>3,788</td>
</tr>
<tr>
<td>#31 - Mann Road</td>
<td>20</td>
<td>2036</td>
<td>13</td>
<td>8</td>
<td>269,796</td>
<td>184,658</td>
<td>20,754</td>
</tr>
</tbody>
</table>

| Total                | 1,160       | 254                           | $6,836,729                          | $826,337                           |                     |                     |                           |

<table>
<thead>
<tr>
<th>Number of Assessments Paid in Full During 2017</th>
<th>Number of Customers with only 1 Delinquent Installment</th>
<th>Number of Customers with 2 or more Delinquent Installments</th>
<th>Total Amount Delinquent</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>6</td>
<td>4</td>
<td>3,915</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>1</td>
<td>10,631</td>
</tr>
<tr>
<td>2</td>
<td>7</td>
<td>2</td>
<td>14,948</td>
</tr>
<tr>
<td>3</td>
<td>7</td>
<td>2</td>
<td>3,960</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>1</td>
<td>10,364</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>1</td>
<td>1,776</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>3</td>
<td>3,500</td>
</tr>
<tr>
<td>5</td>
<td>2</td>
<td>2</td>
<td>49,596</td>
</tr>
</tbody>
</table>

Agenda Item #12
Table 3 - A detailed breakdown by LUD (blue highlights are the two landowners now current from January payments)

<table>
<thead>
<tr>
<th>LUD</th>
<th>PARCEL ID</th>
<th>ASSESSMENT YEARS</th>
<th>DELINQUENT</th>
<th>PRINCIPAL</th>
<th>INTEREST</th>
<th>SUB TOTAL</th>
<th>12% FIXED</th>
<th>PENALTY</th>
<th>DAILY RUNNING DELINQUENT</th>
<th>INTEREST</th>
<th>TOTAL DELINQUENT DUE 1/1/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>#16 - Big Lake</td>
<td>P62129</td>
<td>2014-2017</td>
<td>660.04</td>
<td>460.32</td>
<td>1,120.36</td>
<td>134.44</td>
<td>102.03</td>
<td>1,356.83</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#16 - Big Lake</td>
<td>P74690</td>
<td>2014-2017</td>
<td>309.22</td>
<td>332.11</td>
<td>841.33</td>
<td>100.95</td>
<td>52.40</td>
<td>994.68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#16 - Big Lake</td>
<td>P96179</td>
<td>2015-2017</td>
<td>413.66</td>
<td>220.50</td>
<td>634.16</td>
<td>70.00</td>
<td>21.93</td>
<td>726.09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#16 - Big Lake</td>
<td>P29965</td>
<td>2015-2017</td>
<td>508.42</td>
<td>233.58</td>
<td>742.00</td>
<td>67.20</td>
<td>28.06</td>
<td>837.26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#19 - Hoogstal</td>
<td>P35511</td>
<td>2015</td>
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TOTALS: 24 27,905.55 12,081.23 39,986.78 4,603.78 5,005.58 49,596.14
The following narrative is the history of these delinquent accounts.

#16 Big Lake

P62129 has not made a payment since Dec 2013, but in January 2018 he made a payment of $1,350 which essentially makes him current.

P74690 has not made a payment since Dec 2014. In the past, he had made payments throughout the year; which kept him off this list for the last few years.

P96179 was last on this list January 2015 and became current by mid-2015. Since then, he will occasionally send in a payment, just enough to have less than two years of installments delinquent. He has only $50.84 of the 2015 assessment remaining which is why he is on the list this year.

P29965 has managed to stay off the list until this year. This landowner makes sporadic payments throughout the year.

#19 Hoogdal

P35511 we cannot locate. Mail sent to the address on the County Assessor’s site and the address we have on record returns as non-deleriverable. Addresses from internet searches are also dead ends. He is in delinquent status with the County for $4,604.25 for 2015-2017 taxes. The County has the property assessed at $113,300. He is the last landowner owing on this LUD.

#20 Panorama

P40552 is untouchable because of the Homestead Act. Because her equity is less than what she owes us, we cannot pursue foreclosure or set up a payment plan. Until she has the equity available, Rebecca will remain protected by the Act. She is in delinquent status with the County for $6,318.45 for 2014-2017 taxes. The County has the property assessed at $117,400. She is the last landowner owing on this LUD.

#21 Big Rock

P24745 & P24750 has not made a payment since 2015 for either parcel he owns in this LUD. He is in delinquent status with the County for both parcels for 2016-2017 taxes for a total of $12,313.70. The County has the properties assessed at $176,300 and $199,700.

#22 Alger

P116893 signed a promissory note for monthly payments of $125 to pay for the amount delinquent as of January 2014. This was fulfilled in June 2015. Since then, only one payment has been received and that was in May 2017 for $125.

P49067 has qualified for this list in the past, but has never been put onto the list because she makes a payment in January. This time we are showing her, but she did make a payment for $1,320.66 in January 2018 to bring her account current.
#28 Marblemount

P45123. The District purchased this property in 2014 through the County auction for $5,783.00. The County refunded us $2,610.11 for the purchase price in excess of the taxes due. The total assessment amount due was $4,197.41 at that time. Our total costs to date on this property are $7,872.89. This is comprised of:

- Delinquent taxes (purchase price net) 3,172.89
- Boundary line survey 4,200.00
- Recording of boundary line adjustment 100.00
- Tree damage deductible 400.00

On December 8, 2015, the Commission declared this property surplus per Resolution No. 2227-15. The property is still in our possession and until we sell, the LUD assessment will not be paid. The current payoff amount for this account is $6,169.25

P45124 appeared on this list in January 2015 and has not made a payment since October 2013. He was sent a notice in 2016.

P45197 was on this list in January 2014. She made a verbal agreement to pay the 2012 and 2013 delinquent amounts, which has kept her off the list until January 2016. She is in delinquent status with the County for the 2016-2017 taxes for $3,499.37. The County has the property assessed at $126,100.

P45120 & P45142 appeared on this list in January 2016 for both parcels. She made one payment in 2016 for one parcel, but nothing since.


P126639 & P126640 & P45110 is on the list every year and was on the foreclosure list in 2014. In 2015 she paid enough to get off the foreclosure list. She owns four parcels in Marblemount but only three are on the final assessment roll. The three assessed parcels are adjacent to the fourth. Two parcels are in delinquent status with the County. For those two parcels, she owes $5,704.43 in taxes for 2015-2017 and they have a combined assessed value of $142,800. Foreclosure notices sent in 2016 were returned unclaimed.

P45116 has two parcels within the LUD. One is paid in full because the previous owner paid the assessment in 2010. The delinquent parcel was on our foreclosure list in 2014. A payment plan was agreed to in 2014 to bring the account current which he did. In 2016 he made the list again and he paid enough in 2016 to stay away from foreclosure.

#29 Bayview

P35002 has been on a payment plan since 2013 and has been very faithful in making his payments. It is estimated that by the end of 2019 his account will be current and if he continues to make his monthly payments after 2019, the account will be paid off approximately three and half years early.
#30 Samish River Park

P68716 has not made a payment since October 2013 and made our foreclosure list in 2014. Notices sent in 2016 were returned unclaimed.

P68763 has not made a payment since August 2013 and made this list in 2016. Notices sent in 2016 were returned unclaimed. He is in delinquent status with the County for the 2014-2017 taxes for a total of $3,958.27. The County has the parcel assessed at $78,000.

P68739 was on the foreclosure list in 2014. He signed up for a payment plan in 2014 and made his payments until the delinquent amount was paid off in October 2015. Since then he made only one payment of $50 in 2016 and two payments for a total of $220 in 2017.

Currently, we have one landowner following a payment plan and he is having the payment automatically deducted from his bank account. Some of the landowners that signed promissory notes to make monthly payments did follow through but, once current, did not continue to stay current. In 2017, three landowners that were following a payment plan paid their assessment in full and many other landowners voluntarily made payments, many times sporadic, towards their assessment. Historically, landowners have made payments throughout the year towards their delinquent assessments and some become current by year end.

Fiscal Impact:

I would propose that District offer the following options for payment for delinquent assessments:

1. Allow monthly installments for landowners one or more installments delinquent;
2. Allow payments to be made with a credit card;
3. Offer the option to automatically deduct their payment from their bank account or their credit card.

With these options the District would be taking a more friendly approach to help assessed landowners make their payments without a formal payment plan or threatening foreclosure. Only when these options fail should we step up the collection effort by negotiating promissory notes or pursue foreclosure proceedings. Hopefully this plan would reduce the number of delinquent installments in the future.