



The following question has been posed by Commissioners prior to the scheduled Board Meeting on January 5, 2021. Management's response is included below.

2021 Organizational Goals and Performance Measures (LAWSON) If we are not meeting until May to have a deeper dive into the strategic plan, would we be approving the plan until then and then possibly tweaking the goals/objectives? I don't know if we will change anything, but I'm wondering about potential impacts. If we approve the plan now but then change course in May, is there any way that could be destabilizing for staff and/or projects?

RESPONSE: *In some cases, strategic changes can be significant enough to impact present direction projects. Although strategy generally identifies the path necessary to position the organization for a longer-term state, the alignment with existing annual goals and activities should be evaluated as part of strategic outcome. Regarding timing, except for a start-up company, all strategic development takes place in an existing environment with ongoing projects and organizational structures. Much of the first half of the year will be devoted to subjects strategically helpful to the Board (e.g. watershed discussions).*

Given the present strategy was developed with the goal of preparing the utility for upcoming decisions and opportunities, which are still relevant, a complete change in strategic direction isn't expected. However, there are opportunities for the Board to set forth impactful strategy associated the future business models of both utilities, affecting long-term financial and investment plans, policies, major programs, and organizational structure. And, while we don't expect a "destabilizing" outcome of the strategic work, the benefits of a good strategic process including the alignment of the entire organization (Board and Staff) will outweigh any transitional impacts if projects or activities must be altered.