

# 2019 District Performance Plan – Q2

**FINAL**

On Track	Caution	Needs Attention	Scheduled Timeframe	Starts in Future	Complete
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## OBJECTIVE #1 - COMMIT TO THE HIGHEST LEVEL OF CUSTOMER-OWNER SATISFACTION

Everything we do should be for the benefit of our customer-owners. We will take a strategic, long-term view of implications of our decisions. Our policy decisions will be built around enhancing overall customer-owner satisfaction. Our employees will interact with customer-owners in an empathetic, proactive, and attentive manner, making sure people feel like individuals and are heard. As a utility, we will take a countywide perspective when considering the impact of all our decisions. When possible under our financial metrics, we will provide a public power benefit built around enhancing the quality of life for customer-owners as they define quality of life.

		2019				Lead	
		Q1	Q2	Q3	Q4		
<b>Metrics &amp; Targets</b>							
<b>Objective 1</b>							
P1	1	A. Fiber Expansion Premises Passed - 471 actual	134	316	509	1,033	Mike Coleman
P1	1	B. Fiber Installation Service Interval – 9 days	10 days	10 days	10 days	10 days	Mike Coleman
<b>Strategic Initiatives/Critical Tasks/Actions</b>							
P1	1	C. Conduct the strategic planning process including community and employee outreach to complete a new strategic plan for 2020-2024					
P1	1	1. Conduct 5 public meetings initiating strategic planning by 2/15					Steve Wright
P1	1	2. Conduct 3-5 topic teams by 4/30					Steve Wright
P1	1	3. Draft strategic plan by 6/30					Steve Wright
P1	1	4. Strategic plan completed by 9/1					Steve Wright
P1	1	D. Report to Board on 2015-2019 Strategic Plan through quarterly status updates on the 2019 District Performance Plan					Steve Wright
P1	1	E. Administer the annual Public Power Benefit program with Q2 and Q4 Board updates					Justin Erickson
P1	1	F. Complete selected Public Power Benefit Projects					
P1	1	1. Waiver of Day Use park fees program – issue 2,000 passes by Q3					Justin Erickson
P2	1	2. Present options and costs for Rocky Reach Discovery Center Improvements and Museum move by Q2. Presented options and cost estimate to Commission on 4/15/19. Board approved 4/29/19.					Kirk Hudson
P1	1	3. Decision on Beebe Bridge Park camping pilot by 12/1					Justin Erickson
P1	1	G. Customer Growth & County and Community Agency Planning Governance to develop planning strategies for “smart growth” addressing current zoning and siting issues.					

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			2019				Lead
			Q1	Q2	Q3	Q4	
P1	1	1. Hold second annual joint planners meeting to follow-up on 2018 cryptocurrency rates, policies, and procedures, and introduce importance of all utility planning (electric, water, wastewater, fiber) with County/Municipality governance bodies by 9/30					<i>John Stoll</i>
P1	1	2. Revive joint agency engineering/operational annual work plan meetings by 6/30					<i>John Stoll</i>
P1	1	3. Communicate substation planning vision to County and Municipality planners for inclusion in comprehensive plans by 9/30					<i>John Stoll</i>
P1	1	4. Develop a comprehensive county-wide survey of key accounts, large retailers, local governments and other stakeholders to understand renewable green energy plans being contemplated by 6/30 – Outreach resources assigned to this project have been dedicated to the District facilities plan. Progress on this project will resume as facility plan efforts are completed.					<i>John Stoll</i>
P1	1	H. Decision on future funding of Orondo River Park by 9/30					<i>Justin Erickson</i>
P1	1	I. Implement outreach strategies for low-income and Latino-Hispanic customer/owners					
P1	1	1. Effectively engage with Spanish-speaking, and economically-disadvantaged customer-owners in a culturally appropriate way to ensure that the new Strategic Plan is substantively informed by their input by attending and presenting at a minimum of 10 offsite events or locations by 12/1.					<i>Justin Erickson</i>
P1	1	2. Build a resource tool for bilingual support that includes support staff, priority chart and how to use language access vendors as a resource for translating by 12/1.					<i>Justin Erickson</i>

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## OBJECTIVE #2 - INVEST IN CREATING LONG TERM VALUE

We will define plans and make resources available to invest in all our physical assets (generation, transmission, distribution, fiber, parks, water and wastewater) based on a long-term value perspective. We will continue our actions to reduce the volatility of wholesale power sales revenues while also seeking ways to enhance revenues. We will seek to work with our industry colleagues as much as possible, in a collaborative manner build around long-term relationships. Because relationships are important to us, we will look at the spirit and intent of issues rather than just the “letter of the law.” Investing in the source of our organization’s financial value will give us the best opportunity for deriving future public power benefits.

		2019				Lead
		Q1	Q2	Q3	Q4	
<b>Metrics &amp; Targets</b>						
Objective 2						
P1	2	A. Electric Service Reliability Average System Availability Index (mo/ytd) – 99.992 / 99.990 actual				John Stoll
P1	2	B. Water System Integrity – 8.2 actual				John Stoll
P1	2	C. Network System Composite Uptime – 100.000% actual				Mike Coleman
P1	2	D. Optical Line Terminal Link Utilization – 60% actual				Mike Coleman
P1	2	E. Hydro Capability YTD – 71.9 actual				Kirk Hudson
<b>Strategic Initiatives/Critical Tasks/Actions</b>						
P1	2	F. Implement Customer Energy Solutions work plan. (includes Energy Efficiency (EE), Electric Vehicles (EV), related Research and Development (R&D), and customer energy management programs)				Gregg Carrington
P1	2	1. Acquire 1.7 (40% increase over the compliance target) aMW of Energy Efficiency by 12/31				Gregg Carrington
P2	2	2. Define EV strategy with Board support by 12/1				Gregg Carrington
P2	2	3. Define Customer Energy Solutions (CES) strategy with Board support by 12/1				Gregg Carrington
P1	2	G. Reinvest in Hydros: Rocky Reach repairs				Kirk Hudson
P1	2	1. Return C1 to service by end of Q3 – Delays associated with line boring, delivery of trunnion bushings, and damaged servo rods have pushed out target completion date from 9/30 to 10/31.				Kirk Hudson
P1	2	2. Return C9 to service by 9/30 - Delayed due to wicket gate machining QA/QC. Potential commissioning schedule conflict with C1 could push the return out to Dec 2019 from target date of 9/30/19				Kirk Hudson
P1	2	3. Begin C10 Disassembly for Turbine repairs by 10/31 - Delays in C9 affecting planned start of next large unit..				Kirk Hudson
P1	2	H. Reinvest in Hydros: Rock Island PH1 modernization				Kirk Hudson

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		2019				Lead
		Q1	Q2	Q3	Q4	
P1	2	1. Return B7 to service by 9/30 - B10 turbine failure root cause findings to be applied to B7, which will affect the return to service date currently set for 11/4/19. Final analysis on findings will determine schedule.				Kirk Hudson
P1	2	2. Return B4 to service by 9/30 - Delays caused by cracks in the shift ring, necessary repairs to discharge liner and late delivery of HPU have moved expected return date closer to the end of year.				Kirk Hudson
P1	2	3. Begin B3 Disassembly by 10/1 - Delays associated with B4 affect the start date of B3, which is the next unit scheduled for turbine replacement.				Kirk Hudson
P1	2	I. Reinvest in Hydros: Rock Island PH2 modernization				Kirk Hudson
P1	2	1. PH2 Modernization – Advertise RFQ Solicitation by 3/31. This was completed on 1/28/19.				Kirk Hudson
P1	2	2. Selection of final contractor, with a proposal including an option for a minimum 20-year warranty by 12/31 - This will likely extend into Q1 2020 as we have decided to add an evaluation of an oil-free hub option.				Kirk Hudson
P1	2	J. Asset Management (AM)				Kirk Hudson
P2	2	1. Implement asset information turnover in Project Management (equipment sheets & project checklist schedules) for 80% of generation projects that will be substantially complete in 2019 by 11/1				Kirk Hudson
P2	2	2. Develop a District-wide whole life cost modeling tool which will include asset condition forecast and reporting to support optimizing asset replacement decision making by 12/1				John Stoll
P1	2	3. Complete pilot project to make AM information available through Cognos and SharePoint for reporting and dashboarding by 12/1				Kelly Boyd
P1	2	K. Advance the District’s strategy at State and Federal levels				
P1	2	1. Agree on 2020 legislative priorities with internal stakeholders by 12/1				Justin Erickson
P1	2	2. Accomplish WPUA fire protection targets in WPUA Action Plan by 12/1				Justin Erickson
P1	2	3. Educate House/Senate leadership and Governor’s office on PGP reliability study 12/1				Justin Erickson
P1	2	4. Enact legislation to change bid program alternatives				Justin Erickson
P1	2	5. Ensure that Clean Energy legislation in Washington does not discriminate against hydropower 12/1 - Legislation passed that did not include tax parity for hydropower. This will be a subject of interim discussions and meetings with key legislators and other utilities.				Justin Erickson
P1	2	L. Participate in development of a second source of water with the Regional Water Committee				John Stoll
P1	2	1. Define second source strategy with regional membership support 6/30				John Stoll

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		2019				Lead
		Q1	Q2	Q3	Q4	
P1	2	M. Develop and implement an National Electrical Safety Code (NESC) compliance program to include fiber build-out make ready and the 3rd party pole attachment process				<i>John Stoll</i>
P1	2					<i>John Stoll</i>
P1	2					<i>John Stoll</i>
P1	2					<i>John Stoll</i>
P1	2	N. Execute strategic relicensing plan for Rock Island Hydro				<i>Justin Erickson</i>
P1	2					<i>Justin Erickson</i>
P1	2					<i>Justin Erickson</i>
P1	2	O. Implement long range facilities plan				<i>Justin Erickson</i>
P1	2					<i>Justin Erickson</i>
P1	2					<i>Justin Erickson</i>
P1	2					<i>Justin Erickson</i>
P2	2	P. Hydro Reasearch Institute has at least 2 Non-Chelan PUD Board Members, 3 Contributors, and 1 Subscriber company by 12/1 - <i>Good prospects for 2 Non-Chelan Board Members, 2 Contributors, and 1 Subscriber. A 3rd Hydro Asset Owner Contributor prospect is difficult to project at this point.</i>				<i>Kirk Hudson</i>
P1	2					
P1	2	Q. Harden transmission system to protect against fire/weather				<i>Kirk Hudson</i>
P1	2					<i>Kirk Hudson</i>
P2	2					<i>Kirk Hudson</i>
P1	2	R. Develop 5-year plan for improving distribution system reliability for inclusion in 2020-2024 business plan, this includes a focus on underground cable replacements by 6/30 – <i>Have identified methods and impact to improving reliability; current efforts are to identify the reliability target so that most effective plans can be established.</i>				<i>John Stoll</i>
P1	2					
P1	2	S. Develop expanded substation planning, siting, resource needs and construction program to address accelerated Distribution system growth needs				<i>John Stoll</i>

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		2019				Lead	
		Q1	Q2	Q3	Q4		
P1	2	1. Develop an understanding of organizational support requirements and associated roles and responsibilities associated with accelerated substation expansion by 6/30					<i>John Stoll</i>
P1	2	2. Complete Ohme substation design by 6/30					<i>John Stoll</i>
P1	2	3. Acquire property to support downtown Wenatchee substation expansion by 9/30					<i>John Stoll</i>
P1	2	4. Complete North Shore substation general arrangement and access plan by 12/1					<i>John Stoll</i>
P1	2	5. Complete Bavarian substation general arrangement and access plan by 12/1					<i>John Stoll</i>
P1	2	6. Complete Public Outreach for South Shore Transmission Line project by 12/1					<i>John Stoll</i>
P1	2	T. Execute 80% of capital plans on schedule & within budget:					
P1	2	1. Generation and Transmission - Low capital spending YTD is primarily due to delays in the RI Modernization schedules. Full year 2019 spending is currently forecasted at 93%					<i>Kirk Hudson</i>
P1	2	2. Utility Services – Forecasted to remain below target for remainder of year. The Hawley St substation project has taken engineering staff focus that was intended to advance other District substation projects.					<i>John Stoll</i>
P1	2	3. Fiber & Telecom - Forecasted to be at this rate for remainder of year. The Portal Replacement and the Bandwidth Mgmt Links projects have been cancelled, both budgeted at \$1M per project. The Portal Replacement project is now O&M as the choices have been narrowed to utilizing a monthly service. After further analysis, the Bandwidth Mgmt Links project has been cancelled and replaced by a 2020 proposed project for layer 2 network consolidation.					<i>Mike Coleman</i>
P1	2	4. District Services – Currently at around 76% and expected to be well above 80% by the end of the year based on anticipated expenditures for large capital projects and other efforts.					<i>Justin Erickson</i>
P1	2	5. Energy Resources - The capital spending portion of the Hydraulic Model capital project is complete under budget.					<i>Gregg Carrington</i>
P1	2	6. Information Technology (IT)					<i>Kelly Boyd</i>
P1	2	U. Provide influential input on employment, benefits, labor and safety regulations and legislative proposals during the legislative session and rule-making process					
P1	2	1. Monitor and participate in legislative session on employment, benefits and labor initiatives as needed by 12/1					<i>Lorna Klemanski</i>
P1	2	2. Monitor and participate in legislative session on safety recommendations as needed by 12/1					<i>Tim Pettit</i>

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## OBJECTIVE #3 - PROTECT NATURAL RESOURCES IMPACTED BY OPERATIONS

We will meet or exceed statutory requirements and commitments to mitigate for the environmental impacts of all our actions. As part of this objective, we will think ahead and seek out “least-cost” alternatives for meeting emerging societal environmental goals.

		2019				Lead	
		Q1	Q2	Q3	Q4		
<b>Strategic Initiatives/ Critical Tasks/Actions</b>							
	Objective 3						
P1	3	A. Successfully meet hydro license requirements:					
P1	3	1. Operating at Seasonal Fish Spill Targets by 8/30					<i>Justin Erickson</i>
P1	3	2. Contracts in place to meet hatchery production targets by 2/1					<i>Justin Erickson</i>
P1	3	3. Funding of the tributary component of No Net Impact by 1/31					<i>Justin Erickson</i>
P1	3	4. Define plan by Q1 and meet milestones associated with obtaining National Pollutant Discharge Elimination System (NPDES) permits by 12/1					<i>Justin Erickson</i>
P1	3	5. Planned species and bull trout take within allowable level by 12/31					<i>Kirk Hudson</i>
P1	3	6. Define plan for addressing river temperature issues by 12/1					<i>Justin Erickson</i>
P1	3	B. Complete Dryden Wastewater Capital improvements per schedule agreed with Ecology					
P1	3	1. Coordinate with Ecology for issuance of a new permit for the Dryden System by 6/30					<i>John Stoll</i>
P1	3	2. Develop a capital compliance work plan consistent with permit requirements by 12/1					<i>John Stoll</i>
P1	3	C. Complete requirements for the Chelan River 2019 check-in - including submittal of a Final Biological Objectives status report and Use Attainability Analysis (UAA) to Ecology					
P1	3	1. Complete final Biological Objectives status report by 4/30					<i>Justin Erickson</i>
P1	3	2. Develop proposal to Ecology and EPA for UAA by 12/1					<i>Justin Erickson</i>
P1	3	D. Implement federally mandated programs/studies at Rocky Reach and Rock Island for sturgeon, lamprey, fish and bull trout					
P1	3	1. Ongoing management of plans, studies to support obligations by 12/1					<i>Justin Erickson</i>
P1	3	2. Conduct bull trout Passive Integrated Transponder (PIT) tag study by 11/30					<i>Justin Erickson</i>
P1	3	E. Execute plan to conduct 10-year Habitat Conservation Plan (HCP) project survival studies at RI (2021) and RR (2021)					
P1	3	1. Revise plan to conduct 10-year survival studies at RI and RR in 2021 by 6/30 - Staff is still working on updating the plan. The update will also include an estimate of work that needs to occur in the months prior to the 2021 check-in that will involve our crafts and EPM. Revised plan will be available by July 31.					<i>Justin Erickson</i>

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		2019				Lead
		Q1	Q2	Q3	Q4	
P1	3	F. Using the results of our investigations, install infrastructure, implement processes to manage our water rights program and show compliance with our water rights for parks, hatcheries and hydro facilities.				
P1	3	1. Implement water right assessment and protection strategy and fully resolve all outstanding issues on at least three water rights by 12/1				<i>Justin Erickson</i>
P1	3	G. Execute Peshastin Wastewater Capital improvements per Ecology-approved treatment plan				
P1	3	1. Project execution will be >95% complete by 12/1				<i>John Stoll</i>



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## OBJECTIVE #4 - ENSURE FINANCIAL STABILITY

During these dynamic times, we will sustain a financial structure that seeks to create financial flexibility that supports affordable and stable electric rates under all plausible scenarios and create access to low cost capital when needed.

		2019				Lead	
		Q1	Q2	Q3	Q4		
<b>Metrics &amp; Targets</b>							
Objective 4							
P1	4	A. Rate of Return – District – 8.5% actual	>4.0%	>4.0%	>4.0%	>4.0%	Kelly Boyd
P1	4	B. Debt Cover – District – 3.4 actual	>2.0	>2.0	>2.0	>2.0	Kelly Boyd
P1	4	C. Debt Leverage – District – 30.0% actual	<35%	<35%	<35%	<35%	Kelly Boyd
P1	4	D. Liquidity – District - \$473,143,420 actual	>\$175M	>\$175M	>\$175M	>\$175M	Kelly Boyd
P1	4	E. Days Cash On Hand – District – 621	>250	>250	>250	>250	Kelly Boyd
P1	4	F. Debt Retired Per Scheduled Principal Payments – \$18,000,000 actual	-	\$18M	\$30M	\$41M	Kelly Boyd
<b>Strategic Initiatives/Critical Tasks/Actions</b>							
P1	4	G. Actively participate in Electric markets development					
P1	4	1. Complete feasibility analysis of entering Energy Imbalance Market (EIM) market by 12/1 Completed feasibility analysis and presented results to Board. Continuing to monitor and participate in discussion associated with EIM.					Gregg Carrington
P1	4	2. Implement new contract with retail end user without reliability incident by 12/1 Microsoft contract implementation successfully implemented on Apr 1, 2019. DF contract complete.					Gregg Carrington
P1	4	3. Define strategy for new wholesale vs retail loads including consideration of post-2027 long-term power contracts by 12/1					Gregg Carrington
P1	4	4. Conclude risk assessment review of wholesale marketing strategy by 12/1.					Gregg Carrington
P1	4	H. Advance Columbia River Treaty (CRT) strategies to provide benefits to our customer-owners					
P1	4	1. CRT negotiations are consistent with regional recommendation					Steve Wright
P1	4	2. CRT stakeholder engagement includes Power Group and Mid-Cs in meaningful way – Limited engagement of Power Group and Mid-Cs with negotiating team.					Steve Wright
P1	4	3. Whether to issue notice of termination of Treaty power provisions made by 12/1 – Some informal discussion is all we have seen.					Steve Wright
P1	4	I. Stabilize and enhance wholesale electric revenues					

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		2019				Lead
		Q1	Q2	Q3	Q4	
P1	4	1. Meet wholesale revenue targets adjusted for stream flow conditions and market movement				Gregg Carrington
P1	4	2. Stay within hedging limits				Gregg Carrington
P1	4	J. Maintain or enhance AA bond ratings through Q4: Fitch AA+, Moody's Aa3 , S&P AA+ (Stable Ratings), S&P Rocky Reach and Rock Island Senior AA, Rock Island 2009A Subordinate AA-				Kelly Boyd
P1	4	K. Receive clean financial audit opinion and no material deficiencies by 4/30				Kelly Boyd
P1	4	L. Refine and execute the business planning cycle				
P1	4	1. Near final business plans for 2020-2024 presented to Board by first Board meeting in Oct				Kelly Boyd
P1	4	2. Final business plans for 2020-2024 dated 9/30 completed by Oct 31				Kelly Boyd
P1	4	3. 2020 Budget approved by Board by 12/2 (first Board meeting in December)				Kelly Boyd
P1	4	M. Develop strategic approach through planning, policies, rates and charges to address infrastructure needs and adequate cost recovery for cryptocurrency mining operations				
P1	4	1. Implement policies, procedures, rates, fees and charges for new cryptocurrency rate class by 4/1				John Stoll
P1	4	N. Develop retail electric, water, wastewater & fiber revenue planning and rate design long-term plans through strategic planning				
P1	4	1. Complete expanded Cost of Service Analysis by 6/30				Kelly Boyd
P1	4	2. Obtain Board feedback and set rate direction in the 2020-2024 Strategic Plan by 9/1				John Stoll
P1	4	3. Finalize rate design and long-term rate plans per strategic plan direction by 9/30				John Stoll
P1	4	4. Complete public process for any rate or fee changes – Rate approval by 12/31				John Stoll
P1	4	O. Implement Plan for Two-Dam Independence Project				
P1	4	1. Emergency Management System/Supervisory Control and Data Acquisition (EMS/SCADA) - Real-Time Operations by 11/30				Gregg Carrington
P1	4	2. Hydro Modeling & Planning by 11/30				Gregg Carrington
P1	4	3. Energy Accounting System by 10/31				Gregg Carrington
P1	4	4. Process Development and Integration by 10/31				Gregg Carrington
P1	4	5. Project Management and Administration through 11/30				Gregg Carrington
P1	4	P. Implement longer-term strategic marketing plan to address changing market conditions				
P1	4	1. Clarify Long Term Hedging Strategy Goals with Senior Management and Board by 6/1 <i>All long-term hedging action items have been identified/clarified with SMT. We are currently working with the LT Hedge team to slowly educate and revise long-term hedging policies.</i>				Gregg Carrington
P1	4	2. Revise Long Term Hedging Strategy based on task (1) by 8/1				Gregg Carrington

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		2019				Lead	
		Q1	Q2	Q3	Q4		
P1	4	3. Present draft plan to senior management team for approval by 9/30					<i>Gregg Carrington</i>
P1	4	4. Seek Board approval on items outside current Board Authorizations by 12/1					<i>Gregg Carrington</i>
P1	4	Q. Develop Large Retail Customer Development Plan					
P1	4	1. Develop a strategy based on strategic planning outreach to identify, recruit and attract, as appropriate, new industries into Chelan County that diversifies Chelan PUD’s energy sales portfolio utilizing the Schedule-4 rates by 12/1					<i>Gregg Carrington</i>

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## OBJECTIVE #5 - MAKE CONTINUOUS IMPROVEMENT IN EFFICIENT, EFFECTIVE, COMPLIANT AND RISK-ASSESSED OPERATIONS

We will rigorously and holistically review spending and policy decisions using strong risk assessment practices to assure best value. We will comply with all statutory requirements. We will seek out, evaluate, and utilize new technology that is ready for deployment if there are sufficient economic and customer benefits.

		2019				Lead	
		Q1	Q2	Q3	Q4		
<b>Metrics &amp; Targets</b>							
Objective 5							
P1	5	A. Hydro Cost per normalized MWh - \$13.5 actual	\$18.7	\$18.4	\$19.7	\$20.2	Kirk Hudson
P1	5	B. Fiber Cost per Active Connection - \$428.92 actual	\$505	\$461	\$456	\$441	Mike Coleman
P1	5	C. Distribution O&M Cost per normalized kWh – \$3.14 cents/KWh actual	\$2.49	\$3.18	\$3.33	\$3.22	John Stoll
P1	5	D. Fully Loaded Electric Cost per normalized kWh – \$6.0 cents/KWh actual	\$5.30	\$6.06	\$6.40	\$6.32	John Stoll
P1	5	E. Wastewater O&M Cost per ERU - \$1,123.20 actual - \$47/ERU/yr over budget in support and corporate services.	\$1,001	\$1,076	\$1,106	\$1,120	John Stoll
P1	5	F. Water O&M Cost per 1,000 Gallons – \$6.71 actual	\$7.79	\$6.79	\$5.77	\$5.99	John Stoll
<b>Strategic Initiatives/Critical Tasks/Actions</b>							
P1	5	G. Implement Governance, Risk and Compliance (GRC) modules and acceptance testing by Q3					Erik Wahlquist
S	5	H. Prepare for a 2020 multi-department Business Continuity test in the form of a mock Headquarters evacuation					
S	5	1. Update plan for needed preparatory work in light of changes in the long-term Strategic Plan and resource availability by end of Q2 – Completion reprioritized to Q3 for a higher priority Distribution metric special assignment					Kelly Boyd
S	5	2. Complete identified 2019 preparatory tasks by 12/1 - Plan reprioritization to Q3 for a higher priority Distribution metric special assignment may impact 12/1 completion					Kelly Boyd
P1	5	I. Standardize District-wide Project Mgt. processes & templates					Justin Erickson
P1	5	1. Complete documentation of execution phase processes Q4					Justin Erickson
P1	5	2. Provide advanced training by Q4					Justin Erickson
P1	5	J. Advance Data Analytics/Business Intelligence capabilities including hydro capability/distribution reliability data and Hydropower Research Institute (HRI) analytics by completing 90% of the 2019 BI Roadmap milestones by 12/1					Kelly Boyd
P2	5	K. Use lessons learned to improve Project Attribute Valuations and capital review process and integrate with Asset Management process as applicable					

# 2019 District Performance Plan – Q2

FINAL

<b>On Track</b>	<b>Caution</b>	<b>Needs Attention</b>	<b>Scheduled Timeframe</b>	<b>Starts in Future</b>	<b>Complete</b>
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			2019				Lead
			Q1	Q2	Q3	Q4	
P2	5	1. Identify and implement process/system improvements by 5/31					<i>Kelly Boyd</i>
P2	5	2. Apply to Business Planning capital review process by 7/15					<i>Kelly Boyd</i>
P1	5	L. Implement efficiency improvements in procurement and contract management processes (bid work flow)					
P1	5	1. Implement bid workflow software by 3/31 – <i>The application is live and has been since March 27. Use of previous system has ended and conversion of historical data (archived projects) is complete. Two areas of functionality which are still not completed are Accounts Payable (AP) process integration and external vendor access. Three of the four outstanding issues in the AP functionality are related to program calculations and are currently being worked on by the vendor. External site testing and debugging are still in process, however the full functionality of the system is not available.</i>					<i>Justin Erickson</i>
P1	5	2. Implement changes to contract/approval processes associated with project management by 3/31					<i>Justin Erickson</i>
P1	5	3. Complete primary boilerplate language by Q2 - <i>Legislative changes are complete, however team assembled for review/revision of boilerplate has determined that this would be an appropriate time for a major review of the entire document set. Weekly meetings have been occurring since late June and are scheduled through September. This is a major undertaking that legal, PCS and EPM have endorsed, but will push this metric into Q4 for adoption.</i>					<i>Justin Erickson</i>
S	5	M. Develop transmission interconnection processes and rates (Open Access Transmission Tariff aka OATT-like) by 12/1					<i>Kirk Hudson</i>
P1	5	N. Continue to improve reliability compliance program					
P2	5	1. Submit or participate in industry organization comments, as appropriate, for all steps toward retirement of reliability compliance standards by 12/31					<i>Kirk Hudson</i>
P1	5	2. Prepare and complete successful WECC Audit, meeting established 9/1 ratio goal for internal identification of compliance issues by 6/30. <i>Audit complete with no findings on 5/9/19.</i>					<i>Kirk Hudson</i>
P1	5	3. Complete CIP low-impact asset protection by 12/31					<i>Kirk Hudson</i>
P1	5	O. Enhance and improve physical asset protections to support compliance programs					
P1	5	1. Re-evaluate and verify all NERC CIP High, Medium and Low Impact sites by 1/31					<i>Justin Erickson</i>
P1	5	2. WECC Audit Preparation and site inspections by 5/1					<i>Justin Erickson</i>

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FINAL

	<b>On Track</b>		<b>Caution</b>		<b>Needs Attention</b>		<b>Scheduled Timeframe</b>		<b>Starts in Future</b>		<b>Complete</b>
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			2019				Lead
			Q1	Q2	Q3	Q4	
P1	5	3. Review all Hydro’s DAMSVR and evaluate for two high risk security recommendations at Rocky Reach and Rock Island by 4/1 – <b>Completed for all 3 Hydros - FERC Inspection passed with 10-year compliance requirement, but missed 4/1 deadline.</b>		Completed after deadline			<i>Justin Erickson</i>
P1	5	4. Prioritize security upgrade projects & develop business case justifications by 4/1 - <b>Complete and assigned to EPM Staff. Missed 4/1 target date.</b>		Completed after deadline			<i>Justin Erickson</i>
P1	5	5. Determine available funding , obtain PRC approval, seek board approval and initiate RFP process with goal of project start in Q3 and complete by 12/31					<i>Justin Erickson</i>
P1	5	P. Maintain and update Utility Services Policies to be responsive to changing circumstances					
P1	5	1. Annual fees & charges update by 11/30					<i>John Stoll</i>
P1	5	2. Implement previously approved water and wastewater rate plans by 4/1					<i>John Stoll</i>
P1	5	3. Consider rate, policy and regulation improvements identified through the CIS and AMI projects by 12/1					<i>John Stoll</i>
P1	5	Q. Execute District Telecommunications Systems Improvements Plan					
P1	5	1. System acceptance and subscriber radio replacement by 6/30					<i>Mike Coleman</i>
P1	5	2. Implement Land Mobile Replacement (Trunked Radio) capital project on schedule and budget by 10/30					<i>Mike Coleman</i>
P1	5	3. Project closeout by 11/30					<i>Mike Coleman</i>
P1	5	4. Microwave System Replacement capital project complete and closed out by 10/30					<i>Mike Coleman</i>
P1	5	5. Complete advanced IP Fault Management design by 11/30					<i>Mike Coleman</i>
P1	5	R. Upgrade Customer Information System (CIS) within project milestones & budget					
P1	5	1. Successfully implement the CIS on schedule and budget and remedy any post go-live issues by 12/1 - <b>Current project schedule will most likely need extension &amp; depending on magnitude could require increases to the project budget.</b>					<i>John Stoll</i>
P1	5	S. Advance Intelligent Grid (two-way metering) capabilities					
P1	5	1. Develop Advanced Metering Infrastructure (AMI) roadmap for Board consideration, focus on timing and priority of implementing future enhancements such as internal/external outage management, prepaid billing and voltage optimization by 9/30 – <b>Staff has directed attention to the CIS project at this time. Advanced distribution management systems (ADMS) is being considered in parallel to the AMI selection, causing potential schedule impacts.</b>					<i>John Stoll</i>
P1	5	2. Select the appropriate advanced metering technology and propose an opt-out policy for Board adoption by 12/1 - <b>RFP issued in Feb and responses received and evaluation initiated in May. Shortlist identified, but late addition of vendor to extend schedule.</b>					<i>John Stoll</i>

# 2019 District Performance Plan – Q2

FINAL

<b>On Track</b>	<b>Caution</b>	<b>Needs Attention</b>	<b>Scheduled Timeframe</b>	<b>Starts in Future</b>	<b>Complete</b>
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		2019				Lead
		Q1	Q2	Q3	Q4	
P1	5	T. Strengthen Cyber security program – Operations				
P1	5	1. Close highest priority gaps per milestones in Cybersecurity Capability Maturity Model (C2M2) evaluation by 12/1				Kirk Hudson
P1	5	U. Strengthen Cyber security program – Fiber/Telecom Operations (C2M2 targets)				
P1	5	1. Implement solutions for top 10 identified risks by 11/30				Mike Coleman
P1	5	V. Strengthen Cyber security program – Business Systems				
P1	5	1. Close highest priority gaps per milestones in C2M2 maturity model evaluation by 12/1				Kelly Boyd
P1	5	2. Contract with vendor to implement a scanning / risk assessment tool to advance supply chain security by end of Q1				Kelly Boyd
P1	5	W. Drive adoption of Human Performance Improvement (HPI) culture throughout organization				
P1	5	1. Develop skill differentiated employee training plans and curriculum for business unit approval by Q1				Tim Pettit
P1	5	2. Complete training plan with 90% participation by 12/1				Tim Pettit
P1	5	X. Implement Mobile Computing Strategy				
P1	5	1. Implement required infrastructure to enable safe and secure mobile applications by end of Q2				Kelly Boyd
P1	5	2. Implement roadmap milestones, including hiring Mobile Program/Project Manager, increasing content on mobile devices and deploying mobile work mgmt, through 12/1 – Delay in hiring a mobile program manager and additional IT resources dedicated to the CIS project have delayed original timelines				Kelly Boyd
P2	5	Y. Develop 5-year technology roadmaps to advance hydro capability, distribution reliability, safety, efficiency and customer satisfaction in collaboration with related business units by end of Q2 – Initial technology roadmaps were completed by Q2. An additional phase was added to have an external review of the roadmaps which is underway for Q3.				Kelly Boyd

# 2019 District Performance Plan – Q2

FINAL

	On Track		Caution		Needs Attention		Scheduled Timeframe		Starts in Future		Complete
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## OBJECTIVE #6 - ENHANCE THE CAPABILITY OF CHELAN PUD STAFF

We expect and support that every employee will advance his or her skills for the benefit of customer-owners. We will cultivate a utility culture that focuses first on customer-owner satisfaction. We seek to be recognized as industry “thought” leaders on all issues relevant to our operations. We focus on results using the “cycle of personal ownership” throughout projects and policy development.

		2019				Lead
		Q1	Q2	Q3	Q4	
Strategic Initiatives/Critical Tasks/Actions						
	Objective 6					
P1	6	A. Develop District leaders and supervisors				
P1	6	1.	Conduct two all leadership meetings; 12/1			<i>Tim Pettit</i>
P2	6	2.	Develop and deliver two modules for supervisor academy; 12/1			<i>Lorna Klemanski</i>
P2	6	3.	Collect input from participants and make recommendation whether to continue the leadership coaching pilot; 12/1 - <a href="#">Participant evaluation report presented and senior team direction was to continue offering on a voluntary, ad hoc basis</a>			<i>Lorna Klemanski</i>
P2	6	B. Develop employee skills and assist with their success				
P2	6	1.	Develop plan to report on and provide information for managers to assess Individual Development Plan (IDP) effectiveness; 12/1			<i>Lorna Klemanski</i>
P2	6	2.	Develop plan to enhance new employee onboarding and present to the senior management team; 12/1			<i>Lorna Klemanski</i>



# 2019 District Performance Plan – Q2

FINAL

<b>On Track</b>	<b>Caution</b>	<b>Needs Attention</b>	<b>Scheduled Timeframe</b>	<b>Starts in Future</b>	<b>Complete</b>
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**OBJECTIVE #7 - MAKE OUR VALUES THE FOCUS OF RELATIONSHIPS WITH CUSTOMERS, STAKEHOLDERS AND EACH OTHER**

**We will promote a safety culture that permeates throughout this organization. We will make decisions based on being the stewards, not the owners, of assets owned by the people of Chelan County. We communicate about and seek input on key policy issues. We seek to be trustworthy through continuously improving our job competence, acting with integrity and focusing on collaboration in all our relationships. We will build long-term, collaborative relationships by creating partnerships and alliances with stakeholders and industry allies.**

		2019				Lead		
		Q1	Q2	Q3	Q4			
<b>Metrics &amp; Targets</b>								
P1	7	Objective 7						
P1	7	A. Safety metrics:						
P1	7	1.	Incident rate (12 month rolling) – 3.92 actual	4.0	4.0	4.0	4.0	<span style="background-color: yellow;">Tim Pettit</span>
P1	7	2.	Lost time incident rate (LTIR) – .42 actual	.48	.48	.48	.48	Tim Pettit
P1	7	3.	Days away restricted or transferred (DART) rate – 1.54 actual – Our DART Rate is still above our desired goal, but we continue to see a downward trend. This reflects how the District mitigates lost time through accommodations via the Light Duty Program.	1.05	1.05	1.05	1.05	Tim Pettit
P1	7	4.	Safety Recommendations response time within 45 days – 78% actual	75%	75%	75%	75%	Tim Pettit
P1	7	5.	Business Unit attendance at safety mtgs/alternatives – 77.65% actual	70%	70%	70%	70%	Tim Pettit
P1	7	6.	Senior Team Safety Visits (2 every 6 mos. for 4 MD’s and 1 per year for others)		8		20	Tim Pettit
P1	7	7.	Provide required safety training to affected employees – 2 actual					Tim Pettit
P1	7	B.	Perform targeted hiring based on prioritized needs – Make job offers by December 1 <sup>st</sup> for 90% of new positions that are electronically approved to fill before September 1 <sup>st</sup> – 52.9% actual	90%	90%	90%	90%	Lorna Klemanski
<b>Strategic Initiatives/Critical Tasks/Actions</b>								
P1	7	C.	Evaluate the investigative report recommendations from the June 13, 2018, incident and develop an implementation plan with schedule and milestones for adopted recommendations by end of Q1					Tim Pettit
P1	7	D.	Complete the review and modifications to the yellow and blue book Lock Out Tag Out program by 12/1					Tim Pettit
P1	7	E.	Develop a plan to identify and address the District-wide arc flash exposure zones and requirements by 6/30					Tim Pettit
P1	7	F.	Integrate Accountability, Modeling of District Values and Cycle of Personal Ownership into daily processes					
P1	7	1.	Monthly CPO nominees reviewed and awarded					Steve Wright

# 2019 District Performance Plan – Q2

**FINAL**

On Track	Caution	Needs Attention	Scheduled Timeframe	Starts in Future	Complete
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	Q1	Q2	Q3	Q4	
<b>Total # tracked items</b>	159	177			
<b>% On Track</b>	86%	82%			
<b>Number completed after deadline</b>		2			

**Key for Prioritization:**

**P1** – Primary 1: Primary 1 are our highest priority goals with little or no flexibility on timelines

**P2** – Primary 2: Primary 2 are our high priority goals with more flexibility on timelines for prioritization purposes, if necessary.

**S** – Stretch: Stretch goals are very important efforts with significant benefits we want to complete. We intend to make measured progress as time and resources allow without sacrificing our core activities or our ability to complete our primary goals. When considering resourcing trade-offs, these priorities have the ability to extend completion timelines without showing the goal as “red” or “not completed” if higher priority goals require the same resources.