

# 2017 District Performance Plan

## Quarterly Update – Q2 2017

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 county-wide 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.

		2017				Lead
		Q1	Q2	Q3	Q4	
<b>Metrics &amp; Targets</b>						
1	Objective 1					
P 1	A. Fiber Expansion Premises Passed (year-to-date) <a href="#">Actuals Q1-136, Q2-304</a>	105	185	492	928	<i>Mike Coleman</i>
P 1	B. Fiber Installation Service Interval (Excludes PPB Connections) <a href="#">Actuals Mar-11, Jun-11</a>	21 days	21 days	21 days	21 days	<i>Mike Coleman</i>
<b>Strategic Initiatives/Critical Tasks/Actions</b>						
1	C. Implement the annual Public Power Benefit program					
P 1	1. Finalize and document internal processes, procedures and reporting by end of Q2					<i>Jeff Smith</i>
P 1	2. Board designates 2018 funding and projects for business planning by 5/16					<i>Kelly Boyd</i>
1	D. Enhance the customer experience					
P 1	1. Through the CIS project, evaluate customer service offerings that would enhance the customer experience, then provide associated information and analysis to the steering committee to allow high quality discussions during Q2 vendor selection process (Q2)					<i>John Stoll</i>
P 1	2. Evaluate options to provide HDL customers with load information to monitor their use, reducing potential for disconnection associated with changes in load. (Q2)					<i>John Stoll</i>
1	E. Develop a comprehensive parks plan					
P 1	1. Consolidate and confirm existing policies by end of Q2					<i>Jeff Smith</i>
P 1	2. Define asset management guidelines by end of Q4					<i>Jeff Smith</i>
P 1	F. Provide community outreach support consistent with plan milestones for District initiatives 8/1					<i>Jeff Smith</i>

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		2017				Lead
		Q1	Q2	Q3	Q4	
1	G. Define & implement outreach strategies for low-income and Latino/Hispanic customer-owners					
P 1	1. Define outreach strategies by 6/1					<i>Jeff Smith</i>
P 1	2. Implement strategies based on plan milestones through 12/1					<i>Jeff Smith</i>
1	H. Maintain, update & provide annual report on Strategic Plan					
P 1	1. Conduct a Senior Team Strategy Session by end of February					<i>Steve Wright</i>
P 1	2. Provide annual report to Board by 2nd meeting in March					<i>Steve Wright</i>
P 1	3. Provide annual report to Strategy Partners in April					<i>Steve Wright</i>
P 1	4. Define priorities and metrics for 2018-2022 business plans by April 30 <span style="color: blue;">Done in July</span>					<i>Steve Wright</i>
1	I. Complete selected Public Power Benefit Projects					
P 1	1. Continue fiber expansion with 2018 planning completed by 12/1					<i>Mike Coleman</i>
P 1	2. Complete Horan area rehabilitation work by 12/1 <span style="color: blue;">Completion delayed to 2020, due to work by upstream stakeholders.</span>					<i>Jeff Smith</i>
P 1	3. Develop and implement plan for a utility-focused education program					
P 1	a. Develop plan by end of Q1					<i>Lorna Klemanski</i>
P 1	b. Execute on plan milestones through 12/1					<i>Lorna Klemanski</i>
P 1	4. Complete Plain Substation site safety improvements by 12/1					<i>Jeff Smith</i>
P 1	5. Complete phase 1 of Regional Water and Wastewater study by 12/1					
P 1	a. Provide assistance to Cities in developing their community outreach plan and initiate plan actions (Q1)					<i>John Stoll</i>
P 1	b. Develop contract scope and RFP (Q1)					<i>John Stoll</i>
P 1	c. Select vendor (Q2)					<i>John Stoll</i>
P 1	d. Provide the Board with information and analysis regarding the study that ensures appropriate issues are raised and effectively analyzed to allow a high quality progress review in Q4 and any extensions thereafter (Q4)					<i>John Stoll</i>
P 1	6. Develop project plan for Hydro energy research by 12/1					<i>Kirk Hudson</i>
P 1	7. Complete electrification research/collaboration program milestones through 12/1					<i>Gregg Carrington</i>
P 1	8. Manage and evaluate Waiver of Day-Use park fees program through 12/1					<i>Jeff Smith</i>
P 1	9. Complete Beebe Bridge Park camping pilot by 12/1					<i>Jeff Smith</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.**

		2017				Lead
		Q1	Q2	Q3	Q4	
<b>Metrics &amp; Targets</b>						
2	Objective 2					
P 2	A. Electric Service Reliability ASAI (mo/ytd)	>99.980%	>99.980%	>99.980%	>99.980%	<i>John Stoll</i>
P 2	B. Water System Integrity	<30 leaks per 100 miles	<30 leaks per 100 miles	<30 leaks per 100 miles	<30 leaks per 100 miles	<i>John Stoll</i>
P 2	C. Network System Composite Uptime	99.999%	99.999%	99.999%	99.999%	<i>Mike Coleman</i>
P 2	D. Hydro Availability <i>Actual = 70.2%</i>	64.7%	66.6%	66.4%	66.5%	<i>Kirk Hudson</i>
P 2	E. Meet Peak RC goal for planned outages on Transmission System—calculated as of 2/17 <i>Actual through February = 95.2%. This is calculated by the Reliability Coordinator (Peak RC). The methodology for this calculation has been changed and is no longer calculated by Peak.</i>	75%	75%	75%	75%	<i>Kirk Hudson</i>
P 2	F. Meet Peak RC goal for planned outages on Generation System—calculated as of 2/17 <i>Actual through February = 96.3%. This is calculated by the Reliability Coordinator (Peak RC). The methodology for this calculation has been changed and will not be calculated again until Q3 using the new methodology.</i>	75%	75%	75%	75%	<i>Kirk Hudson</i>
<b>Strategic Initiatives/Critical Tasks/Actions</b>						

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	2	G. Determine if a customer solutions focus group should be established. Group would provide feedback on topics like EE, EV's, economic development from large loads, demand response, and other potential behind the meter customer solutions.								
P	2	1. Determine if group should be established by end of Q1								<i>Gregg Carrington</i>
S	2	2. Execute plan milestones as established through 12/1								<i>Gregg Carrington</i>
P	2	H. Expand energy efficiency programs to meet or exceed requirements.								<i>Gregg Carrington</i>
P	2	1. Acquire 2.1 aMW of energy efficiency at an overall cost of less than \$18/MWh by 12/31 <b>Energy efficiency (EE) uptake by customers continues to lag behind the expected pace. Early forecasting indicates savings of 1.7aMW if no actions are taken. The EE team has met and is taking actions intended to bring the savings back on track.</b>								<i>Gregg Carrington</i>
P	2	2. Board reviews CPA recommendation and sets 2018/2019 I-937 Compliance Target by 12/1								<i>Gregg Carrington</i>
P	2	I. Reinvest in Hydros: Rocky Reach large unit permanent repairs								<i>Kirk Hudson</i>
P	2	1. Complete C8 repairs by 6/1 <b>Current forecasted return date 10/1/17 due to headcover delays from Contractor.</b>								<i>Kirk Hudson</i>
P	2	2. Unit C9 returned to service by 6/1. <b>Completed 4/28/17.</b>								<i>Kirk Hudson</i>
P	2	3. Initiate disassembly of 2 <sup>nd</sup> large unit by 12/31 <b>Current forecasted start date 12/31 due to C8 headcover delays</b>								<i>Kirk Hudson</i>
P	2	4. Complete Bridge Crane refurbishment by 12/1 <b>Current anticipated completion date 12/15/17 due to C8 headcover delays.</b>								<i>Kirk Hudson</i>
P	2	J. Reinvest in Hydros: Rock Island PH1 modernization & controls upgrade								<i>Kirk Hudson</i>
P	2	1. Complete B6 by 7/31 <b>Current forecasted completion date is 10/31/17 due to rotor repairs not being successful and headcover delays.</b>								<i>Kirk Hudson</i>
P	2	K. Reinvest in Hydros: Rock Island PH2 modernization & controls upgrade								<i>Kirk Hudson</i>
P	2	1. Complete governor control upgrades for U6 and U7 by 12/31								<i>Kirk Hudson</i>
P	2	2. RI PH2 modernization study milestone: Complete recommendations for primary equipment - turbines by 7/1. <b>Completed 4/11/17.</b>								<i>Kirk Hudson</i>
P	2	L. Hydro Asset Management Plan Implementation								<i>Kirk Hudson</i>
P	2	1. Develop and implement a metric for the maturity of condition knowledge for manageable Hydro assets by 6/30. <b>Completed 6/30/17.</b>								<i>Kirk Hudson</i>
P	2	2. Complete condition assessments for C5, C8, B6, U6 and U7 by 12/31								<i>Kirk Hudson</i>

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P	2	M. Transmission Asset Management: Utilizing the IAM 6 Box Model, conduct a gap analysis to benchmark AM maturity for Transmission and compare to the desired maturity goals set forth in the SAMP by 12/1				<i>Kirk Hudson</i>
		N. Customer Utilities Asset Management Program Development and Implementation				
P	2	1. Implement an IEEE Distribution outage reporting structure in support of asset management (identifies “controllable” outages vs. fire/weather related outages) strategies by end of Q1				<i>John Stoll</i>
P	2	2. Develop and implement Whole Life Cost (WLC) models on select Distribution assets (cables, batteries, power transformers) by end of Q4				<i>John Stoll</i>
P	2	O. Complete Fiber Asset Management Program framework by 12/1				<i>Mike Coleman</i>
P	2	P. Advance the District’s strategy at State and Federal levels				
P	2	1. Gain Centennial grant funding approval for Peshastin wastewater facility by August 1 <a href="#">Awaiting outcome of WA State Capital Budget discussion.</a>				<i>Jeff Smith</i>
P	2	2. Approval of federal energy legislation by either house of Congress by December 1 should include early action credit language. <a href="#">Cautious progress in Congress.</a>				<i>Jeff Smith</i>
P	2	3. FERC advances 50-year minimum license and/or early action credit to Notice of Proposed Rulemaking by December 1. <a href="#">Continuing to pursue FERC path.</a>				<i>Jeff Smith</i>
P	2	4. If state carbon reduction and/or electric vehicle legislation is enacted by September 1, it should be based upon a least cost approach <a href="#">No legislation expected; we are now engaging primarily on initiatives.</a>				<i>Jeff Smith</i>
P	2	5. State unit priced contract legislation is enacted by September 1				<i>Jeff Smith</i>
P	2	Q. Advance Intelligent Grid (two-way metering) capabilities				
P	2	1. Provide update to business case and overall project to steering committee (by 4/30)				<i>John Stoll</i>
P	2	2. Provide information and analysis based on CIS project status and AMI business case that ensures appropriate issues are raised and effectively analyzed to allow a high quality decision for 2018-2022 business plan (draft business plan language Q2, Final Q3)				<i>John Stoll</i>
P	2	3. Continue public outreach campaign, aligning with business plan project timeline (through Q4, continuing into 2018)				<i>John Stoll</i>

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	2	R. Develop and implement a strategy to expand the Regional water supply					
P	2	1. Provide information and analysis regarding the second source study that ensures appropriate issues are raised and effectively analyzed to allow a high quality decision making process (Q4)					<i>John Stoll</i>
	2	S. Develop and implement a 3rd party pole attachment program and policies.					
P	2	1. Create draft Chelan PUD pole attachment agreement based on the APPA model contract (end Q2)					<i>John Stoll</i>
P	2	2. Develop 3-year strategy to design and implement program and rates (end Q3)					<i>John Stoll</i>
P	2	3. Develop an NESC compliance strategy/plan in association with pole attachment program (end Q4)					<i>John Stoll</i>
P	2	T. Develop strategic relicensing plan for RI by 12/1					<i>Jeff Smith</i>
P	2	U. Seek approval of Hydro licensing reform legislative initiative 12/1 <span style="color: blue;">Cautious progress in Congress.</span>					<i>Jeff Smith</i>
P	2	V. Complete long range facilities planning and begin implementation thru Q4 (including energy efficiency of PUD facilities)					<i>Jeff Smith</i>
P	2	W. Provide project management and engineering support for Rocky Reach large unit repairs and Rock Island modernization projects that achieves milestones on schedule and within budget through Q4. <span style="color: blue;">Project management and engineering support are ongoing as we shuffle resources in response to delays and failures. E.g., B6 needed a new rotor spider, so used the proposed rotor spider for B7 to get B6 back faster.</span>					<i>Jeff Smith</i>
P	2	X. Present systematic assessment to protect transmission lines from fire by 3/20/17. <span style="color: blue;">Completed 3/20/17.</span>					<i>Kirk Hudson</i>
	2	Y. Progress on substation construction to address Distribution system capacity and growth					
P	2	1. Provide information and analysis regarding substation sites that ensures appropriate issues are raised and effectively analyzed to allow a high quality decision making/land selection process to occur by end Q1 <span style="color: blue;">Leavenworth has both a preferred and alternative site selected however Chelan options are still being developed</span>					<i>John Stoll</i>
P	2	a. Leavenworth					<i>John Stoll</i>
P	2	b. Chelan					<i>John Stoll</i>

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	2	2. For selected substation locations, complete conditional use permitting and land purchase by end Q3 <b>Leavenworth is on path to be permitted by end of Q3, however Chelan is not expected to meet the Q3 goal</b>					<i>John Stoll</i>
P	2	a. Leavenworth					<i>John Stoll</i>
P	2	b. Chelan					<i>John Stoll</i>
P	2	Z. Complete Slide Ridge Restoration (execution phase) per project management schedule (end Q4)					<i>John Stoll</i>
2		AA. Execute 80% of capital plans on schedule and within budget through Q4:					
P	2	1. Generation and Transmission <b>Actual = 45% YTD. Expenses are currently lagging behind schedule. Expect to be at 106% at end of year.</b>					<i>Kirk Hudson</i>
P	2	2. Utility Services <b>Actual = 85% YTD. Expenses are currently lagging but will increase as we move into construction season; expect to exceed the target by year-end.</b>					<i>John Stoll</i>
P	2	3. Fiber & Telecom <b>Actual = 12% YTD. Expenses are currently lagging behind schedule for Telecom initiative projects. Major PPB construction later start than budgeted. Expect to be around 85-90% at end of year.</b>					<i>Mike Coleman</i>
P	2	4. District Services <b>Actual = 72% YTD. Several large projects had delayed start dates. Expect year end results to be 88-92%.</b>					<i>Jeff Smith</i>
P	2	5. Energy Resources <b>The last EV charging station was installed.</b>					<i>Gregg Carrington</i>
P	2	6. IT <b>Major projects of CIS and GRC are not yet in the capital expenditure phase</b>					<i>Kelly Boyd</i>

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



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











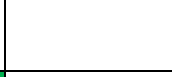
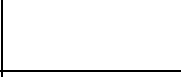


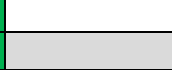
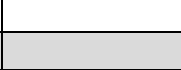




**We will meet or exceed statutory requirements and commitments to mitigate for the environmental impacts of all our actions. As part of this objective, we will think ahead and seek out “least-cost” alternatives for meeting emerging societal environmental goals.**

		2017				Lead
		Q1	Q2	Q3	Q4	
	<b>Strategic Initiatives/ Critical Tasks/Actions</b>					
3	Objective 3					
3	A. Successfully meet hydro license requirements:					
P	3 1. Operating at Seasonal Fish Spill Targets (season is within Q2-Q3)					<i>Jeff Smith</i>
P	3 2. Contracts in place to meet hatchery production targets 1/31					<i>Jeff Smith</i>
P	3 3. Funding of the tributary component of NNI 1/31					<i>Jeff Smith</i>
P	3 4. Planned species and bull trout take within allowable level (Operations) 12/31					<i>Kirk Hudson</i>
P	3 B. Evaluate options from alternative oil feasibility for Juvenile Fish Bypass System and prepare project recommendations by 6/30. <a href="#">Recommendation is to pursue mechanical options rather than alternative oil.</a>					<i>Kirk Hudson</i>
S	3 C. Identify opportunities to minimize oil release exposure from SPCC inventories by end of Q3. <a href="#">Progress has slowed due to reactive work at RI associated with B9 and the spillway.</a>					<i>Kirk Hudson</i>
P	3 D. Provide defined positions in public on control measures for Columbia River sea lion and bird predation on migratory salmon and steelhead by 12/1					<i>Jeff Smith</i>
P	3 E. Implement federally mandated programs/studies at Rocky Reach and Rock Island for sturgeon, lamprey, fish and bull trout by 12/1					<i>Jeff Smith</i>
P	3 F. Complete water reuse project at Eastbank Fish Hatchery to reduce Total Maximum Daily Load (TMDL) levels as required by Ecology by 12/1					<i>Jeff Smith</i>
P	3 G. Determine and document permit reporting requirements as agreed upon with Dept. of Ecology for the Dryden fish acclimation facility by 6/1					<i>Jeff Smith</i>
P	3 H. Develop plan to conduct 10-year HCP project survival studies at RI (2020) and RR (2021) by 12/1					<i>Jeff Smith</i>



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P	3	I.	Prepare implementation plan for the water rights monitoring upgrade program by 12/1					<i>Jeff Smith</i>
P	3	J.	Assess long-term impacts of climate change on District operations and incorporate into long-term forecasting scenarios by 12/1					<i>Jeff Smith</i>
	3	K.	Complete Peshastin Wastewater Capital improvements by 2019 requirement					
P	3	1.	Make decision on Ecology funding agreement by 1/31					<i>John Stoll</i>
P	3	2.	Submit Peshastin treatment plan to Ecology by end of Q4					<i>John Stoll</i>

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### OBJECTIVE #4 - ENSURE FINANCIAL STABILITY

**We will sustain a financial structure that seeks to avoid raising revenue from electric rate increases through the upcoming five-year period (and potentially beyond) under all plausible scenarios and create access to low cost capital when needed.**

		2017				Lead
		Q1	Q2	Q3	Q4	
<b>Metrics &amp; Targets</b>						
4	Objective 4					
P	4 A. Rate of Return – District	> 4.0%	> 4.0%	> 4.0%	> 4.0%	Kelly Boyd
P	4 B. Debt Cover – District	> 2.0x	> 2.0x	> 2.0x	> 2.0x	Kelly Boyd
P	4 C. Debt Ratio – District	< 45 %	< 45%	< 40%	< 40%	Kelly Boyd
P	4 D. Liquidity – District	>\$178M	>\$178M	>\$178M	>\$ 178M	Kelly Boyd
P	4 E. Unrestricted Reserves – District	>\$150M	>\$150M	>\$150M	>\$150M	Kelly Boyd
P	4 F. Debt Retire Per Schedule – Total \$52M	-	\$14M	\$52M	\$52M	Kelly Boyd
P	4 G. Maintain Financial Bond Ratings	Fitch AA+, Moody’s Aa3 , S&P AA (Stable Ratings)				Kelly Boyd
<b>Strategic Initiatives/ Critical Tasks/Actions</b>						
4	H. Actively participate in Electric markets development					
P	4 1. Identify, recommend and, where appropriate, implement new products that will be offered by Chelan PUD (such as shoulder products (via WSPP) through Q4					Gregg Carrington
4	I. Advance Columbia River Treaty strategies to provide benefits to our customer-owners					
P	4 1. Start negotiations by end of Q1					Steve Wright
P	4 2. Issue termination notice by end of Q3 <span style="color: blue;">State Dept has indicated increasing emphasis on initiating negotiations and considering issuing a termination notice</span>					Steve Wright
4	J. Stabilize and enhance wholesale electric revenues					
P	4 1. Complete long-term market-based slice, if economic, by end of Q2					Gregg Carrington

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		Q1	Q2	Q3	Q4				
P	4	2. Lead the public power coalition and use the WA public power framework for the 2017 legislative session to promote least cost integrated resource planning and related carbon planning through Q4						<i>Steve Wright</i>	
		3. Actively monitor and respond to carbon market development and carbon market pricing through Q4						<i>Gregg Carrington</i>	
P	4	K.	Effectively manage Alcoa contract to assure a high-quality and informed decision for potential restart that retains customer-owner value by end Q2						<i>Kelly Boyd</i>
	4	L.	Conduct series of Board strategy sessions to adjust and affirm long-term financial policies, Integrated Electric business line financial policies, rate philosophies, power contract guidelines, COSA guidelines and internal debt funding philosophies						
P	4		1. Review and refresh District Financial Policies by end of Q1						<i>Kelly Boyd</i>
P	4		2. Review, refresh and establish Business Line Financial Policies by end of Q2. <b>Completed in July rather than June</b>						<i>Kelly Boyd</i>
P	4		3. Establish long-term rate guidance by 12/1						<i>Kelly Boyd</i>
P	4		4. Establish long-term internal/external debt guidelines by 12/1						<i>Kelly Boyd</i>
	4	M.	Maintain or enhance AA bond ratings						
P	4		1. Execute rating agency outreach program through Q4						<i>Kelly Boyd</i>
P	4	N.	Receive clean audit opinion and no material deficiencies by April 30						<i>Kelly Boyd</i>
P	4	O.	Develop business process to utilize economic analysis tool to help evaluate net impacts of new electric loads due to new or expanding business Q1 (now a core work tool – not PPB)						<i>Gregg Carrington</i>
	4	P.	Refine and execute the business planning cycle						<i>Kelly Boyd</i>
P	4		1. Draft business plans for 2018-2022 dated June 30, completed by July 21						<i>Kelly Boyd</i>
P	4		2. Near final business plans for 2018-2022 presented to Board in Sept. <b>To be presented on Oct. 2 due to timing of Board meeting dates</b>						<i>Kelly Boyd</i>
P	4		3. Final business plans for 2018-2022 dated Sept. 30, completed by Oct. 20						<i>Kelly Boyd</i>
P	4		4. 2018 Budget approved by Board by first meeting in December						<i>Kelly Boyd</i>

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4	Q. Develop new Mid-C agreement					
P	4 1. Work with Douglas PUD to make a decision by end of Q2					<i>Gregg Carrington</i>
P	4 2. New design conceptual testing with CADSWES and HDR by end Q3					<i>Gregg Carrington</i>
P	4 3. Complete study for value of 4 and 5 dam coordination by end of Q3 <i>Agreement was not reached by the parties on a new Mid-C agreement. District staff is working on a plan for independent operations, including communications protocols and next steps. This update also applies to #4 below.</i>					<i>Gregg Carrington</i>
P	4 4. Develop and execute successor to Mid-C Agreement by end of Q4 <i>Same as #3 above</i>					<i>Gregg Carrington</i>
P	4 R. Complete next Five-Year Slice product for 2018-2022 by end of Q1					<i>Gregg Carrington</i>
P	4 S. Develop and implement longer-term strategic marketing plan to address changing market conditions by end of Q4					<i>Gregg Carrington</i>
4	T. Continuously engage and assess the benefits and impacts of Energy Imbalance Markets and/or other market constructs as they develop.					
P	4 1. Report on any changes and recommend course of action, if required, by 12/1					<i>Gregg Carrington</i>
P	4 2. Participate and influence rules and regulations in WECC region related to external participation in EIM through Q4					<i>Gregg Carrington</i>
P	4 U. Implement Real-Time Agreement extension beginning in Q4					<i>Gregg Carrington</i>
4	V. State electrification incentives and utility crediting under state carbon regulations					
P	4 1. Develop strategy/position regarding State electrification incentives and utility crediting under state carbon regulations by end of Q2					<i>Gregg Carrington</i>
P	4 2. Participate in corresponding State Initiatives through Q4					<i>Gregg Carrington</i>
P	4 3. Complete regional EV study (E3) by Q2					<i>Gregg Carrington</i>
P	4 4. Define Chelan PUD's goals related to EV's by Q4					<i>Gregg Carrington</i>
P	4 W. Achieve 100% of budgeted revenue associated with Environmental Attributes (assumes the District load remains the same) through Q4					<i>Gregg Carrington</i>
4						

## 2017 District Performance Plan Quarterly Update – Q2 2017

On Track	Caution	Needs Attention	Scheduled Timeframe	Starts in Future	Complete
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		2017				Lead
		Q1	Q2	Q3	Q4	
	X.	Sustain water and wastewater services				
P	4	1. Achieve an agreement with Dept. of Ecology for an extended compliance period (to allow additional time to define TMDL solutions for the Peshastin and Dryden WW facilities) by 6/30				<i>John Stoll</i>
P	4	2. Gain agreement with Dept. of Ecology on the path forward for addressing Dryden WW TMDL compliance by 12/1				<i>John Stoll</i>

# 2017 District Performance Plan

## Quarterly Update – Q2 2017

On Track	Caution	Needs Attention	Scheduled Timeframe	Starts in Future	Complete
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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.

Metrics & Targets		2017				Lead
		Q1	Q2	Q3	Q4	
5	Objective 5					
P 5	A. Hydro Cost per normalized MWh <b>Actual = Q1-\$14.90, Q2-\$16.20</b>	<\$18.2	<\$16.8	<\$18.3	<\$18.8	<i>Kirk Hudson</i>
P 5	B. Fiber Cost per Active Connection (rolling 12 month) <b>Q1 Avg \$429 Due to Nokia support contract spike in March, Q2-\$427</b>	<\$420	<\$420	<\$420	<\$420	<i>Mike Coleman</i>
P 5	C. Distribution O&M Cost per normalized kWh (annualized) <b>Actuals Q2-\$3.07</b>	<\$2.49	<\$2.99	<\$3.26	<\$3.14	<i>John Stoll</i>
P 5	D. Fully Loaded Electric Cost per normalized kWh (annualized) <b>Actuals Q2-\$5.72</b>	<\$5.22	<\$5.65	<\$6.14	<\$6.06	<i>John Stoll</i>
P 5	E. Wastewater O&M Cost per ERU (rolling 12 month) <b>Actuals Q2-\$1,265</b>	<\$1,053	<\$1,053	<\$1,053	<\$1,053	<i>John Stoll</i>
P 5	F. Water O&M Cost per 1,000 Gallons (rolling 12 month) <b>Actuals Q2-\$6.88</b>	<\$6.46	<\$6.25	<\$5.34	<\$5.28	<i>John Stoll</i>
<b>Strategic Initiatives/ Critical Tasks/Actions</b>						
5	G. Evolve GRC accountability and processes by developing a phased approach for GRC solution.					
P 5	1. Complete GRC solution evaluation with recommendation by end of Q1					<i>Erik Wahlquist</i>
P 5	2. Implement in accordance with approved plan through 12/1					<i>Erik Wahlquist</i>
5	H. Develop/implement/maintain Business Continuity plans					
P 5	1. NRD complete business continuity plan by Q1					<i>Jeff Smith</i>
P 5	2. ERM to lead an exercise for District-wide perspective with the senior team to identify potential overlaps, inconsistencies, gaps and conflicts between individual business unit plans. To be completed by end of Q2 <b>Completed on May 17</b>					<i>Kelly Boyd</i>
P 5	3. G&T complete annual plan milestones and identify steps to ensure RR is prepared to host others by 12/1					<i>Kirk Hudson</i>

## 2017 District Performance Plan Quarterly Update – Q2 2017

On Track	Caution	Needs Attention	Scheduled Timeframe	Starts in Future	Complete
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		2017				Lead
		Q1	Q2	Q3	Q4	
P	5	4. Utility Services complete annual plan milestones by 12/1				<i>John Stoll</i>
P	5	5. Fiber & Telecom complete annual plan milestones by 12/1				<i>Mike Coleman</i>
P	5	6. District Services (excl/ NRD) complete annual plan milestones by 12/1				<i>Jeff Smith</i>
P	5	7. Energy Resources complete annual plan milestones by 12/1				<i>Gregg Carrington</i>
P	5	8. Finance & Risk complete annual plan milestones by 12/1				<i>Kelly Boyd</i>
P	5	9. IT complete annual plan milestones by 12/1				<i>Kelly Boyd</i>
P	5	10. HR & Safety complete annual plan milestones by 12/1				<i>Lorna Klemanski</i>
P	5	11. Legal & GM Office complete annual plan milestones by 12/1				<i>Erik Wahlquist</i>
P	5	I.	Standardize District-wide Project Mgt processes & templates 6/1 <span style="color: blue;">Training delivered on schedule and is almost complete. Cautionary warning with respect to documentation for the project execution phase in our processes.</span>			<i>Jeff Smith</i>
	5	J.	Implement Business Intelligence roadmap (assuming resources hired Q1)			
P	5	1.	Provide written quarterly program & project updates to senior team and monthly updates during the BSc meetings through Q4			<i>Kelly Boyd</i>
P	5	2.	Establish and complete IT infrastructure milestones based on timing of added resources by end of Q2			<i>Kelly Boyd</i>
S	5	3.	Complete the development of two subject areas (Customer Utilities and Safety) by 12/1 <span style="color: blue;">Caution of ability to complete</span>			<i>Kelly Boyd</i>
	5	K.	Use lessons learned to improve Project Attribute Valuations and capital review process			
P	5	1.	Complete lessons learned and identify two needed process improvements by end of Q1 <span style="color: blue;">Completed in March</span>			<i>Kelly Boyd</i>
P	5	2.	Complete prelim capital review process for inclusion in initial draft business plans by end of Q1 <span style="color: blue;">Completed in May</span>			<i>Kelly Boyd</i>
	5	L.	Prepare for and conduct collective bargaining agreement negotiations			
P	5	1.	Prepare and conduct custom local salary survey; Q1&2			<i>Lorna Klemanski</i>
P	5	2.	Survey District management Q2			<i>Lorna Klemanski</i>
P	5	3.	Compile survey data; develop strategy; Q2&3			<i>Lorna Klemanski</i>
P	5	4.	Gain bargaining authority and begin negotiations; Q4			<i>Lorna Klemanski</i>
	5					

## 2017 District Performance Plan Quarterly Update – Q2 2017

<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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		2017				Lead
		Q1	Q2	Q3	Q4	
	M. Initiative 1433 (Minimum Wage and Paid Sick Leave)					
P 5	1. Develop a plan to bring the District into compliance by end of Q1					<i>Lorna Klemanski</i>
P 5	2. Develop policy and contract language; Q2-3 <a href="#">The Department of Labor and Industries will not complete its rulemaking process until October 17, 2017 so this objective will not be able to be met until Q4. A variance will be requested. Public comments will be heard in August.</a>					<i>Lorna Klemanski</i>
P 5	3. Bargain new language and/or effects of necessary changes; Q4					<i>Lorna Klemanski</i>
5	<b>N. Evolve reliability compliance programs to reinforce physical asset protections 12/1</b>					
P 5	1. Improve the security of medium risk NERC CIP sites					<i>Jeff Smith</i>
P 5	2. Upgrade the HIRSCH Access Control Platform for enhanced security					<i>Jeff Smith</i>
P 5	O. Implement efficiency improvements in procurement and contract management processes 12/1					<i>Jeff Smith</i>
5	P. Maintain and update Utility Services Policies to be responsive to changing circumstances (HDL, DG, IG, etc)					
P 5	1. Monitor and ensure HDL rates and processes established are effectively implemented, provide check-in to SMT on items such as volume of requests, number of connections, load growth, adequacy of fees & charges (Q2)					<i>John Stoll</i>
P 5	2. Establish first use case of the Economic Analysis Tool to inform current and future large load customer requests (Q2)					<i>John Stoll</i>
P 5	3. Complete annual fees and charges update (Nov 30)					<i>John Stoll</i>
5	Q. Execute District Telecommunications Systems Improvements Plan					
P 5	1. Telephone replacement – substantial completion by end of July					<i>Mike Coleman</i>
P 5	2. Microwave system replacement – procurement of equipment by 12/1					<i>Mike Coleman</i>
P 5	3. Trunked radio (2-way radio replacement) – completion of contract/vendor negotiations by 12/1					<i>Mike Coleman</i>



## 2017 District Performance Plan Quarterly Update – Q2 2017

On Track	Caution	Needs Attention	Scheduled Timeframe	Starts in Future	Complete
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		2017				Lead
		Q1	Q2	Q3	Q4	
5	R. Upgrade Customer Information System (CIS) including incorporating Meter Data Management and Intelligent Grid requirements					
P	5 1. Present CIS shortlist to steering committee (Jan 31)					<i>John Stoll</i>
P	5 2. Complete evaluation of demos (by end Q1)					<i>John Stoll</i>
P	5 3. Selection recommendation (by end Q1) <i>An initial recommendation was made, however it has yet to be finalized.</i>					<i>John Stoll</i>
P	5 4. Hold bi-weekly steering committee meetings to inform project negotiations and monitor project critical milestones to ensure appropriate issues are raised and effectively analyzed (thru Q4)					<i>John Stoll</i>
5	S. Recognition program improvements					
P	5 1. Conduct follow-up survey on Employee Recognition Program in Q3					<i>Lorna Klemanski</i>
P	5 2. Determine whether further improvements are needed and develop plan for follow-up in Q4					<i>Lorna Klemanski</i>
5	T. Strengthen Cyber security program – Operations and Business Systems					
P	5 1. Complete cyber security governance policy by end of Q1					<i>Mike Coleman</i>
P	5 2. Complete the C2M2 (lite) maturity model evaluation phase by end of Q3. <i>Completed 5/10/17</i>					<i>Kirk Hudson</i>
P	5 3. Complete 6-month pilot of internet traffic analysis tool with MS-ISAC by end of Q3					<i>Kelly Boyd</i>
S	5 4. Engage the National Guard for a security exercise by end of Q3 to be performed by end of Q4 or as early thereafter as the National Guard is available. <i>National Guard not able to enter into engagement by Q3. Looking at alternate test providers.</i>					<i>Kelly Boyd</i>

## 2017 District Performance Plan Quarterly Update – Q2 2017

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.**

		2017				Lead
Strategic Initiatives/ Critical Tasks/Actions		Q1	Q2	Q3	Q4	
6	Objective 6					
P 6	A. Further develop a Human Performance culture of Operational Excellence Program District-wide with a phased-in approach;					
P 6	1. Finalize Guiding Team Charter by end of Q1					<i>Lorna Klemanski</i>
P 6	2. Redesign Supervisor Safety Audit process using the BEST model by end of Q2. <span style="color: blue;">Completed 3/27/17</span>					<i>Kirk Hudson</i>
P 6	3. Complete PTP Learning Team report out by end of Q3					<i>Kirk Hudson</i>
P 6	4. Implement according to plan, in Generation and Transmission; Q1-4					<i>Lorna Klemanski</i>
P 6	5. Test and evaluate results in Generation and Transmission for introduction to other business units through Q4					<i>Lorna Klemanski</i>
P 6	6. Develop 2018 plan for introduction into other business units start item in Q3 and complete by end of Q4 (build earlier on-ramps as feasible)					<i>Lorna Klemanski</i>
6	B. Organization and employee development					
P 6	1. Every employee has an Individual Development Plan (IDP) goal identified; 2/28					
P 6	a. Human Resources provides information to Managing Directors so they ensure every employee has an Individual Development Plan goal; 2/28					<i>Lorna Klemanski</i>
P 6	b. Every Human Resources and Safety employee has an IDP goal identified; 2/28					<i>Lorna Klemanski</i>
P 6	c. Every Fiber and Telecomm employee has an IDP goal identified; 2/28					<i>Mike Coleman</i>

## 2017 District Performance Plan Quarterly Update – Q2 2017

	On Track	Caution	Needs Attention	Scheduled Timeframe	Starts in Future	Complete
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P	6	d.	Every Customer Utilities employee has an IDP goal identified; 2/28				<i>John Stoll</i>
P	6	e.	Every Legal, Compliance and Audit employee has an IDP goal identified; 2/28				<i>Erik Wahlquist</i>
P	6	f.	Every District Services employee has an IDP goal identified; 2/28				<i>Jeff Smith</i>
P	6	g.	Every Finance, Risk, IT employee has an IDP goal identified; 2/28				<i>Kelly Boyd</i>
P	6	h.	Every Generation and Transmission employee has an IDP goal identified; 2/28				<i>Kirk Hudson</i>
P	6	i.	Every Energy Resources employee has an IDP goal identified; 2/28				<i>Gregg Carrington</i>
P	6	j.	Every Managing Director has an IDP goal identified; 2/28				<i>Steve Wright</i>
P	6	2.	Every Managing Director (MD) ensures IDP goal attainment for their direct reports by 12/1.				
P	6	a.	Human Resources facilitates performance plan goal-setting for MD to report on IDP goal attainment for their direct reports Q1				<i>Lorna Klemanski</i>
P	6	b.	Human Resources and Safety MD ensures IDP goal attainment for their direct reports by 12/1				<i>Lorna Klemanski</i>
P	6	c.	Fiber and Telecommunications MD ensures IDP goal attainment for their direct reports by 12/1				<i>Mike Coleman</i>
P	6	d.	Customer Utilities MD ensures IDP goal attainment for their direct reports by 12/1				<i>John Stoll</i>
P	6	e.	Legal, Compliance and Audit MD ensures IDP goal attainment for their direct reports by 12/1				<i>Erik Wahlquist</i>
P	6	f.	District Services MD ensures IDP goal attainment for their direct reports by 12/1				<i>Jeff Smith</i>
P	6	g.	Finance, Risk and IT MD ensures IDP goal attainment for their direct reports by 12/1				<i>Kelly Boyd</i>
P	6	h.	Generation and Transmission MD ensures IDP goal attainment for their direct reports by 12/1				<i>Kirk Hudson</i>
P	6	i.	Energy Resources MD ensures IDP goal attainment for their direct reports by 12/1				<i>Gregg Carrington</i>
P	6	j.	Every Managing Director attains IDP goals by 12/1				<i>Steve Wright</i>

## 2017 District Performance Plan Quarterly Update – Q2 2017

<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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6						
	C. Develop and implement plan for a new supervisor academy					
P 6	1. Develop plan for a new supervisor academy utilizing volunteers from various business units by end of Q1					<i>Lorna Klemanski</i>
S 6	2. Implement phase 1 of new supervisor development according to plan milestones through Q4					<i>Lorna Klemanski</i>
P 6	3. CBA training for BU supervisors: call-outs, meal allowances, LOU's; Q1					<i>Lorna Klemanski</i>
P 6	D. Develop a contractor safety program to address increased risks associated with major hydro project work by 12/1					<i>Jeff Smith</i>
P 6	E. Perform targeted hiring based on prioritized needs - Make job offers by December 1st for 90% of new positions that are approved to fill before October 1st; Q1-4					<i>Lorna Klemanski</i>
6	F. Review benefit programs:					
P 6	1. Conduct feasibility study of integrated health and wellness options; Q1					<i>Lorna Klemanski</i>
P 6	2. Analyze feasibility study results and work collaboratively with Benefits Advisory Committee to develop a plan; Q3					<i>Lorna Klemanski</i>
S 6	G. Conduct a facilitated Senior Management Team process to identify and define outcomes desired from an integrated talent management philosophy by end of Q2. <span style="color: blue;">Unable to schedule a meeting with all senior team members by the end of Q2. The meeting is scheduled for 8/31. Stretch goal.</span>					<i>Lorna Klemanski</i>

# 2017 District Performance Plan

## Quarterly Update – Q2 2017

On Track	Caution	Needs Attention	Scheduled Timeframe	Starts in Future	Complete
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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.

		2017				Lead
		Q1	Q2	Q3	Q4	
<b>Metrics &amp; Targets</b>						
7	Objective 7					
7	A. Safety metrics:					
P 7	1. Incident rate (12 month rolling) 3.82	4.0	4.0	4.0	4.0	Lorna Klemanski
P 7	2. Lost time incident rate (LTIR) 0.71 This metric has improved from 1.04 over last quarter which had a number of strains and sprains resulting in lost time that were due to winter weather conditions.	0.48	0.48	0.48	0.48	Lorna Klemanski
P 7	3. Days away restricted or transferred (DART) rate 1.42 Improved from 1.94 over last quarter. We continue to analyze injury trends and address ways to avoid strains and sprains.	1.05	1.05	1.05	1.05	Lorna Klemanski
P 7	4. Safety Recommendations response time within 45 days	75%	75%	75%	75%	Lorna Klemanski
P 7	5. Business Unit attendance at safety mtgs/alternatives	70%	70%	70%	70%	Lorna Klemanski
P 7	6. Senior Team Safety Visits (2 every 6 mos. for 5 MD's; 1/yr. for others)		10		23	Lorna Klemanski
<b>Strategic Initiatives/ Critical Tasks/Actions</b>						
P 7	B. Conduct diversity outreach programs including applicant and customer focuses 12/1					Lorna Klemanski
P 7	C. Complete 95% of required safety training provided to affected employees by 12/1					Lorna Klemanski
7	D. Integrate Accountability, Modeling of District Values and Cycle of Personal Ownership into daily processes					
P 7	1. Continue the CPO/Values champions program including recognizing champions at Managers Forum 12/1					Lorna Klemanski

## 2017 District Performance Plan Quarterly Update – Q2 2017

	On Track		Caution		Needs Attention		Scheduled Timeframe		Starts in Future		Complete
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		2017				Lead
		Q1	Q2	Q3	Q4	
P	7	2. Each business unit submit at least one CPO/Values champion nominee each month as part of an environment of positive recognition thru Q4				Steve Wright
		Total # tracked items = 223				81% On Track

### Key for Prioritization:

**P** – Primary: Primary are our highest priority goals

**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.