

Draft Strategic Plan

August 19, 2019



www.ourpublicpower.org

Plan Outline

- Message From the Board
- Executive Summary (Four Strategic Priorities)
- Beyond the Strategic Plan
- Mission/Vision/Values
- Utility Overview/Resource Position
- Financial Position
- Strategic Objectives
- Strategic Questions and Public Outreach (Key Topics)
- Conclusion and Planned Implementation Actions

Plan Outline – Appendices

Appendix A: Demographic Profile

Appendix B: Topic Team Reports

Appendix C: Outreach Summary



Mission

To enhance the quality of life in Chelan County by providing sustainable, reliable utility services

Vision

In a rapidly changing utility environment, we will provide:

The Best Value for the Most People for the Longest Time

Values

Safety

Trustworthiness

Stewardship

Operational Excellence

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Strategic Objectives:

1. Commit to the highest level of customer-owner satisfaction
2. Invest in creating long term value
3. Protect natural resources impacted by operations
4. Ensure financial stability
5. Seek operational excellence through continuous improvement mindset
(with an emphasis on efficiency, effectiveness, compliance, risk-assessment, and resiliency)
6. Advance human and organizational performance
7. Encourage innovation



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Strategic Priorities:

1. Invest in assets and people and seek industry top-quartile performance for hydro generation, retail reliability, and safety while improving our customer service technology
2. Sustain excellent financial resiliency while mitigating the risk of large rate increases
3. Enhance the quality of life in Chelan County through programs that distribute the benefits of public power
4. Engage in countywide growth planning and job creation efforts while ensuring the District's rates and policies remain stable and predictable



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Planned Actions:

Public Power Benefit Program

- Program will be retained so long as financial resources are in place to support the effort
- Financial criteria will be modified to provide for continuation of the Program should the PUD reenter the capital borrowing market
- Program criteria will be updated in 2020 and projects will be solicited from the public

Early Action

- Solicit recreation and environmental early actions in 2020 and proceed with preliminary assessments. In doing so, we will seek to partner with project sponsors and obtain commitment to support a 50-year license

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Planned Actions:

Growth and Economic Development

- District will engage on countywide economic development and growth matters and will consider specific actions, provided rate impacts are minimal ($\leq 5\%$ incremental)
- Explore the development of “industrial hubs” that can be used to concentrate industrial load growth and minimize risk of stranded assets
- Review industrial retail rate structure and analyze costs and impacts of growing retail loads versus wholesale loads and explore new rate structure options
- Pursue establishment of an ombudsperson position to facilitate discussions with potential large-load customers
- Actively explore a hybrid-renewable resource based rate (with full cost recovery)

Aesthetics

- Retain current policy for customer-requested aesthetic improvements of existing infrastructure such as undergrounding of power lines where those who benefit will pay the added costs



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Planned Actions:

Long-Term Rate Planning – Fiber/Water/Wastewater Rates

- Fiber business line should be financially self-sufficient by the end of the 5-year rate implementation period with 3% annual rate increases planned
- Water rate structure will lean towards self-sustainability, with annual rate increases of around 4% planned between 2020-2024
- Wastewater rate structure will lean towards self-sustainability, with annual rate increases of around 4% planned between 2020-2024 and an estimated \$1.5 million contribution from the electric business
- We will work to better understand the costs of the Dryden Wastewater Project

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Planned Actions:

Long-Term Rate Planning – Electric Rates

- A roughly 3% annual electric rate increase and an update to electric rate design that increases the customer base charge and decreases the energy usage charge will be implemented in separate years beginning in 2020
- The rate changes will support stable electric rates over the long term
- Low-income rate assistance and energy-efficiency programs will be concurrently reviewed in 2020 to help limit impacts to low-income customer-owners

Proposed Schedule

August 20 – September 11

Draft Plan Published, Review Period

Notice to Stakeholders, Participants in the Process

Open Houses: September 5 @ 6 PM (CTC), September 9 @ 5:30 PM (Leavenworth Office)

September 16

Board Consideration of Public Comments

Opportunity for Public Comment @ 10:00 AM

October 7

Board Consideration of Adopting Resolution



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Questions?

