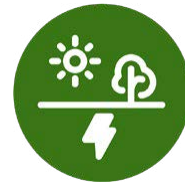


# Draft Strategic Plan

## *Public Comments and Update*

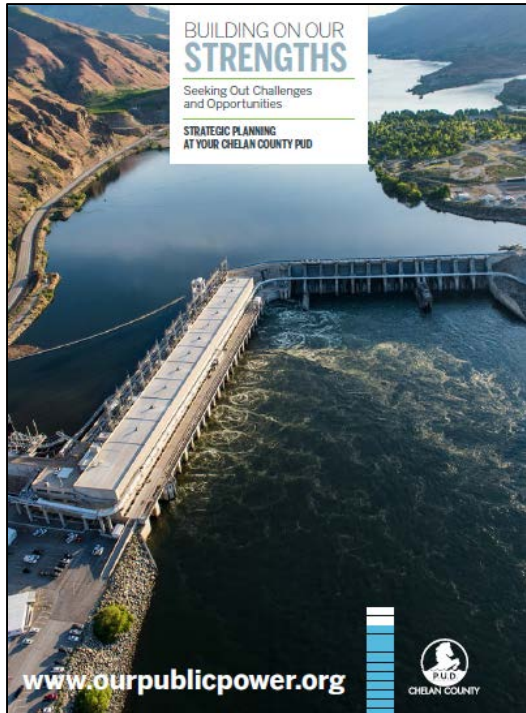
September 16, 2019



# Summary of Planning Process

- Outreach Plan and Schedule: December 3, 2018
- Published “Building on Our Strengths”
- Community Kickoff Meeting: February 7
- Website Launch (extensive web and social media presence throughout)
- Topic Teams Formed and Met: February – June
- Public Surveys: April (random); June (Countywide)
- Draft Plan Published: August 20
- Connected Newsletter Published: late-August/early-September
- Open Houses: September 5 and September 9





# Ideas from



## PUBLIC MEETINGS and SERVICE CLUBS

Winter 2018-19



## CUSTOMER-OWNER SURVEY

June 2019



## DRAFT PLAN

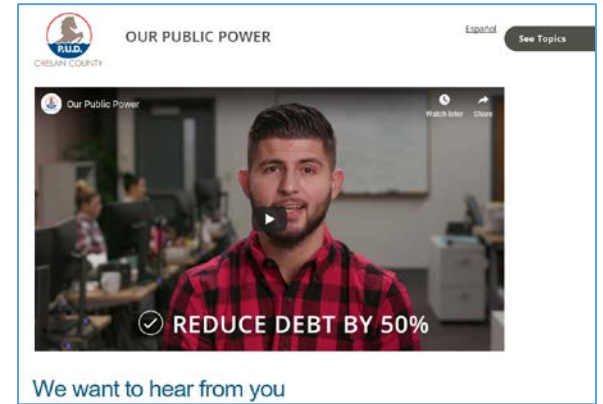
August 2019



## CHELAN PUD COMMISSION CONSIDERATION

September 2019

\*In-depth phone/online survey of community



[www.ourpublicpower.org](http://www.ourpublicpower.org)



# Draft Strategic Plan

## 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



# Draft Strategic Plan – Public Review

- Strong outreach and media coverage
- Very few comments overall
- Public open houses were lightly attended:
  - Wenatchee: 12 participants
  - Leavenworth: 4 participants
- Written comments received: 13
- One formal letter from the City of Rock Island



# Draft Strategic Plan – Summary of Public Comments

THEME	NUMBER OF COMMENTS
Fiber inquiries (more service, expansion, etc.)	7
Survey not appropriately worded	3
Concern about proposed electric rate increases	2
Economic development not part of PUD core mission	2
More parks, waterparks/access	1
Maintain parks and recreation at current level	1
Seek longest term possible for Rock Island	1
Do not subsidize aesthetic enhancements (undergrounding)	1
No concern about rate electric rate increase	1
Water/wastewater – divest systems/limit rate impacts	1
Reduce debt	1
More electric vehicle charging infrastructure	1
Support economic development, family-way jobs	1



# Next Steps

September 16

Opportunity for Customer-Owner Feedback

Discuss Draft Plan and Finalize Key Elements

October 7

Board Consideration of Adopting Resolution



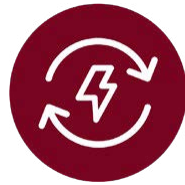
# Public Comments





# Draft Strategic Plan

## *Discussion*



# Appendix



## 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*

# Draft Strategic Plan

## 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



# Draft Strategic Plan

## 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

# Draft Strategic Plan

## 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



# Draft Strategic Plan

## 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.

# Draft Strategic Plan

## 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