

2020 District Performance Plan

FINAL

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

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.							
		2020					
Metrics & Targets		Q1	Q2	Q3	Q4	Lead	
Objective 1							
P1	1	A) Fiber Expansion Premises Passed (961 + 2019 Carryover)			961+	Mike Coleman	
P2	1	B) Fiber Installation Service Interval (10 days)	10 days	10 days	10 days	10 days	Mike Coleman
P1	1	C) Customer Satisfaction Survey (biennial) (>90%)			>90%	John Stoll	
P2	1	D) Fiber take rate exceeds 55% by 2024			>51%	Mike Coleman	
Strategic Initiatives/Critical Tasks/Actions							
	1	E) Maintain, update, & provide report on Strategic Plan				Steve Wright	
P1	1	1. Conduct a senior team strategy session by end of February	2/28/2020			Steve Wright	
P1	1	2. Define District 5-year priorities and metrics for 2021-2025 business plans		4/30/2020		Steve Wright	
P1	1	3. Provide Board quarterly status updates on District Performance Plan			12/31/2020	Steve Wright	
	1	F) Administer the annual Public Power Benefit program					
P2	1	1. Determine available funding and select final projects for 2020 (BOC)		6/1/2020		Justin Erickson	
P2	1	2. Identify preferred ideas/projects for 2020		6/1/2020		Justin Erickson	
P1	1	3. Evaluation of fiber program acceleration	3/31/2020			Mike Coleman	
P1	1	4. Review/revise Public Power Benefit financial criteria by end of Q1	3/31/2020			Kelly Boyd	
P2	1	5. Solicit for 2021 Public Power Benefit projects			9/1/2020	Justin Erickson	
	1	G) Complete selected Public Power Benefit Projects					
P3	1	1. Waiver of Day Use park fees program with issuance of 2,000+ passes			12/1/2020	Justin Erickson	
P2	1	2. Rocky Reach Discovery Center Improvements begin construction		6/30/2020		Kirk Hudson	
	1	H) Conduct biennial customer satisfaction survey				John Stoll	
P2	1	1. Select survey consultant and develop survey questions	3/31/2020			John Stoll	
P2	1	2. Perform survey		6/30/2020		John Stoll	

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
P3	1 I) Regularly scheduled Customer Growth & County and Community Agency Planning Governance to develop planning strategies for “smart growth” addressing current zoning and siting issues					John Stoll
P3	1 1. Hold annual joint planners meeting, focus on importance of all utility planning (electric, water, wastewater, fiber) with County/Municipality governance bodies			9/30/2020		John Stoll
P3	1 2. Annual joint agency engineering/operational annual workshop		6/30/2020			John Stoll
P3	1 J) Adopt long-term management plan for Orondo River Park				12/1/2020	Justin Erickson
P3	1 K) Hydropower Research Institute-add new Contributor				12/1/2020	Kirk Hudson
	1 L) Implement outreach strategies for low-income, Latino-Hispanic, and disabled customer-owners to include higher utilization of District programs and services, and participation in discussions concerning modifications to such programs					Justin Erickson
P1	1 1. Effectively engage with Spanish-speaking, economically-disadvantaged, and disabled customer-owners in a culturally appropriate way to ensure key District priorities and efforts are reflective of their input by attending and presenting at a minimum of 15 offsite events or locations				12/1/2020	Justin Erickson
P1	1 M) Rocky Reach Discovery Center K-12 Teacher STEM Summit in partnership with the ESD				10/31/2020	Kirk Hudson

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

#2 - INVEST IN CREATING LONG TERM VALUE

(BSc Business Process/Internal Operations Objective)

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.

		2020				
Metrics & Targets		Q1	Q2	Q3	Q4	Lead
2	Objective 2					
P1	2 A) Electric Service Reliability - SAIDI - Power out on a minutes per customer	49.1 mins	49.1 mins	49.1 mins	49.1 mins	John Stoll
P1	2 B) Water System Integrity (< 20 leaks per 100 miles)	< 20 / mi	< 20 / mi	< 20 / mi	< 20 / mi	John Stoll
P1	2 C) Network System Composite Uptime (99.999%)	99.999%	99.999%	99.999%	99.999%	Mike Coleman
P1	2 D) Optical line terminal link optimization <90% for all years	< 90%	< 90%	< 90%	< 90%	Mike Coleman
P1	2 E) Hydro Capability (73%)	65%	71%	72%	73%	Kirk Hudson
2	Strategic Initiatives/Critical Tasks/Actions					
2	F) Implement Customer Energy Solutions workplan (includes EE, EV, R&D, and customer energy management programs)					Gregg Carrington
P1	2 1. Acquire 2 aMW of Energy Efficiency				12/31/2020	Gregg Carrington
P3	2 2. Expand Strategic Energy Management to Agricultural Industry		6/30/2020			Gregg Carrington
P3	2 3. Redesign SNAP program to be on-par with business case for EE projects and programs		6/30/2020			Gregg Carrington
P3	2 4. Implement redesigned solar program developed				12/1/2020	Gregg Carrington
P1	2 5. Develop and implement updated low income program consistent with strategic plan and rate implementation schedule				12/15/2020	Gregg Carrington
2	G) Reinvest in Hydros: Rocky Reach large unit permanent repairs					Kirk Hudson
P1	2 1. Complete repairs and return C9 to service	2/15/2020				Kirk Hudson
2	H) Reinvest in Hydros: Rocky Reach C1-C7 Trunnion bushing replacements complete first three units by 2024 YE					Kirk Hudson
P1	2 1. Return C2 to service			8/31/2020		Kirk Hudson
P1	2 2. Return C7 or C3 to service				10/15/2020	Kirk Hudson
P1	2 3. Begin disassembly of C3 or C7			7/31/2020		Kirk Hudson
P1	2 4. Begin disassembly of next unit (C4, C5 or C6)			9/30/2020		Kirk Hudson

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
P1	2	I) Reinvest in Hydros: Rock Island PH1 modernization				Kirk Hudson
	2		5/1/2020			Kirk Hudson
	2	3/16/2020				Kirk Hudson
	2	3/31/2020				Kirk Hudson
	2				10/22/2020	Kirk Hudson
	2		4/30/2020			Kirk Hudson
P2	2	J) Reinvest in Hydros: Rock Island PH2 modernization award contract with full evaluation of warranty and oil-less hubs				Kirk Hudson
	2			9/30/2020		Kirk Hudson
P2		K) Submit Rock Island Hydro Seismic Project Plan to FERC				Kirk Hudson
	2		6/30/2020			Kirk Hudson
P3	2	L) RI Spillway Modernization execution underway by 2024 YE				Kirk Hudson
	2	1. Rock Island Spillway Modernization Business Case Complete				Kirk Hudson
	2	M) Advance District Asset Management Capabilities by developing and implementing comprehensive asset strategies and associated asset management plans for all critical assets. Critical asset definitions and pace of implementation will be determined by each business unit as follows:				
	2	1. Generation and Transmission "critical assets" that meet the criteria of; 1) pose a risk value of greater than \$10M or 2) provide a significant risk to reliability goals				Kirk Hudson
P3	2	a. Develop asset strategies for 3 generation critical assets				Kirk Hudson
P3	2	b. Put asset management plans in place for transformers and breakers				Kirk Hudson
	2	2. Customer Utilities "critical assets" that meet the criteria of; 1) pose a risk value of greater than \$10M or 2) provide a significant risk to reliability goals or 3) improve public safety or 4) impact customer satisfaction				John Stoll
P3	2	a. Identify all assets that meet criteria				John Stoll
P3	2	b. Develop asset strategies for 5 critical assets				John Stoll
P3	2	c. Put asset management plans, consistent with asset strategies, in place for critical assets				John Stoll
	2	3. District Services				
P3	2	a. Implement asset management strategies and capital improvement plans for boat docks and erosion control projects				Justin Erickson
	2	N) Advance the District's strategy at State and Federal levels with an emphasis on tax parity, project relicensing, procurement/contracting, fiber/telecom, and wildfire legislation				Justin Erickson
P2	2	1. Gain value for hydropower by educating house/senate leadership				Justin Erickson
P1	2	2. Agree on 2021 legislative priorities with internal stakeholders				Justin Erickson

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
P3	2	O) Develop second source of water with the Regional Water Committee				John Stoll
P3	2				12/1/2020	John Stoll
P3	2	3/31/2020				John Stoll
	2	Q) Execute strategic relicensing plan for Rock Island Hydro and file notice of intent to relicense in 2023.				Justin Erickson
P2	2		6/1/2020			Justin Erickson
P2	2				12/1/2020	Justin Erickson
P1	2				12/1/2020	Justin Erickson
P2	2			9/1/2020		Justin Erickson
P2	2		6/30/2020			Justin Erickson
	2	R) Implement long range facilities plan				Justin Erickson
	2	1. Complete Entire RI Facilities Plan by Q1-2022				Justin Erickson
P2	2			9/30/2020		Justin Erickson
	2	2. Complete RR/CM Facilities plan by 2022 YE				Justin Erickson
P2	2		6/30/2020			Justin Erickson
P2	2			7/31/2020		Justin Erickson
	2	3. Complete the District Service Center and fully move in by Q1-2023				Justin Erickson
P2	2			8/31/2020		Justin Erickson
P2	2				12/1/2020	Justin Erickson
P2	2		6/30/2020			Justin Erickson

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
P3	2	S) Facilitate the productive reuse of the 5th Street Campus in a way that builds community and promotes economic development				Justin Erickson
	2		6/30/2020			Justin Erickson
	2	T) Harden transmission system to protect against fire/weather				Kirk Hudson
P2	2				12/31/2020	Kirk Hudson
P3	2		6/30/2020			Kirk Hudson
	2	U) Implement a fire risk management strategy that recognizes the increasing level of risk and includes feeder hardening, vegetation management, operational choices and effective engagement with land management agencies				John Stoll
P1	2		5/31/2020			John Stoll
P1	2	3/31/2020				John Stoll
P1	2		5/31/2020			John Stoll
P2	2		6/30/2020			John Stoll
P3	2				12/1/2020	John Stoll
	2	V) Improve distribution system reliability toward first quartile through:				John Stoll
P1	2				12/1/2020	John Stoll
P2	2				12/1/2020	John Stoll
	2	W) Develop expanded substation planning, siting, resource needs and construction				John Stoll
P2	2		06/30/2020			John Stoll
P2	2				12/01/2020	John Stoll
P1	2			09/30/2020		John Stoll
P2	2				12/01/2020	John Stoll
P2	2				12/1/2020	John Stoll
P2	2				12/1/2020	John Stoll
	2	X) Execute 80% of capital plans on schedule and within budget:				
P1	2	80%	80%	80%	80%	Kirk Hudson
P1	2	80%	80%	80%	80%	John Stoll
P1	2	80%	80%	80%	80%	Mike Coleman
P1	2	80%	80%	80%	80%	Justin Erickson
P1	2	80%	80%	80%	80%	Kelly Boyd

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
2	Y) Provide influential input on employment, benefits and labor regulations and legislative proposals during the legislative session and rule-making process					Lorna Klemanski
P3	2 1. Gain WPUDA agreement on at least 1 key issue				12/1/2020	Lorna Klemanski
P3	2 Z) Wind down Columbia Grid by 12/31				12/31/2020	Kirk Hudson
P2	2 AA) Make progress payment for station work on Mid-C (joint line) transmission project				12/31/2020	Kirk Hudson

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

#3 - PROTECT NATURAL RESOURCES IMPACTED BY OPERATIONS.

(BSc Customer-Owner/Stakeholder Objective)

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.

		2020				
Metrics & Targets		Q1	Q2	Q3	Q4	Lead
3	Objective 3					
3	Strategic Initiatives/Critical Tasks/Actions					
3	A) Successfully meet hydro license requirements:					
P1	3 1. Operating at Seasonal Fish Spill Targets			8/30/2020		Justin Erickson
P1	3 2. Contracts in place to meet hatchery production targets	2/1/2020				Justin Erickson
P2	3 3. Evaluate alternatives to WDFW hatchery ops, monitoring and evaluation		6/30/2020			Justin Erickson
P1	3 4. Funding of the tributary component of NNI	1/31/2020				Justin Erickson
P1	3 5. Planned species and bull trout take within allowable level for 2020				12/31/2020	Kirk Hudson
3	B) Develop plan to comply with obtaining National Pollutant Discharge Elimination System (NPDES) permits for Rocky Reach and Rock Island					
P2	3 1. Work to obtain permit from Department of Ecology and establish compliance protocols				12/1/2002	Justin Erickson
P2	3 2. Submit information to meet requirements specified in permit per approved schedule				12/1/2020	Justin Erickson
P2	3 3. Oil Accountability plan complete	3/19/2020				Kirk Hudson
P2	3 4. Feasibility report on environmentally acceptable lubricants (EAL)	3/19/2020				Kirk Hudson
3	C) Implement plan for addressing expected Temperature TMDL issuance					Justin Erickson
P3	3 1. Monitor and respond as appropriate to possible issuance of a Temperature TMDL				12/1/2020	Justin Erickson
3	D) Complete Dryden Wastewater Capital improvements per schedule agreed with Ecology					John Stoll
P1	3 1. Submit the Dryden wastewater engineering plan to Ecology			9/30/2020		John Stoll
P2	3 2. Provide Public Power Benefit funding for Dryden Wastewater				12/1/2020	John Stoll
3	E) Complete requirements for the Chelan River Use Attainability Analysis (UAA), leading to formal amendment of our 401a water quality certification					Justin Erickson
P2	3 1. Obtain a final Use attainability rule change and gain EPA approval of new water quality standard				12/1/2020	Justin Erickson

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
P1	3 F) Implement federally mandated programs/studies at Rocky Reach and Rock Island for aquatic species					Justin Erickson
P1	3 1. Implementation of required plans and studies to support obligations				12/1/2020	Justin Erickson
P1	3 2. Continue bull trout PIT tag study as approved by the Rocky Reach Fish Forum			9/1/2020		Justin Erickson
P1	3 G) Execute plan to conduct 10-year HCP project survival studies at RI (2021) and RR (2021)					Justin Erickson
P1	3 1. Select contractor and finalize study design				12/1/2020	Justin Erickson
P3	3 H) 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.					Justin Erickson
P3	3 1. Implement water right assessment and protection strategy and fully resolve all outstanding issues on at least three water rights				12/1/2020	Justin Erickson
P3	3 I) Implement Board Approved Electric Vehicle Strategy					Gregg Carrington
P3	3 1. Implement key actions (TBD) identified in EV Strategic Plan				12/1/2020	Gregg Carrington

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

**#4 - ENSURE FINANCIAL STABILITY
(BSc Financial Objective)**

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.

		2020				
Metrics & Targets		Q1	Q2	Q3	Q4	Lead
4	Objective 4					
P1	4 A) Debt Cover – District (>2.0)	> 2.0	> 2.0	> 2.0	> 2.0	Kelly Boyd
P1	4 B) Debt Leverage – District (<35%)	< 35%	< 35%	< 35%	< 35%	Kelly Boyd
P1	4 C) Liquidity – District (>\$175M or Liquidity Methodology)	>\$175 or Calc	>\$175 or Calc	>\$175 or Calc	>\$175 or Calc	Kelly Boyd
P1	4 D) Days Cash On Hand – District (>250)	> 250	> 250	> 250	> 250	Kelly Boyd
P1	4 E) Debt Retired Per Scheduled Principal Payments (\$39M)				\$39M	Kelly Boyd
4	Strategic Initiatives/Critical Tasks/Actions					
4	F) Actively participate in Electric markets development					Gregg Carrington
4	1. Actively participate in EDAM and DAME proceedings					Gregg Carrington
P2	a. Actively participate individually and with industry groups (PGP, PPC, WPTF, APPA) to promote governance acceptable to Chelan PUD				12/31/2020	Gregg Carrington
P2	b. Achieve support for independent governance of California ISO or governance structure that is acceptable to Chelan PUD.				12/31/2020	Gregg Carrington
P3	2. Assess the market demand and pricing for frequency response and participate or follow RFPs for frequency response. Continue to give feedback on developing standard contract language				12/1/2020	Gregg Carrington
P3	3. Promote capacity value in California market that is equivalent to cost of new entry (CONE)				12/1/2020	Gregg Carrington
4	G) Lead development of regulatory proceedings that impact the energy market					Gregg Carrington
P3	1. CETA rulemaking process reflects Chelan comments				12/1/2020	Gregg Carrington
P1	2. Actively participate and lead development for NW that proposes an RA standard				12/1/2020	Gregg Carrington
4	H) US has provided notice to terminate the power provisions of the Columbia River Treaty					Steve Wright
P1	1. US has provided notice to terminate the power provisions of the Columbia River Treaty or defines 2024-2029 operations				12/1/2020	Steve Wright

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
4	I) Stabilize and enhance wholesale electric revenues					Gregg Carrington
P2	4 1. Revise long-term hedging strategies through PRMC	3/31/2020				Gregg Carrington
4	2. Develop strategy to replace long-term contracts by 2024					Gregg Carrington
P3	4 a. Determine long-term power sales plan				12/31/2020	Gregg Carrington
4	3. Develop Large Retail Customer Development Plan					Gregg Carrington
P2	4 a. Finalize model to assess impacts of new loads on the Districts financial position		6/30/2020			Gregg Carrington
P2	4 b. Develop wholesale/retail portfolio recommendation for approval by BOC			9/30/2020		Gregg Carrington
P1	4 c. Taking into account strategic planning, develop a strategy to identify, recruit and attract new companies into Chelan County that diversifies Chelan PUD's energy sales portfolio utilizing the Schedule-4 rates				12/1/2020	Gregg Carrington
P2	4 d. Define an approach to industrial hubs that has BOC support				12/1/2020	Gregg Carrington
P1	4 e. Develop strategies to provide hydro/wind/solar products for new customers and investigate options for interruptible loads strategies without increasing cost/risk for existing customers		6/30/2020			Gregg Carrington
4	J) Improve existing operational planning projects and programs					Gregg Carrington
4	1. Define coordination strategy with BPA					Gregg Carrington
P2	4 a. Estimate value of 7 dam coordination with BPA				12/1/2020	Gregg Carrington
P2	4 b. Evaluate mutually beneficial commercial transaction proposals for BPA - Go/No Go				12/1/2020	Gregg Carrington
4	2. Negotiate new contracts with US entity to replace CEAA by 2023					Steve Wright
P2	4 a. Develop joint principles with BPA regarding new entitlement agreement		4/1/2020			Steve Wright
P2	4 b. Develop joint principles with BPA regarding PNCA replacement contract			7/1/2020		Gregg Carrington
4	3. TDIP Implementation and improvements					Gregg Carrington
P1	4 a. Stabilize operations so that reservoir buffers can be removed		6/30/2020			Gregg Carrington
P1	4 K) Maintain or enhance AA bond ratings: Fitch AA+, Moody's Aa3 , S&P AA+ (Stable Ratings), S&P Rocky Reach and Rock Island Senior AA, Rock Island 2009A Subordinate AA-				12/31/2020	Kelly Boyd
P1	4 L) Receive clean audit opinion and no material deficiencies		4/30/2020			Kelly Boyd

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
4	M) Refine and execute the business planning cycle annually					Kelly Boyd
P2	4 1. Draft business plans for 2021-2025 dated 6/30 completed			7/31/2020		Kelly Boyd
P2	4 2. Near final business plans for 2021-2025 presented to Board first meeting in October				10/10/2020	Kelly Boyd
P2	4 3. Final business plans for 2021-2025 dated 9/30 completed				10/31/2020	Kelly Boyd
P1	4 4. 2021 Budget approved by Board by first meeting in December				12/10/2020	Kelly Boyd
4	N) Debt portfolio optimization (combination of refinance/payoff/new bonds)					Kelly Boyd
P2	4 1. Achieve Board "Go/No Go" decision for debt action plans by end of Q1	3/31/2020				Kelly Boyd
P2	4 2. If decision is "Go", complete required actions by end of Q2		6/30/2020			Kelly Boyd
4	O) Implement long-term rate plans consistent with the strategic plan					John Stoll
4	1. Implement 3% annual electric rate increase					John Stoll
P1	4 a. Seek Board approval by March 2020 to adopt 5-year rate schedule	3/31/2020				John Stoll
P1	4 b. Implement rate increase				12/15/2020	John Stoll
4	2. Implement 4% increases for water/wastewater systems if CIS is stable					John Stoll
P1	4 a. Seek Board approval by March 2020 to adopt 5-year rate schedules	3/31/2020				John Stoll
P1	4 b. Implement rate increase		5/31/2020			John Stoll
4	3. Implement 3% annual increase for Fiber business if CIS is stable					Mike Coleman
P1	4 a. Seek Board approval by February 2020 to adopt 5-year rate schedules	2/29/2020				Mike Coleman
P1	4 b. Implement rate increase		5/31/2020			Mike Coleman
4	4. Low-income rate assistance program review					John Stoll
	a. Phase 1: Provide rate assistance options to Board by end Q1	3/31/2020				John Stoll
P1	4 b. Phase 2: Board decision on assistance program changes by end Q3			9/30/2020		John Stoll

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

#5 - SEEK OPERATIONAL EXCELLENCE THROUGH CONTINUOUS IMPROVEMENT MINDSET (WITH A FOCUS ON EFFICIENCY, (BSc Business Process/Internal Operations Objective)

We will rigorously and holistically review spending and policy decisions using strong risk assessment practices to assure best value, resiliency, effectiveness and efficiency. We will do all of these things with a focused mindset that is oriented towards lasting cultural and organizational change.

		2020				
Metrics & Targets		Q1	Q2	Q3	Q4	Lead
5	Objective 5					
P1	5 A) Hydro Actual Operating Expenses within 90-105% of 2020 Budget (YTD)	90%-105%	90%-105%	90%-105%	90%-105%	Kirk Hudson
P1	5 B) Distribution Actual Operating Expenses within 90-105% of 2020 Budget (YTD)	90%-105%	90%-105%	90%-105%	90%-105%	John Stoll
P1	5 C) Water Actual Operating Expenses within 90-105% of 2020 Budget (YTD)	90%-105%	90%-105%	90%-105%	90%-105%	John Stoll
P1	5 D) Wastewater Actual Operating Expenses within 90-105% of 2020 Budget (YTD)	90%-105%	90%-105%	90%-105%	90%-105%	John Stoll
P1	5 E) Fiber Actual Operating Expenses within 90-105% of 2020 Budget (YTD)	90%-105%	90%-105%	90%-105%	90%-105%	Mike Coleman
5	Strategic Initiatives/Critical Tasks/Actions					
5	F) Conduct a multi-department Business Continuity test in the form of a headquarters partial evacuation					Kelly Boyd
P3	5 1. Complete the preparation tasks plan by the end of Q3			9/30/2019		Kelly Boyd
P3	5 2. Conduct the mini-Headquarters evacuation				12/1/2020	Kelly Boyd
5	G) Start collective bargaining agreement (CBA) negotiations for 2021-2024 and 2024-2027 cycles; manage the CBA and create letters of agreement to address issues during the term of the CBA					Lorna Klemanski
P1	5 1. Facilitate meetings and conduct negotiations with IBEW Local #77				12/1/2020	Lorna Klemanski
P1	5 H) PCS can effectively and timely manage workload consistent with the District's projected capital and O&M budget					Justin Erickson
P1	5 1. Contracting process surveys are fully implemented with survey response rate of 60% and identified opportunities from improvements implemented within 60 days				12/1/2020	Justin Erickson
5	I) Chelan has Open Access Transmission Tariff-like policies by EOY 2020					
P2	5 1. Present the rate and rate methodology to the Board and seek approval via resolution for new formula		6/30/2020			Kirk Hudson
P2	5 2. Standards of conduct in place				12/1/2020	Erik Wahlquist
P2	5 J) Develop transmission interconnection processes by 2020 (Open Access Transmission Tariff aka OATT-like)		6/30/2020			Kirk Hudson

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
5	K) Annually maintain and update Utility Services Policies to be responsive to changing circumstances (HDL, DG, IG, etc.)					John Stoll
P3	5 1. Present to the Board policy options for assessing a standardized proportional share of infrastructure needs as part of new electrical services and line extensions		6/30/2020			John Stoll
P3	5 2. Establish economic development liaison position	3/31/2020				John Stoll
5	L) Upgrade Customer Information System (CIS) within project milestones and budget					John Stoll
P1	5 1. Go live with CIS	1/31/2020				John Stoll
P1	5 2. Achieve CIS stability		4/30/2020			John Stoll
5	M) Strengthen Cyber security program by executing annual plans for operations, business systems, and fiber/telecom networks based on LPPC principles, C2M2 analysis and other industry guidance					
5	1. Operations					Kirk Hudson
P1	5 a. Annual update to C2M2 based maturity priority matrix				12/1/2020	Kirk Hudson
5	2. Fiber/Telecom					Mike Coleman
P1	5 a. Annual update to C2M2 based maturity priority matrix				12/1/2020	Mike Coleman
P1	5 b. Implement items identified in C2M2 priority matrix				12/1/2020	Mike Coleman
5	3. Business Systems					Kelly Boyd
P1	5 a. Annual update to C2M2 based maturity priority matrix	3/31/2020				Kelly Boyd
P1	5 b. Implement items identified in C2M2 priority matrix				12/1/2020	Kelly Boyd
P1	5 c. Conduct annual network penetration test				12/1/2020	Kelly Boyd
P1	5 d. Conduct annual employee awareness training and testing program				12/1/2020	Kelly Boyd
5	4. District-Wide					Steve Wright
P3	5 a. 2021 GridEx Participation scoped out through business planning process		6/30/2020			Steve Wright
P1	5 b. Conduct bi-monthly Cybersecurity briefings and resulting action plans for District-wide team				12/31/2020	Steve Wright
P3	5 N) Achieve reduction in FERC/NERC/WECC audit frequency				12/31/2020	Kirk Hudson
P1	5 O) Comply with new cyber security supply chain, CIP-013		6/30/2020			Kirk Hudson
5	P) Identify and prioritize the top three health care innovation strategies to implement in 2021 intended to offer the optimal balance of favorable impact and strong probability of sustainable success in moderating the health care cost curve				12/1/2020	Lorna Klemanski

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

#6 - ADVANCE HUMAN AND ORGANIZATIONAL PERFORMANCE

(BSc People & Culture Objective)

We expect and support that every employee will advance his or her skills for the benefit of customer-owners. Through continual learning and investments in developing our employees, policies and procedures, we constantly improve our resiliency, our defenses and our ability to adapt to our environment. Through curiosity and continual learning, our employees provide the solutions to problems. By learning from our errors and failures, and examining our practices, we improve our operational excellence on behalf of our customer-owners. We provide educational opportunities and varied work experiences to foster diversity in perspectives and thought.

		2020				
Metrics & Targets		Q1	Q2	Q3	Q4	Lead
6	Objective 6					
6	A) Safety metrics - Leading:					<i>Tim Pettit</i>
P1	6 1. Business Unit attendance at safety mtgs/alternatives (80%)				80%	<i>Tim Pettit</i>
P1	6 2. Senior Team Safety Visits (2 every 6 mos. for 5 MD's and 2 per year for others) (32)				32	<i>Tim Pettit</i>
P1	6 3. Provide required safety training to affected employees (100%)				100%	<i>Tim Pettit</i>
P1	6 4. Recommendations given as a result of Safety Event (100%) within 45 days				100%	<i>Tim Pettit</i>
P1	6 5. All divisions with crafts conduct proficient PTPs (85%)				85%	<i>Tim Pettit</i>
6	B) Safety metrics - Lagging:					<i>Tim Pettit</i>
P1	6 1. OSHA Recordable Cases by EOY				27	<i>Tim Pettit</i>
P1	6 2. Overall OSHA Incident rate YTD/EOY				3.53	<i>Tim Pettit</i>
P1	6 3. Lost time incident rate (LTIR)				0.42	<i>Tim Pettit</i>
P1	6 4. Days away restricted or transferred (DART) rate				1.05	<i>Tim Pettit</i>
6	C) Recruiting metric					<i>Lorna Klemanski</i>
P1	6 1. Perform targeted hiring based on prioritized needs – Make job offers by December 1st for 90% of new positions that are approved to fill before September 1st.				90%	<i>Lorna Klemanski</i>
6	Strategic Initiatives/Critical Tasks/Actions					
6	D) Develop employee skills and assist with their successful job performance by identifying and providing access to job-specific sets of development opportunities for each job group. (2020-2024 goal)					<i>Lorna Klemanski</i>
P3	6 1. Identify basis for grouping jobs and create job groups; prioritize needs for developing access to opportunities based on number of FTE's in each job group				12/1/2020	<i>Lorna Klemanski</i>
P3	6 2. Offer training in 2020 based on highest priorities identified by the All Leadership Team in November 2019				12/1/2020	<i>Lorna Klemanski</i>

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
P3	6 E) Develop and implement a 5 year leadership development program for executives and emerging leaders. (2020-2024 goal)					Lorna Klemanski
	1. Develop a multi-year implementation plan for leadership development				12/1/2020	Lorna Klemanski
P3	6 F) Business units, with guidance from Human Resources, develop and embrace goals to increase diversity in their work groups as we seek a workforce that reflects the diversity of our community					Lorna Klemanski
	1. Implement at least three strategies intended to increase District employment of women and minorities				12/1/2020	Lorna Klemanski
P2	6 G) Develop Human Performance Improvement (HPI) Roadmap					Tim Pettit
	1. Milestones to be development based on January 2020 consultation	3/31/2020				Tim Pettit
	2. Execute on established milestones for 2020				12/1/2020	Tim Pettit
P1	6 H) Develop an implementation plan to address the recommendations, with additional focus on the 21 latent concerns discovered during the survey		6/30/2020			Tim Pettit
P2	6 1. Improve our tracking and reporting process and practice that draws awareness, action and follow-through on all Safety Concerns and Close Calls reported				12/1/2020	Tim Pettit
	6 I) Integrate Accountability, Modeling of District Values and Cycle of Personal Ownership into daily processes					Steve Wright
P1	6 1. Monthly CPO nominees reviewed and awarded				12/1/2020	Steve Wright

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

#7 - ENCOURAGE INNOVATION

(BSc People & Culture Objective)

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. We encourage creative thinking and trying new ideas to meet the challenges of the future. We set aspirational goals with the belief that much will be learned and achieved even when the ultimate goal may be unachievable. We seek to be recognized as experts and industry thought leaders on all issues relevant to our operations.

		2020				
Metrics & Targets		Q1	Q2	Q3	Q4	Lead
7	Objective 7					
7	Strategic Initiatives/Critical Tasks/Actions					
7	A) GRC solution fully implemented by 2022					<i>Erik Wahlquist</i>
P3	7 1. Develop management reporting for compliance activity by end of Q2		6/30/2020			<i>Erik Wahlquist</i>
P3	7 2. Compare actual benefits to business case to determine which modules of Enablon (GRC software) can be scaled for efficient/continued use by end of Q2		6/30/2020			<i>Erik Wahlquist</i>
P3	7 3. Evaluate Health/Safety use by end of Q2		6/30/2020			<i>Erik Wahlquist</i>
P3	7 4. Pending step #3: develop plan for Health/Safety expansion by end of year				12/1/2020	<i>Erik Wahlquist</i>
7	B) Implement technology roadmaps as a foundation for innovation					<i>Kelly Boyd</i>
7	1. Advance hydro capability through data analytics					<i>Kirk Hudson</i>
P1	7 a. Operationalize the initial anomaly detection model (vibration and temperature)				12/1/2020	<i>Kirk Hudson</i>
P1	7 b. Develop a Hydro capability forecasting tool				12/1/2020	<i>Kirk Hudson</i>
7	2. Customer Outage Management System (OMS)					<i>John Stoll</i>
P1	7 a. Present to the Board of Commissioners the AMI purchase and implementation contract for adoption		6/30/2020			<i>John Stoll</i>
P1	7 b. Build GIS migration routines from ESRI geometric model to new ESRI Utility Network Model			9/1/2020		<i>Kelly Boyd</i>
P1	7 c. Select delivery mechanism for customer portal including outage management by end of Q4				12/31/2020	<i>John Stoll</i>
P1	7 d. Conduct and complete cross-functional GIS business process improvement				12/1/2020	<i>Kelly Boyd</i>
P1	7 e. Conduct and complete cross-functional OMS business process improvement (needed to implement Monarch OSI 2021)				12/1/2020	<i>John Stoll</i>
P1	7 f. Advanced Distribution Management System (ADMS): Factory Acceptance Prep and Testing				12/31/2020	<i>Kirk Hudson</i>

Prioritization: P1, P2 and P3 represent the order of priority should trade-off decisions need to be made. Further definitions are at end of document

		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
P2	7	3. Fiber customer portal replacement				Mike Coleman
P2	7		6/30/2020			Mike Coleman
P2	7				12/31/2020	Mike Coleman
P1	7	3/31/2020				Kelly Boyd
	7	4. Establish technology roadmap steering committee by Q1 to ensure District-wide alignment of technology roadmaps				Kelly Boyd
	7	5. Implement Azure Information Protection (AIP)/Office 365 as the precursor for secure mobility and mobile applications				Kelly Boyd
P1	7	3/31/2020				Kelly Boyd
P1	7		6/30/2020			Kelly Boyd
P2	7	3/31/2020				Kelly Boyd
	7	C. If DEED grant is accepted by the District, install battery system at Stehekin to reduce diesel usage and provide peak demand support				Gregg Carrington
P3	7	3/31/2020				Gregg Carrington
P3	7	3/31/2020				Gregg Carrington
P3	7	3/31/2020				Gregg Carrington
P3	7	3/31/2020				Gregg Carrington
P3	7				12/31/2020	Gregg Carrington

Key for Prioritization:

Our intent is to make measured progress on the entire District Performance Plan in addition to our core activities. However, if conflicts arise, the prioritization levels of 1-3 are provided as additional guidance for making trade-off decisions.

P1 – First priority

P2 – Second priority

P3 – Third priority