

2023 District Performance Plan

Q2 Status Update -Final 07/31/23

On Track	Complete	Caution	Needs Attention	Completed after Deadline	Scheduled Time Frame
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Objective	#1 – COMMIT TO THE HIGHEST LEVEL OF CUSTOMER-OWNER SATISFACTION (BSc Customer-Owner/Stakeholder Objective)						
	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.						
	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
	Objective 1						
1	1. Confirm vendor and approach for biennial Q1 2024 Customer Satisfaction survey by 12/1	12/1/2023					John Stoll
1	2. Fiber take rate exceeds 55% by 2024 (target of 54% by end of 2023) Actuals: Q1- 55.9% , Q2-56.4%	54%					Bob Shane
	Strategic Initiatives/Critical Tasks/Actions						
1	3. Advance customer experience by completing the customer experience plan for the Service Center opening by end of Q2 Q2-Draft plan is complete and undergoing review.	6/30/2023					Justin Erickson
1	4. Develop a long-term Stehekin energy resource plan						
1	A. Launch Stehekin water heater pilot and evaluate results by end of Q4	12/31/2023					Shawn Smith
1	B. Form stakeholder group by end of Q4 to develop and inform Growth Management Plan	12/31/2023					Shawn Smith

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Objective	#2 - INVEST IN CREATING LONG TERM VALUE (BSc Business Process/Internal Operations Objective)						
	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
	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.						
	Objective 2						
2	1. Recommend new Electric Service Reliability target aligned with similarly situated utilities (i.e. radial system, wildfire risk, customer satisfaction results, etc.) by end Q2	6/30/2023					<i>John Stoll</i>
2	2. Hydro Capability, year end (YE) - Manage outage and rehab schedules to ensure capability targets are met to achieve district power production targets. (Quarterly targets: Q1-76.8%, Q2-77.0%, Q3-77.4%, Q4-76.9%) - Actuals: Q1-77.7%, Q2-81.2%	YE 76.9%					<i>Brett Bickford</i>
	Strategic Initiatives/Critical Tasks/Actions						
2	3. Identify public entities and/or trade associations for potential partnerships and pursue funding as applicable for wildfire mitigation, dam safety, second source water and broadband expansion by Q4 <i>Potential partnership interest has been limited in water resource development and is in caution status.</i>	12/31/2023					<i>Justin Erickson</i>
2	4. Execute on selected priority 1 capital and O&M projects based on selected key milestone per project. Priority 1 projects include those that contribute to continuous improvement in capability, reliability, compliance, relicensing, resiliency, growth, and capacity (listed projects below are those not measured elsewhere in the District Performance Plan)						
2	A. RR C11 water Turbine repairs. Turbine Runner turned over to contractor by end of Q2 and returned from contractor by Q4. <i>Additional work and shop loading increased work duration by 14 weeks. New estimated return date from the contractor is 3/1/24.</i>	12/31/2023					<i>Brett Bickford</i>

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	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
2	B. Rock Island U5 Rehab. Begin reassembly of the runner hub by end of Q4. <i>Work by GE proceeding slower than scheduled due to delay in receiving disassembly tools. Revised schedule is end of Q1 2024.</i>	12/31/2023					<i>Brett Bickford</i>
2	C. RI PH1 B-3 Modernization. Complete reassembly by end of Q4. <i>Re-assembly completion estimated to be Q1 2024. Delays are due to learning curve for new contractor performing discharge liner</i>	12/31/2023					<i>Brett Bickford</i>
2	D. RI PH1 B-6 Turbine Repair. Complete repair and unit in service by end of Q3. <i>Current estimate for B6 return to service date is 9/22 which is within goal, but placed in caution status because 100 days of work remain.</i>	9/30/2023					<i>Brett Bickford</i>
2	E. RR C5 Turbine Repair. Complete repairs and return to service by end of Q1 prior to HCP check-in.	3/31/2023					<i>Brett Bickford</i>
2	F. Tumwater Spillway. Repair work substantially complete by end of Q4.	12/31/2023					<i>Brett Bickford</i>
2	G. North Shore Substation. Power transformer delivery by end of Q2 and switchgear delivery by end of Q3.	9/30/2023					<i>John Stoll</i>
2	H. Operations and Service Center. Move-in begins by end of Q2 and public opening by end of Q4. <i>First groups move in scheduled for 8/7/23; Open to Public 10/2/2023.</i>	12/31/2023					<i>Justin Erickson</i>
2	I. Rock Island Relicensing - Pre-application Document (PAD) submitted to FERC by 12/15/2023	12/15/2023					<i>Justin Erickson</i>

Objective	#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.							
	Metrics & Targets		Target	Q1	Q2	Q3	Q4	Lead
	Objective 3							
3	Strategic Initiatives/Critical Tasks/Actions							
	1. Within 60 days of issuance of oil NPDES permit by Department of Ecology, start installation of NPDES equipment and reflect in O&M plan as installed through end of Q4. <i>Permits not yet issued.</i>		12/31/2023					<i>Brett Bickford</i>

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	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
3	2. Advance Wildland Fire Mitigations and Plan						
3	A. Support Wildfire Working Group in development of 5 year plan outline by end Q1 - Outline completed Q1	3/31/2023					John Stoll
3	B. Evaluate new mitigation actions identified in 5 yr. plan and recommend associated items for next business plan cycle by end Q2 - Recommended mitigation actions completed Q2	6/30/2023					John Stoll
3	3. Execute plan to conduct the 10-year HCP project survival study at Rocky Reach in 2023 and report findings to the Habitat Conservation Plan Coordinating Committee by Q4	12/31/2023					Justin Erickson
3	4. Develop an overarching water strategy considering current and future water resources and hydro generation needs by end of Q4	12/31/2023					Kirk Hudson

Objective	#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.						
	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
	Objective 4						
4	1. Debt Cover – District - Actuals: Q1-4.30, Q2-4.38	>2.0x					Kelly Boyd
4	2. Debt Leverage – District - Actuals: Q1-16%, Q2- 15.90%	<35%					Kelly Boyd
4	3. Liquidity – District > \$175M or Liquidity Methodology Actuals: Q1-\$386M, Q2-\$394M	>\$175M					Kelly Boyd
4	4. Days Cash On Hand – District - Actuals: Q1-296, Q2-307	>250 Days					Kelly Boyd
	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
4	5. Actively participate in electricity market design and options including monitoring and reporting on CCA allowance auctions to the Power Risk Management Committee as they occur throughout the year	12/31/2023					Shawn Smith
4	6. As part of energy market evolution, make a decision on SPP markets + phase 1 implementation by end of Q1 to meet the April 1st, 2023 SPP deadline - Complete: District signed the Markets + phase 1 agreement	3/31/2023					Shawn Smith

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4	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
4	7. Maintain or enhance AA bond ratings: Fitch AA+, Moody's Aa2, S&P AA+ (Stable Ratings)						
4	A. Receive clean financial audit opinion with no material deficiencies by April 30 - Clean opinion received April 11	4/30/2023	✓	■			Kelly Boyd
4	B. Execute all steps of Rating Agency outreach plan to end of Q4	12/31/2023	✓	✓			Kelly Boyd

Objective	#5 - CONTINUOUSLY IMPROVE EFFICIENT, EFFECTIVE, COMPLIANT, RISK-ASSESSED AND RESILIENT OPERATIONS (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 and resiliency. 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.						
Objective 5	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
5	Strategic Initiatives/Critical Tasks/Actions						
5	1. Complete the process improvement plan for the District-wide Leadership Training program by end of Q4	12/31/2023	✓	✓			Rosario Nystrom
5	2. Participate in NERC GridEx grid security emergency response and recovery exercise on Nov. 14-15, 2023. This includes planning, execution, lessons learned & after action review by year-end.	12/31/2023	✓	✓			Brett Bickford
5	3. Develop a District-wide strategy for staff development, building resiliency and advancing capability (bargaining unit and non-bargaining unit) by end of Q4	12/31/2023	✓	✓			Rosario Nystrom

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Objective	#6 - ADVANCE HUMAN AND ORGANIZATIONAL PERFORMANCE (BSc People & Culture Objective)						
	Through continual learning and investments in developing our employees, 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.						
6	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
6	Objective 6						
6	1. Safety Metrics:						
6	A. Senior Team Safety Visits (4 annual for 4 MD's (GM,CU,DS,GEN) & 2 per year for others, incl. Safety) - Slightly lagging target with 14 of 30 site visits completed halfway through the year.	30					Jared Watts
6	B. BUs initiate corrective actions for designated safety events within 90 days (reactive or pro-active) - Focused on process improvements and data collection to enable reporting on the status of this metric.	100%					Jared Watts
6	C. OSHA Recordable Cases by EOY - Actuals: Q1/YTD = 3, Q2/YTD=7	20					Jared Watts
6	D. Overall OSHA Incident Rate YTD/EOY - Actuals: Q1/YTD = 1.57, Q2/YTD=1.89	2.86					Jared Watts
6	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
6	E. Lost time incident rate (LTIR) - Actuals: Q1/YTD = 0.00, Q2/YTD=0.00	0.37					Jared Watts
6	F. Days away restricted or transferred (DART) rate - Actuals: Q1/YTD = 1.57, Q2/YTD=1.62	1.05					Jared Watts
6	2. Advance Safety Excellence by achieving top quartile in the Four Pillars of Safety Excellence:						
6	A. Safety Management System: Develop a work plan to establish a standardized approach to managing District safety that includes organizational structure, policies, procedures, responsibilities and audit functions by Apr 30 - Plan for purpose driven programs is delayed until current safety team vacancies are filled.	4/30/2023					Jared Watts
6	B. Leadership and Engagement: Establish manager and employee accountability to partner with the safety department to create and share applicable content within each functional area that leads to 80% monthly Business Unit safety meeting participation. Monitor monthly - Actuals: Q1/ YTD = 84.16%, Q2/YTD = 82.8%	80%					Jared Watts

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6	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
6	C. Risk Reduction: Identify, evaluate and mitigate job hazards. Managing Directors to report to senior management team on two key hazards per quarter - Q2: 1.Noise at Hydro Projects; 2.Mobile Substation Transport/Fleet; 3.RI 620 high-voltage deck; 4.Confined Space.	8					Jared Watts
6	D. Performance measures: Establish leading and re-evaluate lagging indicators and targets. Complete Lagging indicators and targets by end of Q2 and Leading indicators and targets by end of Q4 - Project is delayed until current safety team vacancies are filled but targeting refinement effort to occur between July-September.	12/31/2023					Jared Watts
6	3. Advance Human and Organizational Performance (HPI) including a focus on the attributes of Psychological Safety and a Healthy Organization						
6	A. Develop a draft standard (handbook) by end of Q2 - Draft developed is underway but delayed as focus has been on filling current safety team vacancies.	6/30/2023					Jared Watts
6	B. Assess, revise, and re-communicate an updated HPI Roadmap by end of Q3 - Developed is underway but delayed as focus has been on filling current safety team vacancies.	9/30/2023					Jared Watts
6	C. Expand the use of 'Learning' Teams by conducting 10 teams (proactive and reactive) by the end of Q4 - One Learning Team is in process and has completed 10 learning sessions in 2023. This Performance Plan goal will be modified in the future to expand the use of Operational Learning without limiting to one particular learning methodology.	10					Jared Watts

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Objective	#7 - ENCOURAGE INNOVATION (BSc People & Culture Objective)						
	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
Objective 7	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 maybe unachievable. We seek to be recognized as experts and industry thought leaders on all issues relevant to our operations. We provide educational opportunities and diverse work experiences to foster diversity in perspectives and thought. We focus on developing a strong culture of innovation so we can continue to increase value for our customer-owners.						
7	Strategic Initiatives/Critical Tasks/Actions						
7	1. AMI implementation by 2024 and enhanced functionality thereafter						
7	A. Fill staffing vacancies supporting AMI by end Q1	3/31/2023					John Stoll
7	B. 25,000 meters installed by end Q3	9/30/2023					John Stoll
7	2. Enable a technology driven field workforce to achieve a paperless asset management capability for distribution and generation construction and maintenance by 2026						
7	A. Complete Mobile Device Management (FSM IT Enablement) Initiative by end of Q2	6/30/2023					Ian Fitzgerald
7	B. Select a Field Services Management (FSM) Solution by end of Q3 - RFP has been put on street. Final vendor to be selected by 9/1. Hoping to have contract in place by end of year with development starting in 1st Qtr 2024.	9/30/2023					Ian Fitzgerald
7	3. ADMS. Advance operational control technology and climate indicators (FSOM) to reduce wildfire risk (SCADA activated reclose) and improve system reliability and in support of future Distributed Energy Resource Management (DERM) innovation by 2028						
7	A. Complete the GIS Strategy document.	6/30/2023					Ian Fitzgerald
7	B. Develop a project plan to move electrical engineering modeling data into DMS -Staff have been assigned to start this task in 3rd Quarter. Expectation is that a plan will be completed, but timeframe keeps it at a caution.	9/30/2023					Brett Bickford
7	C. Bring SCADA controls to at least two field reclosers in the FSOM defined area by end of third quarter.	9/30/2023					John Stoll

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	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
7	4. Assess cultural readiness for innovation and develop a process to evaluate innovative ideas/technologies in 2023. Identify 1-3 annually for evaluation. Implement at least one new innovation by 2025						
7	A. Assess cultural readiness, review existing procedures and develop a definition of Innovation by mid year.	6/30/2023	✓	■			Brett Bickford
7	B. Develop a District-wide process to evaluate innovative ideas/technologies by the end of Q4	12/31/2023	✓	✓			Brett Bickford
7	5. Develop a data-driven culture by establishing structure, process, tools, governance, and a center of excellence						
7	A. Develop an end-to-end cloud-based data infrastructure environment, determined by the completion of an AMI/C2M Proof of Concept (POC) by end of Q2	6/30/2023	✓	■			Ian Fitzgerald
7	B. Develop a trained Data Analytics Community of Practice (CoP), determined by the establishment of at least 25 self-service Power BI users by end of 2023.	11/30/2023	✓	✓			Kelly Boyd
7	6. Migrate enterprise ERP systems to the cloud to recover FTE lost opportunity costs up to 10% to support strategic core value work by 2028, i.e., improving data access to staff						
7	A. Complete Oracle C2M Cloud Migration Analysis by end of Q4	12/31/2023	✓	■			Ian Fitzgerald
7	B. Complete PeopleSoft Cloud Migration Analysis by end of Q4	12/31/2023	✓	✓			Ian Fitzgerald

Objective	#8-FOSTER A CULTURE OF SERVING THE PUBLIC INTEREST						
	(BSc People & Culture Objective)						
	Our strategic advantage is our culture of serving the public interest. We enhance the quality of life in Chelan County through a culture of serving the public interest including programs that distribute the benefits of public power. We also seek out opportunities to collaborate with other public agencies to solve problems and address regional challenges.						
8	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
	Objective 8						
8	1. Fiber PPB New Premises Passed for infill and expansion (Q1-100, Q2-300, Q3-600, Q4-1331) - <i>Delays from Q1 extending into Q2. Still expected to meet overall annual target by year end.</i>	1,331	●	✓			Bob Shane

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8	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
8	2. Complete selected Public Power Benefit Projects						
8	A. Complete construction of Walla Walla Point Park Sport Courts by end of Nov - <i>Waited for better bidding conditions.</i>	11/30/2023					<i>Justin Erickson</i>
8	B. Complete design and solicit bids for the Riverfront Park project by end of Q4 (2024 construction)	12/31/2023					<i>Justin Erickson</i>
8	3. In regard to developing a second source of water with the Regional Water Committee, submit feasibility/preliminary engineering report to regional partners by end Q2	6/30/2023					<i>John Stoll</i>
8	4. To collaboratively address regional economic development, review economic development goals in the strategic plan and establish an action plan that includes overarching principles by end of Q4	12/31/2023					<i>Justin Erickson</i>

Total Tracked Items:
% On Track
% Completed On Schedule
% Completed After Deadline
Total % Completed or On Track

Q1	Q2	Q3	Q4
64	64		
73.44%	54.69%		
4.69%	18.75%		
0.00%	0.00%		
78.13%	73.44%		

High Priority Strategic Initiatives and Critical Tasks/Actions added:

- Report back to the Board on Fiber Finalization Plan by Fall, 2023

Key for Prioritization:

Our intent is to make measured progress on the entire District and Business Unit Performance Plans in addition to our core activities. However, if conflicts arise, these District actions are our top priorities when making trade-off decisions.

Additional guidance for prioritization trade-off decisions includes:

1. Break/fix to maintain existing systems/levels of operation and emergency priorities
2. Regulatory and/or legal compliance with required due date
3. Planned strategic and scheduled work:
 - a. Required for another strategic item to move forward
 - b. Business Unit strategic with highest determined priority
 - c. O&M work that can be scheduled
4. Unplanned work neither strategic or scheduled
 - a. Required to ensure other business unit planned work can be completed
 - b. Not required but increases baseline value