

2022 District Performance Plan

Q1-Final

On Track	Complete	Caution	Needs Attention	Completed after Deadline	Scheduled Time Frame
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Priority	Objective	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
P1	1	1. Customer Satisfaction Survey	90%					John Stoll
P1	1	2. Fiber take rate exceeds 55% by 2024 (and equals 55% by end of 2022) (Q1-54.7%)	55%					Bob Shane
		Strategic Initiatives/Critical Tasks/Actions						
P1	1	3. Provide annual strategic plan status report to Strategy Partners in April	4/30/2022					Kirk Hudson
P1	1	4. Hydropower Research Institute-add new Contributor each year	12/1/2022					Brett Bickford
P1	1	5. Per the Rocky Reach Discovery Center Plan, complete K12 Teacher Training in partnership with NCESD Completed training on February 17. Trained 31 teachers.	3/31/2022					Brett Bickford

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Priority	Objective	Objective #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.							
	2	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
P1	2	1. Electric Service Reliability: SAIDI (rolling 12 mo) Q1-70.6 Min/Cust. As a rolling 12 month metric, this covers the period 4/1/2021 to 3/31/2022. While above target due to a high outage rate from last summer's non-reclose fire mitigation, combined with high snow and wind related outages in the last 6months, there has been improvement over the 2021 calendar year result of 83.7 min/customer.	45					John Stoll
P1	2	2. Hydro Capability, end of year (EOY) Q1 - Total Hydro Capability = 76.5%; CH = 97%; RR = 77.2%; RI PH1 = 37.2%; RI PH2 = 92.2% Targets = (Q1: 76.0% Q2: 76.4% Q3: 77.4% Q4: 76.9%)	76.9%					Brett Bickford
	2	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1	2	3. Acquire 2.0 aMW of Energy Efficiency consistent with Customer Energy Solutions workplan	12/31/2022					Shawn Smith
P1	2	4. C11 disassembly completed for planned outage repairs (as part of RR large unit repairs plan to be complete at end of 2024)	12/31/2022					Brett Bickford
P1	2	5. Reinvest in Hydros: Rocky Reach C1-C7 Trunnion bushing replacements complete by 2022 YE						
P1	2	A. Complete and return C6 to service (RTS on 04/14/2022) C6 was delayed due to problems encountered with the Kaplan pipe installation.	3/31/2022					Brett Bickford
P1	2	B. Complete and return C4 to service	9/30/2022					Brett Bickford
P1	2	C. Complete and return C5 to service (RTS moved to 01/20/2023) Outage start was delayed by an equivalent amount that C6 was delayed, pushing date into early 2023	12/31/2022					Brett Bickford

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	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1 2	6. Reinvest in Hydros: Rock Island PH1 modernization complete by Q2 2024						
P1 2	A. Return B5 to service (RTS moved to 7/29/22) B5 completion largely delayed because thrust bearing balancing system work not completed by contractor as scheduled	6/30/2022					Brett Bickford
P1 2	B. Repair and Return B6 to service	12/31/2022					Brett Bickford
P1 2	C. Return B7 to service	6/30/2022					Brett Bickford
P1 2	7. Begin Disassembly of U5 (as part of RI PH2 modernization plan to complete first unit by end of 2024)	12/31/2022					Brett Bickford
P1 2	8. Review, prioritize, influence, and apply for State and Federal funding opportunities and incentives in accordance with established priorities and review criteria.	12/1/2022					Justin Erickson
P1 2	9. Agree on 2023 legislative priorities with internal stakeholders and engage with the Tri-Commission on regional priorities Will be making progress on this when the new state GA team member comes on board.	12/1/2022					Justin Erickson
P1 2	10. Provide schedule and budget update to Board by June 30 for RI Relicensing Plan and Pre-Application Document (PAD) development.	6/30/2022					Justin Erickson
P1 2	11. Implement long range facilities plan						
P1 2	A. Provide Board with an updated schedule and budget for the Service Center	6/30/2022					Justin Erickson
P1 2	B. Complete plan for Customer experience in new Service Center	12/1/2022					Justin Erickson
P1 2	C. Obtain substantial completion of Rocky Reach Central Maintenance Facilities plan by end of 2022 and obtain occupancy permits	12/31/2022					Justin Erickson
P1 2	12. As part of plan to harden transmission system to protect against fire/weather, select a community-supported alternative for Plain/Lake Wenatchee resiliency improvements by Sept 30	9/30/2022					Brett Bickford
P1 2	13. Improve distribution system reliability by completing the \$2.5M cable replacement program allocated for 2022	12/31/2022					John Stoll
P1 2	14. Construction substantially complete for North Shore 90% and Bavarian 60% per the project progress reporting	12/31/2022					John Stoll
P1 2	15. Execute 80% of capital plans on schedule & within budget Q1 - Capital spending is 62% of District's 2022 Capital Budget	12/31/2022					Kirk Hudson

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Priority	Objective	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.						
		Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1	3	1. Comply with oil NPDES permit once issued by Department of Ecology	12/31/2022	✓				Brett Bickford
P1	3	2. Complete study design for Rocky Reach 10-year HCP project survival study (to be conducted in 2023)	12/31/2022	✓				Justin Erickson
P1	3	3. Implement public DC fast charging rate as part of Board approved electric vehicle strategy	6/1/2022	✓				Shawn Smith

Priority	Objective	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
P1	4	1. Debt Cover – District Q1 - 2.68x	>2.0	✓				Kelly Boyd
P1	4	2. Debt Leverage – District Q1 - 19.9%	<35%	✓				Kelly Boyd
P1	4	3. Liquidity – District (Target >\$175M or <u>Liquidity Methodology</u>) Q1 - \$306M	>\$185M	✓				Kelly Boyd
P1	4	4. Days Cash On Hand – District Q1 - 334 Days	>250	✓				Kelly Boyd
		Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1	4	5. Complete development of NWPP RA program design, assess impacts to the District, and implement NWPP RA program. Participate in Phase 3A and contribute to Phase 3B design by attending at least 12 meetings for the year.	12/31/2022	✓				Shawn Smith
P1	4	6. Participate in CETA rulemaking by submitting comments through PGP on at least one issue.	12/1/2022	✓				Shawn Smith
P1	4	7. To stabilize and enhance wholesale electric revenues, execute new contract actions for 2022 per the Long-Term Marketing Strategy	12/31/2022	✓				Shawn Smith
P1	4	8. Agree on negotiation schedule of new contracts with US entity to replace CEAA and PNCA (including headwater benefits) which have a completion deadline in 2023, and implement thereafter	12/1/2022	✓				Shawn Smith

"P1" represents the District's top priorities should trade-off decisions need to be made.

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P1	4	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1	4	9. Maintain or enhance AA bond ratings: Fitch AA+, Moody's Aa3, S&P AA+ (Stable Ratings), S&P Rock Island Senior AA	12/31/2022	✓				Kelly Boyd
P1	4	10. Receive clean financial audit opinion-no material deficiencies	4/30/2022	✓				Kelly Boyd
P1	4	11. Near final business plans for 2023-2027 presented to Board first meeting in October	10/3/2022	✓				Kelly Boyd
P1	4	12. 2023 Budget approved by Board by first meeting in December	12/5/2022	✓				Kelly Boyd
P1	4	13. Implement system impact fees approved in 2021 to be effective April 1 System impact fees, as part service connection fees (electric) and system development charges (W/WW), have been implemented.	4/1/2022	■				John Stoll
P1	4	14. Implement annual rate adjustments for Electric, Water, Wastewater and Fiber consistent with the long-term rate plan.	6/1/2022	✓				John Stoll
P1	4	15. Fiber system will achieve financial solvency (excluding expansion capital) measured by the operating coverage ratio of 80% by 2025 (with 79.1% as the target for 2022)	79.1%	✓				Bob Shane

Priority	Objective	Obj #5 - CONTINUOUSLY IMPROVE EFFICIENT, EFFECTIVE, COMPLIANT, RISK-ASSESSED AND RESILIENT OPERATIONS (BSc Business Process/Internal Operations Objective)						
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		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.						
P1	5	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1	5	1. Conduct one multiple business unit disaster recovery exercise each year to test and advance Business Continuity/Disaster Recovery plans	12/1/2022	✓				Kelly Boyd
P1	5	2. Conduct and complete collective bargaining agreement (CBA) negotiations for 2022-2025 by March 31	3/31/2022	■				Rosario Nystrom
P1	5	3. 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						
P1	5	A. Complete Two (2) Cross Functional Cyber Security Exercises	12/1/2022	✓				Ian Fitzgerald
P1	5	B. Assess new C2M2 standard first half of next year & reset targets Last C2M2 version released July 2021. No indication a new one is released 1st have of this year. May use 2021 version to build upon to reset targets instead.	6/15/2022	▲				Ian Fitzgerald
P1	5	C. 2023 GridEx Participation decision	6/1/2022	✓				Kirk Hudson

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Priority	Objective	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.						
		Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
P1	6	1. Business Unit attendance at safety mtgs/alternatives Q1 - 81.05%	80%					Ronda Wilkinson
P1	6	2. Senior Team Safety Visits (2 every 6 mos. for 5 MDs and 1 every 6 mos for others) Currently have 7 visits logged thru March 31. Need 16 by June 30.	32					Ronda Wilkinson
P1	6	3. BUs implement corrective actions from safety events within 90 days	50%					Ronda Wilkinson
P1	6	4. Learning teams conducted (proactive and reactive by 12/1)	10					Ronda Wilkinson
		Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1	6	5. Overall OSHA Incident rate EOY Q1 - 1.27	3.71					Ronda Wilkinson
P1	6	6. Complete HPI Tools training for 90% of required attendees by 12/1 Knowingly below YE target, but ramping up.	90% by 12/1					Ronda Wilkinson
P1	6	7. Execute 90% of the 2022 TQ Safety action plan (ergonomic assessments, noise evaluations and hearing protection fit-testings) by 12/31 Knowingly below YE target, but ramping up.	90% by 12/31					Ronda Wilkinson
P1	6	8. Integrate Accountability, Modeling of District Values and Cycle of Personal Ownership into daily processes as demonstrated by monthly CPO nominees and awards	12/31/2022					Kirk Hudson

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Priority	Objective	Objective #7 - ENCOURAGE INNOVATION (BSc People & Culture Objective)						
		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.						
		Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1	7	1. Field Workforce Management: Solicit proposals and demo solutions <i>Due to JDAQ delays, PMO office has not been filled. PMO Contractors starting in April to cover. Task will begin in April.</i>	11/1/2022					<i>Ian Fitzgerald</i>
P1	7	2. Advanced Metering Infrastructure (AMI) implementation: Complete all project phases necessary to implement AMI and begin mass smart meter deployment by Nov. 30	11/30/2022					<i>John Stoll</i>
		Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1	7	3. Advanced Distribution Management System (ADMS) implementation						
P1	7	A. Phase 2: DMS - Complete AMI/OMS integration	9/1/2022					<i>Ian Fitzgerald</i>
P1	7	B. Phase 3: Enhanced Customer Offerings - Release public outage portal to public <i>Project was put into production on March 25. Communication has been delayed to customers due to lack of real outages.</i>	3/31/2022					<i>Ian Fitzgerald</i>
P1	7	4. Geographic Information System (GIS): Using 2021 study as foundation, develop 3-5 year GIS strategy with milestones	6/15/2022					<i>Ian Fitzgerald</i>
P1	7	5. Customer Engagement Portal: Solicit proposals and demo solutions <i>Due to JDAQ delays, PMO office has not been filled. PMO Contractors starting in April to cover. Task will begin in April</i>	11/1/2022					<i>Ian Fitzgerald</i>
		Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1	7	6. Advance Business Intelligence, Data Analytics, and District Digital Transformation capabilities focusing on the three pillars of data, tools and people and culture						
P1	7	A. Develop AMI time series business intelligence/data analytics plan including documented business requirements and a finalized Oracle Utilities Analytics/Customer Information System data/system decision	9/1/2022					<i>Ian Fitzgerald</i>
P1	7	B. Recommend and develop data analytics architecture and roadmap	12/1/2022					<i>Ian Fitzgerald</i>

"P1" represents the District's top priorities should trade-off decisions need to be made.

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	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1 7	C. Grow governance, collaboration and knowledge sharing across the District by defining the program model, developing an implementation plan and completing 90% of the 2022 milestones per the plan	90% by 12/1					Kelly Boyd
P1 7	D. Modernize reporting and analytic tools by completing an assessment, developing an implementation plan and completing 90% of the 2022 milestones per the plan <i>Initial task to complete assessment is progressing slower than 4/1 target due to lack of resources (BI Technology Analyst position open over 1 year). This goal will continue to lag until position filled.</i>	90% by 12/1					Kelly Boyd
P1 7	7. Fiber customer portal replacement: Coordinate cutover and system go-live by 6/30 and closeout by 8/31 <i>Milestone dates could be at risk due to departure of current manager. Expected go-live by 8/31.</i>	8/31/2022					Bob Shane
P1 7	8. Implement Stehekin Energy Resource Plan - evaluate success of battery system, track usage data, and implement least cost conservation measures						
P1 7	A. Battery system contract completed if approved by Board <i>Bids have been accepted with for the BESS, a discussion with the Board will need to occur since the prices came in higher than expected.</i>	12/31/2022					Shawn Smith
P1 7	B. Continue tracking usage data, implement least cost conservation measures	12/31/2022					Shawn Smith

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Priority	Objectiv	#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.						
	8	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
P1	8	1. Fiber PPB Premises Passed for infill and expansion Q1 - 92 (Targets - Q1 - 238, Q2 - 476, Q3 - 714, Q4 - 952) Carryover premises passed behind due to timing of the lighting of the Chumstick area, originally scheduled for Q1. Upper Chumstick lit in April, the remainder will be later in Q2. High confidence customer will be lit in Q2. Construction for 2022 premises passed not started. Currently in review and design phase.	952					Bob Shane
	8	Strategic Initiatives/Critical Tasks/Actions						
P1	8	2. Administer the annual Public Power Benefit program						
P1	8	A. Identify preferred ideas/projects for 2023	6/30/2022					Justin Erickson
P1	8	B. Presentation to Board to select projects for 2023	8/31/2022					Justin Erickson
P1	8	C. Presentation to Board if current year funding is still remaining, update on projects	12/5/2022					Justin Erickson
	8	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1	8	3. Complete selected Public Power Benefit Projects						
P1	8	A. Fiber Accelerated Expansion (79% County Coverage by end of 2022 as interim measure to full County Coverage target of 85% by end of 2026)	79.0%					Bob Shane
P1	8	B. Complete detailed design documents and achieve minimum 90% on Phase 1 (or partial Phase 1) of the Riverfront Park Master Plan implementation	12/31/2022					Justin Erickson
P1	8	4. Execute and complete the annual Fiber infill plan	12/31/2022					John Stoll
P1	8	5. Establish and execute on the phase II Fire Safety Outage Management (FSOM) strategy	12/1/2022					John Stoll
P1	8	6. Complete the 2nd source surface water treatment plant feasibility (step in developing second source of water with the Regional Water Committee)	8/31/2022					John Stoll
P1	8	7. Complete acquisition of the Peshastin Water District by end of 2022	12/31/2022					John Stoll

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8	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
P1 8	8. Facilitate the productive reuse of 5th Street Campus in a way that builds community and promotes economic development						
P1 8	A. In collaboration with the Regional Port, issue RFP for campus redevelopment	3/31/2022	■				Justin Erickson
P1 8	B. Evaluate proposals, complete negotiations for purchase and sale agreement(s) with developer(s)	9/30/2022	✓				Justin Erickson
P1 8	9. Complete Dryden Wastewater Capital improvements per the 2022 project schedule	12/31/2022	✓				John Stoll
P1 8	10. As part of the Long Term Marketing Strategy, develop Large Retail Load rate options (dependent on loads in 2022), with no more than 5% incremental rate impact.	12/1/2022	✓				John Stoll

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

Q1	Q2	Q3	Q4
83			
74.70%			
6.02%			
0.00%			
80.72%			

Q1 Final - 4/22/2022