

# 2019 District Performance Plan – Q4

## FINAL

<b>On Track</b>	<b>Caution</b>	<b>Needs Attention</b>		<b>Scheduled Timeframe</b>	<b>Starts in Future</b>	<b>Complete</b>
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**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 countywide 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.

		2019				Lead
		Q1	Q2	Q3	Q4	
<b>Metrics &amp; Targets</b>						
<b>Objective 1</b>						
P1	1 A. Fiber Expansion Premises Passed - 624 actual	134	316	509	1,033	<i>Mike Coleman</i>
P1	1 B. Fiber Installation Service Interval – 27 days	10 days	10 days	10 days	10 days	<i>Mike Coleman</i>
<b>Strategic Initiatives/Critical Tasks/Actions</b>						
P1	1 C. Conduct the strategic planning process including community and employee outreach to complete a new strategic plan for 2020-2024					
P1	1 1. Conduct 5 public meetings initiating strategic planning by 2/15					<i>Steve Wright</i>
P1	1 2. Conduct 3-5 topic teams by 4/30					<i>Steve Wright</i>
P1	1 3. Draft strategic plan by 6/30					<i>Steve Wright</i>
P1	1 4. Strategic plan completed by 9/1. <i>Strategic Plan adopted by Board on 10/7</i>			Completed after deadline	Complete after deadline	<i>Steve Wright</i>
P1	1 D. Report to Board on 2015-2019 Strategic Plan through quarterly status updates on the 2019 District Performance Plan					<i>Steve Wright</i>
P1	1 E. Administer the annual Public Power Benefit program with Q2 and Q4 Board updates. <i>Update provided on 12/16</i>				Complete after deadline	<i>Justin Erickson</i>
P1	1 F. Complete selected Public Power Benefit Projects					
P1	1 1. Waiver of Day Use park fees program – issue 2,000 passes by Q3. <i>About 1,800 passes issued</i>					<i>Justin Erickson</i>
P2	1 2. Present options and costs for Rocky Reach Discovery Center Improvements and Museum move by Q2. <i>Presented options and cost estimate to Commission on 4/15/19. Board approved 4/29/19.</i>					<i>Kirk Hudson</i>
P1	1 3. Decision on Beebe Bridge Park camping pilot by 12/1. <i>Pending online reservation system</i>					<i>Justin Erickson</i>

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			2019				Lead
			Q1	Q2	Q3	Q4	
P1	1	G. Customer Growth & County and Community Agency Planning Governance to develop planning strategies for “smart growth” addressing current zoning and siting issues.					
P1	1	1. Hold second annual joint planners meeting to follow-up on 2018 cryptocurrency rates, policies, and procedures, and introduce importance of all utility planning (electric, water, wastewater, fiber) with County/Municipality governance bodies by 9/30					<i>John Stoll</i>
P1	1	2. Revive joint agency engineering/operational annual work plan meetings by 6/30					<i>John Stoll</i>
P1	1	3. Communicate substation planning vision to County and Municipality planners for inclusion in comprehensive plans by 9/30					<i>John Stoll</i>
P1	1	4. Develop a comprehensive county-wide survey of key accounts, large retailers, local governments and other stakeholders to understand renewable green energy plans being contemplated by 6/30 – Outreach resources assigned to this project have been dedicated to the District facilities plan. Progress on this project will resume as facility plan efforts are completed. Currently revising to include interest in EVs and carbon reduction and other energy efficiency efforts					<i>John Stoll</i>
P1	1	H. Decision on future funding of Orondo River Park by 9/30. A roll of the current contract for 2020 is anticipated, with the expenditure expected to be approximately \$30,000. Will continue to work with the Port for a long-term solution.					<i>Justin Erickson</i>
P1	1	I. Implement outreach strategies for low-income and Latino-Hispanic customer/owners					
P1	1	1. Effectively engage with Spanish-speaking, and economically-disadvantaged customer-owners in a culturally appropriate way to ensure that the new Strategic Plan is substantively informed by their input by attending and presenting at a minimum of 10 offsite events or locations by 12/1.					<i>Justin Erickson</i>
P1	1	2. Build a resource tool for bilingual support that includes support staff, priority chart and how to use language access vendors as a resource for translating by 12/1.					<i>Justin Erickson</i>

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### OBJECTIVE #2 - INVEST IN CREATING LONG TERM VALUE

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.

			2019				Lead
			Q1	Q2	Q3	Q4	
<b>Metrics &amp; Targets</b>							
Objective 2							
P1	2	A. Electric Service Reliability Average System Availability Index (mo/ytd) – 99.990 actual	>99.980%				John Stoll
P1	2	B. Water System Integrity – 8.2 actual	<20 leaks per 100 miles				John Stoll
P1	2	C. Network System Composite Uptime – 100.000% actual	99.999%				Mike Coleman
P1	2	D. Optical Line Terminal Link Utilization – 91.7% actual	<90%				Mike Coleman
P1	2	E. Hydro Capability YTD – 71.5% actual	67.0%	71.1%	70.6%	72.1%	Kirk Hudson
<b>Strategic Initiatives/Critical Tasks/Actions</b>							
P1	2	F. Implement Customer Energy Solutions work plan. (includes Energy Efficiency (EE), Electric Vehicles (EV), related Research and Development (R&D), and customer energy management programs)					Gregg Carrington
P1	2	1. Acquire 1.7 (40% increase over the compliance target) aMW of Energy Efficiency by 12/31 Acquired 1.9 aMW of energy efficiency.	Green	Green	Green	Blue	Gregg Carrington
P2	2	2. Define EV strategy with Board support by 12/1 - Project will be completed in early 2020. Delay due to contracting prioritization.	Green	Green	Red	Red	Gregg Carrington
P2	2	3. Define Customer Energy Solutions (CES) strategy with Board support by 12/1 Presentation was developed and completed. Due to timing, determined to provide presentation to Board in Q1, 2020.	Green	Green	Yellow	Red	Gregg Carrington
P1	2	G. Reinvest in Hydros: Rocky Reach repairs					Kirk Hudson
P1	2	1. Return C1 to service by end of Q3 – Delays associated with line boring, delivery of trunnion bushings, and damaged servo rods have pushed out target completion date from 9/30 to February 2020.	Green	Red	Red	Red	Kirk Hudson
P1	2	2. Return C9 to service by 9/30 - Delayed due to wicket gate machining QA/QC. Expected to return to service in January 2020	Yellow	Red	Red	Red	Kirk Hudson

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			Q1	Q2	Q3	Q4	
P1	2	3. Begin C10 Disassembly for Turbine repairs by 10/31 - Delays in C9 affecting planned start of next large unit.					<i>Kirk Hudson</i>
P1	2	H. Reinvest in Hydros: Rock Island PH1 modernization					<i>Kirk Hudson</i>
P1	2	1. Return B7 to service by 9/30 - B10 turbine failure root cause findings have been applied to B7, which adjusts the targeted return to service date to October 2020.					<i>Kirk Hudson</i>
P1	2	2. Return B4 to service by 9/30 - Delays caused by cracks in the shift ring, necessary repairs to discharge liner and late delivery of HPU have moved expected return date to March 2020.					<i>Kirk Hudson</i>
P1	2	3. Begin B3 Disassembly by 10/1 - Delays associated with B4 affect the start date of B3, which is the next unit scheduled for turbine replacement.					<i>Kirk Hudson</i>
P1	2	I. Reinvest in Hydros: Rock Island PH2 modernization					<i>Kirk Hudson</i>
P1	2	1. PH2 Modernization – Advertise RFQ Solicitation by 3/31. This was completed on 1/28/19.					<i>Kirk Hudson</i>
P1	2	2. Selection of final contractor, with a proposal including an option for a minimum 20-year warranty by 12/31 - This will likely extend into Q3 2020 as we have decided to add an evaluation of an oil-free hub option.					<i>Kirk Hudson</i>
P1	2	J. Asset Management (AM)					<i>Kirk Hudson</i>
P2	2	1. Implement asset information turnover in Project Management (equipment sheets & project checklist schedules) for 80% of generation projects that will be substantially complete in 2019 by 11/1 97% of projects substantially complete in Generation by 11/1, including equipment sheets and project checklist schedules.					<i>Kirk Hudson</i>
P2	2	2. Develop a District-wide whole life cost modeling tool which will include asset condition forecast and reporting to support optimizing asset replacement decision making by 12/1					<i>John Stoll</i>
P1	2	3. Complete pilot project to make AM information available through Cognos and SharePoint for reporting and dashboarding by 12/1					<i>Kelly Boyd</i>
P1	2	K. Advance the District’s strategy at State and Federal levels					
P1	2	1. Agree on 2020 legislative priorities with internal stakeholders by 12/1					<i>Justin Erickson</i>
P1	2	2. Accomplish WPUDA fire protection targets in WPUDA Action Plan by 12/1					<i>Justin Erickson</i>
P1	2	3. Educate House/Senate leadership and Governor’s office on PGP reliability study 12/1					<i>Justin Erickson</i>
P1	2	4. Enact legislation to change bid program alternatives					<i>Justin Erickson</i>
P1	2	5. Ensure that Clean Energy legislation in Washington does not discriminate against hydropower 12/1 - Legislation passed that did not include tax parity for hydropower. This will be a subject of interim discussions and meetings with key legislators and other utilities.					<i>Justin Erickson</i>

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		Q1	Q2	Q3	Q4	
P1	2	L. Participate in development of a second source of water with the Regional Water Committee				<i>John Stoll</i>
P1	2	1. Define second source strategy with regional membership support 6/30				<i>John Stoll</i>
P1	2	M. Develop and implement an National Electrical Safety Code (NESC) compliance program to include fiber build-out make ready and the 3rd party pole attachment process				<i>John Stoll</i>
P1	2	1. Implement contracted engineering analysis and make-ready specific to the 2019 Fiber build-out plan by 3/30				<i>John Stoll</i>
P1	2	2. Propose updates to 3rd party licensing agreements/contract by 6/30 – <i>Underway, agreements drafted, accompanying rules and regulations are being developed, carried forward to 2020 District Performance Plan.</i>				<i>John Stoll</i>
P1	2	3. Develop methodology to align NESC survey results, fiber expansion, electric system reliability improvements and growth for future work plans by 6/30				<i>John Stoll</i>
P1	2	N. Execute strategic relicensing plan for Rock Island Hydro				<i>Justin Erickson</i>
P1	2	1. Achieve FERC guidance on early action credit by Q4				<i>Justin Erickson</i>
P1	2	2. Finalize Needs and Planning for Relicensing Resources by Q4				<i>Justin Erickson</i>
P1	2	O. Implement long range facilities plan				<i>Justin Erickson</i>
P1	2	1. Construction of Rock Island – phase 2 75% complete by 12/1 – <i>delayed due to C19 decision</i>				<i>Justin Erickson</i>
P1	2	2. Final design Rocky Reach – phase 1 by 12/1 – <i>90% design completed 12/1</i>				<i>Justin Erickson</i>
P1	2	3. Board decision on Service & Ops Center to include alternative contracting mechanisms in Q2				<i>Justin Erickson</i>
P2	2	P. Hydro Research Institute has at least 2 Non-Chelan PUD Board Members, 3 Contributors, and 1 Subscriber company by 12/1 – <i>Contracts were signed with US Army Corps and Bureau of Reclamation. Projecting new member and subscriber in 2020.</i>				<i>Kirk Hudson</i>
P1	2	Q. Harden transmission system to protect against fire/weather				<i>Kirk Hudson</i>
P1	2	1. Complete Public Outreach for Chelan-Manson Transmission Line hardening options by 12/1. <i>Outreach was conducted in March and May. Letter was mailed to customers in June. Work has begun on 30% design.</i>				<i>Kirk Hudson</i>
P2	2	2. Conduct Public Outreach on Sunitsch/Deadhorse Canyon hardening options by 12/1. <i>Board presentation done on 6/3/19. Outreach events were held 7/18/19 and 7/27/19.</i>				<i>Kirk Hudson</i>
P1	2	R. Develop 5-year plan for improving distribution system reliability for inclusion in 2020-2024 business plan, this includes a focus on underground cable replacements by 6/30 – <i>Have identified methods and impact to improve reliability; current efforts are to identify the reliability target so that most effective plans can be established. Y/E – Reliability targets have been defined and we are closing on presenting the 5-year plan in 2020.</i>				<i>John Stoll</i>

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		Q1	Q2	Q3	Q4	
P1	2	S. Develop expanded substation planning, siting, resource needs and construction program to address accelerated Distribution system growth needs				<i>John Stoll</i>
P1	2	1. Develop an understanding of organizational support requirements and associated roles and responsibilities associated with accelerated substation expansion by 6/30				<i>John Stoll</i>
P1	2	2. Complete Ohme substation design by 6/30				<i>John Stoll</i>
P1	2	3. Acquire property to support downtown Wenatchee substation expansion by 9/30				<i>John Stoll</i>
P1	2	4. Complete North Shore substation general arrangement and access plan by 12/1 – Y/E this effort will carry into 2020				<i>John Stoll</i>
P1	2	5. Complete Bavarian substation general arrangement and access plan by 12/1 – Y/E this effort will carry into 2020				<i>John Stoll</i>
P1	2	6. Complete Public Outreach for South Shore Transmission Line project by 12/1				<i>John Stoll</i>
P1	2	T. Execute 80% of capital plans on schedule & within budget:				
P1	2	1. Generation and Transmission – Actual = 41.9% due to delays at Rock Island.				<i>Kirk Hudson</i>
P1	2	2. Utility Services – 80.4% Water and Wastewater systems at nearly 100% The Hawley St substation project has taken engineering staff focus that was intended to advance other District substation projects.				<i>John Stoll</i>
P1	2	3. Fiber & Telecom – Forecasted PPB expansion was not met lowering capital spend. The Portal Replacement and the Bandwidth Mgmt Links projects have been cancelled, both budgeted at \$1M per project. The Portal Replacement project is now O&M as the choices have been narrowed to utilizing a monthly service. After further analysis, the Bandwidth Mgmt Links project has been cancelled and replaced by a 2020 proposed project for layer 2 network consolidation.				<i>Mike Coleman</i>
P1	2	4. District Services – Below target primarily due to the following: revised forecast spending for the RI, RR and Service Center facility projects; deferral of an erosion project; and reprioritizing contract support from fleet purchasing to other higher priority projects causing a delay in spend for fleet purchases.				<i>Justin Erickson</i>
P1	2	5. Energy Resources - The capital spending portion of the Hydraulic Model capital project is complete under budget.				<i>Gregg Carrington</i>
P1	2	6. Information Technology (IT) Mix of completing some underbudget and a few delays				<i>Kelly Boyd</i>

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			Q1	Q2	Q3	Q4	
P1	2	U. Provide influential input on employment, benefits, labor and safety regulations and legislative proposals during the legislative session and rule-making process					
P1	2	1. Monitor and participate in legislative session on employment, benefits and labor initiatives as needed by 12/1					<i>Lorna Klemanski</i>
P1	2	2. Monitor and participate in legislative session on safety recommendations as needed by 12/1					<i>Tim Pettit</i>

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### OBJECTIVE #3 - PROTECT NATURAL RESOURCES IMPACTED BY OPERATIONS

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.

		2019				Lead		
		Q1	Q2	Q3	Q4			
<b>Strategic Initiatives/ Critical Tasks/Actions</b>								
Objective 3								
P1	3	A. Successfully meet hydro license requirements:						
P1	3	1.	Operating at Seasonal Fish Spill Targets by 8/30					<i>Justin Erickson</i>
P1	3	2.	Contracts in place to meet hatchery production targets by 2/1					<i>Justin Erickson</i>
P1	3	3.	Funding of the tributary component of No Net Impact by 1/31					<i>Justin Erickson</i>
P1	3	4.	Define plan by Q1 and meet milestones associated with obtaining National Pollutant Discharge Elimination System (NPDES) permits by 12/1. <i>Applications submitted to Ecology.</i>					<i>Justin Erickson</i>
P1	3	5.	Planned species and bull trout take within allowable level by 12/31					<b>Kirk Hudson</b>
P1	3	6.	Define plan for addressing river temperature issues by 12/1					<i>Justin Erickson</i>
P1	3	B. Complete Dryden Wastewater Capital improvements per schedule agreed with Ecology						
P1	3	1.	Coordinate with Ecology for issuance of a new permit for the Dryden System by 6/30					<i>John Stoll</i>
P1	3	2.	Develop a capital compliance work plan consistent with permit requirements by 12/1					<b>John Stoll</b>
P1	3	C. Complete requirements for the Chelan River 2019 check-in - including submittal of a Final Biological Objectives status report and Use Attainability Analysis (UAA) to Ecology						
P1	3	1.	Complete final Biological Objectives status report by 4/30					<i>Justin Erickson</i>
P1	3	2.	Develop proposal to Ecology and EPA for UAA by 12/1					<i>Justin Erickson</i>
P1	3	D. Implement federally mandated programs/studies at Rocky Reach and Rock Island for sturgeon, lamprey, fish and bull trout						
P1	3	1.	Ongoing management of plans, studies to support obligations by 12/1					<i>Justin Erickson</i>
P1	3	2.	Conduct bull trout Passive Integrated Transponder (PIT) tag study by 11/30					<i>Justin Erickson</i>



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			Q1	Q2	Q3	Q4	
P1	3	E. Execute plan to conduct 10-year Habitat Conservation Plan (HCP) project survival studies at RI (2021) and RR (2021)					
P1	3	1. Revise plan to conduct 10-year survival studies at RI and RR in 2021 by 6/30 – <span style="color: blue;">Staff completed this effort by 7/31.</span>			Completed after deadline	Completed after deadline	<i>Justin Erickson</i>
P1	3	F. 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.					
P1	3	1. Implement water right assessment and protection strategy and fully resolve all outstanding issues on at least three water rights by 12/1					<i>Justin Erickson</i>
P1	3	G. Execute Peshastin Wastewater Capital improvements per Ecology-approved treatment plan					
P1	3	1. Project execution will be >95% complete by 12/1					<span style="background-color: yellow;">John Stoll</span>

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**OBJECTIVE #4 - ENSURE FINANCIAL STABILITY**

**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.**

		2019				Lead
		Q1	Q2	Q3	Q4	
<b>Metrics &amp; Targets</b>						
Objective 4						
P1	4	A. Rate of Return – District – <b>9.6% actual</b>				Kelly Boyd
P1	4	B. Debt Cover – District – <b>3.76 actual</b>				Kelly Boyd
P1	4	C. Debt Leverage – District – <b>29.80% actual</b>				Kelly Boyd
P1	4	D. Liquidity – District - <b>\$530M</b>				Kelly Boyd
P1	4	E. Days Cash On Hand – District – <b>678</b>				Kelly Boyd
P1	4	F. Debt Retired Per Scheduled Principal Payments – <b>\$41M actual</b>				Kelly Boyd
<b>Strategic Initiatives/Critical Tasks/Actions</b>						
P1	4	G. Actively participate in Electric markets development				
P1	4	1. Complete feasibility analysis of entering Energy Imbalance Market (EIM) market by 12/1 <i>Completed feasibility analysis and presented results to Board. Continuing to monitor and participate in discussion associated with EIM.</i>				Gregg Carrington
P1	4	2. Implement new contract with retail end user without reliability incident by 12/1 <i>Microsoft contract implementation successfully implemented on Apr 1, 2019. DF contract complete.</i>				Gregg Carrington
P1	4	3. Define strategy for new wholesale vs retail loads including consideration of post-2027 long-term power contracts by 12/1 <i>A model has been developed. A report will be completed after hedging strategy is updated in the Power Risk Management policy.</i>				Gregg Carrington
P1	4	4. Conclude risk assessment review of wholesale marketing strategy by 12/1. <i>Revision to the hedging program are ongoing. Multiple meetings have occurred with senior management.</i>				Gregg Carrington
P1	4	H. Advance Columbia River Treaty (CRT) strategies to provide benefits to our customer-owners				
P1	4	1. CRT negotiations are consistent with regional recommendation				Steve Wright
P1	4	2. CRT stakeholder engagement includes Power Group and Mid-Cs in meaningful way – <i>Limited engagement of Power Group and Mid-Cs with negotiating team.</i>				Steve Wright
P1	4	3. Whether to issue notice of termination of Treaty power provisions made by 12/1 – <i>State Department &amp; Corp of Engineers actively opposing notice of termination.</i>				Steve Wright

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P1	4	I. Stabilize and enhance wholesale electric revenues				
P1	4	Meet wholesale revenue targets adjusted for stream flow conditions and market movement <i>EP&amp;T has maintained revenue within the targets.</i>				<i>Gregg Carrington</i>
P1	4	1. Stay within hedging limits <i>EP&amp;T has stayed within hedging limits except for those noted and approved by the PRMC.</i>				<i>Gregg Carrington</i>
P1	4	J. Maintain or enhance AA bond ratings through Q4: Fitch AA+, Moody's Aa3 , S&P AA+ (Stable Ratings), S&P Rocky Reach and Rock Island Senior AA, Rock Island 2009A Subordinate AA-				<i>Kelly Boyd</i>
P1	4	K. Receive clean financial audit opinion and no material deficiencies by 4/30				<i>Kelly Boyd</i>
P1	4	L. Refine and execute the business planning cycle				
P1	4	1. Near final business plans for 2020-2024 presented to Board by first Board meeting in Oct				<i>Kelly Boyd</i>
P1	4	2. Final business plans for 2020-2024 dated 9/30 completed by Oct 31				<i>Kelly Boyd</i>
P1	4	3. 2020 Budget approved by Board by 12/2 (first Board meeting in December)				<i>Kelly Boyd</i>
P1	4	M. Develop strategic approach through planning, policies, rates and charges to address infrastructure needs and adequate cost recovery for cryptocurrency mining operations				
P1	4	1. Implement policies, procedures, rates, fees and charges for new cryptocurrency rate class by 4/1				<i>John Stoll</i>
P1	4	N. Develop retail electric, water, wastewater & fiber revenue planning and rate design long-term plans through strategic planning				
P1	4	1. Complete expanded Cost of Service Analysis by 6/30				<i>Kelly Boyd</i>
P1	4	2. Obtain Board feedback and set rate direction in the 2020-2024 Strategic Plan by 9/1				<i>John Stoll</i>
P1	4	3. Finalize rate design and long-term rate plans per strategic plan direction by 9/30. <i>The strategic planning process has informed the rate design process which will continue through year-end.</i>				<i>John Stoll</i>
P1	4	4. Complete public process for any rate or fee changes – Rate approval by 12/31. <i>The rate approval process will follow rate design and is anticipated to occur in early 2020.</i>				<i>John Stoll</i>
P1	4	O. Implement Plan for Two-Dam Independence Project . <i>Successfully cutover to Two Dam Independent Operation on Nov 13, 2019.</i>				
P1	4	1. Emergency Management System/Supervisory Control and Data Acquisition (EMS/SCADA) - Real-Time Operations by 11/30				<i>Gregg Carrington</i>
P1	4	2. Hydro Modeling & Planning by 11/30				<i>Gregg Carrington</i>
P1	4	3. Energy Accounting System by 10/31				<i>Gregg Carrington</i>
P1	4	4. Process Development and Integration by 10/31				<i>Gregg Carrington</i>

# 2019 District Performance Plan – Q4

## FINAL

<b>On Track</b>	<b>Caution</b>	<b>Needs Attention</b>		<b>Scheduled Timeframe</b>	<b>Starts in Future</b>	<b>Complete</b>
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			2019				Lead	
			Q1	Q2	Q3	Q4		
P1	4	5.	Project Management and Administration through 11/30					<i>Gregg Carrington</i>
P1	4	P.	Implement longer-term strategic marketing plan to address changing market conditions					
P1	4	1.	Clarify Long Term Hedging Strategy Goals with Senior Management and Board by 6/1 <i>All long-term hedging action items have been identified/clarified with SMT. Currently working with the LT Hedge team to educate and revise long-term hedging policies.</i>					<i>Gregg Carrington</i>
P1	4	2.	Revise Long Term Hedging Strategy based on task (1) by 8/1. Trading policies are being reviewed and need to be finalized prior to new marketing plan being developed.					<i>Gregg Carrington</i>
P1	4	3.	Present draft plan to senior management team for approval by 9/30 . Trading policies are being reviewed and need to be finalized prior to new marketing plan being developed.					<i>Gregg Carrington</i>
P1	4	4.	Seek Board approval on items outside current Board Authorizations by 12/1. Trading policies are being reviewed and need to be finalized prior to new marketing plan being developed.					<i>Gregg Carrington</i>
P1	4	Q.	Develop Large Retail Customer Development Plan					
P1	4	1.	Develop a strategy based on strategic planning outreach to identify, recruit and attract, as appropriate, new industries into Chelan County that diversifies Chelan PUD’s energy sales portfolio utilizing the Schedule-4 rates by 12/1. <i>The Strategic Planning Process identified two strategies to support this effort. 1. Pursue the establishment of a liaison position to facilitate discussions with new potential large load customers and economic development entities. 2. We will explore the development of industrial hubs that could be used for industrial load growth while minimizing the risk of stranded assets.</i>					<i>Gregg Carrington</i>

# 2019 District Performance Plan – Q4

## FINAL

<b>On Track</b>	<b>Caution</b>	<b>Needs Attention</b>		<b>Scheduled Timeframe</b>	<b>Starts in Future</b>	<b>Complete</b>
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### OBJECTIVE #5 - MAKE CONTINUOUS IMPROVEMENT IN EFFICIENT, EFFECTIVE, COMPLIANT AND RISK-ASSESSED OPERATIONS

**We will rigorously and holistically review spending and policy decisions using strong risk assessment practices to assure best value. 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.**

		2019				Lead
		Q1	Q2	Q3	Q4	
<b>Metrics &amp; Targets</b>						
Objective 5						
P1	5	A. Hydro Cost per normalized MWh - \$16.7 actual				Kirk Hudson
P1	5	B. Fiber Cost per Active Connection - \$424.34 actual				Mike Coleman
P1	5	C. Distribution O&M Cost per normalized kWh – \$3.12 cents/KWh actual				John Stoll
P1	5	D. Fully Loaded Electric Cost per normalized kWh – \$6.28 cents/KWh actual				John Stoll
P1	5	E. Wastewater O&M Cost per ERU - \$1,262.49 actual, unexpected repair cost and above average STEP tank pumping are driving this metric				John Stoll
P1	5	F. Water O&M Cost per 1,000 Gallons – \$6.02 actual, significant ongoing expense associated with leak repair may lead to above budget cost through year-end				John Stoll
<b>Strategic Initiatives/Critical Tasks/Actions</b>						
P1	5	G. Implement Governance, Risk and Compliance (GRC) modules and acceptance testing by Q3				Erik Wahlquist
S	5	H. Prepare for a 2020 multi-department Business Continuity test in the form of a mock Headquarters evacuation				
S	5	1. Update plan for needed preparatory work in light of changes in the long-term Strategic Plan and resource availability by end of Q2 – Completion reprioritized and delayed for a higher priority Distribution metric special assignment				Kelly Boyd
S	5	2. Complete identified 2019 preparatory tasks by 12/1 - Task reprioritized and delayed for a higher priority Distribution metric special assignment				Kelly Boyd
P1	5	I. Standardize District-wide Project Mgt. processes & templates				Justin Erickson
P1	5	1. Complete documentation of execution phase processes Q4. Core work completed, updates to project management discipline resources in progress.				Justin Erickson
P1	5	2. Provide advanced training by Q4. Training provided 12/5, 12/6, 12/10				Justin Erickson
P1	5	J. Advance Data Analytics/Business Intelligence capabilities including hydro capability/distribution reliability data and Hydropower Research Institute (HRI) analytics by completing 90% of the 2019 BI Roadmap milestones by 12/1				Kelly Boyd

# 2019 District Performance Plan – Q4

## FINAL

<b>On Track</b>	<b>Caution</b>	<b>Needs Attention</b>		Scheduled Timeframe	Starts in Future	<b>Complete</b>
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		2019				Lead
		Q1	Q2	Q3	Q4	
P2	5	K. Use lessons learned to improve Project Attribute Valuations and capital review process and integrate with Asset Management process as applicable				
P2	5					<i>Kelly Boyd</i>
P2	5					<i>Kelly Boyd</i>
P1	5	L. Implement efficiency improvements in procurement and contract management processes (bid work flow)				
P1	5					<i>Justin Erickson</i>
P1	5					<i>Justin Erickson</i>
P1	5					<i>Justin Erickson</i>
S	5					<b>Kirk Hudson</b>
P1	5	N. Continue to improve reliability compliance program				
P2	5					<b>Kirk Hudson</b>
P1	5					<i>Kirk Hudson</i>
P1	5					<b>Kirk Hudson</b>
P1	5	O. Enhance and improve physical asset protections to support compliance programs				
P1	5					<i>Justin Erickson</i>
P1	5					<i>Justin Erickson</i>
P1	5		Completed after deadline	Completed after deadline	Completed after deadline	<i>Justin Erickson</i>
P1	5		Completed after deadline	Completed after deadline	Completed after deadline	<i>Justin Erickson</i>

# 2019 District Performance Plan – Q4

## FINAL

<b>On Track</b>	<b>Caution</b>	<b>Needs Attention</b>		<b>Scheduled Timeframe</b>	<b>Starts in Future</b>	<b>Complete</b>
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			2019				Lead
			Q1	Q2	Q3	Q4	
P1	5	5. Determine available funding , obtain PRC approval, seek board approval and initiate RFP process with goal of project start in Q3 and complete by 12/31					<i>Justin Erickson</i>
P1	5	P. Maintain and update Utility Services Policies to be responsive to changing circumstances					
P1	5	1. Annual fees & charges update by 11/30					<i>John Stoll</i>
P1	5	2. Implement previously approved water and wastewater rate plans by 4/1					<i>John Stoll</i>
P1	5	3. Consider rate, policy and regulation improvements identified through the CIS and AMI projects by 12/1 Y/E primary effort was completing the AMI Opt-out which concluded in early January 2020					<i>John Stoll</i>
P1	5	Q. Execute District Telecommunications Systems Improvements Plan					
P1	5	1. System acceptance and subscriber radio replacement by 6/30					<i>Mike Coleman</i>
P1	5	2. Implement Land Mobile Replacement (Trunked Radio) capital project on schedule and budget by 10/30					<i>Mike Coleman</i>
P1	5	3. Project closeout by 11/30 – Due date was missed but completed by 12/31/19					<i>Mike Coleman</i>
P1	5	4. Microwave System Replacement capital project complete and closed out by 10/30 – Project is complete and functional except for a negotiated agreement with Nokia to upgrade a switch/router to enhance cyber security functions which required carrying funds into 2020.					<i>Mike Coleman</i>
P1	5	5. Complete advanced IP Fault Management design by 11/30					<i>Mike Coleman</i>
P1	5	R. Upgrade Customer Information System (CIS) within project milestones & budget					
P1	5	1. Successfully implement the CIS on schedule and budget and remedy any post go-live issues by 12/1 – New, extended timeline and budget has been approved by the Board.					<i>John Stoll</i>
P1	5	S. Advance Intelligent Grid (two-way metering) capabilities					
P1	5	1. Develop Advanced Metering Infrastructure (AMI) roadmap for Board consideration, focus on timing and priority of implementing future enhancements such as internal/external outage management, prepay billing and voltage optimization by 9/30 – First draft roadmaps have been developed and are going through internal review prior to Board discussion.					<i>John Stoll</i>
P1	5	2. Select the appropriate advanced metering technology and propose an opt-out policy for Board adoption by 12/1 Schedule is proposed to meet this effort by year-end					<i>John Stoll</i>
P1	5	T. Strengthen Cyber security program – Operations					
P1	5	1. Close highest priority gaps per milestones in Cybersecurity Capability Maturity Model (C2M2) evaluation by 12/1					<i>Kirk Hudson</i>

# 2019 District Performance Plan – Q4

## FINAL

<b>On Track</b>	<b>Caution</b>	<b>Needs Attention</b>		<b>Scheduled Timeframe</b>	<b>Starts in Future</b>	<b>Complete</b>
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		2019				Lead
		Q1	Q2	Q3	Q4	
P1	5	U. Strengthen Cyber security program – Fiber/Telecom Operations (C2M2 targets)				
P1	5	1. Implement solutions for top 10 identified risks by 11/30				<i>Mike Coleman</i>
P1	5	V. Strengthen Cyber security program – Business Systems				
P1	5	1. Close highest priority gaps per milestones in C2M2 maturity model evaluation by 12/1				<i>Kelly Boyd</i>
P1	5	2. Contract with vendor to implement a scanning / risk assessment tool to advance supply chain security by end of Q1				<i>Kelly Boyd</i>
P1	5	W. Drive adoption of Human Performance Improvement (HPI) culture throughout organization				
P1	5	1. Develop skill differentiated employee training plans and curriculum for business unit approval by Q1				<i>Tim Pettit</i>
P1	5	2. Complete training plan with 90% participation by 12/1				<i>Tim Pettit</i>
P1	5	X. Implement Mobile Computing Strategy				
P1	5	1. Implement required infrastructure to enable safe and secure mobile applications by end of Q2				<i>Kelly Boyd</i>
P1	5	2. Implement roadmap milestones, including hiring Mobile Program/Project Manager, increasing content on mobile devices and deploying mobile work mgmt, through 12/1 – <span style="color: blue;">Delay in hiring a mobile program manager and additional IT resources dedicated to the CIS project delayed original timelines. Program manager started employment in December.</span>				<i>Kelly Boyd</i>
P2	5	Y. Develop 5-year technology roadmaps to advance hydro capability, distribution reliability, safety, efficiency and customer satisfaction in collaboration with related business units by end of Q2 – <span style="color: blue;">Initial technology roadmaps were completed by Q2. An additional phase was added to have an external review of the roadmaps which was completed in Q3.</span>				<i>Kelly Boyd</i>



# 2019 District Performance Plan – Q4

## FINAL

On Track	Caution	Needs Attention		Scheduled Timeframe	Starts in Future	Complete
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**OBJECTIVE #6 - ENHANCE THE CAPABILITY OF CHELAN PUD STAFF**

We expect and support that every employee will advance his or her skills for the benefit of customer-owners. We will cultivate a utility culture that focuses first on customer-owner satisfaction. We seek to be recognized as industry “thought” leaders on all issues relevant to our operations. We focus on results using the “cycle of personal ownership” throughout projects and policy development.

		2019				Lead	
		Q1	Q2	Q3	Q4		
<b>Strategic Initiatives/Critical Tasks/Actions</b>							
	Objective 6						
P1	6	A. Develop District leaders and supervisors					
P1	6	1.	Conduct two all leadership meetings; 12/1				<i>Tim Pettit</i>
P2	6	2.	Develop and deliver two modules for supervisor academy; 12/1				<i>Lorna Klemanski</i>
P2	6	3.	Collect input from participants and make recommendation whether to continue the leadership coaching pilot; 12/1				<i>Lorna Klemanski</i>
P2	6	B. Develop employee skills and assist with their success					
P2	6	1.	Develop plan to report on and provide information for managers to assess Individual Development Plan (IDP) effectiveness; 12/1				<i>Lorna Klemanski</i>
P2	6	2.	Develop plan to enhance new employee onboarding and present to the senior management team; 12/1				<i>Lorna Klemanski</i>

# 2019 District Performance Plan – Q4

## FINAL

<b>On Track</b>	<b>Caution</b>	<b>Needs Attention</b>		<b>Scheduled Timeframe</b>	<b>Starts in Future</b>	<b>Complete</b>
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### OBJECTIVE #7 - MAKE OUR VALUES THE FOCUS OF RELATIONSHIPS WITH CUSTOMERS, STAKEHOLDERS AND EACH OTHER

We will promote a safety culture that permeates throughout this organization. We will make decisions based on being the stewards, not the owners, of assets owned by the people of Chelan County. We communicate about and seek input on key policy issues. We seek to be trustworthy through continuously improving our job competence, acting with integrity and focusing on collaboration in all our relationships. We will build long-term, collaborative relationships by creating partnerships and alliances with stakeholders and industry allies.

		2019				Lead
		Q1	Q2	Q3	Q4	
<b>Metrics &amp; Targets</b>						
P1	7 Objective 7					
P1	7 A. Safety metrics:					
P1	7 1. Incident rate (12 month rolling) – 2.63 actual	4.0	4.0	4.0	4.0	Tim Pettit
P1	7 2. Lost time incident rate (LTIR) – .28 actual	.48	.48	.48	.48	Tim Pettit
P1	7 3. Days away restricted or transferred (DART) rate – 1.24 actual – Our DART Rate is still above our desired goal, but we continue to see a downward trend. This reflects how the District mitigates lost time through accommodations via the Light Duty Program.	1.05	1.05	1.05	1.05	Tim Pettit
P1	7 4. Safety Recommendations response time within 45 days – 80% actual	75%	75%	75%	75%	Tim Pettit
P1	7 5. Business Unit attendance at safety mtgs/alternatives – 77.88% actual	70%	70%	70%	70%	Tim Pettit
P1	7 6. Senior Team Safety Visits (2 every 6 mos. for 4 MD’s and 1 per year for others)		8		20	Tim Pettit
P1	7 7. Provide required safety training to affected employees – 2 actual					Tim Pettit
P1	7 B. Perform targeted hiring based on prioritized needs – Make job offers by December 1 <sup>st</sup> for 90% of new positions that are electronically approved to fill before September 1 <sup>st</sup> – 92.9% actual	90%	90%	90%	90%	Lorna Klemanski
<b>Strategic Initiatives/Critical Tasks/Actions</b>						
P1	7 C. Evaluate the investigative report recommendations from the June 13, 2018, incident and develop an implementation plan with schedule and milestones for adopted recommendations by end of Q1					Tim Pettit
P1	7 D. Complete the review and modifications to the yellow and blue book Lock Out Tag Out program by 12/1					Tim Pettit
P1	7 E. Develop a plan to identify and address the District-wide arc flash exposure zones and requirements by 6/30					Tim Pettit
P1	7 F. Integrate Accountability, Modeling of District Values and Cycle of Personal Ownership into daily processes					
P1	7 1. Monthly CPO nominees reviewed and awarded					Steve Wright

# 2019 District Performance Plan – Q4

**FINAL**

	On Track		Caution		Needs Attention			Scheduled Timeframe		Starts in Future		Complete
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	Q1	Q2	Q3	Q4	
<b>Total # tracked items</b>	159	177	183	183	
<b>% On Track</b>	86%	82%	83%	69%	
<b>Number completed after deadline</b>		2	3	6	

**Key for Prioritization:**

**P1** – Primary 1: Primary 1 are our highest priority goals with little or no flexibility on timelines

**P2** – Primary 2: Primary 2 are our high priority goals with more flexibility on timelines for prioritization purposes, if necessary.

**S** – Stretch: Stretch goals are very important efforts with significant benefits we want to complete. We intend to make measured progress as time and resources allow without sacrificing our core activities or our ability to complete our primary goals. When considering resourcing trade-offs, these priorities have the ability to extend completion timelines without showing the goal as “red” or “not completed” if higher priority goals require the same resources.