

2020 District Performance Plan

Q1 Update

	On Track		Caution		Needs Attention		Scheduled Timeframe		Starts in Future		Complete
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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 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)	179			961+	Mike Coleman
P2	1 B) Fiber Installation Service Interval (10 days) <i>Service interval higher than target due to business unit adjusting to pole analysis program implementation.</i>	13 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%			>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 <i>Discussion ongoing for acceleration strategy. Behind due to change in focus to issues with COVID-19. (03/31/2020)</i>	COVID-19				Mike Coleman
P1	1 4. Review/revise Public Power Benefit financial criteria by end of Q1 <i>Completed on April 13 with Board approved resolution.</i>	Completed after deadline				Kelly Boyd
P2	1 5. Solicit for 2021 Public Power Benefit projects			9/1/2020		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
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 - put on hold due to COVID-19	COVID-19	6/30/2020			John Stoll
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 Long-term solution unlikely in 2020 due to Port's recent reorganization				12/1/2020	Justin Erickson
P3	1 K) Hydropower Research Institute-add new Contributor Difficult to gauge level of interest due to COVID-19.	COVID-19			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 location Face-to-face meetings are on hold (COVID-19). Redirecting resource to support Customer Accts.	COVID-19			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

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**#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	16.6 mins	49.1 mins	49.1 mins	49.1 mins	John Stoll
P1	2 B) Water System Integrity (< 20 leaks per 100 miles)	9.7	< 20 / mi	< 20 / mi	< 20 / mi	John Stoll
P1	2 C) Network System Composite Uptime (99.999%)	100.000%	99.999%	99.999%	99.999%	Mike Coleman
P1	2 D) Optical line terminal link optimization <90% for all years	89.4%	< 90%	< 90%	< 90%	Mike Coleman
P1	2 E) Hydro Capability (73%) Actual = 69.1%	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 Expecting a very slow Q2 due to COVID 19	COVID-19			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. Returned 1/31/2020.	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 Work temporarily curtailed at least 8 weeks due to COVID-19	COVID-19		8/31/2020		Kirk Hudson
P1	2 2. Return C7 or C3 to service Work temporarily curtailed at least 8 weeks due to COVID-19	COVID-19			10/15/2020	Kirk Hudson
P1	2 3. Begin disassembly of C3 or C7 Work temporarily curtailed at least 8 weeks due to COVID-19	COVID-19		7/31/2020		Kirk Hudson
P1	2 4. Begin disassembly of next unit (C4, C5 or C6) Work temporarily curtailed at least 8 weeks due to COVID-19	COVID-19		9/30/2020		Kirk Hudson

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		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
P1	2 I) Reinvest in Hydros: Rock Island PH1 modernization					Kirk Hudson
P1	2 1. Return B4 to service Work delayed approx. 10 weeks due to discharge liner repairs and hydraulic power unit delays and at least another 8 weeks due to COVID-19	COVID-19	5/1/2020			Kirk Hudson
P1	2 2. Begin B3 disassembly Delays from B4.	COVID-19				Kirk Hudson
P1	2 3. Begin B5 disassembly Disassembly work started ahead of schedule	3/31/2020				Kirk Hudson
P1	2 4. Return B7 to service New bushings may have schedule impacts.				10/22/2020	Kirk Hudson
P1	2 5. Return B10 to service Approx. 8 week delay due to runner delivery and floor space congestion and work temporarily curtailed at least another 8 weeks due to COVID-19.	COVID-19	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			9/30/2020		Kirk Hudson
P2	K) Submit Rock Island Hydro Seismic Project Plan to FERC		6/30/2020			Kirk Hudson
P3	2 L) RI Spillway Modernization execution underway by 2024 YE					Kirk Hudson
P3	2 1. Rock Island Spillway Modernization Business Case Complete				12/31/2020	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				12/1/2020	Kirk Hudson
P3	2 b. Put asset management plans in place for transformers and breakers				12/1/2020	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 Efforts underway to develop a model to assess and compare risk and other elements. COVID-19 has had some impacts to this project.	COVID-19	4/30/2020			John Stoll
P3	2 b. Develop asset strategies for 5 critical assets			8/31/2020		John Stoll
P3	2 c. Put asset management plans, consistent with asset strategies, in place for critical assets				12/1/2020	John Stoll

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		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
	3. District Services					
P3	2 a. Implement asset management strategies and capital improvement plans for boat docks and erosion control projects <i>Delay in hiring -- will not fill until working in normal conditions</i>	COVID-19			12/1/2020	<i>Justin Erickson</i>
	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					<i>Justin Erickson</i>
P2	2 1. Gain value for hydropower by educating house/senate leadership <i>Legislative focus turned to COVID-19. No recent discussions.</i>	COVID-19				<i>Justin Erickson</i>
P1	2 2. Agree on 2021 legislative priorities with internal stakeholders <i>COVID-19 is reprioritizing state and federal focus. We are revisiting what our priorities are within the new focus.</i>	COVID-19			12/1/2020	<i>Justin Erickson</i>
	2 O) Develop second source of water with the Regional Water Committee					<i>John Stoll</i>
P3	2 1. Participate on Regional Water committee and provide information and analysis to management and the Board to ensure appropriate issues are raised and effectively analyzed that results in choosing a second source				12/1/2020	<i>John Stoll</i>
P3	2 P) Progress towards NESC compliance through: Finalize the 3rd party pole attachment agreements <i>Staff turnover in this position has pushed out the forecasted finish for this project by at least 6 months.</i>	3/31/2020				<i>John Stoll</i>
	2 Q) Execute strategic relicensing plan for Rock Island Hydro and file notice of intent to relicense in 2023.					<i>Justin Erickson</i>
P2	2 1. Work with City of Wenatchee to develop stormwater outfall master plan for the Horan Area <i>The City is behind schedule in the development</i>		6/1/2020			<i>Justin Erickson</i>
P2	2 2. Complete feasibility assessment of project ideas originating from the 2019 Horan Area outreach effort and develop implementation plans				12/1/2020	<i>Justin Erickson</i>
P1	2 3. Finalize relicensing staffing plan, consultant qualification requirements, and finalize list and scope of baseline studies				12/1/2020	<i>Justin Erickson</i>
P2	2 4. Identify scope of potential early-action items for Rock Island, solicit for potential recreational and environmental projects/actions and make decisions on requests			9/1/2020		<i>Justin Erickson</i>
P2	2 5. Define the Rock Island relicensing strategy associated with Endangered Species Act (ESA) and Habitat Conservation Plan (HCP) compliance		6/30/2020			<i>Justin Erickson</i>

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		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
	2 R) Implement long range facilities plan					Justin Erickson
	2 1. Complete Entire RI Facilities Plan by Q1-2021					Justin Erickson
P2	2 a. RI Facility Construction - Complete C21 and C22 buildings Construction is estimated to take 2-3 months longer than originally contracted.			9/30/2020		Justin Erickson
	2 2. Complete RR/CM Facilities plan by 2022 YE					Justin Erickson
P2	2 a. Construction documents completed and bid Phase 2 bidding is proposed to be combined with the original phase 3 bidding after COVID-19 has subsided. Estimate a 3-4 month delay.	COVID-19	6/30/2020			Justin Erickson
P2	2 b. RR/CM Facility Construction underway with GMP issued Estimate at least 2-4 months additional time to perform construction.			7/31/2020		Justin Erickson
	2 3. Complete the District Service Center and fully move in by Q1-2023					Justin Erickson
P2	2 a. Site Development – Notice to Proceed with GMP (mini-MACC) COVID-19 impacts are unknown, but site work may slip minimally (<2 months)	COVID-19		8/31/2020		Justin Erickson
P2	2 b. Construction – Notice to Proceed with Guaranteed Maximum Price for balance of project COVID-19 Impacts are unknown; expect MACC NTP to slip into Q1-2021	COVID-19			12/1/2020	Justin Erickson
P2	2 c. Define aesthetics for Service Center COVID-19 Impacts are unknown but we are continuing to work on aesthetics with internal and community group. Plan on Board presentation in May and then incorporation of Board feedback for finalizing of plans in early summer.	COVID-19	6/30/2020			Justin Erickson
	2 S) Facilitate the productive reuse of the 5th Street Campus in a way that builds community and promotes economic development					Justin Erickson
P3	2 1. Finalize redevelopment plan and reach agreement with the Regional Port Authority and the City of Wenatchee on a marketing/sales approach Redevelopment plan is complete with presentation to Board planned for 4/27. Long-term economic impacts of COVID-19 response are unknown.	COVID-19	6/30/2020			Justin Erickson

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Strategic Initiatives/Critical Tasks/Actions		2020				Lead
		Q1	Q2	Q3	Q4	
	2) T) Harden transmission system to protect against fire/weather					Kirk Hudson
P2	2) 1. Complete Chelan-Manson line design & procurement				12/31/2020	Kirk Hudson
P3	2) 2. Develop a community coalition to identify overarching approach for Plain/Lake Wenatchee reliability improvements <i>Scheduled meetings were delayed due to COVID-19</i>	COVID-19	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) 1. Hire the 2020 approved Forester position <i>Position is in recruitment but COVID-19 safety guidelines put interview schedule at risk</i>	COVID-19	5/31/2020			John Stoll
P1	2) 2. Develop plan to manage the budgeted 2020 increase in vegetation management <i>COVID-19 has resulted in fewer than normal tree crews as opposed to the targeted increase (03/31/2020)</i>	COVID-19				John Stoll
P1	2) 3. Make recommendation for automating vegetation management process <i>This project is underway but timelines are threatened by focus on COVID-19 response</i>	COVID-19	5/31/2020			John Stoll
P2	2) 4. Pick the appropriate vegetation management standard		6/30/2020			John Stoll
P3	2) 5. Gain agreement with DNR for proposed state legislation				12/1/2020	John Stoll
	2) V) Improve distribution system reliability toward first quartile through:					John Stoll
P1	2) 1. Remove and replace 13 miles of end-of-life small wire from the Distribution System				12/1/2020	John Stoll
P2	2) 2. Replace 5 miles of end-of-life underground Distribution cable				12/1/2020	John Stoll
	2) W) Develop expanded substation planning, siting, resource needs and construction					John Stoll
P2	2) 1. Receive and deploy 2 new mobile substations <i>Potential delay due to COVID-19; factory testing is scheduled for April by contract QA/QC firm.</i>	COVID-19	06/30/2020			John Stoll
P2	2) 2. Complete the bid construction work on the Ohme substation <i>Potential delay due to COVID-19; equipment bid opening scheduled April 15</i>	COVID-19			12/01/2020	John Stoll
P1	2) 3. Energize new Hawley station <i>The project timeline is owned by a third party; latest pre-COVID schedule update had anticipated energization in December 2020. Subsequently, the control building delivery is behind schedule due to COVID-19.</i>	COVID-19		09/30/2020		John Stoll
P2	2) 4. Complete initial site design of Wenatchee substation				12/01/2020	John Stoll
P2	2) 5. Complete general site design and finalize stakeholder input on the No. Shore Chelan substation				12/1/2020	John Stoll
P2	2) 6. Complete general site design and finalize stakeholder input on the Bavarian substation				12/1/2020	John Stoll

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		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
	2 X) Execute 80% of capital plans on schedule and within budget:					
P1	2 1. Generation and Transmission	74%	80%	80%	80%	Kirk Hudson
P1	2 2. Customer Utilities Substation projects are forecasted to spend less in 2020 than planned, pushing that spend into the following year(s). Additionally, COVID-19 is impacting capital construction schedules, resulting in lower spend, particularly going forward	65.7%	80%	80%	80%	John Stoll
P1	2 3. Fiber & Telecom All spending for capital projects off to slow start. Exception is for customer installations, as that is the work the crews are executing.	57.1%	80%	80%	80%	Mike Coleman
P1	2 4. District Services	38.7%	80%	80%	80%	Justin Erickson
P1	2 5. IT	119.7%	80%	80%	80%	Kelly Boyd
	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

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#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 Completed in March, missed February 1 target.	Completed after deadline				Justin Erickson
P2	3 3. Evaluate alternatives to WDFW hatchery ops, monitoring and evaluation Due to COVID-19 work impacts, evaluation may be delayed by one month.	COVID-19	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				12/1/2020	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. Completed 3/19/2020.	3/19/2020				Kirk Hudson
P2	3 4. Feasibility report on environmentally acceptable lubricants (EAL). Received approval to delay until 4/20/2020 due delay in lab results.	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)					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

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		2020				
Strategic Initiatives/Critical Tasks/Actions		Q1	Q2	Q3	Q4	Lead
	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
	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 Staff is continuing to the development of the RFP. Depending on the delay associated with COVID-19 and RI & RR project progress, may slip to 2021.	COVID-19			12/1/2020	Justin Erickson
	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
	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

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**#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)	2.41	> 2.0	> 2.0	> 2.0	Kelly Boyd
P1	4 B) Debt Leverage – District (<35%)	27.2%	< 35%	< 35%	< 35%	Kelly Boyd
P1	4 C) Liquidity – District (>\$175M or Liquidity Methodology)	\$529.5M	>\$175 or Calc	>\$175 or Calc	>\$175 or Calc	Kelly Boyd
P1	4 D) Days Cash On Hand – District (>250)	539	> 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	4 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	4 b. Achieve support for independent governance of California ISO or governance structure that is acceptable to Chelan PUD.				12/31/2020	Gregg Carrington
P3	4 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	4 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	4 1. CETA rulemaking process reflects Chelan comments				12/1/2020	Gregg Carrington
P1	4 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	4 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

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		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	4 2. Develop strategy to replace long-term contracts by 2024					Gregg Carrington
P3	4 a. Determine long-term power sales plan COVID 19 has slowed hiring process for resources needed to implement.	COVID-19			12/31/2020	Gregg Carrington
4	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 COVID 19 has slowed hiring process for resources needed to implement.	COVID-19			12/1/2020	Gregg Carrington
P2	4 d. Define an approach to industrial hubs that has BOC support COVID 19 has slowed hiring process for resources needed to implement.	COVID-19			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	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	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 COVID 19 has slowed hiring process for resources needed to implement.	COVID-19		7/1/2020		Gregg Carrington
4	4 3. TDIP Implementation and improvements					Gregg Carrington
P1	4 a. Stabilize operations so that reservoir buffers can be removed COVID 19 has slowed hiring process for resources needed to implement.	COVID-19	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 Board approved delay to 12/1 due to COVID-19	COVID-19	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 Board approved delay to 12/1 due to COVID-19	COVID-19	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, EFFECTIVENESS, COMPLIANCE, RISK-ASSESSMENT, AND RESILIENCY)

(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)	83.4%	90%-105%	90%-105%	90%-105%	Kirk Hudson
P1	5 B) Distribution Actual Operating Expenses within 90-105% of 2020 Budget (YTD)	93.2%	90%-105%	90%-105%	90%-105%	John Stoll
P1	5 C) Water Actual Operating Expenses within 90-105% of 2020 Budget (YTD) Spend YTD is below budget but anticipated to catch up as the year progresses.	87.9%	90%-105%	90%-105%	90%-105%	John Stoll
P1	5 D) Wastewater Actual Operating Expenses within 90-105% of 2020 Budget (YTD)	91.2%	90%-105%	90%-105%	90%-105%	John Stoll
P1	5 E) Fiber Actual Operating Expenses within 90-105% of 2020 Budget (YTD) Started quarter behind due to accruals and slow start on contract spending, mostly for HVAC replacements at the nodes and Nokia support contract.	83.0%	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 (COVID-19 is our actual test and replaces the need for a mock test)			9/30/2019		Kelly Boyd
P3	5 2. Conduct the mini-Headquarters evacuation (COVID-19 is our actual test and replaces the need for a mock test)				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

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	5 I) Chelan has Open Access Transmission Tariff-like policies by EOY 2020					
	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) Resources focused on COVID-19 Response.	COVID-19	6/30/2020			Kirk Hudson
	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 Contracting underway for analysis of standardized charges for Electric, Water, and Wastewater systems. Schedule threatened by COVID-19 impacts	COVID-19	6/30/2020			John Stoll
P3	5 2. Establish economic development liaison position Position put on hold due to evaluate any related economic changes due to COVID-19 (03/31/2020)	COVID-19				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 COVID-19 has impacted staffing availability to work on project stability and has also put unexpected demands on the new system, namely significant requirements to estimate bills and address delayed billing due to meter reading contract temporary curtailment.	COVID-19	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

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	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%) <i>Despite alternate methods provided for Safety Meeting virtual participation, many employees did not login. This may partially be the efforts for the employee portal coming on line very recently for external access to occur. We ask that all Business Groups strongly encourage participation for April and all coming months via virtual logins, and in the future, in-person attendance.</i>	69.14%			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 <i>This metric is being revisited as tracking methods may be currently skewed and based on prior trending. It will be reevaluated and updated later in April 2020.</i>	83%			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	7			27	<i>Tim Pettit</i>
P1 6	2. Overall OSHA Incident rate YTD/EOY	2.89			3.53	<i>Tim Pettit</i>
P1 6	3. Lost time incident rate (LTIR)	0.28			0.42	<i>Tim Pettit</i>
P1 6	4. Days away restricted or transferred (DART) rate <i>Though there has been little activity in cases due to the current COVID19 situation, we have had 2 Restricted cases (1-Jan; 1-Mar) which account for the Roll12 rate not dropping. Case reported in March continues to be on light duty and release to full duty will be difficult to obtain under current circumstances.</i>	1.24			1.05	<i>Tim Pettit</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
	6 C) Recruiting metric					Lorna Klemanski
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%	Lorna Klemanski
	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)					Lorna Klemanski
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 <i>At risk. Delayed to lack of availability of interview team panel members for Learning & Development Program Mgr position.</i>	COVID-19			12/1/2020	Lorna Klemanski
P3	6 2. Offer training in 2020 based on highest priorities identified by the All Leadership Team in November 2019 <i>At risk. Delayed to lack of availability of interview team panel members for Learning & Development Program Mgr position.</i>	COVID-19			12/1/2020	Lorna Klemanski
	6 E) Develop and implement a 5 year leadership development program for executives and emerging leaders. (2020-2024 goal)					Lorna Klemanski
P3	6 1. Develop a multi-year implementation plan for leadership development <i>At risk. Delayed to lack of availability of interview team panel members for Learning & Development Program Mgr position.</i>	COVID-19			12/1/2020	Lorna Klemanski
	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
P3	6 1. Implement at least three strategies intended to increase District employment of women and minorities				12/1/2020	Lorna Klemanski
	6 G) Develop Human Performance Improvement (HPI) Roadmap					Tim Pettit
P2	6 1. Milestones to be development based on January 2020 consultation <i>Delayed due to COVID-19 reprioritization in Safety & Health (03/31/2020)</i>	COVID-19				Tim Pettit
P2	6 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 <i>Safety & Health is entrenched in COVID-19. Schedule may slip.</i>	COVID-19	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 <i>Safety & Health is entrenched in COVID-19. Schedule may slip.</i>	COVID-19	6/30/2020			<i>Erik Wahlquist</i>
P3	7 3. Evaluate Health/Safety use by end of Q2 <i>Safety & Health is entrenched in COVID-19. Schedule may slip.</i>	COVID-19	6/30/2020			<i>Erik Wahlquist</i>
P3	7 4. Pending step #3: develop plan for Health/Safety expansion by end of year <i>Safety & Health is entrenched in COVID-19. Schedule may slip.</i>	COVID-19			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 - <i>At risk due to subject matter experts working through CIS stabilization and other District priorities</i>		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 <i>Delayed due to COVID-19</i>	COVID-19			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>

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	7	f. Advanced Distribution Management System (ADMS): Factory Acceptance Prep and Testing. <u>Expected Q1 2021 due to contract delays.</u>			12/31/2020	Kirk Hudson
	7	3. Fiber customer portal replacement				Mike Coleman
P2	7	a. Determine the extent of automation to be included in initial implementation by end of Q2		6/30/2020		Mike Coleman
P2	7	b. Implement by end of Q4 to enable "go live" on 1/1/21			12/31/2020	Mike Coleman
P1	7	4. Establish technology roadmap steering committee by Q1 to ensure District-wide alignment of technology roadmaps	3/31/2020			Kelly Boyd
	7	5. Implement Azure Information Protection (AIP)/Office 365 as the precursor for secure mobility and mobile applications				Kelly Boyd
P1	7	a. Procure/license AIP automation functionality by end of Q1	3/31/2020			Kelly Boyd
P1	7	b. Implement AIP data protection capabilities by end of Q2 <u>Anticipate extending implementation into Q3</u>		6/30/2020		Kelly Boyd
P2	7	c. Deploy Lake and River Level customer "app" by end of Q1	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	1. Define options to reduce diesel usage risk of Stehekin by Q1	3/31/2020			Gregg Carrington
P3	7	2. Decision on DEED grant battery by Q1 (03/31/2020)	COVID-19			Gregg Carrington
P3	7	3. Implement all solutions based on timelines adopted in Q1 (03/31/2020)	COVID-19			Gregg Carrington
P3	7	4. Develop and post RFP for battery tech <u>COVID 19 has slowed RFP process. This impacts timeline of items C, 2 and 3 also. (03/31/2020)</u>	COVID-19			Gregg Carrington
P3	7	5. Install battery system			12/31/2020	Gregg Carrington

	Q1	Q2	Q3	Q4
Total Tracked Items:	210			
% On Track	62%			
Number completed after Deadline	2			
COVID-19 Delay	53			

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