

2024 District Performance Plan

FINAL-Q2

On Track	Complete	Caution	Needs Attention	Completed after Deadline	Scheduled Time Frame
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Objective	Objective #1 - COMMIT TO THE HIGHEST LEVEL OF CUSTOMER-OWNER SATISFACTION (BSc Customer-Owner/Stakeholder Objective)						
	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
	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.						
	Objective 1						
1	1. Customer Satisfaction as measured by biennial customer satisfaction survey (>90%), stakeholder survey, fiber survey, etc. and planning in off-years.						
1	A. Complete customer satisfaction survey by end of Q2 with 90% satisfaction rating. 2024 result = 90.3%	>90% by end of Q2					<i>John Stoll</i>
1	B. Based on results and customer comments prepare a report for the SMT by end of Q3.	9/30/2024					<i>John Stoll</i>
1	2. Fiber take rate exceeds 55% by end of 2024.	>55%					<i>Chris Blayne</i>
	Strategic Initiatives/Critical Tasks/Actions						
1	3. Identify, develop, and implement community desired and Board directed long-term Stehekin energy resource plan.						
1	A. Execute interlocal with Chelan County to fund Stehekin Community plan by end of Q1. Agreement was signed on 3/26.	3/31/2024					<i>Janet Jaspers</i>
1	B. Select energy resource options (battery, switchgear, multi-jet nozzles, etc.) for further analysis in 2025 by the end of Q3.	9/30/2024					<i>Brett Bickford</i>
1	4. Conduct the strategic planning process including community and employee outreach to complete a new strategic plan.						
1	A. Complete initial draft of 50-Year Vision by end of Q3.	9/30/2024					<i>Justin Erickson</i>

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Objective	Objective #2 - INVEST IN CREATING LONG TERM VALUE (BSc Business Process/Internal Operations Objective)						
	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
	We will define plans and make resources available to invest in all our physical assets (generation, transmission, distribution, fiber, parks, water, and wastewater) based on a long-term value perspective. We will continue our actions to reduce the volatility of wholesale power sales revenues while also seeking ways to enhance revenues. We will seek to work with our industry colleagues as much as possible, in a collaborative manner built around long-term relationships. Because relationships are important to us, we will look at the spirit and intent of issues rather than just the “letter of the law.” Investing in the source of our organization’s financial value will give us the best opportunity for deriving future public power benefits.						
	Objective 2						
2	1. Electric Service Reliability target (SAIDI): annual year end goal. With a 5-year goal to reduce to 44-67 minutes. Q1 83.2 min, Q2 = 85.9 min January SAIDI was impacted negatively due to the weather events, February and March were better than what we typically see for those months but not enough to overcome the January numbers.	72 minutes by 12/31/2024					John Stoll
2	2. Hydro Capability, end of year (EOY) Manage outage and rehab schedules to meet hydro capability targets to achieve District power production targets. Target based on hydro generation asset name plate capacity of 1980 MW with a minimum target for 2026 and beyond of 89%. (Quarterly targets: Q1-75.8%, Q2-75.4%, Q3-75.2%, Q4-76.2%) Q2 - 75%. RI PH2 exciter outages and the C3 transformer outage resulted in missing the goal of 75.4%.	YE 76.2%					Brett Bickford
	Strategic Initiatives/Critical Tasks/Actions						
2	3. Seek or partner with other public entities or trade associations for potential opportunities and incentives for wildfire mitigation, dam safety, second source water, and broadband expansion. Coordination activities are ongoing.	12/31/2024					Justin Erickson

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	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
2	4. Develop a Large Load process with respect to all energy services and all associated utility infrastructure.						
2	A. Finalize and obtain approval of energy supply and delivery services framework by end of Q2. Q2 – Energy supply framework presented to Board on July 15th. Delivery services framework to be completed in Q3.	6/30/2024					Janet Jaspers
2	5. Obtain a new license for the Rock Island Hydroelectric Project consistent with the District's mission, vision, core values, and FERC requirements.						
2	A. File the Proposed Study Plan (PSP) with FERC, host the PSP public meeting and file the revised PSP by end of Q3.	9/30/2024					Justin Erickson

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.						
	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
3	Objective 3						
3	Strategic Initiatives/Critical Tasks/Actions						
3	1. Advance Wildland Fire Mitigations and Plan						
3	A. Expand and select Fire Safety Outage Management (FSOM) risk areas by 4/30/24. Complete, wildfire team recommended expansion of both tier 3 and tier 2 into the FSOM areas for a total of 24 zones	4/30/2024					John Stoll
3	B. Adopt the State mandated wildfire mitigation plan specific to Chelan PUD by 10/31/2024.	10/31/2024					John Stoll
3	2. Consistent with the Habitat Conservation Plans, identify and evaluate emergent opportunities and best practices that could support fish passage and water resources by Q4.	12/1/2024					Justin Erickson
3	3. Develop an overarching water strategy considering current and future water resources and hydro generation needs by end of Q3.	9/30/2024					Kirk Hudson

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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
4	Objective 4						
4	1. Debt Cover – District	>2.0					Mark Mullins
4	2. Debt Leverage – District	<35%					Mark Mullins
4	3. Liquidity – District	>\$175M or Methodology					Mark Mullins
4	4. Days Cash On Hand – District	>250 Days					Mark Mullins
4	Strategic Initiatives/Critical Tasks/Actions						
4	5. Actively participate in electricity market design, develop options, and execute approved actions. Examples include Western Resource Adequacy Program (WRAP), day-ahead organized markets (SPP Markets+ and CAISO Extended Day Ahead Market (EDAM).						
4	A. Make SPP Markets+ Phase 2 funding go/no decision by end of Q2. Q2 - The SPP Markets+ development team (external to District) changed the funding decision date to the end of 2024 after goal was set. The District is taking the proper internal steps to inform our decision in alignment with the new decision timeline. The internal team is on plan. Variance approved on 7/24 to move our target date from June 30th to Dec 31st.	12/31/2024					Janet Jaspers
4	6. Monitor and measure impacts of legislative, regulatory, and energy market evaluation on surplus portfolio, develop options, and take approved mitigation actions as necessary.						
4	A. Provide subject matter expertise on state policy priorities and evaluate impacts of potential policy changes on Energy Resource responsibilities.	12/31/2024					Janet Jaspers

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4	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
4	7. Maintain or enhance AA bond ratings: Fitch AA+, Moody's Aa2, and S&P AA+ (Stable Ratings).						
4	A. Receive clean financial audit opinion with no material deficiencies by April 30. Received clean audit opinion and 2023 annual report published in April.	4/30/2024					Mark Mullins
4	B. Execute all steps of Rating Agency outreach plan to end of Q4.	12/31/2024					Mark Mullins

Objective	Obj #5 - CONTINUOUSLY IMPROVE EFFICIENT, EFFECTIVE, COMPLIANT, RISK-ASSESSED AND RESILIENT OPERATIONS						
	(BSc Business Process/Internal Operations Objective)						
	We will rigorously and holistically review spending and policy decisions using strong risk assessment practices to assure best value and resiliency. We will comply with all statutory requirements. We will seek out, evaluate, and utilize new technology that is ready for deployment if there are sufficient economic and customer benefits.						
5	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
5	Objective 5						
5	Strategic Initiatives/Critical Tasks/Actions						
5	1. Maintain resilient operations and ensure business continuity via staffing, training, spares, and redundancy (resiliency).						
5	A. Spare parts. Identify scope and resources to develop a spare parts strategy by end of Q1. Prepare a draft strategy by end of Q3.	9/30/2024					Brett Bickford
5	B. Single points of failure. Identify tier 1 positions that are single points of failure by end of Q1. Prepare a draft plan to mitigate tier 1 single points of failure by end of Q3.	9/30/2024					Brett Bickford
5	2. Transform the business planning process to increase organizational unity and alignment by leveraging a framework of Business Capabilities.						

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5	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
5	A. Establish initial business capability model and implementation plan by end of Q1 and execute on defined milestones through end of year. Implementation delayed due to competing priorities.	12/31/2024					Kirk Hudson
5	3. Advance the District's cyber security strategy to strengthen readiness, prioritize actions and investments, and maintain desired levels of security , resiliency, and recoverability.						
5	A. Mature our C2M2 Architecture domain areas to desired levels across IT, OT, and Fiber by the end of 2024. C2M2 targets for maturing this year have been identified.	12/31/2024					Ian Fitzgerald

Objective	Objective #6 - ADVANCE HUMAN AND ORGANIZATIONAL PERFORMANCE (BSc People & Culture Objective)						
	Through systems learning and investments in developing our employees, we constantly improve our resiliency, our defenses, and our ability to adapt to our environment. Through curiosity and continual learning, our employees provide the solutions to problems. By learning from our errors and failures, and examining our practices, we improve our operational excellence on behalf of our customer owners.						
6	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
6	Objective 6						
6	Strategic Initiatives/Critical Tasks/Actions						
6	1. SAFETY: Increase the District's capacity for safe work by partnering with District operations staff to develop purpose-driven safety programs.						
	A. Develop District wide strategy to create purpose driven safety programs.	12/1/2024					Jared Watts
6	2. HUMAN & ORGANIZATIONAL PERFORMANCE: Better embody a high reliability organization by incorporating H&OP throughout all facets of the District.						
	A. Develop District wide strategy to incorporate H&OP building blocks across all facets of the organization.	12/1/2024					Jared Watts

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	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
6	3. Develop and implement a District-wide strategy for staff development, building resiliency and advancing capability (bargaining unit and non-bargaining unit).						
6	A. Complete the first year of the Developing Leaders from Within Program (DLW) with a 75% graduation rate.	12/31/2024					Rosario Nystrom
6	B. Draft Succession Plan strategy for Manager to Director level positions- Q2, Approved Succession Plan Q4.	12/1/2024					Brett Bickford Rosario Nystrom

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 may be unachievable. We seek to be recognized as experts and industry thought leaders on all issues relevant to our operations. We provide educational opportunities and diverse work experiences to foster diversity in perspectives and thought. We focus on developing a strong culture of innovation so we can continue to increase value for our customer-owners.						
	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
7	Objective 7						
	Strategic Initiatives/Critical Tasks/Actions						
7	1. Investigate and explore new energy/storage sources to serve additional future load and customers through 2028.						
7	A. Identify the need and use it to inform the strategic planning process to select technology for additional evaluation (and budget) in 2025, if needed.	9/30/2024					Brett Bickford
7	2. Advance the internal and external user digital experience through implementing virtual mobile workforce tools; enabling field and engineering technologies; and improving quality of customer digital experiences by the end of 2028.						
7	A. Provision OverIT's field workforce solution to a minimum of 25 employees by end of 3rd Quarter.	9/30/2024					Ian Fitzgerald

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	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
7	3. Ready operational technology through connecting our campuses with fiber optics; advancing our operational technology; and exploring distributed energy resource (DER) innovations.						
7	A. Achieve an approved business case for the use of ADMS; understanding its importance and ties into an uncertain energy future, with a 2025 resource and expenditure plan, by end of Q3.	9/30/2024					Ian Fitzgerald
7	B. Decide on a strategic direction, with a sustainable internal rate structure, to support all the District facilities with broadband services, by 12/1/2024. <i>With CFO and MD Fiber changing, along with One Utility discussions with Board, this item has become blocked. Re-adjusting to align with one utility ideology, while still attempting to provide fiber services to needed departments.</i>	12/1/2024					Ian Fitzgerald
7	4. Invest in data and enable user access to data through building out of data and analytics-as-a-service platform; integrating data through a virtual data elevator; and scaling the data community of practice by the end of 2028.						
7	A. Implement an Integration Platform as a Service (IPaaS) to enable the virtual data elevator, in support of 2024 projects, field workforce and CIS Migration, by mid-August.	8/16/2024					Ian Fitzgerald
7	B. Advance District employee's reporting, analytics and technology capabilities by conducting cross-functional training and education across our suite of analytical tools (Power BI, PI Vision, Seeq, etc.) to grow self-service users by an additional 25 by 12/1/24.	12/1/2024					Mark Mullins
7	5. Improve efficiency in daily tasks to drive business value through corporate cloud migration; enabling innovation via the cloud; and modernizing technology skill sets.						
7	A. Select a CIS cloud migration path & develop a work plan by end of 3rd Quarter.	9/30/2024					Ian Fitzgerald
7	B. Select a Finance & HCM cloud migration path & develop a work plan by 12/1/2024.	12/1/2024					Ian Fitzgerald

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Objective	#8-FOSTER A CULTURE OF SERVING THE PUBLIC INTEREST (BSc People & Culture Objective)						
	Our strategic advantage is our culture of serving the public interest. We enhance the quality of life in Chelan County through a culture of serving the public interest including programs that distribute the benefits of public power. We also seek out opportunities to collaborate with other public agencies to solve problems and address regional challenges.						
8	Metrics & Targets	Target	Q1	Q2	Q3	Q4	Lead
8	Objective 8						
8	1. Complete Fiber Expansion PPB New Premises Passed (Expansion/Infill/Growth) of 9,256 by 2026 (related final customer connections in 2027). <i>High likelihood the 2024 target will be missed. We are reviewing and putting together a corrective plan to make sure overall 2026 number is met.</i>	8,617					Chris Blayne
8	2. Establish and execute the Fiber Expansion Homestretch plan within scope, schedule, and budget.	TBD after Board Workshop					Chris Blayne
8	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
8	3. Complete selected Public Power Benefit Projects						
8	A. Sport Courts - Walla Walla Park <i>Intentionally deferred to 2025 to minimize impact to users.</i>	6/30/2024					Justin Erickson
	B. Riverfront Park: Phase 1 Substantially Complete	9/30/2024					Justin Erickson
	C. Fill open supported employment position	6/30/2024					Justin Erickson
	D. Day-use Parks Pass Program - 3000 Passes Issued <i>Fewer applications than prior years. Currently at 50%.</i>	12/31/2024					Justin Erickson
	E. Dryden Wastewater	12/31/2024					John Stoll

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8	Strategic Initiatives/Critical Tasks/Actions	Target	Q1	Q2	Q3	Q4	Lead
8	4. Develop second source of water with the Regional Water Committee.						
8	A. Finalize the second source location recommendation in partnership with the regional members by 6/30/2024. Regional members have yet to agree on a site to acquire and East Wenatchee Water District would still like to focus on further well exploration	6/30/2024					John Stoll

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

Q1	Q2	Q3	Q4
47	47		
91.49%	72.34%		
2.13%	8.51%		
93.62%	80.85%		

Key for Prioritization:

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

Additional guidance for prioritization trade-off decisions includes:

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