

Chelan County PUD



Strategic Goals Update

Bridge Year 2025

April 7, 2025

2025 – Bridge Year to Strategic Vision

Recap from 1/6/2025 Board Presentation:

Board concurred with bridge year interim proposal:

- Discontinue stoplight performance plan report for 2025
 - Executive team to develop new reporting approach:
 - Invest in assets and people
 - Financial resiliency
 - Public power benefit
 - Engage in countywide efforts
 - April Board Check-in
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- In parallel, continue work to operationalize 50-year Vision
 - Enterprise planning framework to set goals, objectives, strategy and tactics

2025 Bridge Year Strategic Goals

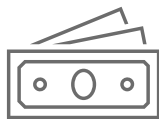
1



ASSETS & PEOPLE

Invest in assets and people and seek industry top-quartile performance for hydro generation, retail reliability, and safety while improving our customer service technology

2



FINANCE

Sustain financial resiliency while mitigating the risk of large retail increases

3



QUALITY OF LIFE

Enhance the quality of life in Chelan County through programs that distribute the benefits of public power

4



GROWTH PLANNING

Engage in countywide growth planning and job creation efforts while ensuring the District's rates and policies remain stable and predictable

Strategic Plan – Goal #1

Invest in assets and people:

Major Actions Supporting Goal # 1	Objectives supporting Goal # 1		
<ul style="list-style-type: none"> • Hydro Re-Investment • Distribution System Reliability • Advance Wildland Fire Mitigations • Relicense Rock Island Hydro • Advance Human and Organizational Performance • Customer Technology 		Target	Actual
	Hydro Capability	77% (Q1)	77% (Q1)
	Electric Service Reliability (SAIDI)	≥ 74-82 (YE)	93.5 (March 1)
	H&OP Training for Leadership/Craft Target = 75%		

Strategic Plan – Goal #2

Sustain financial resiliency, while mitigating large rate increases:

Major Actions Supporting Goal # 2	Objectives supporting Goal # 2		
		Target	'25 Forecast
	Liquidity	> \$225M	\$396M
	Combined Debt Coverage	> 2.0x	4.1x
	Debt Ratio	< 35%	10.3%
	Days Cash on Hand:	> 150	305
<ul style="list-style-type: none">• Long-term rate planning• Ratings affirmed in 2024<ul style="list-style-type: none">• Fitch AA+, Moody's Aa2, S&P AA+• Financial metrics<ul style="list-style-type: none">• Supports resiliency• Long-term marketing strategy			

Strategic Plan – Goal #3

Enhance quality of life through Public Power Benefits:

Major Actions Supporting Goal # 3	Objectives supporting Goal # 3
<ul style="list-style-type: none">• Broadband expansion• Riverfront Park• Electric Avenue	<ul style="list-style-type: none">• Fiber Premises Passed:<ul style="list-style-type: none">• 2025 Target 8800• Actual YTD 7527• Open Riverfront Park improvements to the public• Issue 2,500 day use park passes• Reach substantial completion on Electric Avenue

Strategic Plan – Goal #4

Engage in county wide growth planning:

Major Actions Supporting Goal # 4	Objectives supporting Goal # 4
<ul style="list-style-type: none">• Large Load Framework• Wildfire risk reduction• 5th Street Campus• Develop 2025 Integrated Resource Plan (IRP)• Confluence Parkway	<ul style="list-style-type: none">• Complete Phase 1 work at Jumpoff Ridge and execute power supply contract• Hire program manager for large loads• Hire program manager for wildfire risk• Decision on demolition of former HQ building• IRP approved by Board

Strategic Visioning

Enterprise Alignment:

Major Actions
supporting Goals:

- Establish new strategic alignment process
- Define business capabilities

Objectives
supporting Goals:

- Develop and implement process for establishing goals and objectives
- Define level 1 business capabilities and supporting metrics

Questions

Appendix

- Enterprise Alignment: ***Current State to Future State***
- Enterprise Alignment process: ***Summary Cycle***
- Enterprise Alignment process: ***Who***
- Enterprise Alignment process: ***What***
- Enterprise Alignment process: ***Framework Integration***

New Enterprise Alignment Process – Current State to Future State

CURRENT STATE

Operational: shorter-term focus

Planning: starts with projects

Roles: SMT creates goals, objectives, strategies, and tasks

Compelled to say 'yes': the cost of overcommitment

Organizational Health: low visibility and unclear purpose

Budget-focused



FUTURE STATE

Strategic: holistic, longer-term focus

Planning: starts with vision → goals → objectives

Roles: Distinction in roles & responsibilities between Executive and Senior leaders

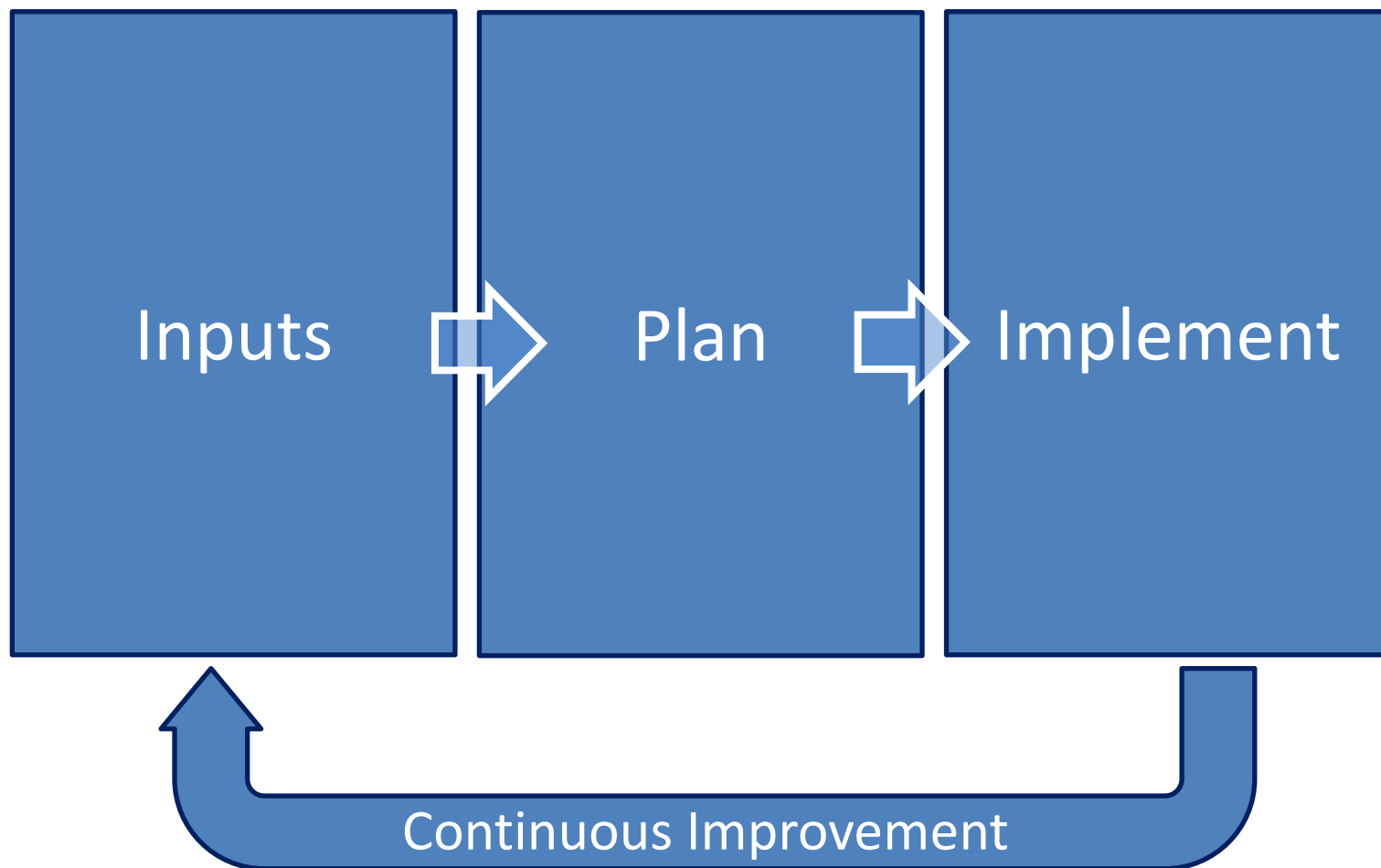
The power to say 'no': focus and prioritization

Organizational Health: Business Capabilities reflect the organizational pulse, leveraging core strengths and addressing areas needing attention

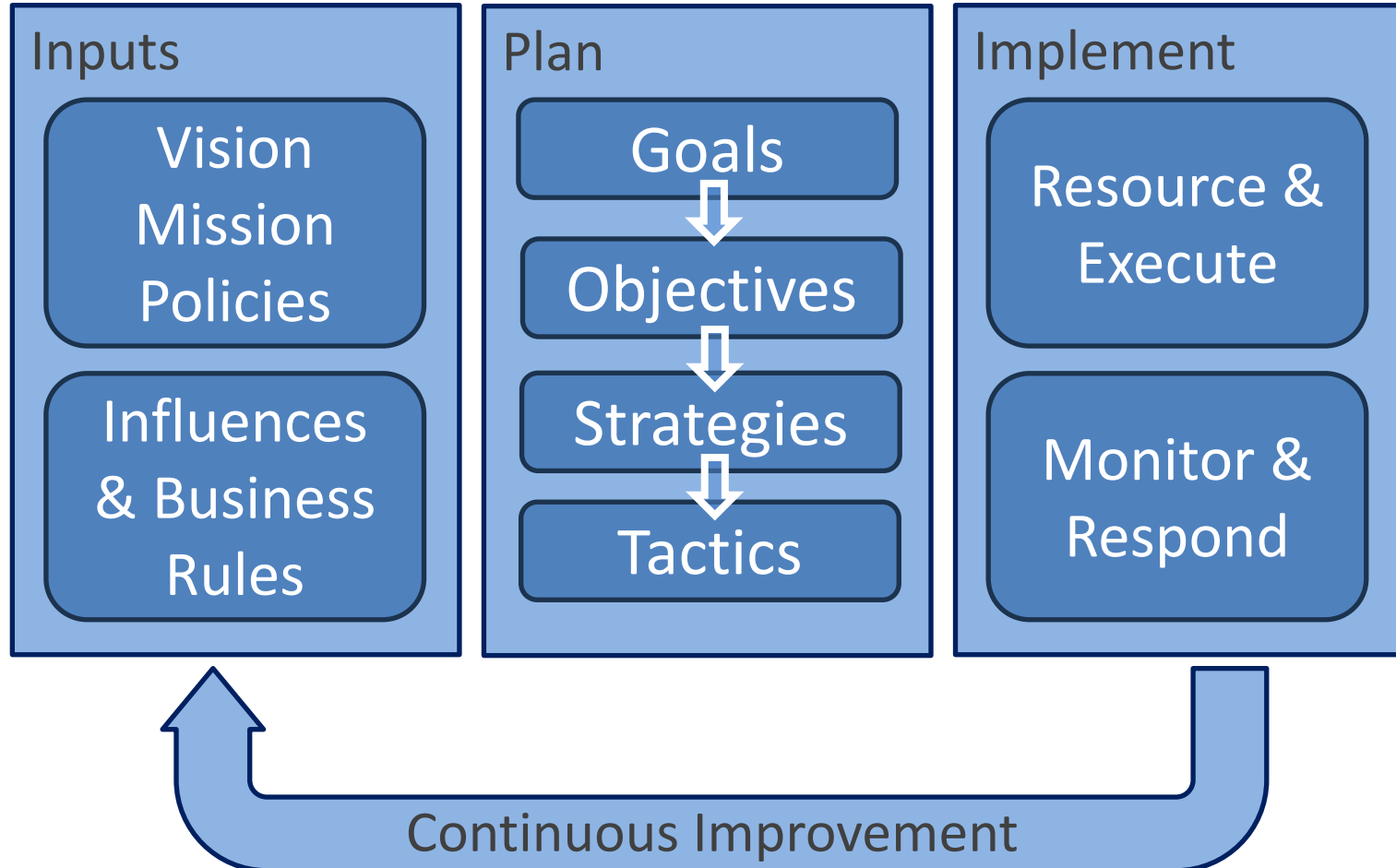
Capability-focused



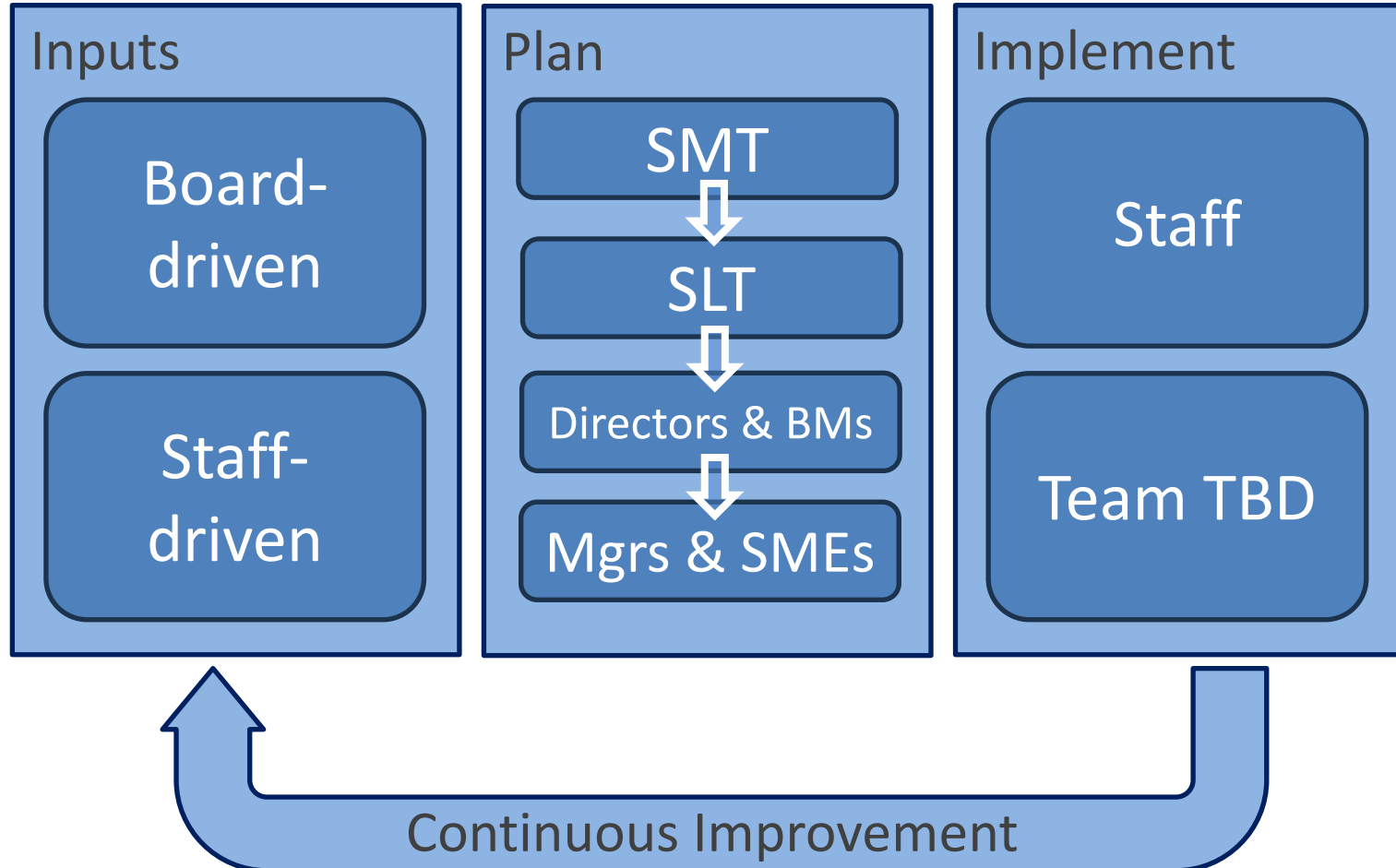
Enterprise Alignment process: *Summary Cycle*



Enterprise Alignment process: *What*



Enterprise Alignment process: *Who*



Enterprise Alignment process: *Framework Integration*

