



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Barofsky, McRae, Schlossberg, and Brown
FROM: Frank Lawson, CEO & General Manager; Rodney Price, Asst. General Manager
DATE: July 26, 2023 (Board Meeting August 1, 2023)
SUBJECT: SD22 Resiliency Policy
OBJECTIVE: Action

Issue

Commissioners expressed a desire to develop a Board policy directing the utility to incorporate resiliency into project design and decision criteria.

Background/Discussion

During the 2022 annual Board Policy Review (December), Commissioners expressed interest in developing a “resiliency policy”.

EWEB staff collaborated on a draft of such policy as presented for Commissioner feedback as correspondence at the May 2, 2023, meeting. Commissioner feedback included a desire to create metrics to gauge progress, however staff views the policy as a “process guiding” tool to aid and support design and decision processes, not an “outcome-oriented” policy.

At the June 6, 2023, Board Meeting, agenda time was allocated for further discussion with most Commissioners comfortable with the policy. At the meeting, Management did commit to reviewing ways to clarify the implementation of the policy, which includes how existing tools will incorporate resiliency.

Recommendation

Staff recommends Commissioners pass Resolution 2313 adopting SD22 Resiliency Policy either as proposed or with modification.

Requested Board Action

Recommended Motion...*“move to approve Resolution 2313 adopting Board Policy SD22 Resiliency Policy”.*
Alternative Motion...*“move to approve Resolution 2313 adopting Board Policy SD22 Resiliency Policy, amended to state [insert description here]”.*

Attachment(s)

- 1 – Resolution 2313
- 2 – SD22 Resiliency Policy – Clean Copy
- 3 – SD22 Resiliency Policy – Markup from June version

**RESOLUTION NO. 2313
AUGUST 2023**

**EUGENE WATER & ELECTRIC BOARD
RESOLUTION APPROVING NEW BOARD POLICY
SD22 RESILIENCY POLICY**

WHEREAS the Eugene Water & Electric Board (EWEB) maintains a Board Policy Manual that contains governing policies for the Board of Commissioners; and

WHEREAS the Board of Commissioners periodically reviews said policies and identifies required modifications or amendments to those policies; and

WHEREAS the Board of Commissioners periodically determines that new policy is required to adequately document the work or intention of the Board regarding governance, Board-staff linkage, strategic direction, or executive limitations; and

WHEREAS the Board of Commissioners has discussed a new Resiliency Policy and has determined that it is appropriate and necessary to embed resiliency in the Utility's operations, processes, and decision making. The new policy shall be reviewed in approximately one year to ensure the policy is achieving the desired effects on EWEB operations.

NOW, THEREFORE, BE IT RESOLVED the Eugene Water & Electric Board hereby approves the addition of Board Policy SD22 – Resiliency Policy.

DATED this 1st day of August 2023.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its August 1, 2023 Regular Board Meeting.

Assistant Secretary

Strategic Direction Policies (SD Policies)

SD22 Resiliency Policy

Effective Date August 1, 2023 (tentative)

EWEB is committed to providing essential services that protect and enhance our community’s vitality and strives to maintain these services without disruption. With the goal of sustaining safe, reliable, affordable, and environmentally responsible drinking water and electricity services, EWEB faces the challenge of effectively planning and operating in an environment of a changing climate, new technology, developing markets, political and regulatory flux, natural and human-caused threats, and evolving community expectations.

Meeting our ongoing obligation to provide essential services requires an organizational culture that fosters sustainability and resiliency of our infrastructure, finances, workforce, information, and decisions. In addition, EWEB acknowledges its role in furthering community resiliency so that our customer-owners can self-sustain through periods of disruption, recognizing the broad and unique needs of members of the community.

EWEB defines resiliency as follows.

Resiliency: The ability to reduce the likelihood, magnitude, and duration of sudden or gradual disruptive events through risk mitigation, emergency preparedness and response, and recovery strategies.

Consistent with EWEB’s Vision, Mission, and Values (SD1) and other Strategic Direction (SD) policies, along with other policies guiding Governance Process (GP), Board-Staff Linkage (BL) and Executive Limitations (EL), the Board supports a comprehensive approach to organizational and community resiliency, as defined above, using the following primary guidance.

1. Infrastructure and Systems (including service delivery, financial, and information systems)

The Board authorizes, delegates, and directs the General Manager to ensure that infrastructure design and construction, communication and information systems, and operational and maintenance processes use risk-assessment methodologies to identify and achieve resilient outcomes under both normal operating conditions and disruptive events.

2. Workforce

The Board further authorizes, delegates, and directs the General Manager to build workforce resiliency through transfer of knowledge and skills across the organization, creating redundancy, flexibility, and depth in mission-critical functions. The organization shall facilitate employee and family emergency preparedness, improving EWEB’s response to and recovery from disruptive events.

3. Finance

The Board further authorizes, delegates, and directs the General Manager to ensure that the organization considers resiliency in the development of budgets and financial plans under a range of potential future conditions, including but not limited to, the variability of economic and market forecasts, and the impacts of regulatory changes.

4. Community

The Board further authorizes, delegates, and directs the General Manager to cultivate partnerships that enhance community resiliency, leveraging unique capabilities with the potential to plan, mitigate adverse impacts of, or respond and recover from a variety of operating conditions or disruptive events. EWEB shall educate and encourage the community at-large, including vulnerable and/or historically marginalized customer-owner segments, to plan and prepare to self-sustain through periods of disruption, as well as other options for response and recovery.

Implementation

The guidance outlined in this policy are acknowledged as results or conditions that are acceptable to the Board in the process of establishing policy and approval of Strategic Plans, Long-Term Financial Plans, Capital Improvement Plans, annual budgets, and goals, as established in Board Policy BL4 “Delegation to the General Manager”. According to this policy, the aforementioned plans will include resiliency considerations by incorporating content showing the sensitivities of recommendations, actions, and/or outcomes to variables impacted by relevant changing future conditions.

Implementing the guidance provided in the policy will include the development and maintenance of risk mitigation and recovery plans for major potential threats (e.g., wildfires, chemical spills, etc.), and others in partnership with local agencies (e.g. Natural Hazard Mitigation Plan).

Triple-Bottom-Line (TBL) assessments of plans, designs, and processes will include resiliency criteria to highlight each alternative’s performance and/or outcome under both normal and disruptive event conditions. The resiliency of major decisions will be evaluated by assessing the sensitivity of outcomes under a variety of different future conditions.

So that EWEB’s actions related to this policy are visible to the Board and our community, at least annually EWEB will compile and report on the status of strategic initiatives and annual goals associated with the implementation of this policy, as applicable.

Strategic Direction Policies (SD Policies)

~~SDX~~SD22

Resiliency Policy

Effective Date ~~July 11~~[August 1, 2023 \(tentative\)](#)

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Triple-Bottom-Line (TBL) assessments of plans, designs, and processes will include resiliency criteria to highlight each alternative’s performance and/or outcome under both normal and disruptive event conditions ~~in triple-bottom-line (TBL) assessments, designs, and processes, when applied.~~ The resiliency of major decisions will be evaluated by assessing the sensitivity of outcomes under a variety of different future conditions.

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