



MEMORANDUM
EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Roger Gray, General Manager, Debra Smith, Assistant General Manager and entire Leadership Team
DATE: February 5, 2013
SUBJECT: Proposed 2013 EWEB Operating Plan (comprised of 4 major elements)

Issue Statement

Management is proposing modifications to past years' approach to the so-called "GM Goals." It is recognized that the organization's goals are the GM Goals and vice-versa. In the past the GM Goals have either been a very small subset of overall EWEB goals or lists of initiatives that in some cases were not strongly related to EWEB's core utility mission.

In addition, it is recognized that the representative (but limited) metrics previously included highlight indicators of utility health, but are only a sample of the total picture. As a result, Management is proposing a revised structure that provides an overall snapshot of organizational health and more closely ties the so-called "GM goals" to organization-wide goals and associates achievement of these to the specific metrics identified within department goals.

This new approach is also intended to give the Board a "dashboard" that provides a high level overview of EWEB and more details behind that dashboard.

Background / Discussion

Management is proposing a revised "GM Goals" structure that is now called the "Operating Plan" and it is comprised of the 4 elements listed and described below. In effect, an "Operating Plan" represents implementation of an organization's Strategic Plan. In EWEB's case, the Strategic Plan is approved periodically by the Board. A fairly extensive effort was completed in 2011 with a refinement and an update approved by the Board in 2012. The Strategic Plan provides the long-term vision and plan for the future. The Operating Plan is the primary tool to implement the Strategic Plan. Management started with the 2011/2012 Strategic Plan to develop this 2013 Operating Plan. Strategic Plans look forward many years whereas Operating Plans tend to focus on the current year and maybe 2-5 additional years. We fully understand that the Board is conducting a Strategic Planning session on February 19th. The nature of our complex business with planning horizons that extend for decades is that it takes time to convert Strategic Plans in to Operating Plans. Depending on the results of the Board meeting on February 19th, the

2013 Operating Plan may change or it is possible that changes may not occur until 2014 or beyond.

Again, the 2013 Operating Plan is comprised of the following 4 elements:

Element 1. “Dashboard”

First, the new “dashboard” provides an overall snapshot of EWEB progress and health through the use of a Green/Yellow/Red stop light (see worksheet titled “Dashboard”). The dashboard covers all major areas or functions of the utility (e.g. electric transmission and distribution operations) as well as major initiatives or projects (e.g. stabilize financial health of EWEB (an initiative) or Carmen Smith (a project)). This new tool is intended to provide both the Board and Management a quick and high-level assessment of EWEB. The Dashboard will be reported on quarterly and the tool will track and record each quarter, current trend and end-of-year projection and report actuals at the end of the year.

Element 2. “Business Strategies”

The second item (see worksheet titled “Business Strategies”) provides EWEB business strategies and then shows how specific Organizational Goals map to and support those business strategies. This tool is not intended to be a reporting tool like the dashboard. Rather, this tool is intended to describe the roadmap that drives the organization. It is important that the Board understand and agree to these details. For example, under Business Strategy #1 (Stabilize and Improve Financial Health) you can see Organizational Goal #2 (manage rate increases to CPI). This is a very specific goal that Management has developed based on the additional importance of affordability that was emphasized in the 2012 Strategic Plan update. Management will continue to present options to the Board for service, budget, capital and rate futures but this Organizational Goal establishes an important part of those processes (i.e. present a CPI-based option). Management does not intend for this tool to change frequently or be a reporting tool. EWEB Business Strategies and Organizational Goals are part of the 2013 EWEB Operating Plan should be driven by the EWEB Strategic Plan. This worksheet is presently still under further development and refinement and Management believes the Board discussion on February 19th will be part of the refinements to this element. Unless the Strategic Plan changes materially, Management does not believe this document would change materially.

Element 3. “Initiatives and Projects”

The third item (see worksheet titled “Initiatives and Projects”) provides more details about EWEB Initiatives and Projects. Most initiatives and projects are complex and often transcend years. Therefore, this worksheet sets forth expected outcomes and deliverables by year. Again, this information is not expected to change frequently and it should be driven by a combination of the Strategic Plan and the EWEB Business Strategies. This worksheet is presently still under further development and refinement and Management believes the Board discussion on February 19th will be part of the refinements to this element.

Element 4. “Department Goals and Metrics”

Some people say, “The devil is in the details.” An alternative viewpoint is, “the angel is in the details.” This is where more details that support the dashboard, business strategies and initiatives/projects reside.

The fourth item (see worksheet titled “Department Goals and Metrics”) is where underlying goals and metrics are all included in department-level goals (e.g. Engineering or HR) or functional goals (e.g. Safety which transcends the entire organization). This worksheet also is a map that shows the relationship between all of the previous 3 elements (i.e. Dashboard, Business Strategies, and Initiatives).

This worksheet is presently still under further development and refinement and Management believes the Board discussion on February 19th will be part of the refinements to this element. In some cases, Departments are largely completed and in some cases we are asking for approximately 1 additional month to revise and establish department goals and metrics. As with the Dashboard, this tool is intended to be updated quarterly and delivered to the Board. You will see that some parts of this tool are identical or similar to existing reports that already go to the Board (e.g. SAIDI/SAIFI report, Customer Service statistics, etc.). This tool is not intended to replace those reports. Rather, it is intended to provide the Board a more complete picture of how the entire organization is doing at a detailed level.

Proposed Reporting Process

Similar to past “GM Goal” reporting, we propose that the Dashboard and Departmental Level goals be reported out each quarter and at the end of each calendar year. Existing reports mentioned above would continue to be issued on the current schedule (e.g. Customer Service statistics are monthly). The tools will report status for the quarter and year end forecast where possible. The tools will also keep the past quarters’ reports and current trend information.

The proposed process is that the Dashboard would be presented at the quarterly goals check-in with the Board and that the underlying drivers and remediating actions associated with items showing up as yellow or red would be explained. Green areas would not be a focus of the presentation, but certainly can be discussed.

Since part of this process reflects the changing approach to work priorities and approach here at EWEB, a few of the areas are still under development. Management will have these goals and metrics fully defined and targets established by the first quarter review in April of 2013.

Recommendation

Management recommends that the Board approve the EWEB 2013 Operating Plan including the new approach articulated in this memo subject to additional Board approval of pieces still under development with the general understanding that some pieces are still under development and that the February 19th Strategic Planning Board meeting may drive additional changes.

Requested Action

If the approach described in this memo is generally satisfactory, please approve this at the February 5, 2013 meeting. If major changes are preferred, please provide your specific recommendations or changes so Management can bring those back for final approval at a future Board meeting.

2013 EWEB OPERATING PLAN "DASHBOARD"

(note: these are not real scores. Illustrative only)

Updated: 2/5/2013

Area	Source(s)**	Q1 2013	Q2 2013	Q3 2013	Q4 2013	EOY PROJECTED	EOY ACTUAL	Notes/Comments
Core Operations Reliability and Quality								
1	Electric T&D Operations	(1)(2)	→					
2	Water T&D Operations	(3)(2)	↑					
3	Generation	(4)	↑					
4	Customer Service Operations metrics	(5)	↑					
5	EMS Goals (Conservation and DR pilots)	(6)(13)	↑					
Customer Satisfaction and Public Participation								
1	Customer Survey results and satisfaction indices	(5)	↓					
2	Public Participation and Feedback Indicators	(5)(8)(11)(17)	↑					
Safety, Environmental and Compliance								
1	Employee safety	(14) all	↑					Not Zero, but continued improvements
2	Public safety	(14) all	↑					Zero
3	Vehicle Safety and Property Damage	(14) all	↑					Not Zero, but continued improvements
4	Regulatory Compliance	(15) all	↑					Excellent (no major compliance issue)
5	Self Reporting of Compliance Issues	(15) all	↑					100% of potential issues self-reported
6	Environmental Stewardship practices and programs	(9) all	↑					

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Financial

1	Electric Financial Metrics (Reserves, debt coverage, etc.)	(8)	→					Electric DCR AA at risk
2	Water Financial Metrics (Reserves, debt coverage, etc.)	(8)	→					
3	Electric Rate Trends (<> CPI)	(8)	→					
4	Water Rate Trends (<> CPI)	(8)	↑					
5	Electric Rate Benchmark/Comparator	(8)	→					EWEB far above mid-point
6	Water Rate Benchmark/Comparator	(8)	↑					EWEB at or below mid-point

Employees

1	Employee survey results and trends	(7)(17)						
2	Diversity goals and measures	(7)(17)						
3	Recruitment and Retention status	(7)(17)						

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Updated: 2/5/2013

Area	Source(s)**	Q1 2013	Q2 2013	Q3 2013	Q4 2013	EOY PROJECTED	EOY ACTUAL	Notes/Comments
Major Initiatives and Projects								
1	Stabilize Financial Health of EWEB	(8)(17)	➔					Obtain Board Approval For Plan on X/X/2013
2	AMI/MDM	(10)(17)	➔					Approve or shelve WAM Project
3	WAM	(10)	➔					Approve or shelve AMI/MDM Project
4	Carmen Smith	(4)	➔					Obtain Board Approval of New Carmen-Smith Plan
5	Possible Sale of Generating Assets	(8)(17)	➔					Prioritize assets to consider for sale. Identify potential buyers and market
6	Possible Sale of Real Estate Assets (e.g. Riverfront)/ Improve Asset Utilization	(8)(16)(17)	↑					Declare property surplus and begin marketing of Riverfront Property after obtaining rezoning
7	Second Source - Water Reliability Initiatives	(2)(3)	↑					Update Board on Second Source Situation and Present at least 1 Alternative
8	Improve customer communication and rate understanding/awareness	(8)(11)(17)	➔					Improve customer & public engagement and communication in budget/rates process
9	Workforce Planning	(10)	➔					Improve internal/organizational alignment, employee engagement, communication
10	IT Systems (Modernization and Disaster Recovery)	(10)	➔					TBD
11	Improve Project Management	(17)	➔					
12	Continue PPB and Benchmarking Improvements	(8)(17)	➔					
13	Create more flexible adaptable organization	(17)	➔					

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*** Scoring Evaluation**

- Green= Completed successfully or projected/trending toward goal
- Yellow= Close to desired result or projected/trending slightly behind goal
- Red=Failed or seriously behind and likely to fail without major course correction
- Grey=No information yet or unknown

- Trend equals flat or stable
- Trend equals up
- Trend equals down

**** Source(s): See Department Goals and Functional Area Report for Supporting Detail**

- (1) Electric T&D Operations
 - (2) Engineering
 - (3) Water T&D Operations
 - (4) Generation & Fleet
 - (5) Customer Service
 - (6) Energy Management Services
 - (7) Human Resources
 - (8) Financial Services
 - (9) Environmental Management
 - (10) Information Services
 - (11) Public Affairs
 - (12) Power Operations and Trading
 - (13) Power Resources and Strategic Planning
 - (14) Safety
 - (15) Compliance
 - (16) Property Management
 - (17) AGM and GM Offices
- list all other departments or "functional" areas/reports (e.g. safety, vehicle, claims, etc.)

2013 EWEB OPERATING PLAN "BUSINESS STRATEGIES"

Updated: 2/5/2013

2013 EWEB BUSINESS STRATEGIES (BS 1-6)

SUPPORTING ORGANIZATIONAL GOALS (OG 1-5)

	1	2	3	4	5	6
	STABILIZE & IMPROVE FINANCIAL HEALTH	KEEP THE PUBLIC IN PUBLIC UTILITY	RENEW INFRASTRUCTURE WHILE BALANCING COSTS	SECURE OUR SUPPLY	ALIGN RATE STRUCTURE WITH GOALS	INCREASE ORGANIZATIONAL EFFICIENCY
1	Use PBB process, financial initiative list & LTFP to provide options for stabilizing financial health of organization	Align with community goals and values	Continue and build upon asset management strategy	Establish emergency water supply program	Actively pursue technology and rate structures that provide better and timelier information to customers, promote conservation, and allow for adequate cost recovery	Develop clear and effective strategic leadership
2	Manage rate increases (water and electric) to CPI	Proactively engage customers and use feedback to inform business priorities	Manage to infrastructure replacement program that controls costs while meeting <i>customer</i> reliability goals	Continue second source exploration - feasibility and customer acceptance	Implement strategic pilot work (DR, TOU, EV, other)	Create a flexible and adaptable employee culture that embraces change
3	Review and agree to target bond rating reserves in Financial Plan and policies	Provide customer choice	Manage to optimal supply portfolio as defined by risk profile and target reserve margin	Implement IERP to: 1) meet load growth with EE and 2) align EE with load growth		Foster and quality work environment through open and honest communications and high employee morale
4	Develop alternative capital plans	Leverage external partnerships				Enhance information and operational systems
5		Institute budget/rate advisory panel				Improve EWEB Project Management Processes and results

**2013 EWEB OPERATING PLAN
"INITIATIVES AND PROJECTS"**

Updated:

2/5/2013

KEY INITIATIVES (KI 1-10)		2013	2014	2015	2016	2017	2018
1	Stabilize Financial Health of EWEB	Use PBB to Close Financial Plan gap, Facilitate Board review and validation of financial policies and financial targets	Monitor and complete financial initiatives to stabilize long-term health of organization	Implement mature ZBB/PBB process with cyclical benchmarking			
2	AMI/MDM	Board approval	Finish planning	Commence work	Major Deployment	AMI / MDM implemented	
3	WAM	Finish planning/ Board Approval	Commence work	WAM implemented			
4	Carmen Smith	Recraft Carmen Smith capital plan in response to license delay	Substation/T line work, Planning and minor construction work (roads, etc)	Bypass Valve work, resource management planning and Design, Start Carmen Powerhouse work-finish Substation/transmission construction	Finish Bypass valve, Continue Carmen Powerhouse work, resource management work starts	2017-beyond; Resource work starts, Carmen turbines, etc	Work continues
5	Possible Sale of Generating Assets	Prioritize assets to consider for sale. Identify potential buyers, estimate impact on Long Term Financial Plan. Develop recommendation for preferred long term planning margin.	Solicit buyers for identified resources through direct negotiation or bidding process. Enter into negotiations with potential buyers.	Asset sale effort completed. Assets may be retained if an acceptable bid is not received, loads grow, or forward sales are made in lieu of sale of asset.			
6	Possible Sale of Real Estate Assets (e.g. Riverfront)/ Improve Asset Utilization	Develop Specific Plan, Board Approval, Marketing	Sell Excess	Asset sale effort completed. Assets may be retained if an acceptable bid is not received.			
7	Second Source - Water Reliability Initiatives	Preliminary work, water rights, risk assessment, Communication plan update, Tabletop and field test emergency water dispensing trailer.	Water right strategy, Alternative analysis as part of Water System Master Plan as related with other system evaluations, Communication Plan refinements. Educate community for support for Water Second Source Plan	Alternative analysis as part of Water System Master Plan as related with other system evaluations, Communication Plan refinements. Board approval to proceed.	Start design work	Complete design work	Begin construction (Phased approach)
8	Improve customer communication and rate understanding/awareness	Renew engagement strategy for customers	Develop centralized market research plan Implement customer segmentation strategy	Educate community for support for rate increases to provide financing for PERS, Carmen Smith, AMI, Second source			
9	Workforce Planning	1,3,5 yr retirements scenarios by section; ID staffing vulnerabilities / skills gaps	ID "right size" for LT needs & Implement succession / retention / attrition plan	Development & Staffing Plans in place			
10	IT Systems (Modernization and Disaster Recovery)	Identify/achieve incremental efficiency gains in O&M Programs	Establish cost-benefit trade-offs for electric and reliability / quality levels and reaffirm targets KPIs)				
11	Improve Project Management	Benchmark Best practices and start Project Management Review Committee	Increasing training and certification of staff in project management	Develop refined tracking tools			
12	Continue PPB and Benchmarking Improvements	Benchmark at least 5 major work areas	Benchmark at least 5 major work areas	Benchmark at least 5 major work areas	Benchmark at least 5 major work areas	Benchmark at least 5 major work areas	
13	Create more flexible adaptable organization	Use long-term planning to develop scenario based planning for future	Start to position 3 major work areas to in and outsource	Position 3 major work areas to in and outsource			

**2013 EWEB OPERATING PLAN
"DEPARTMENT GOALS AND METRICS"**

Updated: 2/5/2013

**NOTE: SEVERAL AREAS ARE
STILL UNDER DEVELOPMENT**

Department	Functional Area	Goal	Metric	Initiative or Strategy? (BS 1-6 / KI 1-11)	KPI? (Ops, Saf, Comp, Fin, Cust, Wkf, PM)	KPI Target Value	Q1	Q2	Q3	Q4	EOY PROJECTED	EOY ACTUAL	Notes/Comments	
							2013	2013	2013	2013				
Power Resources & Strategic Planning	Long Term Power, Load and Rates Planning	Establish optimal supply portfolio	ID Target reserve margin and associated risk profile established and approved by RMC & Board	KI-1, KI-5										
		Refine and integrate planning models	Inter- and intra-departmental three-year plan adopted to integrate and enhance existing models as appropriate	BS-1, BS-4										
	Contract Governance & Regional Policy	Formalize contract optimization & compliance process	Complete R&R documentation & establish oversight process	BS-4, BS-6										
	DSM Program Design & Evaluation, and Customer Program R&D	Customer needs and preferences drive decisions on products, affordability and conservation	Assess technical feasibility and customer interest in possible future program offerings	BS-5, KI-2, KI-8										
	Strategic Planning	EWEB MVV, Strategic Plan, and Business Strategies align to the Individual work areas Implement stoplight dashboard with KPIs for major work areas	Department Level Operational Plans and individual employee goals in place that clearly align with organization-wide objectives Complete and communicate dashboard	BS-2, BS-6										
Generation & Fleet	McKenzie River Hydro Generation Facility O&M	Hydro projects are operated in a reliable manner	>95% gen unit availability, <3% forced outage, >95% critical PM completion rate		Ops (O3)	As listed								
		Hydro projects are operated safely	Zero violations of LOTO, safety, or other operating procedures		Compliance (C3)	As listed								
	Remote Hydro Generation Facility O&M	Remote projects are inspected annually	>95% gen unit availability, <3% forced outage		Ops (O3)	As listed								
		Remote projects are inspected annually	Environmental, Operational, Safety Site Inspection		Compliance (C3)	As listed								
	Thermal Generation Facility O&M	Hydro projects are operated in a reliable manner	>94% gen unit availability, <3% forced outage	BS-4	Ops (O3)	As listed								
	Wind Generation Facility O&M	Hydro projects are operated in a reliable manner	>92% gen unit availability, <3% forced outage	BS-4	Ops (O3)	As listed								
	Generation Management	Generation projects are operated in a cost effective manner, within established budgets	<3% budget deviation, 0 lost time accidents, Incremental Efficiency Gains	BS-6, KI-11										
	CS License Implementation	Manage Capital Projects within budget and established schedule	Achieve Major Project Construction Milestones		KI-4, KI-11	Project Mgmt (PM3)	Pending							
			Achieve Major Project Financial Milestones		KI-4, KI-11	Project Mgmt (PM3)	Pending							
	FERC License Management	Comply with all regulatory and environmental requirements	Zero deficiencies of FERC, ODFW, USFS, NOAA, NMFS, or other environmental standards, processes, and procedures within dept control	BS-4	Compliance (C3)	As listed								
Fleet Operations	Maintain fleet availability	>90% Vehicle Availability,>95% critical PM completion rate		BS-6										
	Safely operate fleet within established policies and procedures	Zero violations of safety policy, state or federal law, or other fleet procedures			Compliance (C3)	As listed								
	Right size fleet based on production division efficiency gains	compare 2010, 2011, 2012 fleet size and show reduction		BS-3										
	Manage utility wide fuel consumption	Progress towards EWEB wide Green House Gas (GHG) reduction goals		BS-2, BS-6										

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							2013	2013	2013	2013			
Power Operations & Trading	Trading Floor	Successfully implement slice solution	Budget, Resource Optimization	BS-4, BS-6		Qualitative analysis, no penalties during implementation, staff trained.							
	Mid Term Hedging	Reduce revenue volatility in next five year timeframe.	Realized hedge results, reduction of portfolio VAR.	BS-1	Financial	Developing							
	Trading Floor	Maximize EWEB Power Supply Portfolio	Transmission Savings, Resource Optimization, Client Services, and Trade Performance	BS-1, BS-6	Financial	TS-\$2.5M, RO - \$2.2M, TP - \$700k,							
	Short Term / Realtime	Manage regulatory exposure, ensure business continuity	Self Reported NERC/FERC violations.	BS-4	Compliance	100% violations reported							
Public Affairs	Provide information to customers and media about EWEB programs, issues and initiatives	Successfully plan and implement "reservoir of goodwill" communications project	Maintain or restore customer satisfaction level at or above a mean of 8.0 (out of 10)	BS-2, KI-8	Cust								
	Employee engagement and information	Restore high level of employee engagement following downsizing in 2012. Successfully plan and implement "reservoir of goodwill" communications project	Overall employee satisfaction mean of 4.8 or greater (on 1-7 scale) Increased level of pride in EWEB, as measured through employee "pulse" surveys, participation in events or volunteer events.	BS-6, BS-2	Wkf								
	Assist EMS and the DSM program in meeting research, marketing and communications goals	EMS energy efficiency goal	Annual KWH goal as set by utility	BS-2, BS-4	Cust								
	Community, customer and government/political engagement	Complete riverfront master planning process. Assist Finance Department in creating and implementing more robust public engagement process for budget and rates.	City Council approval. TBD: Survey mechanisms and metrics to be developed in 2013	BS-2, BS-3, KI-6, KI-8	Cust								
				BS-5, BS-1, BS-2, KI-1, KI-2	Fin, Cust								
Financial Services	Procurement and processing	Issue and manage solicitations within published timelines	Compliance with EWEB Rules and ORS - Solicitation process is defensible and results in a clean audit comments	KI-1, BS-1	Compliance								
	Contractual Risk Evaluation/Mitigation	Contract negotiations are complete and in EWEB's best interest	Contracts are defensible when challenged	KI-1, KI-2, KI-3, BS-1									
	Claims	Proactively investigate each claim	Initial investigation within one business day - 90% of the time	KI-1	Safety, Compliance								
	Risk/Procurement consultation	Provide utility wide consultation for responsible areas	Responses within agreed upon timeframe and within legal guidelines	KI-1	Safety, Compliance								
	Insurance Procurement	Issue RFP for Insurance Broker/work with Broker to ensure best practices and best value	Insurance coverage is adequate, current, best value, and in compliance with bond covenants	KI-1	Finance, Safety, Compliance								

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							2013	2013	2013	2013			
Financial Services	Materials Management/Stores Inventory Control	Identify stores items that are inactive/obsolete, complete material reviews. Disposal through warehouse function.	Identify at least 50 stores items. Reduction in inventory value.	KI-1	Finance								
	Board Consultants RFP	Issue RFP's for Board consultants: Real Estate, Land Real Estate, Appraiser, Actuary, REC Legal Counsel, Trustee, HR Counsel, Special/Power Risk Counsel, Auditor, Special/BPA Rate Review Counsel	Complete by the end of 2013	KI-1	Board Requested								
	Payroll Processing	Ensure payroll is timely and accurate	issued bi-weekly and 99% accurate	KI-1	Compliance, Workforce								
	Accounts Payable Processing	Ensure disbursements are timely and accurate	disbursements issued weekly 99% accurate	KI-1	Compliance, Finance								
	Monthly Financial Statement preparation and reporting	Financials are complete and materially accurate	statements issued within 10 working days	KI-1	Finance								
	Annual audit, reports, and compliance reporting	Timely, accurate, & complete and in compliance with laws and generally accepted accounting principles	clean audit opinion & issued 8 weeks after year-end	KI-1, BS-1	Legal, Compliance, Finance								
	Treasury, debt and public financing	Investments and borrowing are within policy & recorded accurately and timely	compliance with laws, regulations, and covenants	KI-2, KI-5									
	Financial & Regulatory - WGA, OPEB Trust, Trojan Project, Red Flag, PERS	Accounting, budgeting, financial and actuarial support for OPEB Trust, Trojan Project, Red Flag & PERS	compliance with agreements, contracts and laws	KI-1, BS-1	Legal, Compliance, Finance								
	Budget preparation and monthly monitoring	Budget is balanced, accurate, complete and issued timely	compliance with ORS and Board Policy EL1	KI-1, BS-1, BS-2	Finance								
	Budget & Rates Advisory committee	Create committee to assist with the Budgeting process	committee included in 2014 budget process	BS-1, BS-2, KI-1	Compliance, Finance								
	Cost of Service Analysis (COSA) and Rate development	COSA performed and rate proposals developed	rates approved by Board	KI-1, BS-1	Compliance								
	Electric Rate redesign	Review and update design of Electric Rates	completed by December 2013 for 2014 rate changes	BS-5, KI-1	Compliance, Finance								
	Long-term Financial Projections and revenue analysis	Plan is accurate, timely, and complete	completed in July and October for the Board and reflects material long-term financial issues including comparison to financial plan targets	BS-1, BS-2, BS-3, KI-1, KI-5	Compliance, Finance								
	Power Risk Management - Analysis, Credit, Confirms& Settlements	trading floor has appropriate liquidity and activities are accurately documented	compliance with SD8 and risk procedures	KI-1, BS-1	Compliance, Finance								
	Financial and cost benefit analysis	Review, analysis or creation of financial models	support department requests as needed and planned by departments	KI-1, KI-2, KI-3, KI-5, BS-1	Compliance, Finance								

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							2013	2013	2013	2013			
Financial Services	WAM (Work Order & Asset Management)	Provide contract support and assist with implementation and maintenance of new financial system	staff support for core team, contract administrator and steering committee to ensure planning, training, and as/is to/be analysis is timely and reflects standard business practices resulting in efficiency and effectiveness	KI-3, BS-5, BS-6	Finance								
	Dodd Frank Compliance	Work with Power Trading, Fiscal Services and Accounting to ensure compliance with new Federal compliance in regard to Power Trading financial transactions	Compliance with evolving laws and regulations by September 2013	KI-1, BS-1	Compliance								
Human Resources	Safety, Health, Wellness, Benefits	Safety culture focused on prevention & early return to work – Incident/ Injury free workplace	# of work-related injuries/disability claims # OSHA recordables # Work days lost to incidents/accidents	BS-6	Safety	0							
				BS-6	Safety	0							
				BS-6	Safety	0							
		Maintain or decrease incidental sick leave usage	Average annual # of sick days	BS-6	Wkf	< 5 days							
		Increase employee participation in EWEB's Safety, Health & Wellness programs Pilot prevention clinic	% of employee participation in Annual Safety & Health Fair Measure participation rate	BS-6	Safety	>60%							
				BS-6	Wkf	Est. baseline							
	Compensation, Retention and Recruiting	Performance based compensation philosophy	100% of employees slotted into appropriate range positions based on performance										
	Audit / Develop pay structures; job families	100% Position Revisited and Job Families Established by beginning of Q1 2014	BS-6	Wkf	100%								
Strategic Staffing Analysis	1,3,5 yr retirement scenarios by section	ID target workforce for future											
	Skill gaps and staffing vulnerabilities Identified	Development plans underway	KI-9	Wkf	TBD								
	LT/HR meet quarterly beginning 2014 to determine staffing priorities	Implement strategy for filling FTE											
Implement Diversity Plan	Workforce reflect community employment pool in race/gender demographics	2013 new hire targets - 30%+ female; 9% + non-white	KI-9	Wkf	> 30% female hires; > 9% non-white hires								
Water Operations	Utility Support Services	Provide flagging, traffic control, saw cutting and locating services cost effectively	Internal unit price below market price	BS-6	na	na							

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Department	Functional Area	Goal	Metric	Initiative or Strategy? (BS 1-6 / KI 1-11)	KPI? (Ops, Saf, Comp, Fin, Cust, Wkf, PM)	KPI Target Value	Q1	Q2	Q3	Q4	EOY PROJECTED	EOY ACTUAL	Notes/Comments
							2013	2013	2013	2013			
Water Operations	Hayden Bridge Treatment Plant	Manage Energy Cost as compared to previous years	\$/Billion gallons pumped-TBD	BS-6	H2Ops-7	TBD							
		Comply with all regulatory requirements with respect to treatment and quality monitoring	Zero violations		H2Ops-5	TBD							
	Water Distribution System	Complete City Driven Road project infrastructure upgrades within budget.	Project Completion/Budget	BS-3	na	na							
		Replace large meters	60 Meters Replaced										
		Repair or replace inoperative water system valves within 10 business days of discovery	Average replacement in days	BS-6	H2Ops-8	TBD							
	Backflow and Cross Connection Program	Maintain System Integrity	% of installed residential systems inspected	BS-3	H2Ops-8	TBD							
			% of installed commercial systems inspected	BS-3	H2Ops-8	TBD							
	Water Meter Testing, Repair and Replacement	Maintain integrity of meter plant	100% of 3" and larger meters are tested, repaired and calibrated	BS-3	H2Ops-8	TBD							
			Non functioning meters are replaced within 60 days of discover	BS-3	H2Ops-8	TBD							
	Fire Hydrant Flows/Maintenance	Perform fire flow testing in accordance with National Fire Protection Agency	Completed within 10 business days of request	BS-2	na	na							
Pumping and Controls	Transmission System valves are exercised	620 critical valves	BS-6	H2Ops-8	TBD								
	Distribution System valves (12" and smaller) are exercised	3600 valves per year	BS-6	H2Ops-8	TBD								
	Pump Stations and pumps are maintained	PS inspected monthly, Pumps inspected every 3 months or 3,000 hours	BS-6	H2Ops-8	TBD								
Emergency Water Supply	Procure Emergency Trailer and perform tabletop and field tests	Complete by 12/13/2013	BS-4	na	na								
Environmental Management & Property	Conduct business in compliance with environmental regulations	Develop tracking system for all compliance related activities to enable incorporation into WAM.	No compliance violations.	BS-2	Comp	0 violations							
		Reduce purchase of hazardous and listed waste	Purchasing contract limitations	BS-6	Comp	Contract language							
		Process form is filled out by project managers for all capital improvement projects; regular check-ins	100%	BS-6	Comp	100%							

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							2013	2013	2013	2013			
Environmental Management & Property	Increase technical assistance to other EWEB departments	Support projects with technical service	Support Carmen Smith, Leaburg-Waltherville, Steam Plant Decommission, Manufactured Gas Plant clean up	BS-6	Comp	0 violations							
	Protect McKenzie River source water quality	Implement voluntary landowner incentives program to protect riparian forest. Collect data and report on McKenzie water quality trends and pollution sources. Develop regional partnership, including academia to assess risk and develop strategies for climate resiliency in watershed protection.	Program developed by Dec 31	BS-2	Ops - Water	TBD							
			Report issued by Dec 31	BS-2	Ops - Water	TBD							
			Partnership formalized by 2Q	BS-2	Ops - Water	TBD							
	Increase utility resilience to impacts of climate change	Assessment of climate vulnerability for drinking water and utility infrastructure with local and state partners.	Report issued by Q1 2014	BS-6	Finance	TBD							
	Increase operational efficiency	Decrease EWEB operations direct GHG emissions Design and implement an integrated spill prevention and response program. Assessment of carbon market potential for Leaburg demo forest and develop Forest Management Plan	10% below 2009 levels	BS-6	Comp	10% below 2009 levels.							
			Training and resources for Spill Response Team	BS-4	Comp	TBD							
			Forest management plan by Q1 2014	BS-4	Ops - Water	by Q1 2014							
	Manage EWEB properties to meet the needs of electric, water, and generation while maximizing social, economic, and environmental value	Develop property management plan Identify surplus, potentially saleable EWEB properties	Property management plan by Q3 2013	KI-6	Finance								
			Identify and sell surplus property	KI-6	Finance								
Customer Service & Energy Management Services	EMS	Acquire cost effective conservation	Acquire 1.6 aMW of conservation at levelized cost of \$30/MWh or less	BS-4	Financial	1.6 aMW at \$30/MWh or less							
	EMS Residential	Implement findings of rental weatherization focus group Develop low income weatherization partnership with HACSA	Create action plan by Q1 2013; Execute plan by 12/31/13; Measure and monitor based upon customer performance targets	BS-, BS-4									
			Create programs to utilize extra \$500k allocated by Board. Minimize admin fees with HACSA while maximizing customer installations. Measure and monitor for future adjustments and enhancements	BS-2, BS-4									

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							2013	2013	2013	2013				
Customer Service & Energy Management Services	Customer Service	Transact business with customers in responsive and satisfactory manner	% Lost Calls <=6% YE average	BS-2	Cust	<=6% YE average								
		Minimize and manage bad debt expense	Annual write-offs <=\$600,000 for year											
		Deliver programs targeted at the limited income population	Complete program analysis to evaluate effectiveness by Q1 2013 Work with HSD and partners to effectively manage programs and distribute funds to serve 7,000 households	BS-2										
		Participate in a back to basics approach to Key Accounts	Make customer contact with top 40 customers at least once per year	BS-2										
	Contact Center	Implement findings of I3 contact center review	Create action plan by Q1 2013; Execute plan by 12/31/13; Measure and monitor based upon customer performance targets											
Special Projects	CIS (and other systems) are PCI Compliant	Certification of compliance or not required; determination made or compliance achieved by June 30, 2013												
Electric T&D Operations	System Reliability	Maintain tree trimming program	Complete 299 line miles in 2013		Ops 1,2									
		Maintain integrity of meter plant	Install remaining test switches system wide - +/- 500	BS-1,BS-3										
		Comply with PUC requirements	Install 9.91 miles of Neutral on system feeders	BS-3	Saf 1,2,3, 4									
		Inspect and correct 50.86 miles of distribution line including +/- 500 poles		BS-3	Ops 1,2 Comp 3									
		Maintain System Reliability	System Frequency Index (SAIFI) at or below .xx	BS-3										
		System Duration Index (SAIDI) at or below xx minutes	BS-3											
	Facilities and Warehouse	Manage Capital Projects within budget and established schedule	HQ Windows - \$xx,xxx by xx/xx/xxxx, ROC Fuel Tank - \$xx,xxx by xx/xx/xxxx, ROC Black Top Seal - \$xx,xxx by xx/xx/xxxx, HQ HVAC Air Handler \$xx,xxx by xx/xx/xxxx		BS-3, BS-6	Cust 1,2; Ops 1,2,5								
		Inventory Adjustments	Total adjustments fewer than 105											
	Steam Decommissioning	Manage decommissioning project within budget and established schedule	Decommissioning cost at or under \$1.0 million; project complete by xx/xx/xxxx		Comp 1									
	Compliance	Maintain NERC Compliance	Complete new Nerc maintenance requirements by 6/30/2013. New requirements due by 1/31/2013		Comp 3									
Revise EOP-008 Function and Testing Plans		Develop and integrate new plan in 2013		Comp 3										

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							2013	2013	2013	2013			
Electric T&D Operations													
Engineering	Engineering Management	Manage to infrastructure replacement program that controls costs while meeting <i>customer</i> reliability goals	Functional areas adjust CIP's to meet financial and reliability goals	BS-3	PM	TBD							
	Substation reliability and Planning, Distribution Engineering	Electric Capital Projects are completed on time and within Budget	Budget vs. Actual costs on planned projects are within 10% of target. If different, document reasons why. Complete projects in year projected to minimize carry-over. Projects completed on time and meet scope objectives.	BS-3	PM	TBD							
	Water Engineering	Water Capital Projects are completed on time and within Budget	Budget vs. Actual costs on planned projects are within 10% of target. If different, document reasons why. Complete projects in year projected to minimize carry-over. Projects completed on time and meet scope objectives.	BS-3	PM	TBD							
	Industrial Engineering	Energy Efficiency projects align with IERP goals.	Program activity meets IERP goals.	BS-4	Financial	1.6 aMW at \$30/MWh or less							
	Generation Engineering	Generation Capital Projects are completed on time and within Budget	Budget vs. Actual costs on planned projects are within 10% of target. If different, document reasons why. Complete projects in year projected to minimize carry-over. Projects completed on time and meet scope objectives.	BS-3	PM	TBD							
Information Services	Additional Information to be provided in the near future.												