



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital  
FROM: Debra Smith, Assistant General Manager and Erin Erben, Power & Strategic Planning Manager  
DATE: April 9, 2012  
SUBJECT: 2013 Strategic Plan update, 2013 Operating Plan Dashboard Report

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## **Issue**

EWEB's Strategic Plan, which was adopted in 2011 and updated in 2012, is due for a 2013 check-in and update. Staff's proposed updates will be presented at the April 16 Board meeting. In addition, a new Dashboard report for tracking organizational goals and work plans has been developed and is presented for Board review in this background document. Management's intent is to begin using this new format for quarterly reporting beginning with Q1 results which are scheduled for discussion on May 7, 2013.

## **Background**

On January 2<sup>nd</sup> and again on February 19<sup>th</sup>, the Board engaged with Staff on some high level strategic planning work to help gauge the resonance of the existing Strategic Plan. On February 5, 2013, EWEB's General Manager introduced a new format to the Board for reporting on EWEB's Operating Plan, and included a draft dashboard report. The Board gave approval to the general direction and staff proposed to return to the Board with the final version of the materials prior to the May report out on first quarter results. This backgrounder provides the template documents that staff is recommending to gauge operational effectiveness for calendar year 2013. In addition, staff has prepared an update of the strategic plan, incorporating Board feedback from the SWOT session, and will present an overview of that information at the April 16 Board meeting.

## **Discussion**

The attached 2013 Operating Plan includes the following:

- EWEB's existing Mission, Vision and Values;
- Its updated Business Strategies;
- And the 2013 Organizational Dashboard and Quarterly Recap.

In February, Management provided draft versions of the department level operating goals and Key Performance Indicators (KPI's) that each of the Leadership Team (LT) members will be using to manage their functional areas and assigned initiatives. The departmental operating Goals will also form the basis for each LT member's individual performance goals. The

departmental goals and KPI's have been mapped to EWEB's business strategies and key initiatives and overall accountability for each of the goals and initiatives on the Organizational Dashboard has been vested with an individual LT Manager. Management proposes that the details behind the red light/green light current status and trend data be provided to the Board **on an exception basis**. When we meet with you on April 16, we would like to receive general direction on the level of detail you'd like to receive and the goal or initiative status that would prompt the additional detail. Management recommends providing specific details for any goal or initiative with a red or yellow status and any goal or initiative with a deteriorating trend. Deteriorating trend would include a change from "up arrow" to "status quo". If the Board is in general agreement, Management will prepare materials for your May 7, 2013 discussion accordingly.

The Dashboard will be presented to the Board on a quarterly basis, with the exception material, to facilitate discussion around the overall health and performance of the two utilities.

All these documents are included in the appendices to this backgrounder.

#### **TBL analysis**

No TBL analysis was conducted in preparation of this update.

#### **Recommendation**

Staff recommends the Board approve the proposed Strategic Plan update for 2013, the 2013 Operating Plan and the proposed dashboard. If approved, staff will use this format to report out on first quarter results at the May 7, 2013 Board meeting.

#### **Requested Board Action**

None at this time.

# OUR **Mission**



is to be an outstanding provider of energy and water products that meet customer needs and benefit the citizens of Eugene.

# OUR **Vision**



is to be the best community-owned water and electric utility in the nation.

# WE **Value**



- Providing affordable products and services
- Caring about our community and the environment
- Being flexible, innovative and adaptable to community needs
- Defining value through the customer's eyes
- Creating a quality work environment



**Our Mission** is to be an outstanding provider of energy and water products that meet customer needs and benefit the citizens of Eugene.

**Our Vision** is to be the best community-owned water and electric utility in the nation.

## We Value...

**Providing affordable products and services** - We carefully and responsibly manage the financial and physical resources entrusted to our care. We manage costs for the benefit of our customer-owners.

**Caring about our community and the environment** - We recognize our responsibility to be active participants in our community. We respect the environment and strive to minimize our footprint on the natural world.

**Being flexible, innovative and adaptable to community needs** - We are responsive to changes that impact our work. We are curious about how to be better at our work, and creative in how we solve problems.

**Defining value through the customer's eyes** - We treat all customers with respect and listen to their needs. We provide products and services that deliver long-term value to our community of customer-owners.

**Creating a quality work environment** - We are inclusive and treat each other with courtesy and respect. We ensure a safe, healthy and diverse work place. We work hard and look for ways to have fun.

Our Overarching Strategy ... **Provide Value for Generations**

## Our Business Strategies...

**Stabilize and improve financial health** - Implement more robust financial planning and measurement tools. Manage future electric and water rate increases.

**Keep the public in public utility** - Achieve consistency with community goals and values by proactively engaging customers. Adopt a business model that accommodates consumer choice and values external partnerships.

**Renew our infrastructure while controlling costs** - Continue and build upon a well-planned and executed asset management strategy that involves an infrastructure replacement program and controls costs while meeting customer reliability goals.

**Secure our supply** - Develop emergency water supply and continue exploration of a second water source. Implement IERP, meeting future load growth through demand side resources and closely aligning conservation acquisition to actual load growth.

**Align rate structures with goals** - Actively pursue technologies and rate structures that give customers better and timelier information and pricing signals, promote conservation, and allow adequate recovery of costs.

**Increase organizational efficiency** - Enhance information and operational system technologies. Create a culture that embraces change and supports flexibility and adaptability.

# Eugene Water & Electric Board – 2013 Organizational Dashboard

## Customer & Stakeholder Perspective

Goal or Initiative	Current Status	Trend	Expected Finish	Comments
Affordability – Electric Rate Trends			Ongoing	Trend is up due to recent work to manage costs.
Affordability – Water Rate Trends			Ongoing	Long Term Financial Planning for Water is just beginning. Still need to mitigate 10% rollover from 2013
Customer Communication & Engagement Initiative			Milestone Date?	
Customer Satisfaction			Ongoing	Survey scheduled for Q3.
Customer Service Operations			New Reps trained by end of Q2	New CSA's hired March 30, 2013. Call volumes stabilizing. 19,000 + customers on epay.
Environmental Stewardship			Ongoing	
Product Delivery – Conservation, DR, & EE			Delivery is ongoing. Redesign complete by 9/1/2013	2013 Objective was met but community issues have emerged. Redesign initiative to begin May 1, 2013
Product Delivery – Electric Service			Ongoing	Reliability Excellent, Storm Season over for the year.
Product Delivery - Water			Ongoing	Staffing Stabilizing, Quality Excellent, Reliability Strong
Water Reliability Initiative (Emergency/Provisional and Second Source)			1 <sup>st</sup> Trailer in service by end of Q2	Long Term Financial Planning for Water is just beginning. Willamette water claim has been obtained.



Red Light = Significant actual or projected miss in cost, scope or schedule. Issue that will likely cause material impacts.

Yellow Light = Potential or minor miss with respect to cost, scope or schedule. No major impacts in spite of miss.

Green Light = Completed or projected to complete with respect to cost, scope or schedule. Results exceed or expected to exceed objective.

















Improving, positive trend




No changes or status quo


deteriorating, negative trend

# Eugene Water & Electric Board – 2013 Organizational Dashboard


## Financial Perspective

Goal or Initiative	Current Status	Trend	Expected Finish	Comments
Budget Adherence – Electric Utility			12/31/2013	Running under budget due to vacancies and cost containment measures
Budget Adherence – Water Utility			12/31/2013	Running under budget due to vacancies and cost containment measures
Explore Sale of Generating Assets			Ongoing	Have engaged in conversation with multiple parties. Slow Process
Explore Sale of Real Property Assets (Includes Riverfront Property and Asset Utilization Efforts)			2014	Lots of activity on multiple fronts. Board discussion on Riverfront site scheduled for 4/16/2013. RFI out; RFP to be issued by end of April
Financial Contribution of Trading Operations			Ongoing	Trading operations going well. REC revenue program is developing with positive results
Financial Health Recovery Plan Implementation			To Board at financial retreat 7/16/2013	Initial presentation to Board for Electric Utility on March 19. Beginning work on water.
Financial Metrics – Electric Utility (Reserves, DSC, etc.)			Ongoing	DSC ratio is an issue. Has been discussed with by board with clear direction set.
Financial Metrics - Water Utility (Reserves, DSC, etc.)			Ongoing	Long Term Financial Planning for Water is just beginning.

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 No changes or status quo

 deteriorating, negative trend

# Eugene Water & Electric Board – 2013 Organizational Dashboard

## Internal Operations Perspective

Goal or Initiative	Current Status	Trend	Expected Finish	Comments
AMI/MDM Project			To be determined	MDM Project launched. AMI to Board on 7/2/2013.
Capital Improvement Program Implementation			12/31/2013	Early in construction year. Review and right size of CIPS went very well.
Carmen Smith Relicensing Project			Unclear	No license. Work in progress to reassess timing and sequencing of powerhouse and environmental components.
Generation Asset Efficacy			Ongoing	No known issues
IT Project Execution			12/31/2013	See IT Dashboard
Organizational Efficiency, Effectiveness & Flexibility Initiative			Ongoing	2013 Initiatives include benchmarking, project management enhancement, and evaluation of self funding benefits.
Regulatory Compliance and Self Reporting			Ongoing	No compliance issues. Clean financial audit.
Vehicle Safety and Property Preservation			Ongoing	Q1 trend for vehicle incidents very strong.
Work Asset Management Project (WAM)			To be determined	Project is just starting



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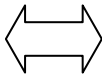



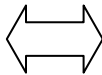
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deteriorating, negative trend

# Eugene Water & Electric Board – 2013 Organizational Dashboard

## People & Culture Perspective


Goal or Initiative	Current Status	Trend	Expected Finish	Comments
Employee Engagement			Ongoing	Employee morale is anecdotally down. Survey date not yet scheduled.
Public and Employee Safety			Ongoing	Employee Safety stats are strong. No public safety issues YTD.
Workforce Composition			12/31/2013	Organizational Diversity Work is in redesign. Succession Planning work is launching




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## Eugene Water & Electric Board – 2013 Organizational Dashboard Quarterly Recap

Customer/Stakeholder Perspective	Q1	Q2	Q3	Q4	Projected Year End
Affordability – Electric Rate Trends					
Affordability – Water Rate Trends					
Customer Communication & Engagement Initiative					
Customer Satisfaction					
Customer Service Operations					
Environmental Stewardship					
Product Delivery – Conservation, DR, & EE					
Product Delivery – Electric Service					
Product Delivery - Water					
Water Reliability Initiative (Emergency/Provisional and Second Source)					
Financial Perspective	Q1	Q2	Q3	Q4	Projected Year End
Budget Adherence – Electric Utility					
Budget Adherence – Water Utility					
Explore Sale of Generating Assets					
Explore Sale of Real Property Assets (Includes Riverfront Property and Asset Utilization Efforts)					
Financial Contribution of Trading Operations					
Financial Health Recovery Plan Implementation					
Financial Metrics – Electric Utility (Reserves, DSC, etc.)					
Financial Metrics - Water Utility (Reserves, DSC, etc.)					


















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Internal Operations Perspective					
AMI/MDM Project					
Capital Improvement Program Implementation					
Carmen Smith Relicensing Project					
Generation Asset Efficacy					
IT Project Execution					
Organizational Efficiency, Effectiveness & Flexibility Initiative					
Regulatory Compliance and Self Reporting					
Vehicle Safety and Property Preservation					
Work Asset Management Project (WAM)					
<b>People &amp; Culture Perspective</b>					
Employee Engagement					
Public and Employee Safety					
Workforce Composition					

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