



TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital  
FROM: Roger Gray, General Manager  
EWEB Leadership Team  
DATE: April 30, 2013  
SUBJECT: 2013 Quarter 1 Operating Plan Dashboard Results  
OBJECTIVE: General Business Update, Information Only

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**Issue**

EWEB Management has modified the EWEB Dashboard Report to reflect 1) a higher level and more comprehensive view of EWEB health and 2) progress on the annual operating plan. The attached reports provide Q1 results in the new format.

**Background**

EWEB has gone through a challenging couple of years and made many changes to basic business priorities in accordance with the Board adopted strategic plan. These include a greater emphasis on financial health, product affordability, and preparation for an increasingly uncertain future. The 2013 operating plan was created to better link organizational goals to the strategic plan and the dashboard was refined, through discussion with the Board in prior sessions, to reflect what we believe is an appropriate level of detail to best understand and gauge the overall health of the utility.

**Discussion**

Q1 2013 results

Q1 results presented in the attached stoplight dashboard report indicate that of the 30 discrete organizational goals and initiatives identified for 2013, the management team believes we are either doing well or excelling in 17, keeping a cautionary eye (or aiming to do better) on 12, and feel a need to do much better in 1. The trend column indicates where we see performance headed for a given metric over the coming quarters.

Highlighted below are both call-out successes and areas of concern, either due to current state or because we believe they may be trending down.



Areas of Notable Success:

- Reliability
- Safety
- Budget Adherence / Financial Health Recovery Plan Implementation



Areas of Notable Concern:

- Employee Engagement



Areas of Concern but Notable Improvement:

- Customer Service Operation

### *Reliability*

Due to our robust system design and ongoing maintenance practices, our reliability metrics consistently come in very high. Over this past season, in particular, the weather has been very mild with few cold spells and serious storm events. As a result our reliability stats are excellent.

### *Safety*

EWEB safety statistics remain very strong. We have experienced no public safety issues year-to-date and were recently recognized for by the NWPPA for our outstanding safety record and commitment to safe workplace practices. This was the third consecutive first place win for EWEB.

### *Budget Adherence / Financial Health Recovery Plan Implementation*

EWEB management and staff have worked very hard to identify cost cuts and manage ongoing expenses. This effort is paying off and we now have a solid path forward to improve organizational finances. A measure of our commitment to this effort can be seen in our budget performance, which is presently 1-4% below pro-rated expected for O&M 1<sup>st</sup> QTR and 12-14% below pro-rated expected for capital 1<sup>st</sup> QTR due both to cost containment and better than budgeted contribution to margin.

### *Employee Engagement*

While we don't have measurements to quantify the perceived change, anecdotal evidence suggests that some, but not all, employee engagement is low and management is concerned. Information that supports this conclusion include the fact that we've gone through layoffs, foregone general pay increases for MAPT, experienced unionization activity, turnover of utility staff seems to be up, and ethics concerns raised in the most recent audit.

### *Customer Service Operation*

Customer Service, in particular the call center operations, have experience very high customer wait times and dropped call indices due, in part, to the workforce changes made in 2012 and unexpected increases in call volumes, a circumstance that management would consider "red". However, management recognized, evaluated, and acted on these findings and we believe we are on a solid improvement path for these performance measures. We anticipate being back to historical performance levels by year-end. In addition, customer service operations also realized a significant success in the new EBPP online billing system roll-out, with more than 22,000 customers currently enrolled. This part of the quarter's performance was clearly green, and so the averaged outcome is reported as yellow.

### **TBL Assessment**

No TBL assessment was conducted for the quarterly update.

### **Recommendation**

This report is provided for information only.

### **Requested Board Action**

None at this time.

# 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			Ongoing	Includes “refilling reservoir of goodwill” campaign, public processes for 2014 budget/rates and Strategic Plan update
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. 22,000 + customers on epay.
Environmental Stewardship			Ongoing	Tracking 4 minor issues associated with regulatory changes or EWEB process changes. Expect favorable resolutions.
Product Delivery – Conservation, DR, & EE			Delivery is ongoing. Redesign complete by 9/1/2013	2013 Objective was met but community/communication issues have emerged. Redesign initiative to begin May 1, 2013
Product Delivery – Electric Service			Ongoing	Reliability Excellent. Favorable mild weather significant contributing factor to upward trend.
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.



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










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. Engaged in project planning
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. New revenue from carbon. Stable due to seasonality, with opportunity to optimize.
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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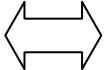

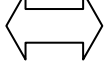

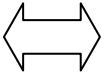
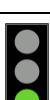




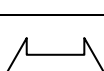

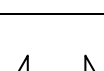

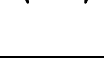

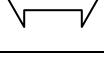
 Improving, positive trend

 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 Projects			To be determined	MDM Project launched. AMI to Board on 7/16/2013.
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. All project work on target(s) as per revised schedule. Further adjustment to timing and sequencing of generating and environmental components
Generation Asset Efficacy			Ongoing	No known issues
IT Project Execution			12/31/2013	1 of 2 projects scheduled to complete in Q1 delivered on time. Current in-flight projects have compliance driven deadlines, with little margin for late delivery
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 in 1 <sup>st</sup> Qtr. Clean financial audit. Coordination of all compliance monitoring needs to be planned.
Vehicle Safety and Property Preservation			Ongoing	Q1 trend for vehicle incidents and property claims within acceptable tolerances
Work Asset Management Project (WAM)			To be determined	Project is just starting




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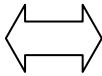

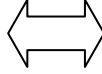

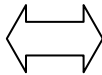
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 No changes or status quo

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# 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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