



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital

FROM: Roger Gray, General Manager; Cathy Bloom, Financial Services Manager; Lance Robertson, Public Affairs Manager; and Erin Erben, Power Resources & Strategic Planning Manager

DATE: May 24, 2013

SUBJECT: Public process for 2014 Budget and Strategic Plan Update

OBJECTIVE: Management is seeking Board consensus or direction on a desired public outreach process for the 2014 budget and the 2015 Strategic Plan update

Issue

The Eugene Water & Electric Board of Commissioners has an interest in expanding and improving the level of public engagement, understanding and outreach as part of the utility's annual budget and rate-setting process. In addition, Management believes it is time for the utility to conduct a public participation process for the next update of the Strategic Plan. The Board and Management continue to be concerned that the public largely waits to "engage" on rate and budget issues only at the last and final meeting where rates and budgets actions are actually taken following months of meetings on rates and budgets. This creates an unfortunate perception that the "decision was already made" at the final meeting, when in reality, it is a series of many decisions and general direction provided by the Board in public settings over months that culminates in a formal final decision.

Background

Since the spring of 2012, EWEB has worked to enhance public outreach and engagement opportunities for the budget and rate-setting processes. In 2012, the timing of public hearings was combined to create more transparency, provide customers with more meaningful opportunities to affect the budget and rate actions, and create a more visible connection between the budget and rate actions. Public information and outreach also was increased, beginning in April 2012, and included both telephone and web surveys specific to budget, rates and service-level priorities.

Following the adoption of the 2013 budget and rate actions in December 2012, the Board directed Management to further expand the public engagement effort this year, for the 2014 budgeting and rate-setting process. Commissioners requested that staff report back prior to its July 16 financial retreat with an outline of the process EWEB intends to undertake for the remainder of the year and into the next budgeting cycle.

Discussion

Several outreach opportunities have been identified, and are outlined in a table attached to this memo. They include additional public meetings/workshops, additional survey work, and the leveraging of existing activities (such as the Major Customer Luncheon) to engage customers on the utility's financial challenges.

Commissioners expressed an interest in participating in the outreach effort with presentations, one-on-one meetings with key stakeholders, and other actions. A communications work plan, along with Power Point presentation and other materials, have been created to assist commissioners in their efforts, which is part of the broader public outreach plan. Public Affairs and the General Manager's Office are available to assist commissioners with these efforts, beginning the first week in June.

While it is important to broaden our participation opportunities for customers related to the annual budget and rate-setting process, it is equally important for our customers to help inform customers about the utility's Strategic Plan. EWEB is embarking later this year on the next update of the utility's overall Strategic Plan. Beginning in early fall, these two efforts will be under way simultaneously or in parallel.

The Strategic Plan update, culminating with Board adoption in early 2015, provides an excellent opportunity to engage our customers to help define and set the long-term direction of the utility. Management intends to begin merging and incorporating this Strategic Plan engagement into the budget-rates process, starting in the fall of 2013. Beginning in early 2014, the primary focus of our public engagement efforts will shift to the Strategic Plan. Management and key staff believe this will create a more meaningful and interesting experience for our customers. It also follows a more logical "path." The Strategic Plan drives our budget and rate decisions, not the opposite. Asking our customers to help us define our strategic initiatives will result in a better budgeting and rates process, and one that should have a high level of support from customers who participated in the process.

Commissioners have expressed an interest in creating a citizen advisory group to help review our annual budgets. While this also remains a goal, an initial advisory group to help with the Strategic Plan update may provide a higher level of community interest and engagement. This citizen group also can be used to review the annual budget as part of its charter, and will provide more insightful guidance on our future budgets because members will have gone through the strategic planning and prioritization process.

TBL Assessment

No TBL analysis has been done in advance of this memo. However, TBL concepts and principles will be applied to various public engagement strategies, including potential creation of a citizen panel for the 2014 Strategic Plan update and 2015 budgeting process. The very nature of asking the public to weigh in on EWEB's strategic initiatives creates these TBL opportunities.

Recommendation

Management recommends conducting a two-phase public engagement process that initially focuses on the 2014 budget and corresponding rate actions, shifting the primary focus to the Strategic Plan update later this year or in early 2014. This will create a more meaningful and interesting customer engagement process, and is a more logical process that follows EWEB's adopted "Strategic Road Map." Management also recommends creating a citizen advisory group

to advise the utility on its Strategic Plan update, potentially serving a dual purpose in 2014 as a budget review panel.

Requested Board Action

Management is seeking Board consensus or direction on the public engagement strategies outlined in this memo. An outline of the key tactics and strategies is attached. A rough draft of the specific “Commissioner Outreach” plan and presentation is also attached.

Public Outreach and Engagement Improvement Strategy and Work Plan 2014 Budget and Rates

Action item	Description	Timing	Owner	Notes
Presentations	Commissioners, GM and others will make presentations at various neighborhood, civic, business and other groups	May through October	Joe Harwood	Power Point, contact list, key messages created. Taryn Johnson will coordinate contact list and scheduling.
Public announcements and information campaign	Formal advertising, use of EWEB website and bill inserts and newsletters that describe the entire process, schedule and encourage early participation and input. Call the entire process rate and budgeting “hearings.”	June through December	Joe Harwood	Create a new ad approach that outlines the process and encourages early participation.
Surveys	Financial questions added to annual survey. Web survey and “pulse” or event surveys also created.	July-September	Monica Shovlin	Some public meetings also may use iClickers or other means to solicit feedback
Key “influencers”	Meetings or presentations for influential politicians, business leaders, Chamber, individuals	June-November	Commissioners, Jeannine Parisi	Joint EWEB-Council meeting in July – Sept timeframe
Drop-in financial information session	Opportunity for public to find out more about EWEB’s financial picture, actions taken to reduce costs and current year financial initiative work	July 9	Jeannine Parisi, with Sue Fahey	Focus on financial issues, budget and rates
Financial Planning Board Meeting and Hearing	Board gets update on long-term financial plans and staff recommended 2014 budget assumptions	July 16	Cathy Bloom/Sue Fahey	Board gives general direction to staff on budget prep
Possible additional rate and budget forum or workshop	Opportunity for more interactive public input and participation at Board meetings solely dedicated to public participation and engagement on rates and budget	Possibly second Board meeting in October	Board, GM, Public Affairs, Planning and Finance (Leads: Jeannine Parisi, Erin Erben and Sue Fahey)	Board and/or Management make short presentations. Facilitate public input in different manner than the traditional 3 minutes at the podium.
Strategic Plan forums or workshops	Opportunity to introduce Strategic Plan update and how it drives budget and rates decisions	September-November (2-3 sessions)	Jeannine Parisi, Erin Erben, Sue Fahey	Primary focus is on Strategic Plan and utility business strategies; Possible use of iClickers?
Meet your Commissioner	“Meet your commissioner” opportunities in lobby	Monthly or daily as part of Public Power Week???	Joe Harwood	Budget/rates not necessarily the focus but can be part of conversations

Financial Plan/Draft Budget Board Meeting and Hearing	Board gets update on LTFP and draft of 2014 budget	Oct. 1	Cathy Bloom/Sue Fahey	Public Input at meeting; BPA pass-through
Major customer luncheon	Opportunity to revisit EWEB's financial pressures, market conditions, and introduce Strategic Plan update and how it drives budget and rates decisions	September 27	Joe Harwood/Tom Williams/Steve Mangan	iClickers?
Final Budget/rate hearings	Final two hearings on budget and rates for 2014	Nov. 5 and Dec. 3	Cathy Bloom/Sue Fahey	Board decision on budget and rates.