



TO: Commissioners Barofsky, Schlossberg, Brown, Carlson and Morris
FROM: Frank Lawson, CEO & General Manager
DATE: December 27, 2024 (January 7, 2025, Board Meeting)
SUBJECT: 2025 Organizational Goals
OBJECTIVE: Discussion, Potential Action

Issue

Management is proposing the 2025 organization’s annual goals for the Board’s consideration and approval.

Background

In December, the Board deliberated and provided guidance and feedback to management on a set of proposed annual goals. The correspondence memorandum for that discussion can be found at [Link-
Dec2024 Memo](#)

Board Policy provides that the Board has responsibility for establishing its priorities for the coming year and providing that direction to the General Manager, who will draft annual goals. Organizational goals will be established annually that represent the General Manager’s interpretation of the priorities as defined by the Board (Board Policy BL5). Accordingly, the Board shall identify and define those results or conditions that are acceptable and not acceptable to the Board and communicate them in the form of policy, approval of Strategic Plans and annual goals, and authorization of annual budgets which are based on assumptions in Long-Term Financial Plans and Capital Improvement Plans.

Discussion

Annual goals are a mechanism to prioritize and focus the organization’s investments and resources on maintaining critical ongoing “perennial” business fundamentals, addressing discrete gaps or weaknesses, or positioning the utility for strategic success.

At the December 3, 2024, Regular Board Meeting, Commissioners engaged in a conversation related to the proposed 2025 priorities, multi-year themes (groups of cohesive work), opportunities, and goals. In summary, management garnered the following guidance and direction from that conversation.

1. Commissioners generally felt that the presented “themes” represented their understanding of the priorities and strategic initiatives. Many of the goals are a continuation of strategic initiatives that Commissioners approved and are evolving over a number of years.
2. Specifically recognizing the importance of business continuity in a challenging labor market, Commissioners highlighted the importance of succession planning, including at the leadership level.

2024 Areas of Opportunity

EWEB’s organizational goals are monitored and reported quarterly using defined performance metrics. While EWEB will achieve most 2024 goals, our quarterly reports also include areas of concern, notably workforce capacity in niche areas/skills, and the ever-increasing compliance obligations of the organization.

In 2025, our proposed goals are set to address our gaps as well as ensure we continue to strive to meet our resiliency targets, and our goals continue to support alignment of energy supply with consumption. Strategic milestones include continuing our efficient and transformative adoption of new business systems, improving the ability to understand and use consumption information and the ability to optimally forecast usage and purchase our power.

Definitions and Business Priorities

In support of the 2025 Goals, Management has identified the following important considerations, including definitions and business priorities.

Stated Legacy

Vision (Pursue) - Our vision is to be a local utility that inspires our customer-owners to invest in and rely on us. EWEB's vision implies that we will earn our customers' trust, and thereby their investment and participation in the programs integral to providing sustainable value.

Mission (fulfill) - Our mission is to enhance our community's vitality by delivering drinking water and electric services consistent with the values of our customer-owners. This mission supports that EWEB recognizes that our two primary services are "vital" to the health and welfare of our community, and that our methods are important to our customers.

Key Definitions

Community: includes the people with whom we serve, conduct business with, collaborate, influence, or impact in the fulfillment of our mission. (definition per Board Policy SD23)

Products and Services: the delivery of drinking water, electricity, information, support, and supplemental programs related to the fulfillment of our mission. (definition per Board Policy SD23)

Type 1 Projects: Type 1 are general purpose rehabilitation and replacement capital projects generally grouped by project category (e.g. main replacements, distribution transformers, fleet, etc.)

Type 2 and 3 Projects: Type 2 are large (>\$ million) discrete infrastructure and Rehabilitation & Expansion projects, and Type 3 are significant Strategic Projects. All of which are reported out individually and on a quarterly basis according to Board Policy EL1.

Business Priorities

Compliant with regulations, statutes, policies, and values, EWEB's business priorities are to:

1. ***Maintain/Improve Business Operations*** – achieve and sustain the ongoing efficient and effective delivery of our Products and Services consistent with the values of our Community.
2. ***Optimize Energy Delivery*** - effectively and efficiently align the supply, delivery, and consumption of energy in order to create long-term value for customers.
3. ***Improve Resiliency*** - reduce the likelihood, magnitude, and duration of sudden or gradual disruptive events through risk mitigation, emergency preparedness and response, and recovery strategies on our business operations and on the delivery of our Products and Services.

Proposed 2025 Organizational Goals

Consistent with Board direction, policies, business priorities, and organizational values, and to advance our strategic plan, the following goals are offered for Board consideration.

1. Maintain or improve our **ongoing operational efficiency and effectiveness** through Continuous Improvement (CI) using deliberate benchmarking and performance metrics, and with 2025 milestones of Type 2 and Type 3 Projects (including base level drinking water storage, Willamette water source, McKenzie generation projects, EWEB Enterprise Solutions *Season 2*, etc.) in scope, on schedule, and within budget.
2. Develop and commence **succession plans** for leadership and vulnerable single-depth positions, and review and refine policies and practices associated with our Dynamic Workforce Model, in support of SD22 Resiliency Policy, specifically workforce resiliency.
3. Negotiate and execute **energy supply contract(s) with Bonneville Power Administration (BPA)**, and others as appropriate, consistent with EWEB's strategic initiatives to improve resiliency and optimize energy delivery, ongoing Energy Resource Study efforts, future business model options, and a published demand-side potential assessment (DSPA) of customer programs/resources.
4. Improve the impact and "reach" of **EWEB Customer Care**, and leverage EWEB's new customer and financial information systems to **launch a Pre-Pay Program** by the end of 3rd quarter, in support of SD23 Diversity, Equity, and Inclusion Policy and rate re-design.
5. Consistent with EWEB's initiative to re-design rates, prepare to implement significant **fixed/variable cost adjustments and residential demand charges**.
6. Formalize and publish **Operational Asset Management Plans** for at least 3 of the 5 (electric, water, generation, information systems, fleet/facilities) asset groups in preparation for new asset and field work management systems (2026-27), EWEB Enterprise Solutions *Season 3*
7. Improve the effectiveness of **EWEB's environmental and climate change policies** in response to new external standards and practices, including Climate Registry's Electric Power Sector Protocol, and EWEB's progress, status, and outlook.

Monitoring and Reporting

Following the approval of the annual goals, Management will work with Staff to determine the best tactical milestones, or key performance indicators (KPIs) needed to gauge progress and/or determine success. These defined measurement metrics will be developed and the progress toward achievement of these goals will be reported quarterly to the Board and public beginning in May (Q1 Report).

Recommendation

Management recommends the Board deliberate and approve the 2025 Organizational Goals, inclusively stated herein.

Requested Board Action

Approval of the 2025 Organizational Goals.