



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Erin Erben, Power & Strategic Planning Manager; Sue Fahey, Finance Manager;
Frank Lawson, Electric Engineering Supervisor
DATE: April 25, 2016
SUBJECT: 2016 Organizational Goals, Key Performance Indicators (KPI) Dashboard
OBJECTIVE: Information Only

Issue

Each quarter the Board receives an update to the KPI dashboard.

Background

The existing stoplight template has been in place for several years. The current submission constitutes the current utility performance assessment. This is the first KPI and Performance Report using the modified categories and methods as presented to the Board on January 22, 2016.

Discussion

Overall, performance is stable, with few urgent emerging issues. As we progress through the year, the “drivers” for the metrics will be refined and presented to the Board in more specific ways. For example, metrics related to customer service are being developed to use a collection of both direct and leading activity indicators.

So far, several notable successes include the following.

- EWEB’s Year-End audits for both the water and electric utilities contained no adjustments and no material weaknesses.
- The electric utility is reducing debt, which has improved debt service coverage.
- Bond ratings for both utilities were re-evaluated and are strong.
- Product delivery and reliability remains strong for both utilities.
- Safety & Wellness metrics remain strong.
- McKenzie hydro projects performed well.

Areas to watch and notable changes since 2015 are detailed below:

- Electric retail sales were below budget in the first quarter due to warmer than anticipated weather, although financial initiatives reduced the impact
- AWS property acquisition is behind schedule, however design and communications plans are progressing.
- Although improving, water operational productivity is recovering from staff turnover.
- Customer engagement plans are in development for presentation to the Board.

TBL Assessment

The balanced scorecard approach to the dashboard is intended to represent the three legs of the TBL model in its design.



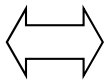

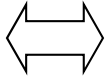

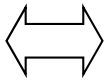

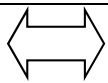




Recommendation

None at this time.

Requested Board Action

None at this time.


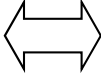

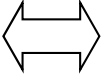

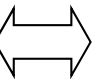

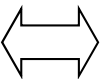
EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD - CY2016

Customer & Stakeholder Perspective								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
PERFORM								
Customer Satisfaction					MF/LR	--	Indicators are being redefined	To be determined
Customer Service Operations					MF		Metrics are looking good. Filling vacancies and getting ready for busy summer season.	Qualitative Assessment of Customer Service metrics such as; lost calls, bad debt, accuracy, low income assistance, BG&R
Energy Management Services Operations					MF		Goals on track however vast majority of target is in the proposal stage, which is normal for Q1	Savings goals set by the IERP. 2016 goals are 1.6 average megawatts of savings at a cost of \$26 or less
Environmental Stewardship					SN		First quarter indicators are positive	Compliance, spills, Carmen Smith, property management, leveraged funds, waste management, Source Protection, sustainability, GHG emissions
Product Delivery – Electric Service					TS		Safety 100%, SAIFI/SAIDI at the five year average	Electric Operational Plan
Product Delivery - Water					BT		Staff turn-over has resulted in lost productivity, which carries through multiple metric indicators. Two compliance violations (digging without locates and a discharge of construction water to City storm drain.	Water Operational Plan Metric Indicators: Reliably produce & delivery safe drinking water, Maintain optimum water quality, Managing costs and maintaining facilities and equipment, and maintain backflow program.
Water Utility: Emergency Water Provision, and New Water Filtration Plant					BT/MD		Property acquisition is behind schedule. RFP for Preliminary design completed and will go to Board in 2Q for approval. Communication Plan Scope is in development. Internal Focus group being planned.	Water Utility Emergency Water Provision and New Filtration Plant Plan Metric Indicators: Capital plan expenditures, Project scope and schedule tracking, 2016 Communication Plan Update, Property Purchases, and Preliminary Design for New Water Filtration Plant.

Financial Perspective								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
PERFORM								
Budget Adherence – Electric Utility (Revenue/Expenses)					SF		Low load due to warm weather and low prices in Q1 resulted in lower than budgeted contribution margin. Financial savings initiatives and debt defeasance reduced impact. Trend data not available. (Revenue Yellow/Financial Savings Green)	Electric Financial Statements, Financial Savings Initiative Work, Budget Monitoring
Budget Adherence – Water Utility (Revenue/Expenses)					SF		Too early in year for water utility sales trends. Financial savings initiatives will provide positive budget variance (Water Sales Trends Grey/Financial Savings Green)	Water Financial Statements, Financial Savings Initiative Work, Budget Monitoring
Financial Metrics – Electric Utility					SF		Although reserve deposit may be lower than budgeted, DSC stronger than anticipated due to use of reserves to defease debt. DSC is the Electric Utility's challenge.	Electric Utility Financial Statements Reserves, DSC, etc.
Financial Metrics – Water Utility					SF		While too early in the year to determine 2016 metrics, 2015 metrics ended well in excess of Board targets. Trend pattern not available.	Water Utility Financial Statements Reserves, DSC, etc.
Enterprise Risk Management					SF		Q1: ERM Staff have been assigned to divisions and have completed initial risk identification. Supervisor is working on 2016 operational plan. Yellow light until operational plan is finished and additional progress made.	Enterprise Risk Work Plan Identify, manage and monitor department/organization risk and contract inventories; develop and monitor compliance requirements

Operational, Continuous Improvement and Efficiency Perspective

	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
PERFORM								
Management of Real Property	●				SN	↔	HQ Redevelopment Project on uncertain track. Property Mgmt GIS system nearly completed. Implementation of approved Property Mgmt Policies and Procedures slow due to lack of resources.	Property Operational Plan
AMI/MDM Projects	●				EE	↔	Accomplishments: Production AMI field network installed and communicating. ~40 meters deployed on test network, 4 electric meters deployed in the field at EWEB sites. Finalized business process changes needed to support meter deployment, and customer opt-in/out choices. Advanced internal communications campaign at All-Hands, department meetings and Brown Bag sessions. Tested and accepted UL listed meters (Stratus) for small commercial deployment and Elster meters for large commercial/industrial.	AMI Project Plan Establishing organizational readiness for customer opt in and preparation for delivery of services
Capital Planning & Execution	●				MD	↔	Water: Projects moving forward and on schedule. Electric: Some delays in projects due to permitting and LTD EmX work. Generation: Projects moving forward, Carmen Powerhouse design work in progress.	EL1 Reports: More details given through Qtly reports. Drivers Include: Scope, Schedule and Budget. Engineering Goal of 90% completion of capital projects on an annual basis on all three drivers.
Carmen-Smith Relicensing Project	●				MM	↑	Staff continues to make progress in reducing project cost estimates through renegotiation and engineering design changes. Renegotiation on target to meet FERC deadlines. All settlement parties remain engaged.	Generation Operational Plan: Goal of concluding relicensing in a manner that meets financial, operational and environmental targets

Generation Asset Efficacy					MM		All generating assets are operating well. Maintenance tasks are on schedule. McKenzie hydro projects are operating well. Smith Creek Unit 2 continues recovery from generator fire. Co-Gen plants meeting plan. Wind plants also operating well.	Generation Operational Plan: Based on unit availability, forced outage factors, and completion of critical maintenance.
Trading Operations					BD/DC		Excellent trade performance in February and transmission savings January through March from remote sales of resources.	Power Operations Operational Plan: Hedging strategy, Transmission Savings, Hydro Optimization, Client Service Revenue, Trade Performance, Renewable Resource Revenue, Structured Deals
IS Project Execution					MB		IS Project Execution is off to a good start in 2016 despite an emergent project. The majority of major projects are green.	Project Plan Status Reports; IS Hours Spent on O&M vs. Projects; % of IS Spend on Projects vs. O&M
Regulatory Compliance and Self Reporting					MD		One NOV for water construction – Potter St. Water OSHA Violation on Dig In. One Self Report to WECC – EMCS Failure. Several self-reported ramping violations at Leaburg and Waterville for Q1, due to seepage found in canal. One FERC report late.	Compliance adherence to all Regulatory Agencies and Rules.

People/Cultural Perspective								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
PERFORM								
Workforce Culture	●				LK	↔	All of the standard cultural indicators are positive: EWEB University launched & leveraged to provide policy training; Working Better Together (WBT) developing new trainers; Engagement Survey participation goals met, satisfaction maintained; no Title VII complaints or Grievances	HR Ops Plan Metric Indicators: EWEB University, Working Better Together, Engagement Survey, Workforce Performance, Performance Intervention Title VII Complaints, Grievances, Voluntary Turnover
Workforce Development Plan	●				LK	↔	Workforce composition data is maintaining or improving against census and EWEB last year; Recruitment data maintaining over last year; Workforce plan process approved by LT, Step 1 launching 4/1; Replacement rate < 1.0 over Q4 2015; Pay rates consistent with market place; Benefits including PERS are competitive with market place and excluding PERS are consistent with market place.	HR Ops Plan Metric Indicators: Workforce composition data, recruitment data, workforce plan milestones, target replacement rate, market competitive salary, benefits data
Employee Safety, Health, & Wellness	●				LK	↔	Worker's comp claims avg 20/yr, only 2 YTD; 2016 ER Mod rate = .65 (this number is static and will not change throughout 2016); OSHA recordable data in process	HR Ops Plan Metric Indicators: Worker's compensation data, safety incident data, OSHA recordable data, premium cost data, absence management data

TRANSFORM								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
<p>Customer Engagement Develop a comprehensive Customer Experience Project plan that, among other things, maps and assesses each customer “touch point” and develops tactics for improving the customer experience.</p>	●				LR	↔	Scheduled to begin Customer Experience Project Plan in Q2-Q3. Working on project scope and funding. In addition, have brought to the Board various discussions regarding the public engagement process we wish to pursue in follow-up to pricing redesign, IERP and strategic planning. A formal recommendation will be brought to the Board in June. In addition, EWEB continues to engage its quarterly customer stakeholder panel on current affairs. In March, we did some external presentations and brainstorming exercises on the grid modernization initiative.	2016 Strategic Management Directives
<p>Change Management Implement a common change management methodology at EWEB and use for Type II, IS project deployment in addition to other major initiatives</p>	●				EE/LK/MB	↔	Focus at this point is on Awareness, Desire & Knowledge and planning to roll out the program to Managers & Supervisors. Staff will be engaging in a trainings in Q2 to bring deployment ability to EWEB later this year and plan is to create a change readiness baseline for all divisions in Q3-Q4. CM plan development is in mid-process for 2 I.S. projects selected to pilot CM methodology at EWEB for Type II IS project deployment.	2016 Strategic Management Directives; I.S. Strategic Plan
<p>Organizational Efficiency & Cost-Control Program Use benchmarking, and a corporate collaborative approach to develop improved processes, especially targeting overhead reductions.</p>	●				MD/SF	↔	Have begun working on 2017 cost savings initiatives. Engr/CS goals of streamlining front end customer service request orders and customer loan processing on-going this year. Working to identify resource needs to formalize Process Improvements.	2016 Strategic Management Directives LTFP Stability

Red Light = Significant actual or projected miss in cost, scope or schedule. Issues 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.

Gray Light = too early to tell; metrics in process of being defined or collected.

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

Split Color Light = Two distinct reporting results, which will be explained in the comments section.

In the case of a split color light displayed for Financial reporting, revenue will appear on the left-hand side and expenses will appear on the right-hand side.

