



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Carlson, Mital, Brown, Helgeson, and Schlossberg  
FROM: Frank Lawson, General Manager  
DATE: September 24, 2019  
SUBJECT: Strategic Plan Assessment  
OBJECTIVE: Discussion/Guidance

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## **Issue:**

As part of the most recent strategic plan review, the Board requested that management provide an update on actions and results as a determinant of our progress on the fulfillment of the plan.

## **Background**

The strategic plan provides the basis for the Board to provide guidance through policies, decisions, and recommendations to the organization through executive management. According to the *Eugene Water & Electric Board Strategic Plan (2017-2020)*, approved August 1, 2017, revised July 10, 2018, EWEB will “review and update the plan annually, or when impactful changes occur.”

In June 2019, the Board explored the direction provided by the plan, with general consensus that the plan is still relevant, but asked for an assessment of “where we are” on our progress through the strategic phases.

## **Discussion**

### Strategic Plan Architecture/Approach

EWEB’s present strategic plan addresses the two most significant issues confronting EWEB in the next decade; emergency preparedness and disaster recovery, and major electric resource decisions (a.k.a. “the two big ones”). Addressing both of these issues over the next decade will require a *sequence* of strategic efforts and accomplishments. The strategic phases include:

#### *Phase I – Foster Customer Confidence*

While this phase is an extension of our previous “*perform while we transform*” strategy, it more clearly focuses “perform” improvements on cost and customer responsiveness through improved efficiency, simplicity, and ease of doing business with us. The objective of this phase is to cultivate customer confidence by consistently and transparently improving our performance.

#### *Phase II – Create Consumption Flexibility*

The objective of this phase is to create products, services, and infrastructure that facilitate consumption flexibility.

#### *Phase III – Resilient Delivery*

The goal of this phase is to create a more resilient grid and water network through the complete integration of our sources of supply, resilient spine(s), and flexible distribution and consumption components.

### Progress Assessment – Customer Outreach (Q4, 2019)

Given that the first strategic phase highlights “customer confidence”, this is an appropriate time to “check in” directly with customers. Throughout the fourth quarter (Q4, 2019) and early 2020, we will be

gathering both qualitative and quantitative assessments/surveys from our customers. These results will be reported out as part of the year-end report to the Board, and will be considered in the context of the CEO/General Manager's performance evaluation which is considered reflective of the organization's performance and will be included in our annual strategic assessment next spring.

### Progress Assessment – Internal Review

Per the Board's request, management is also providing a surrogate view of activities and results intended to support the "two big ones", Foster Customer Confidence (Phase I), or highlight our progression toward Consumption Flexibility (Phase II). Regarding the symbols below; (√) represents progress, (○) represents setback or challenge.

#### Emergency Preparedness & Disaster Recovery

- ✓ ICS/Storm Response Improvements (Outage Mapping) – Progress still to be made (e.g. TXT)
- ✓ Neighborhood Emergency Sites – 2 of 5 (inc. Microgrid) in 2018; 3 Additional in process.
- ✓ Resolution with SUB to explore Willamette Opportunities (McKenzie Proposed also)
- ✓ Resilient Spine (e.g. Holden Creek Substation)
- ✓ Hayden Bridge: Onsite Chlorine Generation & Backup Electric Generation
- ✓ Outreach: Pledge to Prepare Campaign
- ✓ Emergency Generator Loan (Pilot)

#### Customer (Employee and Commissioner) Confidence

##### Consistent Performance (Safe & Reliable)

- ✓ Safety Record – Oregon's Healthiest Employer (#3 in 2018, #1 in 2019)
- ✓ Customer Confidence Report – Outstanding Water Quality
- ✓ Reliability – Water & Electric Delivery within Metrics
- ✓ FEMA Outage Mitigation Projects: 9 of 16 Completed (remaining 2020)
- ✓ Cyanotoxin Response (Laboratory Enhancements, ODH Standards Work)
- ✓ Chlorine Residual Stabilization
- ✓ Developed Watershed Management Plan
- ✓ Inaugurating Continuous Improvement (CI)
- FERC Relationship
- Leaburg Canal

##### Cost Improvements/Financial Management

- ✓ Absence of Price Increases (rates) – 5/6 years electric, 3 (w decrease) water
- ✓ Created affordability target and made progress towards target
- ✓ At-Cost Services Review/Adjustments
- ✓ Reduced/Improved Limited Income O/H
- ✓ Proactive leak detection program
- ✓ Consolidation of Operations (in process)
- ✓ Divested Smith Creek and Foote Creek I (Facilitated Reinvestment by PacifiCorp)
- ✓ PERS Decision(s) to Reduce Actuarial Liability; Investment Pool, Matching Side Account
- ✓ Active Staffing/Planning & Management (ongoing); ~ 474 Active Employees

##### Service/Responsiveness

- ✓ New Customer Service Policies
- ✓ Extended contact center hours
- ✓ Proactive leak detection program
- ✓ Removed Tiers (Simplified Estimates)
- ✓ Simplified Water B&R Process
- ✓ Backlog of Distribution Engineering (Response Time) – Ongoing

- ✓ Proactive: Proactive Response to Billing Issues (Mailbox, Addresses, etc.)
- ✓ Limited Income Disconnects – Down 50% in 2019
- ✓ Building Growth & Retention (Revision)
- ✓ System Development Charges (SDC) Revisions for Auxiliary Dwelling Units (ADUs)
- ✓ Customer Experience Improvement Project
- Field/Customer Interaction Issues (a few)

**Open/Transparent**

- ✓ Multiple Open Houses
- ✓ Upriver Meeting(s) – After Storm
- ✓ Neighborhood Association Tour(s)
- ✓ Register Guard Relationship
- ✓ Media Relations (KVAL, KEZI, etc.)
- ✓ Digital Media – Ongoing Website Improvements (new platform)
- ✓ Quarterly Reporting

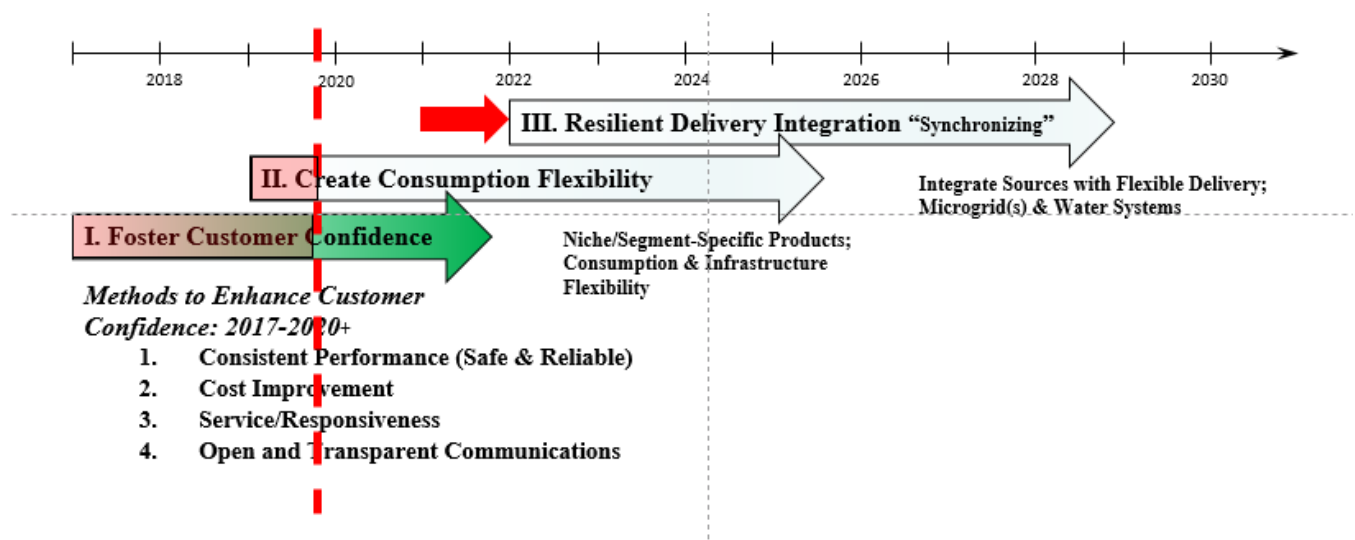
**Other (Value Propositions)**

- ✓ Workforce Culture (both progressing and challenging)
- ✓ Strategic Realignment of School Grant Program
- ✓ Waltherville Summer Flow Record-of-Decision
- ✓ Incorporation of Climate Change Policy/Actions (HB2020, State Carbon Accounting Rule Making, Organizational incorporation of carbon goal)

**Phase II – Consumption Flexibility – Early Stages!**

- Advanced metering & technology upgrades - Shifted “Opt Out” ~ over 40,000 meters installed
- Integrated (electric) Resource Plan (IRP) – Early Scoping Phase
- Carmen-Smith License Execution (in process)
- Customer Self Service, Bill Presentment – Underway
- Emergency Mobility Options (early)
- Consumption and time-based products & services (water & electric) – Not Started
- Time-Based energy efficiency and conservation (water & electric) – Not Started

Although contingent on the customer feedback received at year-end, based on internal assessments and supporting actions, an estimate of “where we are” is shown below.



**Requested Board Action**

No formal Action is requested at this time, although feedback is welcome.