



• MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Cunningham, Cassidy, Ernst & Farmer
FROM: Roger Gray, General Manager
DATE: September 7, 2010
SUBJECT: Second Quarter EWEB Balanced Scorecard Performance Metric Report (Attached)

My goals are aligned with the organization's priorities and area of focus. Operational is reflected in the balance scorecard performance, and strategic performance is provided via regular status updates. The information provided is through June 30, 2010.

Operational Performance:

Overall EWEB is trending in a positive direction. EWEB is on target through the second quarter, aside from the Fixed Cost % which has been impacted by the poor hydro generation conditions, low wholesale price conditions and retail loads below forecast. Attached are the second quarter – 2010 – EWEB balanced scorecard strategic and operational performance metrics.

You will note that several of these performance metrics are still in development (indicated by the date listed under the 2010 Target Column and have changed since they didn't represent the correct measurement for changing conditions (chlorine residual level). A quick summary of those changes follows:

- SAIFI & SAIDI Index – will now be reported in comparison to the Independently Owned Utilities (IOU) in Oregon. This lagging indicator means the information you will see is for a past period of time. EWEB's target is to be the best in reliability among the three IOUs in Oregon.
- Chlorine Residual Targets – below the target due to this year's lower than normal water demands. Lower demands require a higher chlorine residual (between .70 and .75 mg/l) in water leaving the Hayden Bridge Filter plant to meet state water quality regulations in the distribution system. For the rest of 2010 we will adjust the target to between .60 and .75 mg/l.

Strategic Performance:

Water Supply:

Negotiations have been completed with the Water Districts. The Wholesale and Services contracts are awaiting District approval.

Master Plan:

We have set aside time in Executive Session on September 8, 2010, to discuss strategy regarding the timing of a surplus declaration. We are also engaged in an RFP process for selection of a land use consultant; we hope to award one or more contracts in October, 2010.

HQ Relocation:

We will be presenting the triple bottom line (TBL) analysis on the HQ to Roosevelt move on September 7, 2010. Materials are included in this board run.

Steam Transition:

Steam Transition work progresses on all fronts. A status update will be provided in October, 2010.

AMI:

AMI restart work is underway with Greg Armstead as project lead. Greg is also leading the ROC technology project which is taking much of his time right now. A status on this work will be provided in November, 2010.

Carmen Smith Relicensing:

The date to develop cost estimates ($\pm 20\%$) for bond authorization will be June or July 2011 as these cost estimates will depend on license provisions.

We have 30 minutes scheduled to discuss EWEB's performance on September 7, 2010. I look forward to that discussion.

Eugene Water & Electric Board - Operational Balanced Scorecard Performance Metrics - May 2010				
MISSION: To be an outstanding provider of energy and water products that meet customer needs and benefit the citizens of Eugene.		VISION: To be the best community owned water and electric utility in the nation.		
GM Goals:	Measure	2010 Target	Jun-10 Actual/YTD	Comments
CUSTOMER & COMMUNITY RESPONSIVENESS Trend: ↗ right direction; ↘ wrong direction; ↔ neutral.				
Goal #3	Customer Service Analysts Availability	75%	↗ 74%	Impact of new hires. Trend is positive.
Goal #3	Steam Customers who have transferred to other fuel.	20% (12 Bldg.) by 12/31/2010	↗ 11% (6 Bldg.)	40 building reports completed. 9 in bidding process. 5 in design phase. Lane Co. jail in construct.
Goal #3	% of Customer Care Funds Dispersed.	100% by 9/30/2010	↗ \$1,328,875	
Goal #3	Develop community based input on utility leadership	Inclusive of Customer Satisfaction Survey Design	2011	Dependent on budget approval.
Goal #3	Rule & Regulatory Compliance	100% Self-identified non-compliance	↗ 10 Self-identified non-compliance	Refer to 8/12/2010 NERC CIP submittal
PRODUCT AFFORDABILITY				
Goal #6	Above Average Credit Rating	3 Agencies Avg > A1	↗ Exceeded	
Goal #6	Debt Service Ratio (Electric)	>2.00	↗ Elec: 2.64 Water: 1.922	
Goal #6	Fixed Cost %	105%	↘ 51%	Due to ↓ generation & low market price.
Goal #6	Comparative Cost	50th Percentile	↔ R = 36% M = 54% L = 45%	Average 45%
Goal #6	Comply with Board Policy EL1 - Financial Controls	Yearly: Annual Budget to Board 5YR Capital Plan for each utility. Budget Ammendments as described.	↔ Ongoing	
Goal #6	Investigate costs and data in order to modify comparative cost study to include impact of conservation activity by various utilities & include in ranking calculations by 6/30/2011.	Investigate costs of EWEB and SUB by 12/31/2010		
Goal #6	Evaluate strategies for mitigating hydro performance risk in order to implement strategies by 6/30/2011.	Evaluate strategies by 12/31/2010		
PRODUCT SUFFICIENCY				
Goal #4	Generation Availability	95.7%	↗ 96.7%	
Goal #4	Annual Conservation Acquired	2.4 aMW/YR	↗ 1.1 aMW	
ELECTRIC UTILITY				
Goal #4	Electric SAIFI	Best as compared to OR IOU's	↗ Met	Lagging Indicator - 2006 - 2008
Goal #4	Electric SAIDI	Best as compared to OR IOU's	↗ Met	Lagging Indicator - 2006 - 2008
Goal #4	Define criteria for project performance in order to apply project performing criteria by 1/1/2011.	Define criteria for project performance by 10/01/2010		
Goal #4	Portfolio Goal: EWEB cost of resources compared to BPA	\$12M	↗ \$7.85M	
WATER UTILITY				
Goal #5	Water Distribution System Integrity: Leaks or Main breaks.	≤ 268	↗ 125	
Goal #5	Unplanned Distruptions of Water Services: Customers interrupted , 4 hrs.	≤173	↗ 46	
Goal #5	Turbidity	95% of daily avg ≤ .036 ntu.	↗ 100%	
Goal #5	Chlorine Residual	95% of daily avg between .60 - .70	↗ 67%	122 days out of 181 YTD. Trending upward.
Goal #5	PH	95% of daily avg between 7.7 - 8.1	↗ 100%	
Goal #5	Define criteria for project performance in order to apply project performing criteria by 1/1/2011.	Define criteria for project performance by 10/01/2010		
ORGANIZATIONAL/FOUNDATIONAL				
Maintain Safety Culture Awareness				
Goal #1	# of OSHA Recordable Incidents	33	↗ 9	
Goal #1	# of Work Days Lost to Accidents	103	↗ 17	
Goal #1	Fatalities	0	0	
Goal #1	Public Fatalities	0	0	
Goal #1	Public Injuries	0	0	
Goal #1	Evaluate material progress toward safety culture in order to implement by 1/1/2011.	Safety Culture Indicators identified by 12/31/2010		
Goal #1	Develop Leading Safety Indicators in order to implement by 1/1/2011.	Identify Leading Safety Indicators by 12/31/2010		
Employee Engagement				
Goal #2	2009 Engagement Survey ≥ 2008 results	> 4.75	↗ 4.91	4.91
Goal #2	Implementation Plans for issues identified in survey.	by 7/31/2010		
Goal #2	GM 360 degree feedback.	2010 Perfomance Cycle		
Sustainability				
Goal #7	TBL Analysis/Decision Framework to Board	by 12/31/2010	Scheduled	Work in progress
Goal #7	Publish 2nd YR GRI Report.	by 12/31/2010	Scheduled	Draft Completed.

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MISSION: To be an outstanding provider of energy and water products that meet customer needs and benefit the citizens of Eugene.		VISION: To be the best community owned water and electric utility in the nation.	
		Jun-10	
GM Goals:	INDICATOR	2010 Target	STATUS UPDATE
WATER SUPPLY			
	1.1. Define EWEB's authority to provide wholesale water supply.	12/31/2010	
	1.2. Complete negotiations with existing wholesale customers.	08/31/2010	Negotiations have been completed with the Water Districts. The Wholesale and Services contracts are awaiting District approvals.
	1.3. Continue collaboration with other area communities relative to providing wholesale water, developing second source, or sharing resources.	12/31/2010	
MASTER PLAN			
	2.1. Continue to advance Master Plan at a steady pace.	Ongoing	
	2.2. Provide Board draft concept for review.	07/31/2009	Completed.
	1.3. Continue collaboration with other area communities relative to providing wholesale water, developing second source, or sharing resources.	12/31/2010	
HQ RELOCATION			
	3.1. Actionable plan presented to Board.	12/31/1010	
STEAM TRANSITION			
	4.1. Advance steam transition plan	03/23/2010	Completed.
	4.2. Propose fund transfers.	05/18/2010	Completed.
STEAM TRANSITION			
	4.4. Complete all steam customer building assessments.	07/01/2010 09/01/2010	Completed.
	4.5. Submit/support a BETC pass through credit submittal to DOE.	11/01/2010	
	4.6. Facilitate @ \$5M in SELP loans for steam customers.	12/31/2010	
AMI			
	5.1. Public process meetings to facilitate customer feedback.	TBD	
	5.2. Presentation to Board on public process results, findings, & recommendations on policy options & directions.	TBD	
	5.3. Completion of draft business case.	09/30/2010	
	5.4. Complete initial public participation process (if applicable).	11/30/2011	
	5.5. Complete detailed business case.	12/31/2010	
	5.6. Initial scope of technical design.	12/31/2010	
	5.7. Plan for procurement, installation & implementation complete.	12/31/2010	
CARMEN SMITH RELICENSING			
	6.1. Obtain FERC license.	03/31/2011	
	6.2. Hold all aspects of settlement agreement together without material modification.	Ongoing	
	6.3. Develop defensible cost estimates (± 20%) for bond authorization.	6/11 - 7/11	Note Change in date from 12/10 to Jun/Jul 2011. Need license provisions before cost estimates.
	6.4. Conduct engineering & construction feasibility analysis to reduce outage seasons form license construction schedule of 3 years.	6/11 - 7/11	Note Change in date from 12/10 to Jun/Jul 2011. Need license provisions before cost estimates.