



TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson  
FROM: Frank Lawson, General Manager  
DATE: April 21, 2017  
SUBJECT: Q1, 2017 Operating Dashboard and Goals Review  
OBJECTIVE: Information Only

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### **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 2017 dashboard has been updated to include several major projects and strategic initiatives where the utility is placing focus. The current submission constitutes the utility performance assessment for the first quarter of 2017.

### **Discussion**

Overall, performance remains stable, with few areas to watch.

Notable progress was achieved in the following areas:

- Financial performance for both utilities was strong during the first quarter. The Electric Utility experienced a favorable budget variance largely due to colder than anticipated weather and higher than budgeted generation. The Water Utility's favorable results were due to a combination of higher than budgeted revenues and lower than budgeted expenses.
- Water Treatment and Delivery – The lead pigtail investigation was completed in response to lead concerns in the utility's water infrastructure. Only one pig tail was found to contain lead out of 314 unknown services that were investigated. Water quality results on the one service line resulted in "non-detect" for lead, which confirms EWEB's corrosion control (adjusted pH) operations are working.
- Construction is underway on the Downtown Fiber Network
- Electric and Water Asset Management – Capital projects are progressing at various levels. Overall results for Water Asset Management are "green", while Electric Asset Management reports mixed results of "green/yellow". Refer to the first quarter EL1 report for details.

Areas to watch and notable changes since Q4 2016 are detailed below:

- Cultural Dynamics – With changes in leadership, there are opportunities for people to raise issues that have been dormant for some time. Additionally, upcoming organizational adjustments are causing anxiety within most work groups.
- Simplify & Streamline – A position description has been finalized for the new Process Improvement Program Manager who will play an integral role in refining processes related to EWEB’s Customer Information System (CIS) and Work & Asset Management system, as well as other endeavors which will enhance the organization’s efficiency and affordability.
- Customer & Community Satisfaction – While it is too early to measure the results of the transactional surveys which were deployed for distribution services and the call center, much groundwork was laid during Q1. Customer satisfaction results for these areas will be available in Q2.
- Community Investment – New sponsorships are currently on hold pending strategic direction from the Board at the upcoming retreat.

**TBL Assessment**

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



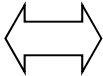


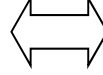






**Recommendation**

None at this time.













**Requested Board Action**

None at this time.













**EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD**  
**OPERATIONAL PERFORMANCE INDICATORS CY2017**

PERFORM										
Operational Performance Indicators	JOP	Q1 Status	Q2 Status	Q3 Status	Q4 Status	EOY Target	Owner(s) (Lead)	Trend	Comments	Drivers
Safety, Health/Wellness							ET/LT (Lena)		Green: all metrics tracking with goal. On or better than trend for injuries, safety hours, absence data, and program participation rates. Yellow: 2 potentially serious near misses resulting in follow-up training and mitigation activities.	Safety Working Group Initiatives; Work Plan, Metric Indicators re: Work Comp, safety incident, OSHA recordable and, time loss data, seminal events, safety training hrs or \$\$ invested per/EE, ER mod rate & premium cost data, absence data, program participation rates
Compliance & Risk							ET/LT (Sue)		Q1 no regulatory compliance issues reported. One self-reported DEQ violation for failure to monitor; remedial action provided to assure it does not happen again in the future. Non-standard contract inventory being compiled.	Compliance with all regulatory requirements, Proactive and accurate management of contracts
Financial Performance (Water & Electric)							ET/LT (Sue)		Strong Q1 sales for both utilities. Metrics within Board Policy. Approximately \$4M Financial savings initiatives identified including bond defeasance if approved by the Board.	Metrics within Board Policy, Revenue/Performance (Trading & Solutions Group), PPV, CIA Targets, Budget Adherence, Improve net income \$2.5 million by 2018, \$5 million by 2019 "Affordability"
Customer & Community Satisfaction							Erin		Customer satisfaction dashboard development completed and quarterly satisfaction survey underway. Transactional surveys also being deployed for distribution services and call center.	Marketing & Communications All sections under Customer Operations meeting and/or exceeding operational targets.

**EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD**  
**OPERATIONAL PERFORMANCE INDICATORS CY2017**

PERFORM										
Operational Performance Indicators	JOP	Q1 Status	Q2 Status	Q3 Status	Q4 Status	EOY Target	Owner(s) (Lead)	Trend	Comments	Drivers
Customer Energy and Water Solutions							Erin		Expected to meet targets based on current customer subscriptions.	All efficiency and sales metrics are on track for Q1
Water Treatment & Delivery							Mel/Brad		Willamette pressure zone returned to normal operations after temporary bi-pass pumping was required to maintain water delivery while a water main was replaced. 1 out of 314 services investigated was positive for lead pigtail found in April.	Treatment Standards, Interruption Metrics, PM Metrics.
Electric Generation & Delivery							Mel/Mike		All metrics meeting or exceeding benchmarks except tree trimming, which is still catching up from December storm.	Generation Performance (availability and forced outage); Electric Performance (SAIFI – Maintain, SAIDI - Improve 20% by 2018, CAIDI); PM Metrics (PUC Inspections, Tree Trimming).
Water Asset Management							Mel/Rod		Water Capital work progressing, a little behind on Type II schedule. Asset condition assessments not yet initiated.	Plan vs. Actual (Type 1 & 2), On Scope, Schedule, Budget, 2-Year CIP

**EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD**  
**OPERATIONAL PERFORMANCE INDICATORS CY2017**

PERFORM										
Operational Performance Indicators	JOP	Q1 Status	Q2 Status	Q3 Status	Q4 Status	EOY Target	Owner(s) (Lead)	Trend	Comments	Drivers
Electric Asset Management							Mel/Rod		Some issues with Type I & II projects. Capital spending behind in certain areas. Asset assessment and organization of program also behind schedule.	Plan vs. Actual (Type 1 & 2), Electric Queue? 1 Qtr. ahead?, On Scope, Schedule, Budget, 2-Year CIP
Environmental/Sustainability							ET/LT (Mel)		No major environmental issues. Environmental Management Systems nearing completion for mid-year roll out.	Spills, property management, leveraged funds, waste management, Source Protection, sustainability, GHG emissions, SF6, carbon mitigation
Community Investment							ET/LT (Erin)		2016 Community Investment report delivered; new requests on hold pending board retreat.	Committee which makes decisions based on established criteria which align with EWEB's core values.
Information Technology Work Plan							Matt		16% of the 2017 Projects have been attained. 39% are on target.  IS has spent 69% on O&M and 31% on Projects	Plan vs. Actual (Type 1 & 2), On Scope, Schedule, Budget, Cyber Security

# EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD

## OPERATIONAL PERFORMANCE INDICATORS CY2017

Status = Traffic light indicators represent past performance for the quarter

Trend = Arrows are a projection of future results

Red Light = Significant actual or projected miss in cost, scope or schedule. Issues that will likely cause material impacts.

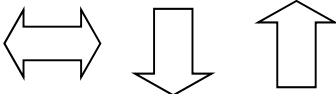
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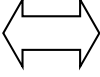






Green Light = Completed or projected to complete with respect to cost, scope or schedule. Results exceed or expected to exceed objective.

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

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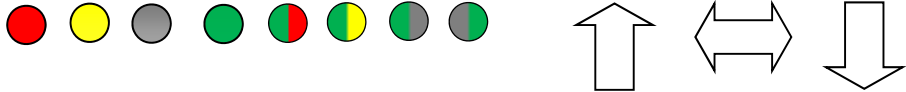
**EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD**  
**MAJOR PROJECTS CY2017**

PERFORM										
Major Projects	JOP	Q1 Status	Q2 Status	Q3 Status	Q4 Status	EOY Destination	Owner(s) (Lead)	Trend	Comments	Drivers
Carmen-Smith							Mel		FERC Tour and technical Session completed, looking for license in early 2018. Powerhouse projects are progressing. TSV slightly behind schedule due to delivery of valves. Crane project complete.	Execution including scope, schedule and budget, progress will be measured by key milestones each quarter
Alternative Water Source (AWS)							Mel		Pre-design wrapping up. Property is currently in final procurement stages, after progressing through eminent domain proceedings. Future strategic decision needed to move forward with final design with Willamette Plant and AWS strategy. Political risk is driving the yellow status.	Execution including scope, schedule and budget, progress will be measured by key milestones each quarter
Customer Information System (CIS)							EE/SF/MB (Erin)		The Customer Information System Replacement Project (CIS-R) has issued a conditional letter of "intent to award" to the vendor finalist, Cayenta. The project is now moving to Stage II, Selection & Negotiation of Phase II, which includes contract negotiation and scope of work development. In anticipation of the new system, the impacted work groups have started process improvements efforts and are using organizational change management best practices to promote a successful project implementation. Despite the success in refinement of project scope and adherence to the revised calendar, the project is behind from	Execution including scope, schedule and budget, progress will be measured by key milestones each quarter

**EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD  
MAJOR PROJECTS CY2017**

PERFORM										
Major Projects	JOP	Q1 Status	Q2 Status	Q3 Status	Q4 Status	EOY Destination	Owner(s) (Lead)	Trend	Comments	Drivers
									initial projections which will result in capital spend being deferred to 2018.	
Modernization Products (AMI facilitated)							Erin		AMI is ready to launch from a software perspective. However, additional time and resource is needed for meter deployment. A project manager for operational deployment has been designated and training is underway in the meter shop.	Execution including scope, schedule and budget, progress will be measured by key milestones each quarter

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**EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD  
STRATEGIC GOALS CY2017**

TRANSFORM									
Strategic Initiatives	JOP	Q1 Status	Q2 Status	Q3 Status	Q4 Status	EOY Destination	Owner(s) (Lead)	Trend	Comments
<p><b>Proactive Outreach</b> We will actively engage our customers and community partners on pricing approaches and alternative water source opportunities.</p>	●	●					Erin	↔	Pricing advisory committee convened and meetings scheduled; consultant contracts complete. AWS communications ongoing; received PNSW-AWWA communication awards for Tapping into Clean Water exhibit at Science Factory (partnership with regional water utilities) and for Freeze Protection infographic (partnership with UO School of Journalism).
<p><b>Simplify and Streamline</b> We will increase our operational effectiveness by streamlining our processes, specifically those needed to implement a new Customer Information System (CIS), improve our customer interactions, and reduce administrative overhead associated with work and asset management.</p>	●	●					ET (FL)	↑	A position description has been finalized for the new Process Improvement Program Manager who will play an integral role in refining processes related to EWEB's Customer Information System (CIS) and Work & Asset Management system, as well as other endeavors which will enhance the organization's efficiency and affordability. Early process work is occurring within this CIS project.
<p><b>Cultural Dynamics</b> We will create a culture that inspires us to respectfully work together for a common cause, motivates us to makes decisions and take action, and sets expectations and holds us accountable for results.</p>	●	●					ET (FL)	↔	With changes in leadership, there are opportunities for people to raise issues that have been dormant for some time. Additionally, upcoming organizational adjustments are causing anxiety within most work groups. Other drivers include: 2016 Reviews completed & calibrated across the organization: .5%

**EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD  
STRATEGIC GOALS CY2017**

TRANSFORM									
Strategic Initiatives	JOP	Q1 Status	Q2 Status	Q3 Status	Q4 Status	EOY Destination	Owner(s) (Lead)	Trend	Comments
									Underperforming (2 PIPs), 9% Developing, 77.5% Skilled, 13% Exceptionally Skilled. Discipline cases (Q1: 11) remain steady from 2016 (Q1 2016: 16), includes performance intervention steps from documented counseling through discharge. Involuntary terms: 1. Promotions: 7. Grievances submitted: 2, both withdrawn after second step. Voluntary exits remain consistent with 2016: Non-Retirement Voluntary terms 1%; Retirement 1%; Voluntary Exits w/in Year 1: 1.
<b>Organizational Resiliency</b> We will target specific areas to improve our human, financial, and operational resiliency, including management and supervisory succession, cash management, electric system design, and waste reduction.	●	●					ET (MD)	↑	Yellow due to unknown impacts of pending PERS reforms and upcoming adoption of Tier 4 retiree health care change. Workforce - Phase II: position analysis for high exit risk in critical roles being finalized; development of readiness tool underway. 1.03 replacement rate may result from systems implementation & worker transition. Financial - Significant progress made in 2016; however work is still needed on debt restructuring, reducing future bond issuances, and using reserves strategically to enhance financial resiliency.

# EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD

## STRATEGIC GOALS CY2017

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