



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Helgeson, Manning, Mital and Brown
FROM: Frank Lawson
DATE: November 30, 2016
SUBJECT: Proposed 2017 Organizational Dashboard Changes
OBJECTIVE: General Direction

Issue

The General Manager is recommending content and category changes to the quarterly operational dashboard, and is proposing that the dashboard be a consideration in evaluating the ongoing performance of the General Manager.

Background

Several years ago, the General Manager initiated a quarterly operational dashboard to track and communicate performance of the organization. At this time, minor changes to the format of the template are being recommended including a jump-off-point (JOP) which is the status as of the beginning of the year, and a year-end target.

Discussion

The performance of the General Manager will be assessed using categories consistent with all EWEB employees, specifically business, interpersonal, and personal effectiveness, along with leadership and managerial effectiveness. Additionally, organizational characteristics and results will be included in the evaluation of the General Manager.

Business effectiveness includes job knowledge, skill and proficiency, judgment and decision making, and will include the strategic and operational results of the organization. Interpersonal effectiveness includes teamwork, customer focus, productive interactions, respectful conduct, diversity and inclusion, and will include an assessment of the organizational culture. Personal effectiveness includes policy and procedure compliance, productivity and initiative, priority management, accountability, adaptability and composure, and responsiveness to feedback. Leadership and managerial effectiveness includes vision and strategic development and implementation, organizational and community outreach and involvement, and communication and motivation.

One of my duties as your General Manager is to help create and communicate the direction of the utility. This involves a combination of vision, strategy, and tactics in order to translate our long-term

mission into something tangible that we can use to guide us. Our strategy must meet a few criteria to be successful, including 1) it must provide a guide for our decisions, 2) it must inspire actions and results, and 3) it must provide a means for us (as an organization) to use our strengths or overcome our weaknesses for the benefit of our customers. Ultimately, we need to accomplish something together, and our strategy will help us align.

The Executive Team has been meeting almost every day since our inception. While we do discuss tactical day-to-day issues, our attention has switched to strategic development. We are specifically working to craft our 2017 objectives well before we enter the year, so that each person in the organization knows how their role relates to our shared success. Early on, we've agreed on the importance of providing greater value to our customers and a need to streamline and simplify almost everything we do. Customer confidence is continually cultivated by our performance (safety, reliability, cost), which in some cases is tactical (incrementally enhance what we already do well) or in other cases is strategic (we must substantially improve or do something new).

In 2017, we will measure our performance in three distinct categories including strategic initiatives, tactical "Key Performance Indicators" (KPIs), and major projects. Strategically, we will focus on active customer engagement in a couple of key areas, developing new organizational strengths in process effectiveness, improving our cultural dynamics, and increasing our organizational resiliency. Our KPIs will include measurements (goals vs. actuals) in operational areas important to the utility. Major projects will include the Customer Information System (CIS), Carmen-Smith Relicensing, and Second/Alternative Water Source Projects.

The proposed quarterly organizational dashboard will include the following content. Strategic progress will be evaluated based on the near-term strategic driver: Over the next three years, increasing customer value will cultivate the confidence and new product acceptance needed for resiliency and long-term resource decisions.

2017 Dashboard Contents

I. Strategic Initiatives

A. Proactive Outreach

We will actively engage our customers and community partners on pricing strategy and alternative water source opportunities.

B. Simplify and Streamline

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.

C. Cultural Change & Dynamics

We will create a culture that inspires us to respectfully work together for a common cause, motivates us to make decisions and take action, and sets expectations and holds us accountable for results.

D. Organizational Resiliency

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.

II. Operational Metrics/KPIs

- A. Safety, Health/Wellness
- B. Compliance (PUC, NERC, FERC, EPA, DEQ, OSHA, etc.)
- C. Financial Performance (Water & Electric)
- D. Customer Satisfaction
- E. Customer Energy and Water Solutions (efficiency/conservation)
- F. Water Treatment & Delivery
- G. Electric Generation & Delivery
- H. Water Asset Management
- I. Electric Asset Management
- J. Workforce/Culture
- K. Environmental/Sustainability

III. Major Projects

The execution, including scope, schedule, and budget will be evaluated for the Customer Information System (CIS), Carmen-Smith Relicensing, and Second/Alternative Water Source Projects.

TBL Assessment

The proposed strategic and operational metrics include a combination of economic, social, and environmental performance indicators.

Recommendation

The General Manager is recommending the strategic, operational, and major project contents above be including in the 2017 EWEB Organizational Performance Dashboard.

Requested Board Action

Feedback and commentary from Commissioners on the 2017 EWEB Organizational Performance Dashboard recommendations.