



TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson
FROM: Frank Lawson, General Manager
DATE: January 30, 2017
SUBJECT: Q4, 2016 Operating Dashboard and Goals Review
OBJECTIVE: Information Only

Issue

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

Background

The existing spotlight template has been in place for several years. The current submission constitutes the utility performance assessment for the fourth quarter of 2016.

Discussion

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

Notable progress was achieved in the following areas:

- Energy Management Services (EMS) - In 2016, Residential EMS completed 1,576 projects and Commercial EMS completed 127 (46% increase from 2015). The customer feedback regarding satisfaction with Residential EMS programs, for both loan (91%) and rebate options (88%), was highly positive. Customers were most satisfied with the ease of the loan process (96%) and disbursement of funds for both loans and rebates (91%).
- Carmen Smith Settlement Agreement - In 2016, staff renegotiated the Carmen Smith Settlement Agreement and filed the agreement for a new license in late 2016. This settlement agreement, working with multiple agencies and non-governmental organizations, took about nine months to complete and moved EWEB's life/cycle costs for Carmen Smith from negative to neutral or positive. Net savings is anticipated to be in the \$50 million range.
- Capital Planning & Execution - After nearly 10 years and \$30 million in capital renewal and replacement, the Hayden Bridge Filtration Plant is nearly complete in its first major overhaul since it was constructed in 1949. There are some remaining punch list items, but the contractor should be demobilized by mid-February. Upgrades include two new filters, new settlement basin, new chemical feed building and equipment, seismic upgrading of basins, new piping and controls, as well as office and an educational entry room to provide visitor information. Thanks to our operational staff at Hayden Bridge for their patience with the contractors and changes over the last decade.

- Workforce Culture – Metrics are linked to discretionary learning, attendance, safety incidents, performance, disciplinary intervention, grievances, complaints, voluntary non-retirement exits, among others. There are no negative trends or incidental spikes to report in 2016, with several indicators coming in better than expected or surpassing targets. Positive results include an incidental absence rate at 3.5 days against EWEB's 5-day historical average, safety incidents are at an all-time low, 74% of workers accessed EWEB-U for optional learning. Average performance ratings indicate roughly 80% of the workforce is positioned in the "fully skilled" category for the 2015 rating period which was reported in early 2016 and also at 2016 mid-year. Grievances remain low following the implementation of the new Collective Bargaining Agreement (CBA); grievances were primarily related to contract interpretation and track with the grievance rates reported in 2009 when the previous CBA was ratified. There was only one employment practices complaint in 2016 which was investigated and dismissed by BOLI.
- Human Capital Management System (HCMS) implementation - Phase I, HR Core, was completed as scheduled. Phase I includes all foundational employee data, benefits interfaces and much of the required process configuration that will be the basis for all future modules. The launch was very successful, in spite of the fact that it competed with all other year-end processes and the ice storm restoration. The adoption rate, measured by the number of users viewing and adding personal or tax information, was much higher than expected with over half the Utility accessing the self-service feature to view and update their records. There were no Ultipro system glitches. Problems that did occur were caused by internal issues such as variations in MS Office versions, and were easily remedied. User feedback has been very positive so far, with employees particularly appreciating the mobile version which allows them to access the system from their phones.

Areas to watch and notable changes since Q3 2016 are detailed below:

- Customer Satisfaction - Our traditional phone-based customer satisfaction survey was not administered in 2016, due in part to budget savings and in part from the desire to redefine this metric to be more than a single indicator of customer satisfaction. However, we did continue to conduct post-participation surveys of Customer Solutions (i.e. conversation) programs for which we received high satisfaction ratings with staff, contractors, and rebate/loan processes. In addition, a survey of customers affected by the Dec. 2016 outage indicated high satisfaction with social media communications and less favorable response to our current texting service and phone tree tools. For 2017, we will be conducting quarterly phone-based customer satisfaction assessments, in addition to continued post-transactional surveys for programs. We will also be adding call-back/post transactional surveys for customer operations contract points. Lastly we are working to create a "net promoter score" type of index appropriate to our industry. These indicators, combined with anecdotal data from open house workshops and focus group engagements will be the basis for reporting on this indicator in 2017.
- Budget Adherence - Electric Utility: Revenues remained under budget due to an unusually warm first quarter resulting in reduced loads. Expenses exceeded budget due to the late December ice storm costs that were in excess of \$4 million. With the recent emergency declaration by President Trump, eligible expenses will be reimbursed up to 75% by FEMA. Additionally, accounting standards require that previously incurred Carmen-Smith capital costs for items that were removed from the revised settlement agreement (e.g., fish

screen) must be charged to expense. This required non-cash entry is approximately \$9.6 million.

- IS Project Execution – While the quality of IS projects is improving, high turnover of IS Project Managers resulted in less projects completing in 2016 than expected. 29% of IS labor and 18% of IS budget has been spent on projects.
- Riverfront Property – EWEB and the City of Eugene are in general agreement as to the terms of the sale, but we have been slow to finalize the Purchase and Sale Agreement. EWEB is continuing to pursue the No Further Action (NFA) letter from the DEQ.
- The customer engagement strategic priority for 2016 became an artifact of the prior leadership regime. The idea is right, but the approach changed. We spent 2016 engaging in some limited customer experience work that culminated in the realization that we need to focus on the key areas of customer engagement: understanding the bill, taking payments, outage communications, and turn-on/turn-off activity. Really understanding and improving these key opportunities to provide service to our customers is where we should be focused and will be where we spend our time in 2017 customer journey-mapping exercises. These will be coupled with an internal focus on streamlining the delivery of these services to our customer. Because the focus changed and took some time to refine, this indicator remained yellow for the duration of 2016.
- Enterprise Risk Management was challenged by resource capacity issues in 2016; Financial Internal Auditor position was filled in Q4.
- Employee Safety – In regard to strains and repetitive motion injuries, early analysis suggests that a renewed emphasis on pre and post-work stretching would likely have a positive impact. Managers have agreed to give more focus to this program in 2017.
- Organization Efficiency and Cost-Control Program - Identified \$2.5 million savings for 2017 budget. Plans are underway for new resources devoted to process improvement and additional cost control measures.

TBL Assessment

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










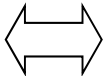




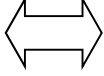





Recommendation
















None at this time.

Requested Board Action










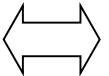




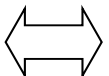










None at this time.





















EWEB ORGANIZATIONAL PERFORMANCE DASHBOARD - CY2016





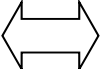















Customer & Stakeholder Perspective								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
PERFORM								
Customer Satisfaction					RG/MS/MF		Given the new focus on customer engagement for the utility, the Customer & Community Relations division has been rethinking how we assess customer satisfaction. We concluded that a single survey conducted once a year or so is not a sufficient indicator. As a result we have constructed a more robust set of measures that will be rolled out in 2017. What we can say is that for the post-transaction surveys that we did conduct for Customer Solutions related activities, customer satisfaction appears to have been very high.	Satisfaction self-reported by random sample of customers on 10 point scale for comparison with past years annual benchmark surveys; plan to introduce use of Net Promoter Score in 2017
Customer Service Operations					RG		Contact Center/Atrium EOY results are meeting/exceeding in Service Level, Abandoned Call Rate, Average Speed of Answer and Adherence to Schedule. Meter Reading projected to end the year at 99.95% Accuracy and was able to greatly improve fleet idle time results coming in @71.1% below 2 yr avg. Connect & Disconnect (C&D) meeting accuracy measures and reduced vehicle idle time by 46.8% vs. 2 yr. avg. Collections department meeting and exceeding lost revenue goal of \$400k budget to approx. \$300k by EOY.	Qualitative Assessment of Customer Service metrics such as; lost calls, bad debt, accuracy,
Energy Management Services Operations					MF		Year-end average megawatt savings came in at 104% of target with International Paper deferring their savings until 2017. Cost per aMW came in below target at \$22. Demand savings exceeded the target at 4.6 MW. Limited income was able to exceed the target number of households helped, 5,400 vs. target of 4,200.	Savings goals set by the IERP. 2016 goals are 1.6 average megawatts of energy savings at a cost of \$26 or less, and reduce peak demand by 2.2 megawatts, BG&R and limited income assistance
Environmental Stewardship					LM/JR		An Environmental Mgmt. System has been drafted with implementation planned for 2017. Program provides clarity and transparency to our Environmental compliance program. No	Compliance, spills, Carmen Smith, property management, leveraged funds, waste management, Source

							notable environmental compliance issues. The Carmen-Smith Settlement Agreement was renegotiated in a way that effectively balanced environmental, social, and financial issues. Completed Phase 2 pilot project for Pure Water Partners Program.	Protection, sustainability, GHG emissions
Product Delivery – Electric Service					MM		The December ice storm has delayed Q4 SAIDI and SAIFI numbers. The storm also prevented crews from completing PUC and tree trimming scheduled work. Both PUC and tree trimming fell behind annual production goals for the year. PUC work is 3 months behind schedule and tree trimming is one month behind schedule.	Electric Operational Plan, Vegetation Management Plan, PUC Corrections Plan, Neutral Installation Plan, Meter Replacement Plan, Communications & Controls Plan, Safety Goals, Transmission Regulatory Compliance, Reliability, Preventive Maintenance Plans .
Product Delivery - Water					MD/BT		Operational metrics indicated good finish in 2016. Water main and service line breaks increased in December along with customers’ assistance requests related to frozen pipes. No water quality issues.	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 Second Source Water Filtration Plant					MD/BT		Progress was made on the water filtration trailer design/equipment procurement project, and on personal preparedness initiatives. The Water Filtration Plant property purchase remained in the legal condemnation process which is impacting project schedule. Progress was made on pre-design of the Water Filtration Plant.	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.





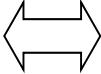




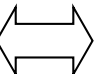





Financial Perspective

	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
PERFORM								
Budget Adherence – Electric Utility (Revenue/Expenses)					SF		Operational revenues remained under budget due to a warm Q1. Budget amendment required for higher power costs. Storm costs and write off of Carmen Smith screen (non-cash) likely will result in 2016 ending over budget. January 2017 load closer to historical average.	Electric Financial Statements, Financial Savings Initiative Work, Budget Monitoring
Budget Adherence – Water Utility (Revenue/Expenses)					SF		Revenue higher than budget (lower than 2015). Expenses within budget.	Water Financial Statements, Financial Savings Initiative Work, Budget Monitoring
Financial Metrics – Electric Utility					SF		Despite weak 2016 overall budget performance, financial metrics are within targets.	Electric Utility Financial Statements Reserves, DSC, etc.
Financial Metrics – Water Utility					SF		Financial metrics within board targets	Water Utility Financial Statements Reserves, DSC, etc.
Enterprise Risk Management					SF		Risk inventories complete and were monitored in Q3 and Q4. Compliance inventories reviewed in Q4. Contract governance and management procedures approved. Staff vacancies contributed to lower quantity of deliverables.	Enterprise Risk Work Plan Identify, manage and monitor department/organization risk and contract inventories; develop and monitor compliance requirements










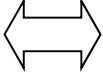





Operational, Continuous Improvement and Efficiency Perspective								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
PERFORM								
Management of Real Property					KM		65% of EWEB-owned acreage under a property mgmt. plan. No significant developments with HQ Redevelopment Project. Have timber harvest plan completed for 2017 Leaburg forest selective harvest (estimated \$300k revenue). No change in lease income in Q4. Hiring Right of Way Associate to address workload issues, trending up.	Benchmark with other utilities % property with mgmt. plan HQ redevelopment progress Property acquisition (AWS) Lease and forest management revenue
AMI/MDM Projects					EE		User acceptance testing continues on the integrations between systems. Currently replacing end of life meters only.	AMI Project Plan Establishing organizational readiness for customer opt in and preparation for delivery of services.
Capital Planning & Execution					MD		Water year end was approximately 88% capital spent (Sans Water Treatment Plant property) with good progress on most Type 1 and 2 projects. Electric is lagging on some Type 1 and 2 capital work. Year dominated by LTD EmX for electric, customer work. Electric Utility capital spending was approximately 65% of budget at year end.	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		Renegotiation of the settlement agreement was completed, saving EWEB about \$50M in relicensing costs. Revised Settlement Agreement submitted to the FERC.	Generation Operational Plan: Goal of concluding relicensing in a manner that meets financial, operational and environmental targets

Generation Asset Efficacy					MM		All generating plants running well. Hydroelectric plants 2016 availability above plan (AF=91.98%) and forced outages below plan (FOF=3.23). Co-Gen plants had AF=88.10% and FOF=4.92%. Wind farms had AF=97.46% Availability Factor (AF), Forced Outage Factor (FOF)	Generation Operational Plan: Based on unit availability, forced outage factors, and completion of critical maintenance.
Power Operations					KC		Better than Budget results in Resource Optimization, Transmission Expenses and Renewable Energy Certificates (REC) Revenues; results were \$2.8 million above budget.	Power Operations Operational Plan: Hydro Optimization, Trade Performance, Transmission Savings, Client Service Revenue, Renewable Resource Revenue, Structured Deals
IS Project Execution					MB		Quality of IS projects remains high but turnover in Project Management Office (PMO) results in less projects completing in 2016 than expected. 29% of IS labor and 18% of IS budget has been spent on projects.	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					SF/MB		Two NERC-CIP self-reports: No security impact incurred as a result of these self-reported items. During a year-end review, it was determined some documentation procedures were not being followed consistently. Corrective actions, including training and process improvements, are complete. All other compliance indicators are positive.	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		Workforce culture metrics all indicate good results in 2016 in all categories with outcomes tracking with or outperforming 2015. Grievance & internal/external complaints categories were particularly good.	HR Ops Plan Metric Indicators: EWEB University, Working Better Together, Workforce Performance, Performance Intervention, Legal Complaints, Grievances, Voluntary Turnover
Workforce Development & Workforce Planning					LK		Replacement rate was just under 1.0 in 2016. Workforce (WF) composition #'s steadily tracked slightly better than Lane County data. Phase I WF Planning Report was completed with some early analysis of potential PERS reform impacts. Compensation and benefits remain competitive; 3-yr “true-up” results indicate salaries keep pace with market; IBEW rates also at or above market. Recruiting results indicate continued interest in EWEB employment.	HR Ops Plan Metric Indicators: Workforce composition data, recruitment metrics: recruitment TTF, Year 1 exits (vole & invol), failed recruitments; workforce plan milestones, target vacancy replacement rate, market competitive salary, benefits data
Employee Safety, Health, & Wellness					LK		“Green” - Incident/injury frequency rates reached an all-time low in 2016; Work Comp performance returned \$125K in dividends and reimbursements. Mod rating was also the lowest ever yielding premium costs and classification among the top 2% of SAIF’s comparable employers. Training & prevention programming remains good – relatively equal to 2015.	HR Ops Plan Metric Indicators: Worker’s compensation data, safety incident data, OSHA recordable data, ER mod rate (.65)/premium cost data, absence management data

							<p>“Yellow” – Longer injury recovery periods drove time loss beyond the 188 day limit to an actual time loss total of 388 days. Rating & premium impacts will be realized in 2017 - '19. No serious regulatory infractions or fines but multiple seminal events which could have resulted in serious injury.</p>	
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TRANSFORM								
	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Owner	Trend	Comments	Drivers
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.					MS		Completed internal journey mapping exercise on outage management with consultants; identified opportunities with outage hotline and texting vendor for enhancements. Additional opportunities identified through Dec. 2016 ice storm outages. Plan to map three more top touch points with customers in 2017.	2016 Strategic Management Directives Board Direction
Change Management Implement a common change management methodology at EWEB and use for Type II, IS project deployment in addition to other major initiatives					EE/LK/MB		HCMS adoption rates indicate good change management efforts, also true for wholesale insurance changes. RIS have actively used the PROSCI change management methodology in project planning and execution. Additional trainings for target audiences are planned for 2017.	2016 Strategic Management Directives; I.S. Strategic Plan
Organizational Efficiency & Cost-Control Program Use benchmarking, and a corporate collaborative approach to develop improved processes, especially targeting overhead reductions.					MD/SF		Identified \$2.5M savings in 2016 due to grassroots efforts. Corporate wide approach not developed in 2016 due to staff’s efforts redirected towards bond issuances and reorg activities. Plan being developed for 2017.	2016 Strategic Management Directives LTFP Stability

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.
 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.

