



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM: Frank Lawson, General Manager
DATE: July 29, 2019
SUBJECT: Strategic Discussion – Organizational Values
OBJECTIVE: Discussion & General Direction

Issue

EWEB continues to assess and adjust aspects of our mission, values, and strategy.

Background

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.” The strategic plan provides the basis for the Board to provide guidance through policies, decisions, and recommendations to the organization through executive management.

Discussion

Much of the recent strategic discussions have centered on potential impacts of the organizational values. These values are important links to the community, as our mission states that we will accomplish the delivery of water and electric services “*consistent with the values of our customer-owners*”.

Based on individual conversations with Commissioners, there is general consensus around the importance of these values in making decisions and developing direction and policies. It is also apparent that there are two distinct types of values that get comingled during discussions and decisions, including “foundational” and “declaratory”.

Eugene, from the inception of EWEB to today, has valued local control and the influence and representation of citizens. And, although many public and private organizations value community social responsibility, EWEB’s “Community” value insures that our declared values, those important to the community and linked to our mission, are continually assessed, enforced, and sustained beyond specific executives or Boards. The “Community” value identified in our strategic plan, is a “Foundational” value, inherent in the governance structure and statutory requirements of law and our public charter. Our “Community” value strives for the continuity of a public purpose, providing our customer-owners with perpetual influence, and is characterized by the following:

Foundational Value

Community - We value our local governance and obligation to transparently serve our community.

Declaratory values are those that we, as public servants, identify or *declare* as part of our mission and are representative of our customer-owners, including those below. As stated by the Public Power Chronicle, the “public invests its trust in consumer-owned utilities, which in turn take on an obligation to help advance the values of their community”. In EWEB’s Strategic Plan, approved July 10, 2018, we assert that these are our community’s values.

Declaratory Values (Reflective of the customer-owners we serve)

Safety: *We value the physical and psychological health and safety of our workforce and the public.*

Reliability: *We value the continuous, on-demand delivery of quality drinking water and electricity.*

Responsibility: *We value the prudent and sustainable stewardship of our customers' financial and natural resources, including our impact on affordability and role in reducing the greenhouse gases (GHGs) contributing to Climate Change.*

Recommendation

EWEB management is recommending that the values be stated as follows in future revisions of the strategic plan.

Organizational Values Statement

Our strategic execution must reinforce our “core values”, which provide the fundamental basis for our policies, actions, behavior, and decisions. These values are unique and sacrosanct; they cannot be compromised for convenience or short-term gain. EWEB’s foundation strives for the continuity of our public purpose, providing our customer-owners with perpetual influence, and is characterized by the following:

Community - *We value our local governance and fiduciary obligation to continually and transparently serve and represent our community for the ongoing public good.*

In support of our mission, we will deliver water and electric services consistent with the values of our customer-owners, declared to be the following:

Safe - *We value the physical and psychological health and safety of our workforce and the public.*

Reliable - *We value the continuous on-demand delivery of drinking water and electricity, and the dependability of our response to our customers.*

Affordable (Cost) - *We value the management of our customer-owners' capital assets and resources, and respect our financial impact on the community.*

Environmental - *We value the prudent and sustainable stewardship of natural resources.*

Requested Board Action

Commissioners are asked to provide guidance on the aforementioned statement of values for inclusion, or modified inclusion, in future strategic plan updates. As part of this evaluation and guidance, Management is asking the Board to consider the additional qualifying statements and questions.

Management is asking Commissioners to contemplate that we have two distinct types of values, and that this present Board is chartered with declaring that we are delivering water and electric services “consistent with the values of our customer-owners”. As an elected representative of the public (at-large or within wards), how might the declared values be modified to better align with those you represent? Are the proposed values too broad? Are there any issues missing?

Is it accurate to characterize our distinction from other types of utilities (e.g. investor-owned) using a community value that implicitly states that our governance model is intended to perpetuate the alignment of community values with our utility declared values? Is there an intrinsic characteristic of a public utility that is missing?