



TO: Commissioners Schlossberg, Barofsky, Brown, Carlson and McRae
FROM: Frank Lawson, General Manager
DATE: January 5, 2021
SUBJECT: Organizational Goals and Performance Measures
OBJECTIVE: Action or Direction

Issue

Draft organizational goals will be established annually that represent the General Manager's interpretation of the priorities as defined by the Board (Board Policy BL5).

Background

Board Policy provides that the Board has responsibility for establishing its priorities for the coming year and providing that direction to the General Manager, who will draft new goals. The Board shall identify and define those results or conditions that are acceptable and not acceptable to the Board and communicate them in the form of policy, approval of Strategic Plans, Long-Term Financial Plans, Capital Improvement Plans, annual budget and goals.

Discussion

EWEB's Strategic Plan was adopted by the Board of Commissioners on August 2, 2017, and updated July 10, 2018. As of 2021, a majority of the Board will not have participated in the development of the current strategic plan, and therefore the 2021 goals include a strategic plan update/revision.

The organization's goals and ongoing execution should reinforce our "core values", which provide the fundamental basis for our policies, actions, behavior, and decisions. Our values, as presently stated, include:

- **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.
- **COMMUNITY:** We value our local governance and obligation to transparently serve our community.

Consistent with the General Manager's interpretation of the Board's operational and strategic priorities, the following annual goals are drafted for Board consideration. Using defined measurement metrics, the progress toward achievement of these goals will be reported quarterly to the Board and public. Additionally, the General Manager gauges annual self-performance based on progress/status of the goals.

2021 Organizational Goals

Goal #1 – Maintain or improve our “day-to-day” performance consistent with Board direction, policies, and organizational values, with an emphasis on increasing workforce resiliency

*Goal #2 – Effectively execute and operationalize a multi-divisional information system program by successfully scaling-up **advanced metering** for revenue management purposes*

*Goal #3 – **Revise and update the strategic plan** in order to identify and prioritize the most impactful 3-5-year strategic issues, decisions, and projects*

*Goal #4 – Collaborate and align with the Board to **develop directional guidelines and decision criteria** on issues having long-term strategic and policy-setting impacts, including development and approval of:*

- a) revised/updated **Watershed Recovery & Protection Program**, including appropriate 2021 budget amendments and future revenue mechanisms, and*
- b) TBL-based **plan for the lower McKenzie River Hydroelectric Projects** in compliance with FERC, and collaboration with the McKenzie Valley community, and*
- c) multi-year **Information System/Technology Investment Plan**, in support of both business continuity and strategic priorities, including 10-year annual spending projections for incorporation into EWEB’s Long-Term Financial Plan and 2022 Annual Budget, and*
- d) Initial risk-based **Wildfire Mitigation Plan**, for likely filing with Oregon Public Utility Commission, and*
- e) first **multi-year COSA**, including revised ratemaking principles.*

----- Preview – Coming in 2022 -----

- e) new **Rate Design Plan**, in preparation for changing energy supply scenarios, consumption trends, and new product offerings (e.g. time of use), and*
- f) the finalization of a **Willamette Drinking Water Treatment Plan**, including scope, location, schedule, cost, and partnership opportunities with SUB, and*
- g) **Asset Management Plans** which incorporate system planning, equipment age and condition, customer impact risk, staffing and funding tradeoffs – a.k.a. what are the impacts of changing the investment levels?*

Goal #5 – Continue electrification impact assessment, specifically analyzing the future decarbonizing trends of electricity and natural gas, and the division of costs/benefits between participants, utilities, and society at-large -- a.k.a. who benefits and who pays?

Recommendation

It is recommended that the Board review and approve the annual goals, or provide any additional guidance as needed to commence prompt pursuit of these annual goals.

Requested Board Action

Management is requesting approval of the annual goals. As an alternative to immediate Action in January, Management is requesting guidance on the proposed 2021 Annual Organizational Goals, with the intent that modifications will be incorporated and submitted for approval as a February consent item.