



TO: Commissioners Barofsky, Schlossberg, Brown, Carlson and Morris

FROM: Frank Lawson, CEO & General Manager; EWEB Executive Team (Deborah Hart, Brian Booth, Anne Kah, Karen Kelley, Travis Knabe, Julie McGaughey, Diedre Williams); Kelly Hoell, Strategy Advisor

DATE: December 29, 2025 (January 6, 2026, Board Meeting)

SUBJECT: 2026 Annual Organizational Goals

OBJECTIVE: Action

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### Issue

Management is proposing the 2026 Annual Organizational Goals for the Board's consideration and approval. [For reference, a summary brochure of the EWEB Business Management System, Business Priorities, 5-Year Themes, and 2026 Annual Goals is attached.]

### Background

Board Policy establishes that the Board has responsibility for confirming priorities for the coming year and providing that direction to the General Manager, who will draft annual goals. Organizational goals will be established annually that represent the General Manager's interpretation of the priorities as defined by the Board (Board Policy BL5). Accordingly, 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 and annual goals, and authorization of annual budgets which are based on assumptions in Long-Term Financial Plans and Capital Improvement Plans.

In 2025, EWEB management initiated the EWEB Business Management System (EBMS), which is a structured set of principles and practices that are used to drive sustainable results. Developed to support succession planning and workforce development, the EWEB Business Management System (EBMS) is grounded in our organizational values and shaped by engagement with the Board, customers, and community. It emphasizes *continuous improvement* of core services, strategic deployment to prioritize and align breakthroughs ("*Strategic Compass*"), and resilient *workforce development* as illustrated in the graphic below.

*Figure A – Composition of EWEB's Business Management System (EBMS)*



Using a structured and repeatable approach to business management responds to real and rising challenges. Customers continue to ask EWEB to maintain a strong focus on affordability, even as we face increasing operational complexity. EWEB already has a strong planning culture. As the utility landscape becomes more dynamic and the pace of change increases and risks evolve, a more integrated, transparent, and focused approach to organization-wide planning is being applied to ensure resources are used where they provide the most community value.

## Discussion

Annual goals are a mechanism to prioritize and focus the organization's investments and resources on maintaining critical ongoing "perennial" business fundamentals, addressing discrete gaps or weaknesses, or positioning the utility for strategic success. Processes developed as part of the *Strategic Compass* aid in the development of annual organizational goals.

Throughout this year, EWEB leadership is actively prioritizing and aligning the organization's endeavors. A central tool in this process is the *Strategic Compass*, which is designed to improve strategic focus and execution. One key component of the Strategic Compass is the *X-Matrix* (attached), a visual framework that demonstrates the connections between the following:

- EWEB's Mission and Vision
- EWEB's highest-level Strategic Business Priorities
- 5-Year Themes to make progress on our strategic business priorities
- Annual Strategic Goals to make progress on our 5-year themes

### *EWEB Business Priorities*

Applying the EWEB *Strategic Compass* ensures that our actions are aligned with our mission and vision, as identified in our strategic plan, and that our near-term outcomes build toward our long-term goals. In support of our strategy, leadership's application of the process has identified three strategic business priorities.

**BP1: Maintain / Improve Business Operations** – achieve and sustain the ongoing efficient and effective delivery of our products and services in a volatile operating environment.

**BP2: Optimize Energy** – Optimize the collective supply, delivery, and use of energy to fulfill our community's needs under changing market conditions and consumers' use of energy.

**BP3: Improve Resiliency** – reduce the likelihood, magnitude, and duration of sudden or gradual disruptive events through risk mitigation, emergency preparedness, response, and recovery strategies that support the delivery of our products and services.

### *EWEB 5-Year Deployment Themes (Strategic Pathways)*

Pursuing these three business priorities has yielded several specific fulfillment pathways, or *5-year Deployment Themes*. Given that Deployment Themes can have multiple benefits, and impact multiple business priorities, the Strategic Compass identifies the most impactful 5-year themes needed to make progress towards the business priorities. These themes are shown in the upper section of the Strategic Compass X-Matrix (attached).

**5YT 1: EBMS** - Implement and refine EWEB's Business Management System (EBMS) to define, prioritize, and align organizational work, resources, and investments based on clear intentional outcomes.

**5YT 2: Customer Feedback** - Based on customer feedback, focus on areas that improve customer trust and satisfaction, initially focused on affordability and outage management.

**5YT 3: Systems & Strategic Use of Data** - Modernize enterprise systems & strategic use of data to improve business insights on customer attributes and utilization of our assets.

**5YT 4: Power Supply Resources** - Ensure EWEB has power supply resources to support evolving consumer usage, regional grid conditions, and reliability/market standards required for BPA contract implementation in Oct 2028.

**5Y-Theme 5: Customer Products/Programs** - Drive consumer participation in products/programs that optimize the acquisition, delivery, and use of energy, initially focused on our largest customers' opportunities to mitigate peak demand.

**5Y-Theme 6: Drinking Water Vulnerability** - Mitigate drinking water single-source vulnerability.

**5Y-Theme 7: Resiliency** - Focus business continuity and resiliency efforts on mitigating most consequential risks with highest probability.

### *Proposed 2026 Annual Organizational Goals*

Following the development of the 5-year Deployment Themes, or the categories of work needed to achieve the Business Priorities, strategic work is further segmented into annual strategic goals. These annual goals form the building blocks for prioritizing, aligning, resourcing (budget and personnel), and measuring (KPIs, metrics, and milestones) the organization's efforts. They also support effective collaboration within the organization and with the board and public. In 2026, EWEB will advance our 5-year Deployment Themes (and thereby our Business Priorities) by executing the 2026 Annual Organizational Goals, as appearing on the right section of the 2026 X-Matrix (attached) and restated below. Consistent with Board direction, policies, business priorities, and organizational values, and to advance our strategic plan, the following annual goals are offered for Board consideration.

Goal No.	Proposed 2026 Annual Organizational Goals	Supported 5-Year Themes
1	<b>Mature EBMS</b> - Work with managers to use the EBMS to develop 2026 organizational "deliverables", and to guide and clarify quarterly reporting of key operational metrics and goal progress. Collaborate and align with the new GM to deepen utilization of EBMS and develop goals for 2027.	
2	<b>Limited Income / Energy Efficiency Program Enhancements</b> - Improve design, delivery, and reach of EWEB's limited income programs through the implementation of the strategies presented to the Board in Dec 2025, initially focused on bill assistance, prepayment, and customer engagement; and through energy efficiency program enhancements for middle-income customers and multifamily targeted assistance.	
3	<b>Disruption Response and Communications</b> - Improve the use of tools, systems, and processes for planned and unplanned disruption response and customer communication.	
4	<b>Scalable Data Warehouse</b> - Commission a scalable enterprise data warehouse and begin population of targeted information in support of limited income and energy efficiency programs.	
5	<b>Asset Management</b> - Collaborate with field / operational staff on the prerequisites (asset plans, process mapping, etc.) and the transition to new Field Service Management (FSM) and Enterprise Asset Management (EAM) systems.	
6	<b>Electric Comprehensive Plan</b> - Develop a formal, maintainable, and repeatable Electric T&D Comprehensive Plan.	
7	<b>Prepare for BPA Contract Implementation</b> - Develop and initiate actions based on a roadmap identifying EWEB's role in portfolio management and key milestones under a new BPA contract structure and future market environment.	

8	<b>Large Customer Peak Mitigation</b> - Refine the Demand Side Management Plan (DSMP) and rate-design planning based on initial peak mitigation initiatives with largest electric customers.	
9	<b>Labor Relations</b> - Prepare for and initiate negotiations of next Collective Bargaining Agreement(s) with IBEW.	
10	<b>Leadership Development</b> - Launch leadership development program.	
11	<b>Willamette Treatment Plant</b> - Work with the Board to decide Willamette Drinking Water Filtration Plant conditions of continuance and scope based on completed project prerequisites.	
12	<b>CONDITIONAL: McKenzie Valley Territory Transfer</b> - Transfer McKenzie Valley electric distribution service territory to Lane Electric Cooperative per Commissioner guidance (Resolution 2524)	

### *Management Reporting*

When implementing a *Strategic Compass* approach, most annual goals will represent strategic breakthroughs. However, significant EWEB resources, including financial and staff, support EWEB's delivery of core services, which includes the foundation of everything we must do related to EWEB's obligation to serve, legal requirements, Board directed policy requirements, and maintaining the "flow" of drinking water, electricity, information, money, and supplies. As long as EWEB performs core work satisfactorily, applying continuous improvement, the organization creates the ability to pursue strategic endeavors.

The more efficiently and effectively core work is accomplished, the more resources become available for strategic and risk-based work. Tracking core work is required by Board policy and necessary to ensure the organization is performing well operationally, which is a prerequisite of strategic pursuits. The following describes management's reporting plan to the Board.

#### Policy-Driven Reporting

As required by Board Policy, EWEB Management will report on the quarterly performance of the organization within a reasonable timeframe (Policy BL5) including, but not limited to, financial controls, major projects or plans (e.g. Source Protection Plan), budget adherence, contracts, and significant litigation (often confidential attorney-client privileged). Board Policy states that throughout the year, staff will provide the Board with quarterly financial reports that compare actual results with budget. Additionally, staff will provide the Board with periodic updates for all current year major projects on the Capital Improvement Plans. Purchasing Controls requires quarterly reporting of exempt contracts over \$150,000 and contracts above \$40,000 that are not approved by the Board or exempted by Oregon Public Contracting Code and claims reports.

Additional policies require either quarterly or annual reporting, including but not limited to Public Requests for Board Expenditures, sponsorships, donations, grants and in-kind services provided to the community, and progress on various Strategic Direction (SD) policies.

#### Operational Performance Reporting

One of EWEB's business priorities is to achieve and sustain the ongoing efficient and effective delivery of our products and services. Recognizing this is an essential part of fulfilling our mission, management will present the following information to the Board on a quarterly basis.

**Financial Results** including consumption and revenue trends, unaudited financial statements, status of established Board metrics, and budget adherence.

**Safety/Wellness** including exposure, time loss, and proactive measures.

***Electric Operations*** including water forecasts, generation performance, system reliability, active compliance response. Industry benchmarks will be made where appropriate (e.g. American Public Power Association)

***Water Quality & Delivery*** including watershed conditions, filtration performance, and reliability including pipe breaks and boil notices, and taste/odor issues. Industry benchmarks will be made where appropriate (e.g. American Water Works Association)

***Customer Responsiveness*** including time-to-answer or respond to inquiries and customer building & renovation project response.

***Customer Program Effectiveness*** including participation and delivery with segmented information on limited income support, energy efficiency investments and results, and environmental programs. Future consumption program participation metrics (e.g. Time-of-Day pricing programs) will be tracked.

***Workforce*** status including recruiting times, leave utilization, and turnover. Annually, workforce demographics will be updated and presented.

### **Recommendation**

Management recommends the Board deliberate and approve or amend the 2026 Annual Organizational Goals as presented herein.

### **Requested Board Action**

Approval of the 2026 Annual Organizational Goals

## EWEB's 2026 Annual Strategic Goals

- 1 Mature EWEB's Business Management System** - Work with managers to use the EBMS to develop 2026 organizational "deliverables", and to guide and clarify quarterly reporting of key operational metrics and goal progress. Collaborate and align with the new GM to deepen utilization of EMBS and develop goals for 2027. 1 2
- 2 Limited Income/Energy Efficiency Program Enhancements** - Improve design, delivery and reach of EWEB's limited income programs through the implementation of the strategies presented to the Board in Dec 2025, initially focused on bill assistance, prepayment, and customer engagement; and through energy efficiency program enhancements for middle-income customers and multifamily targeted assistance. 2 3
- 3 Disruption Response and Communications** - Improve the use of tools, systems, and processes for planned and unplanned disruption response and customer communication. 2 3 7
- 4 Scalable Data Warehouse** - Commission a scalable enterprise data warehouse and begin population of targeted information in support of limited income and energy efficiency programs. 2 3 4 5 7
- 5 Asset Management** - Collaborate with field/operational staff on the prerequisites (asset plans, process mapping, etc.) and the transition to new Field Service Management (FSM) and Enterprise Asset Management (EAM) systems. 3 7
- 6 Electric Comprehensive Plan** - Develop a formal, maintainable, and repeatable Electric T&D Comprehensive Plan. 1 7
- 7 Prepare for BPA Contract Implementation** - Develop and initiate actions based on a roadmap identifying EWEB's role in portfolio management and key milestones under a new BPA contract structure and future market environment. 3 4 5 7
- 8 Large Customer Peak Migration** - Refine the Demand Side Management Plan (DSMP) and rate-design planning based on initial peak migration initiatives with largest electric customers. 2 4 5 7
- 9 Labor Relations** - Prepare for and initiate negotiations of next Collective Bargaining Agreement(s) with IBEW. 2 7
- 10 Leadership Development** - Launch leadership development program. 1 2 7
- 11 Willamette Treatment Plant** - Work with the Board to decide Willamette Drinking Water Filtration Plan conditions of continuance and scope based on completed project prerequisites. 2 6 7
- 12 McKenzie Valley Territory Transfer** - Transfer McKenzie Valley electric distribution service territory to Lane Electric Cooperative per Commissioner guidance (Resolution No. 2524). 7