Strategic and Operational Report

2020 – Q1

Eugene Water & Electric Board

April 29, 2020

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Organization

The following individuals are responsible for the content of this report.

Executives

Frank Lawson (Chief Executive Officer & General Manager)
Susan Ackerman (Chief Energy Officer)
Deborah Hart (Chief Financial Officer)
Lena Kostopulos (Chief Workforce Officer)
Julie McGaughey (Chief Customer Officer)
Rodney Price (Chief Operating Officer and Interim Chief Information Officer)

Managers

Rene Gonzalez (Customer Solutions Manager)
Karen Kelley (Water Operations Manager)
Travis Knabe (Information Services Operations Manager)
Lisa Krentz (Support Services Operations Manager)
Michael McCann (Electric Generation Manager)
Tyler Nice (Electric Operations Manager)

General Information

		Electric	Water
Service territory	236 square miles		
Miles of line or pipe		1,300	800
Substations/Pump Stations		38	27
Water Storage		-	22 reservoirs (89 MGal, Capacity)
Number of accounts (200,000 population served)		94,000	62,000
Annual Operating Budget		$220,962,000	$20,676,000
Annual Capital Budget		$49,147,000	$18,021,000
FTE Budget	506		
FTE Actual	486		

Executive Summary

The Management of Eugene Water & Electric Board (EWEB) is pleased to provide this quarterly update, including preliminary unaudited financial results, operational performance results, and the status of strategic initiatives and annual goals.

Although early in the year, with plenty of disruptions due to the COVID-19 outbreak, EWEB's progress remained largely on track at the end of Q1 to achieve our 2020 goals. However, we are continuing to assess and plan for the effects of the pandemic, which will impact our local economy, and therefore EWEB. At the end of the quarter, EWEB was on track to achieve six (6) of eight (8) goals, with AMI (Goal#2) and the exploration of a cooperative water resiliency plan with SUB (Goal#5) behind schedule.

Most notable in the first quarter, EWEB delivered $539k in bill assistance ($452k through Customer Care and $87k through Energy Share) and has also issued 6 water line repair grants ($22k) and 4 electric repair grants ($10k). At the beginning of the year, EWEB brought Customer Care intake (signups and agency referrals) in-house. This change is expected to save in excess of $100,000 in addition to savings from contract renegotiation in 2019.

EWEB made the decision to close the lobby to walk-in customers and reduce Customer Service staff working in the building effective March 17, 2020. The lobby drop box continues to receive approximately 100 payments daily, down from a pre-closure average of 240 transactions per day.

Water quality and delivery, along with electric reliability, continue to be good compared to target.

Overall, EWEB continues to work on building organizational and customer confidence through the transparent communication of our results, included those discussed herein. We appreciate your ongoing support.

Frank Lawson, General Manager

EWEB Strategy and Annual Goals

The *Eugene Water & Electric Board Strategic Plan (2017-2020)* was approved August 2, 2017, revised July 10, 2018, and provides the basis for policies, decisions, and the annual goals established for the organization. This Quarterly Report is organized to provide status and progress information based on those annual goals. On February 4, 2020 the EWEB Commissioners approved the annual goals for the organization, including:

Utility Operations

Goal #1 *– Keep our "day-to-day" performance on track by managing utility operations consistent with Board direction including policies, strategic initiatives, and organizational values with a focus in 2020 on maintaining reliability, enhancing cyber security, and fostering productive workforce engagement.*

Foster Customer Confidence

Goal #2 *– Using continuous improvement and good utility practice, standardize and scale the integration of advanced metering infrastructure (AMI) and existing metering technology for the purpose of effective (accurate, timely, secure) and efficient revenue billing, and move-in/out processing.*

Goal #3 *– Streamline and simplify our most common customer interactions, including new self-service options, easy-to-understand bills, and secure ways to pay.*

Emergency Preparedness

Goal #4 *– Enhance emergency management programs by improving partnerships and public awareness of neighborhood emergency sites, improving electric system resiliency and outage management, and adopting a wildfire mitigation plan.*

Goal #5 *– Work with Springfield Utility Board to explore a more robust and cooperative water resiliency plan, including potential backup treatment options, interties, and sharing of water resources.*

Electric Resource Decisions

Goal #6 *– (Revised, March 3, 2020) As part of electricity supply planning, develop and publish an Electrification Impact Analysis Report that assesses the effects of electrification, and related ordinances/legislation, on EWEB's loads, generation mix, reliability, costs, compliance, energy/efficiency efforts, and community GHGs.*

Goal #7 *– Work with the EWEB Commissioners, FERC, and the McKenzie Valley community to develop a TBL-based plan for the lower McKenzie River Hydroelectric Projects by the end of 2020.*

Community

Goal #8 *– Pursuant to SD15 Climate Change Policy, execute Resolution 1938 supporting State carbon pricing policy, reduce operational GHGs to 40% below 2009 levels, and achieve conservation/energy efficiency and peak-energy reductions in combination with smart electrification to equitably and cost-effectively facilitate the reduction of community carbon emissions by 8,500 MTCO2e.*

Quarterly Update – Utility Operations (Annual Goal #1)

Goal #1 – Keep our "day-to-day" performance on track by managing utility operations consistent with Board direction including policies, strategic initiatives, and organizational values with a focus in 2020 on maintaining reliability, enhancing cyber security, and fostering productive workforce engagement.

Q1 Overall Status: **Substantially On Track**

Key Indicators & Measurements	
Financial	Financial Metrics – Governed by Board Policy (including Cash position) Revenue/Contribution Margin/Net Income Budget Controls (Revenue/Rate/Affordability)
Customer Services & Programs	Customer Operations Response & Effectiveness Energy Efficiency/Conservation Program Results (incl. Limited-Income) Communications Effectiveness Building & Renovations Project Response
Capital Investments & Projects	Type I – General Program Results v. Scope, Schedule, Budget Type II – Project Results v. Scope, Schedule, Budget Type III – Project Results v. Scope, Schedule, Budget
Energy Operations & Planning	EWEB Power Supply Performance (Availability) Power Trading Performance Power Planning Activity
Electric System Reliability	Outage Frequency & Duration vs. 5-Year Averages Significant Outages, Causes, Mitigation Preventative Operations & Maintenance (e.g. Vegetation Management)
Water Quality & Reliability	Water Quality Monitoring v. Target (incl. cyanotoxins, PFAS/PFOS, DBPs) Drinking Water Source Protection Results/Activities Treatment Effectiveness Delivery/System Reliability Metrics v. AWWA Benchmarks Preventative Operations & Maintenance
Workforce	Health & Safety Metrics & Activities "Good Catch" Reporting/Preventative Actions Workforce Management (incl. Recruitment) Labor Relations
Security (Physical & Cyber) & Compliance	Intrusions Prevented Preventative Projects & Activities/Results Compliance & Transparency Culture (only self-reporting with mitigation)

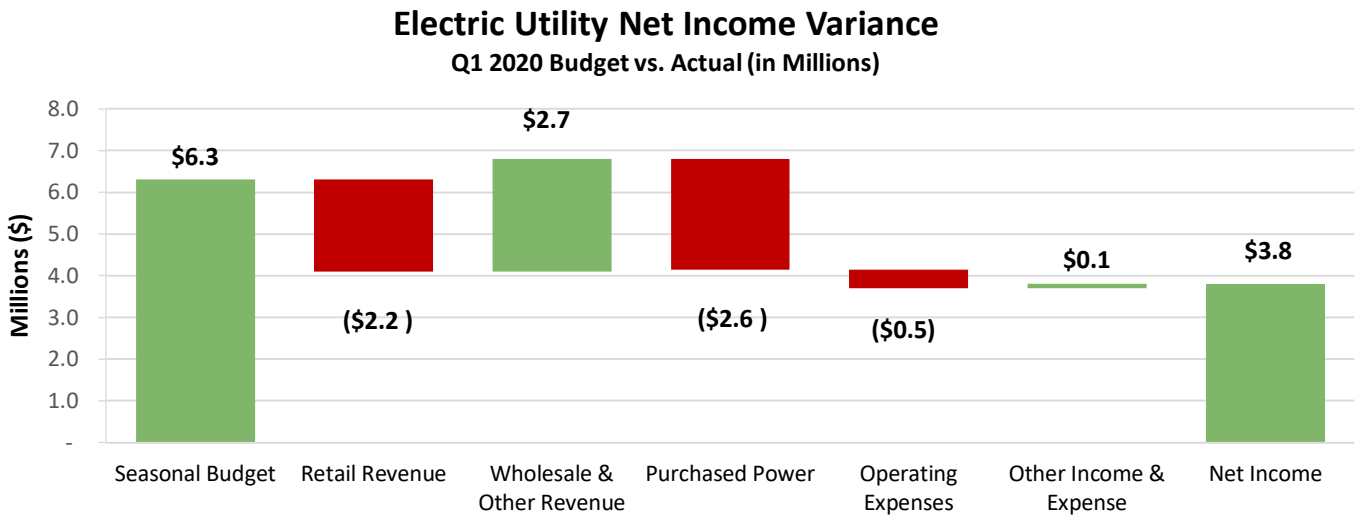
Electric Utility Financial Report

(Deborah Hart)

**See Appendix A – Electric Utility Financial Statements.*

Net Income

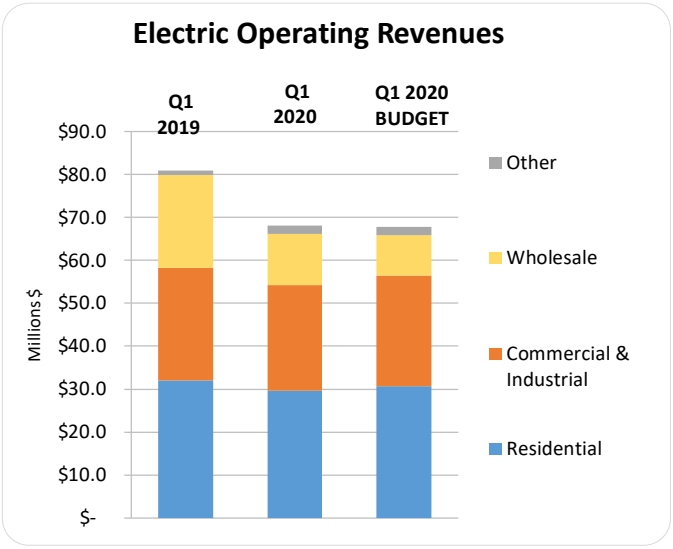
For the quarter ended March 31, 2020, net income for the Electric Utility was $3.8 million. For comparability purposes, the budget has been allocated to reflect seasonal fluctuations in revenue, purchased power, and wheeling.

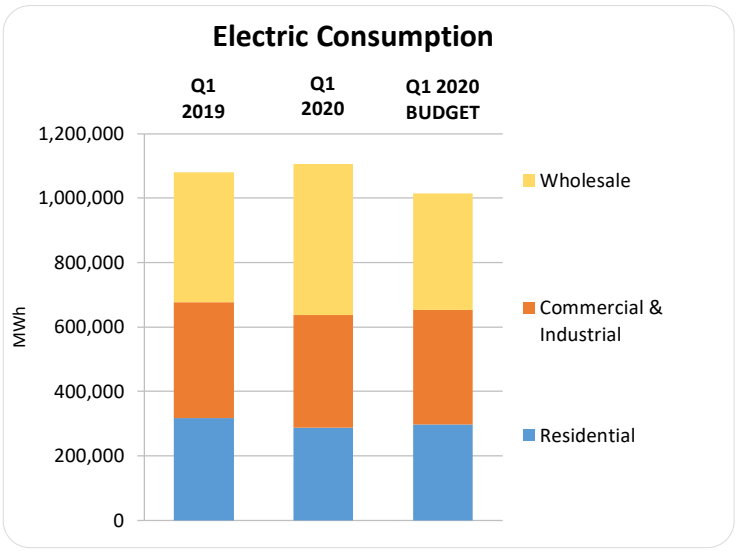


Electric Operating Revenues and Consumption

Retail revenue was unfavorable by $2.2 million when compared to budget. The unfavorable variance was driven by lower demand due to overall above average temperatures year to date. **Wholesale and other revenues** were greater than budget by $2.7 million. Lower retail demand and portfolio balancing activity increased sales to wholesale markets. Year to date wholesale prices have been lower due to increased generation in the region.

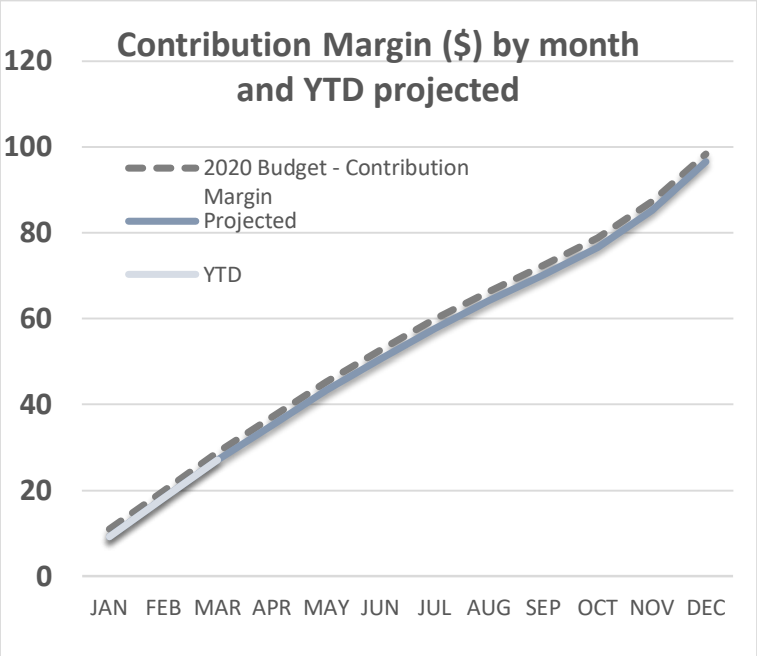
Retail consumption for Residential was below budget by 4%, due to overall below average heating load. Consumption for Commercial and Industrial customers tracked with the year-to-date budget. Remaining resources available to serve load were sold into the market, and overall levels were comparable to 2019.





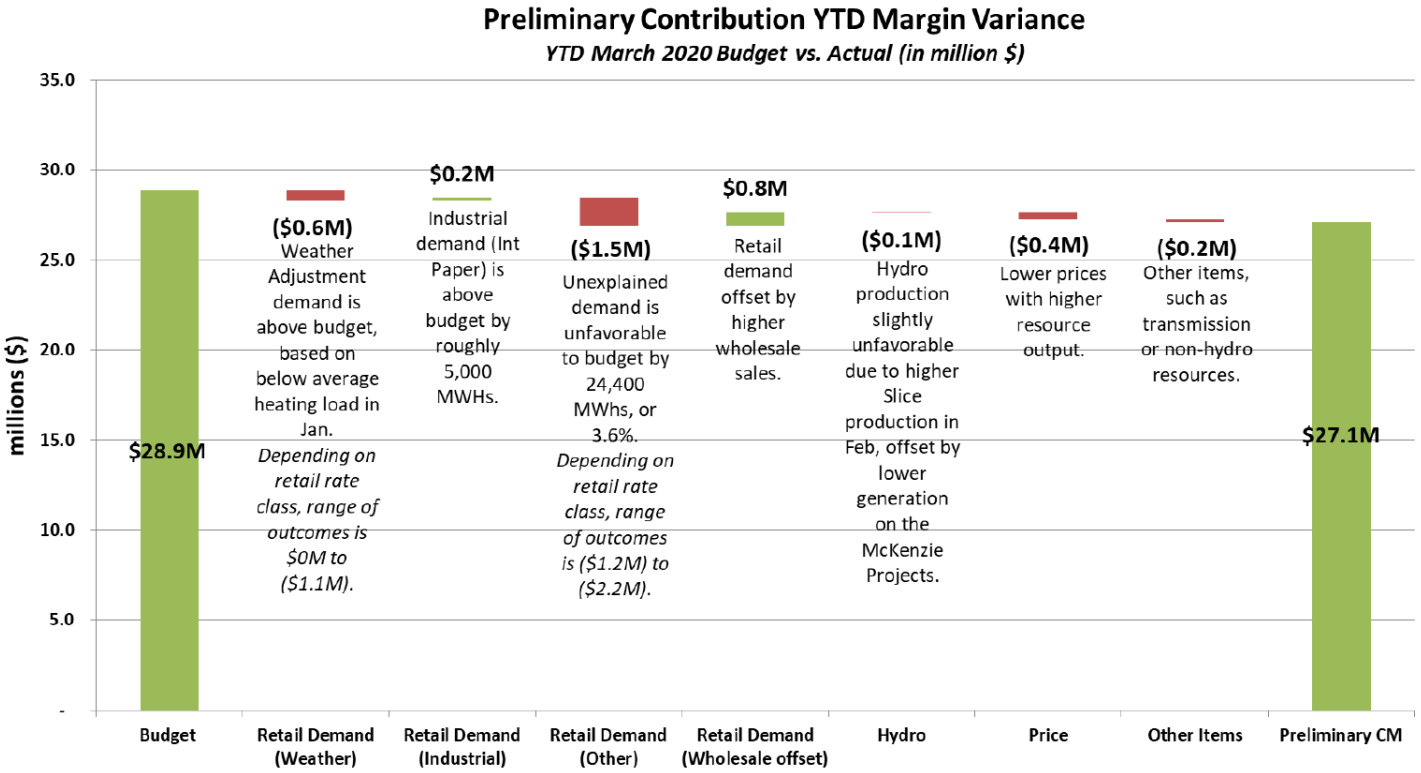
Contribution Margin

At the end of Q1, the contribution margin was unfavorable to the approved budget due to lower retail demand.



The Electric Utility contribution margin represents power sales (retail and wholesale) less power costs. The contribution margin based on 1) retail sales, which are dependent on both weather and economic conditions, 2) hydroelectric production and generating resource availability which is dependent on weather conditions and spill requirements, and 3) power prices, which are market driven. The risks and volatility associated with these factors are managed through a variety of mechanisms including conservative budget assumptions, a power hedging program, and power reserves.

The year-to-date contribution margin variance was $1.8 million unfavorable to the approved budget due to several factors, including lower demand related to warm conditions in January, as well as lower demand unrelated to weather conditions; lower production of McKenzie River projects; and low wholesale market prices also unfavorably impacted contribution margin in the first quarter. The unfavorable factors were partially offset by higher industrial demand, higher than budget BPA slice product production, and higher wholesale sales for power not sold in retail markets, although the wholesale sales have generally been at lower prices.



Electric Capital

Q1 capital spending was $6.1 million or 12.4% of the annual budget. See Appendix C – Electric Utility EL1 Report.

Revenue Requirement

The 2020 budget was developed without an increase in the overall revenue requirement.

Reserve Levels

Reserves are at or above board targets. The Board discusses the use of reserves above target each spring after the year-end audit. Q1 2020 balances are presented below:

Reserve/Fund	Target	Balance 3/31/2020	In excess of Target
Working Cash	$ 36,000,000	$ 44,487,435	$ 8,487,435
Operating Reserve	4,000,000	4,082,704	82,704
Self-Insurance Reserve	1,720,000	1,773,975	53,975
Power Reserve	17,000,000	17,000,000	-
Capital Improvement Reserve	22,000,000	24,542,759	2,542,759
Rate Stabilization Fund [(1)]	5,000,000	24,468,927	19,468,927
Business Growth & Retention Loan Fund	-	1,996,890	1,996,890
Pension Fund	-	-	-
Working Cash & Designated Funds Total	**$ 85,720,000**	**$ 118,352,689**	**$ 32,623,689**

(1)The Rate Stabilization Fund includes $21.5 million designated to reduce future borrowing.

Electric Utility Financial Outlook

The Electric Utility budget initially included a deposit to unrestricted reserves of $3.1 million. The forecast is now a year end deposit to reserves of $0.7 million due to the following:

Initial Budgeted Deposit to Reserves	$3.1 million
Unfavorable Contribution Margin	($1.8 million)
Unfavorable O&M	($0.6 million)
Anticipated Year End Deposit to Reserves	$0.7 million

The forecast contribution margin is unfavorable mainly due to the unexpected closure of the Arauco plant beginning May 2020. Also contributing to the unfavorable contribution margin outlook is lower Carmen-Smith generation. These unfavorable variances have been partially offset by higher Slice production.

The unfavorable O&M variance is a combination of $2.3 million unfavorable variance for non-labor O&M which is offset by vacancy savings estimated to be $1.7 million favorable to budget at the end of the year.

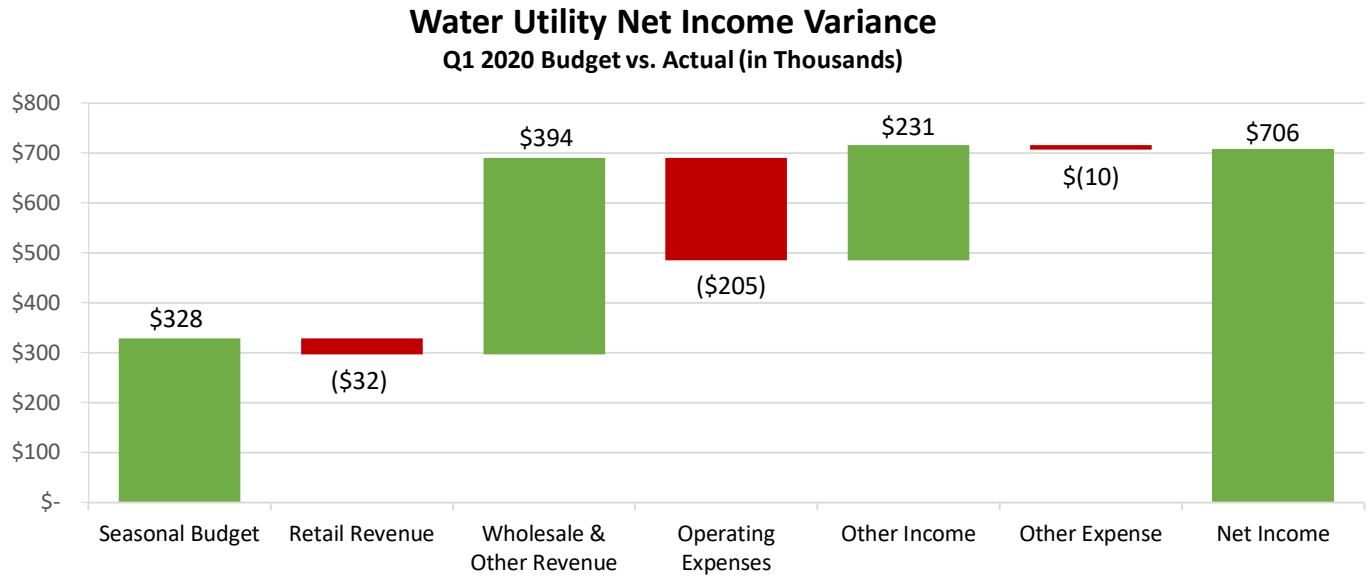
The impacts of the COVID-19 outbreak and the impacts to retail electric sales and the broader economics of the stay-at-home order are still being evaluated and will likely have significant impacts on the Utility's financial condition. Through the end of March the Utility did not see significant impact of load loss but the drop off has begun to materialize in the first part of April. We will continue to monitor and modify forecasts as more information becomes available.

Water Utility Financial Report
(Deborah Hart)

**See Appendix B – Water Utility Financial Statements.*

Net Income

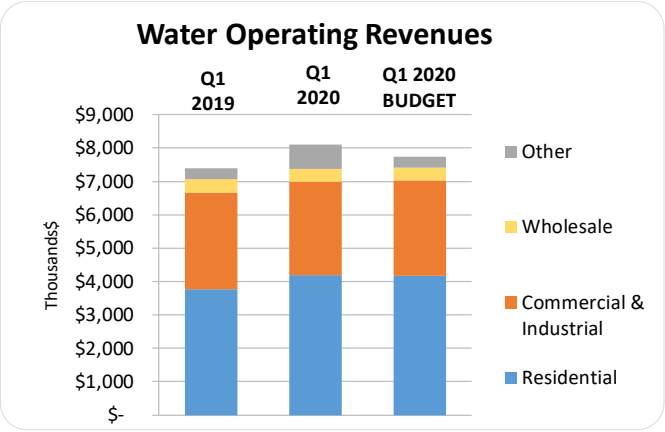
For the quarter ended March 31, 2020, net income for the Water Utility was $706,000. Compared to the year-to-date seasonal budget, this was favorable by $378,000. The favorable position primarily results from other operating revenue that exceeded the budgeted amount as reflected in the chart below. Within the Water Utility, revenue and maintenance activities peak in the summer months, while production and delivery costs remain fairly constant throughout the year.

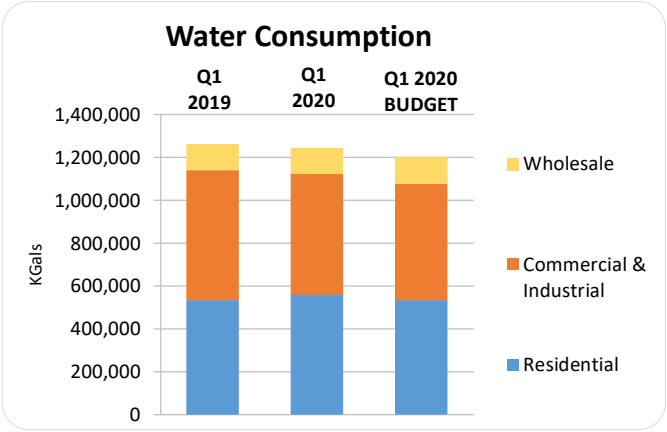


Water Operating Revenues and Consumption

Q1 total operating revenues were 5% ($362,000) higher than the seasonal budget. Retail revenue had an unfavorable variance of $32,000. Wholesale and other revenue was 55% (or $394,000) above budget. This variance was primarily the result of billable work for meter installations to water district customers and a water district main replacement completed in February. Wholesale sales included sales to the Water Districts, City of Veneta, and the Willamette Water Company.

Overall consumption in Q1 was slightly above budget. The consumption budget is set using conservative assumptions of 90% of the prior five year's average. Consumption peaks during summer.





Water Capital

Through Q1, capital spending was $2.5 million of the total $18 million approved budget. See Appendix D – Water Utility EL1 Report.

Revenue Requirement

The 2020 budget was also developed without an increase in the overall revenue requirement.

Reserve Levels

Reserves are at or above board targets. The Board discusses the use of reserves above target each spring after the year-end audit. Q1 balances are presented below:

	Target	Balance 3/31/2020	In excess of Target
Working Cash	$ 3,400,000	$ 11,394,103	$ 7,994,103
Operating Reserve	1,000,000	1,012,184	12,184
Self-Insurance Reserve	280,000	288,712	8,712
Capital Improvement Reserve (1)	7,000,000	11,606,520	4,606,520
Rate Stabilization Fund	1,000,000	1,000,000	-
Water Stewardship Fund- Septic Repairs	-	73,922	73,922
Business Growth & Retention Loan Fund	-	209,546	209,546
Alternate Water Supply Fund	-	5,861,203	5,861,203
Pension Fund	-	-	-
Working Cash & Designated Funds Total	**$ 12,680,000**	**$ 31,146,189**	**$ 18,466,189**

(1)The Capital Improvement Reserve includes $1.25 million designated to fund meter installation costs in 2020.

Water Utility Financial Outlook

The Water Utility budget included a deposit to unrestricted reserves of $900,000. The forecast is now a year-end deposit of $700,000 due to the following:

Initial Budgeted Deposit to Reserves	$900,000
Unfavorable Operating Activity	($200,000)
Anticipated Year End Deposit to Reserves	$700,000

The unfavorable O&M variance is $200,000. This is based on a $500,000 unfavorable variance for non-labor O&M which is offset by vacancy savings estimated to be $300,000 favorable to budget at the end of the year.

The impacts of the COVID-19 outbreak and the impacts to retail water sales and the broader economics of the stay-at-home order are still being evaluated and are anticipated to have more significant impacts on the Utility's financial condition. We will continue to monitor and modify forecasts as more information becomes available.

Customer Programs & Services Report

Customer Operations

In Q1, Customer Service assisted 53,400 customers, down 4% from Q1 2019. This decline can be attributed to the storm related outage and associated surge of calls in Q1 2019. Over 50% of customer calls are related to bill inquiries and payments.

EWEB saw a 17% increase in customer email volume last quarter, which was due to EWEB bringing the Customer Care (ECC) program in-house. All inquiries that went to Lane County or one of the service center partners are now fielded by the online team.

By bringing ECC application and processing in-house, the call and lobby volumes double and wait times spike during the first hours of the first business day of the month. Staff have made improvements after each enrollment event and realized increased efficiencies each time.

EWEB made the decision to close the lobby to walk-in customers and reduce Customer Service staff working in the building effective March 17, 2020. The lobby drop box continues to receive ~100 payments daily, down from a pre-closure average of 240 transactions per day.

Table: Customer Response Performance

Performance Metric	Result	Comment(s)
Calls Serviced	35,700	Down 6% YoY
In-person Visits	13,400	Down 5% YoY
Emails Answered	4,300	Up 17% YoY
Satisfaction Rating	96%	Rated Satisfied or Very Satisfied; 225 surveys
First Call Resolution	92%	Based on 225 surveys
Call Center Time to Answer	100 seconds avg	Not including ECC 1st of month
Call Abandonment Rate	9%	Not including ECC 1st of month

Financial Assistance, Energy Efficiency/Conservation Programs

Through Q1 EWEB has delivered $539k in bill assistance ($452k through Customer Care and $87k through Energy Share). EWEB has also issued 6 water line repair grants ($22k) and 4 electric repair grants ($10k).

EWEB brought Customer Care intake (signups and agency referrals) in-house in 2020. This change is expected to save in excess of $100,000 in addition to savings from contract renegotiation in 2019. EWEB now contracts directly with agencies providing customer income verification (Catholic Community Services and COE Campbell Senior Center).

Recent improvements have enabled customers to sign up online, by phone or in person directly with EWEB. Previously, customers were able to sign up online, by calling, or in person at partner agencies. Currently, over 60% of applicants are deemed eligible based on receipt of LIHEAP or proof of other qualifying assistance within the previous year. These applicants typically receive a credit within 5 business days. The remaining applicants are referred to partner agencies.

Due to Covid-19 in-person applications have been temporarily suspended, but customers may still apply online or by phone. EWEB increased assistance budget for April, May and June threefold and expanded qualifying criteria to include job loss (with proof of unemployment), and a mail-in option for Senior and Disabled applicants that is open continuously. Budget overage is expected to be recovered partially from months later in the year and partially from EWEB Energy Share.

Table: EWEB Customer Care (ECC) Program Results

	Jan	Feb.	Mar	Apr	YTD	Annual
2019	$76,404	$79,231	$98,500	$61100	$315,000	$1,092,684
2020 Orig.	$90,000	$90,000	$90,000	$90,000	$360,000	$1.1M
2020 Allocated*	$133,380	$171,860	$147,160	$260,000	$712,400	$1.7M
2019 Recipients	380	390	490	310	1570	4,150
2020 Recipients	510	690	570	1000	2770	

* Includes ECC Funding (Rates) and Energy Share Funding (Contributions)

In 2019, EWEB's Board of Commissioners reinstated its water SDC waiver program for qualified low income housing projects when certain internal financial metrics are met. During Q1, two developers that were previously qualified through the City of Eugene applied under the new program parameters.

In February, Management approved a water SDC waiver request from St. Vincent de Paul in the amount of $18,211. This will support construction of 53 units of low income housing in the River Road neighborhood, called Iris Place. Total construction costs are $14.2M and the project is slated to begin construction in spring 2020.

In March, Management approved a request from Homes for Good to waive the $18,211 water SDC for Taney Place, a 49 unit low income development project in the Bethel neighborhood. This $14 M project is slated to begin construction in summer 2020.

Table: Limited Income Energy Efficiency Results

Performance Metric	Result	Comment(s)
Total Residential EE Projects	422	
Income-Qualifying EE Projects	57	7 projects supplemented the grant with a loan
Residential Rental EE Projects	46	Some projects are Income-Qualifying rentals
Total Residential YTD Savings (MWh)	634	
Income-Qualifying YTD Savings (MWh)	116	
Residential Rental YTD Savings (MWh)	70	
Limited Income Energy Education home visits	94	
Income-Qualifying electric repair grants	4	These are often related to a heating system upgrade
Income-Qualifying water leak repair grants	6	To replace water line or repair leaks inside the home

Education/Energy Audit

Energy efficiency Home Audits, including the Limited Income Energy Education and Home Energy Score programs have been suspended due to Covid-19 physical distancing guidelines. Prior to suspension, EWEB was on pace to meet organizational objectives. All other Energy Efficiency and Conservation targets are on track and on budget.

Communications

EWEB's Communications & Marketing team supports several major utility-wide initiatives, as well as dozens of other specific issues and projects. We focus on delivering content that closely aligns with EWEB's goals and customer priorities, including:

1. **Saving energy and money** – Tips, tools and programs to help customers reduce energy/water usage and lower their monthly bills.

2. **Income-based programs** – Assistance for customers who meet income guidelines or who have difficulty paying their EWEB bill and would like to reduce energy use.

3. **Climate & environment** – Information about electricity supply and programs that help stabilize the climate and protect natural resources.
4. **Emergency preparedness & resiliency** – Steps EWEB is taking to improve electric and water resiliency, and information/programs that enhance household preparedness.

A variety of tools and channels are used to communicate about these topics, primarily leveraging owned and earned (i.e. free) media. Following are the top performing communications in Q1 by channel for each strategic theme:

Top Performing Communications by Channel & Theme				
	Social Media	Email	Newsroom	Earned Media
Saving Energy & Money	View post People reached: 1,714	View email Open rate: 71%	View article Pageviews: 2,870	N/A
Income-based Programs	View post People reached: 852	View email Open rate: 61%	View article Pageviews: 4,751	View article EWEB Increases Assistance
Climate & Environment	View post People reached: 1,575	View email Open rate: 54%	View article Pageviews: 113	View article EWEB Warns of Power Outages
Emergency Preparedness & Resiliency	View post People reached: 2,100	View email Open rate: 70%	View article Pageviews: 429	View article EWEB To Build New Reservoirs

Additional significant communication activities, challenges, and results

Raising Awareness of Customer Care: Throughout Q1, EWEB used every tool available to raise awareness of EWEB's Customer Care bill assistance program and to make it easy for customers to apply for assistance. Letters and emails were delivered to approximately 4,000 potential applicants explaining the benefits available and how to apply. EWEB website, social media, video and earned media were leveraged to reach as many customers as possible.

Helping Customers Prepare for Emergencies: In January, EWEB re-launched the popular "Pledge to Prepare" program. The program includes an annual calendar of monthly activities that help customers incrementally build emergency kits over time, a website, monthly instructional emails, and social media promotions. New this year, monthly information sheets are available in Spanish.

Building Support for Water Storage Improvements: In this early phase of the projects, EWEB's primary goal is to connect with neighbors who live adjacent to the facilities, in order to establish common goals/purpose for the projects, lay the groundwork for ongoing engagement, and enhance customer trust and confidence. In Q1, we met with neighbors at College Hill and E. 40th Ave., established a project website, created an interested parties email list (currently 60 members), and developed printed materials for distribution online and at in-person events.

Connecting With Customers During the COVID-19 Crisis: Beginning on March 14, EWEB shifted from "business as usual" to focusing almost exclusively on COVID-related communications, which included a new website, social media campaign, email, and earned media. Our key message: As a community-owned, nonprofit utility, we have always worked with our customers in crisis, and this time is no different. Our communications have focused on EWEB crisis programs, protecting the health and safety of customers and employees, and continuing to provide essential services.

Building & Renovations (Tyler Nice/Karen Kelley)

EWEB continued to work on customer-driven construction projects throughout the quarter, including during the pandemic with special precautions. More statistics will be presented next quarter.

Capital Investments & Projects

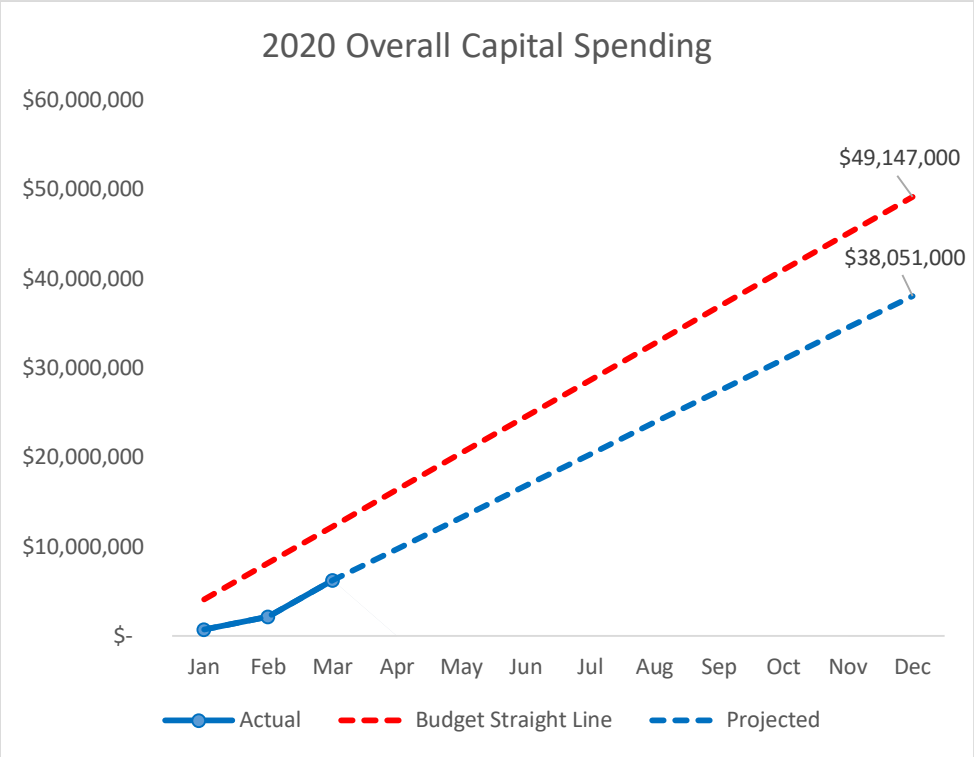
(Price, Kelley, Knabe, Krentz, McCann, Nice)

Electric Utility and Shared Services Capital Spending Summary & Project Updates

**See Appendix C – Electric Utility EL-1 Capital Report. Shared Services project updates are provided within the Electric Utility Capital section, but the project budget and costs are split between Electric and Water in the appendices.*

Summary

The Electric Capital Improvement plan (including Support Services and IS) ended the first quarter of 2020 at $6M, or 12% of budget. As shown in the EL-1 Report, it is anticipated that overall year end spending will end at $38M, or 77% of the $49M budget. The main driver for the under-spend is an anticipated $8M variance associated with the Carmen Turbine-Generator work due to contractor delays. The additional $3M of underspend is associated with delays in electric AMI deployment, and deferral of repairs to the Leaburg Canal. Excluding Carmen Type 3, spending is currently projected at $26.6M or 90% of the $27.7M Type 1 and 2 combined budget. Staff are currently monitoring project progress and customer driven work to determine 2020 project delays associated with COVID impacts related to community economic pressure, and also restrictions for personal safety which effect work progress. Even with some anticipated budget and schedule impacts, COVID related pressures have not significantly affected system reliability or long term projects at this time.



TYPE 1 – General Capital Projects (Electric and Shared Services)

Type 1 General Capital is budgeted year-by-year for routine capital expenditures totaling less than $1 million and is funded with rates and customer contributions. Typical examples include “pole replacements” as part of Transmission & Distribution.

Substation Infrastructure (Risk Based Improvement)

Planned work for 2020 includes:

- IP Substation Transformer Replacement – This transformer is currently showing signs of deterioration and is being replaced proactively to avoid failure. (Risk Based)

- Willow Creek Substation Upgrades – Transformer voltage regulator testing has revealed an internal issue with this regulator which will result in failure. The unit has been taken offline preemptively, and will be replaced with a spare in Q2. Work will also include controls and protection upgrades on an opportunistic basis. (Compulsory/Risk Based)
- Westmoreland Substation Upgrades – Controls, Protection, High Voltage switch and bus replacement.

Transmission & Distribution Infrastructure (Risk Based Improvement and Compulsory)

Work includes distribution system enhancements, replacement and renewals, as well as customer reimbursable work. Customer driven work is currently trending as historical, and will be monitored for effect of COVID due to community pressures. Delays associated with internal work has been experienced as a result of the EWEB Executive Orders to limit work under COVID restrictions. Below is a summary of key internal work planned in 2020:

- Live Front Switch Replacements - Safety
- Upriver distribution transformer replacements – Strategic/Risk-Based/Reliability
- Capital PUC & Pole Test & Treat – Compulsory
- Laurel-Currin Transmission Line Re-insulation – Risk-Based/Reliability

TYPE 2 – Rehabilitation & Expansion (Electric and Shared Services)

Type 2 capital projects are discrete, with a defined completion period, and lifetime expenditures over $1 million. Depending on the project, this work may be funded with rates, customer contributions, or bond funds. A summary of significant projects follows:

Downtown Distribution Network (Risk Based Improvement)

Project Initiation:	Sept-2010	Initial Scope Budget:	$ 15,000,000
Initial Planned Completion:	Dec-2015	Actual Project Costs To-Date:	$ 9,306,000
Projected Completion:	Dec-2028	Total Final Cost Projection:	$20,000,000

Summary of work for 2020:

- Installed two of four 15kV manual tie switches for downtown network feeders & upgraded 5 of the 8 feeder cables until virus concerns put job on hold. This project will substantially increase resiliency of the Downtown Network and will allow for reduced switching time from days to hours in the event of a source substation equipment or line failure (Resiliency).
- Continuation of additional Network Infrastructure planned replacement (Network Protectors and Transformers) is anticipated to resume Q2/3. (Risk Based)

ROC Consolidation (Shared – Electric share only shown) (Strategic)

Project Initiation:	Aug-2018	Initial Scope Budget:	$ 2,500,000
Initial Planned Completion:	May-2019	Actual Project Costs To-Date:	$ 4,488,900
Projected Completion:	May-2020	Total Final Cost Projection:	$5,285,000

Construction activities are complete with the exception of HVAC commissioning in the Call Center and minor punch-list items. Furniture will be ready to accommodate remaining moves in late May/June timeframe from a facilities/IS perspective. COVID19 related disruptions may cause a delay in actual employee moves.

Transmission & Distribution - Master Plan (Strategic and Risk Based Improvement)

Project Initiation:	Mar-2017	Initial Scope Budget:	$ 1,250,000
Initial Planned Completion:	Dec-2018	Actual Project Costs To-Date:	$ 746,200
Projected Completion:	Dec-2020	Total Final Cost Projection:	$777,891

This work is part of the Resilient Spine initiative and captured the purchase of property for the Thurston Substation Expansion. The purchase was completed in September 2019. Engineering is working through scope details of new High Banks Substation with BPA and surrounding utilities. Construction of High Banks Substation is planned for 2023. Increased

costs from previous projection to cover contracted studies of University & IP Generator Blackstart Resiliency which are currently underway (see note in "Emergency Preparedness and Recovery Report").

Grid Edge Demonstration Project

Project Initiation:	May-2016	Initial Scope Budget:	$ 1,200,000
Initial Planned Completion:	Jun-2017	Actual Project Costs To-Date:	$ 1,450,300
Projected Completion:	Dec-2020	Total Final Cost Projection:	$1,600,000

Grid Edge Demonstration (Howard Elementary Microgrid) requires a main controller upgrade to fully utilize the microgrid system and meet grant requirements as a final punch list Item. This controller upgrade is estimated to cost $150k and is planned for Design in 2020, installation coordinated with 4J in early 2021.

Distribution Resiliency Upgrades

**Refer to the Emergency Preparedness and Recovery Report for a comprehensive update [Goal #4 – Enhance Emergency Management Programs*

Upriver Re-Configuration/Holden Creek Substation (Strategic and Risk Based Improvement)

Project Initiation:	Jan-2014	Initial Scope Budget:	$3,000,000
Initial Planned Completion:	Oct-2015	Actual Project Costs To-Date:	$8,738,800
Projected Completion:	Jul-2021	Total Final Cost Projection:	$8,900,000

Construction at Leaburg Substation to reduce existing footprint and connect Leaburg to Holden Creek completed in November 2019. The final phase of the Leaburg Substation reduction (design and construction at a cost of $600k) has been put on hold pending completion of EWEB's internal investigation regarding the future of the Leaburg generation facility and approval of a path forward from FERC regarding the canal.

Advanced Metering Projects (Electric and Shared Services)

**Refer to the Advanced Metering Report for a comprehensive update [Goal #2 - Advanced Metering]*

Customer Experience Improvement Project (Shared)

**Refer to the Customer Experience Improvement Project section for a comprehensive update (Goal #3 – Streamline and simplify our most common customer interactions, including new self-service options, easy-to-understand bills, and secure ways to pay.)*

TYPE 3 – Strategic Projects & Programs (Electric and Shared Services)

Type 3 projects are large strategic programs with long term impacts, and are generally bond-funded.

Carmen-Smith Power House Improvements and License Deployment

Project Initiation:	Sept-2010	Initial Scope Budget:	$ 135,000,000
Initial Planned Completion:	Dec-2015	Actual Project Costs To-Date:	$ 76,969,300
Projected Completion:	Dec-2028	Total Final Cost Projection:	$ 129,500,000

Summary of work for 2020:

- Turbine Runner replacement and Generator Rewind for Unit 2 – Project delayed due to COVID-19 issues and contractor performance delays. Staff expects the project to restart in either Q4/2020 or Q1/2021.
- Aquatics Management Plan: Fish passage design as required in the Aquatics Management Plan is at the 30% design stage and is expected to reach the 90% stage by the end of the year. Passage construction is expected to begin in 2022 and be complete in 2025. Staff are working closely with the regulatory agencies to shorten the design and construction durations.
- Other Management Plans: Work on the remaining management plans is focused on drafting the specific actions and management methods for the benefit of wildlife, vegetation, recreational and other supporting efforts for the project.

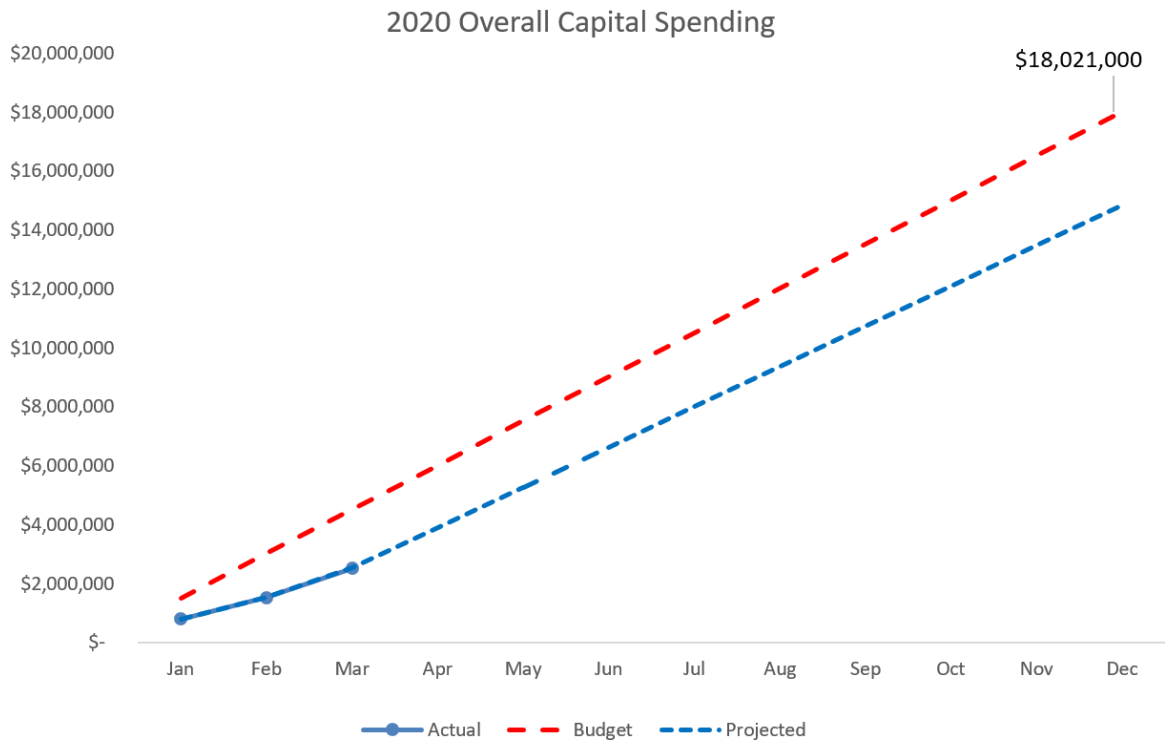
- Additional license-related projects expected in 2020 include installation of bird flight diverting devices on overwater transmission line spans, moving the transmission line currently in Deer Creek out of the riparian area, planning and design for upcoming recreation improvements and reinitiating design work for the bypass pipe for the Carmen powerhouse.

Water Utility Capital Spending Summary and Project Updates

**See Appendix D – Water Utility EL-1 Capital Report. Shared Services project updates are provided within the Electric Utility Capital section, but the project budget and costs are split between Electric and Water in the appendices.*

The Water Capital Improvement Plan is currently projected to end the year below the projected budget with expenditures being approximately 80% of budget. While one project saw a delay due to workload early in the year, this underage is primarily due to the work slowdown as a result of the pandemic. This primarily affected the Type 1 work and advanced metering project normally completed by EWEB staff. The larger Type 2 projects that are or will be contracted out are close to being on track.

We are also seeing a slowdown in service and development work. We will be monitoring this area closely to see if this continues as work gets back on track.



TYPE 1 – General Capital Projects (Water)

Type 1 General Capital is budgeted year-by-year for routine capital expenditures totaling less than $1 million and is funded with rates and customer contributions. Typical examples include "main replacements" as part of Distribution & Pipe Services.

A summary on two areas of Type 1 Work follows:

Source – Water Intakes & Filtration Plant (Risk Based Improvement and Compulsory)

This is one area of Type 1 work that will actually see an overage in 2020. As we wrap up our resiliency efforts at Hayden Bridge there are numerous smaller projects happening in 2020. These include some pipe improvements to the 'house

water system', replacement of a variable frequency drive at the finish water pump station, and an upgrade of the filter control system. Additional source water quality equipment will also be purchased under the capital budget for this area.

Distribution Pipe and Services (Risk Based Improvements and Compulsory)
Water main replacements and improvements are the largest component of the Type 1 work with respect to expenditures. As mentioned, the current work slowdown is affecting this work with approximately 70% of the budget projected to be spent at year end. Some of the large projects include a main replacement on Saratoga Ave which is being completed in conjunction with the electric utility and a large main replacement in the Willagillespie area in North Eugene.

TYPE 2 – Rehabilitation & Expansion Projects (Water)
Type 2 capital projects are discrete, with a defined completion period, and lifetime expenditures over $1 million. Depending on the project, this work may be funded with rates, customer contributions, or bond funds.

A summary of two significant projects follows:

Hayden Bridge Lab and Back-Up Services Building (Risk Based Improvement)

Project Initiation:	2011	Initial Scope Budget:	$1,500,000
Initial Planned Completion:	Q4 2020	Actual Project Costs To-Date:	$400,000
Projected Completion:	Q4 2020	Q3 2019 Final Cost Projection:	$2,300,000

The replacement of the water quality lab at Hayden Bridge has been a planned project for almost ten years. The issues with the existing lab, the need for replacement, and initial plan was documented in a Lab Master Plan completed in 2011. During the subsequent planning for the second source Willamette Treatment plant, the new lab was incorporated in that plant as the location would facilitate sampling efforts. With the deferment of the second plant in 2017, planning began for the new lab to be constructed at Hayden Bridge. Design was completed in 2019 and the Board recently approved a contract for the construction of the lab. The Contractor broke ground on the new lab building the first week in April and construction is anticipated to be complete by year end.

Base Level Reservoirs (Compulsory)

Project Initiation:	2018	Initial Scope Budget:	$10,250,000
Initial Planned Completion:	Dec-2021	Actual Project Costs To-Date:	$200,000
Projected Completion:	Dec-2022	Total Final Cost Projection:	$12,000,000

In 2018 staff began planning work on the replacement of three of EWEB's base level reservoirs, College Hill, Hawkins, and Santa Clara. These will be replaced with more resilient smaller reservoirs designed to current seismic standards. This work was derived from the Distributed Storage approach presented in the 2015 Water Master Plan. Planning, conceptual design, and public outreach work is occurring for placement of a new reservoir at three locations; East 40th Ave. (the Elliot Site), College Hill, and Hawkins. The work for the three sites is being done concurrently with the thought that whichever site has permits and approvals complete first will be the first to proceed. As of the end of Q1, it appears there is a path forward with the E. 40th site and the first new reservoir will be constructed at that location. In Q2, the Board should see a contract for the design of this facility. Construction is planned to start in Mid-2021 and be completed by the end of 2022.

Advanced Meter Upgrade (Water)
**Refer to the Advanced Metering Report for a comprehensive update (Goal #2 – Advanced Metering)*

TYPE 3 – Strategic Projects & Programs (Water)
Type 3 projects are large strategic programs with long term impacts, and are generally bond-funded.

Emergency Water Supply
**Refer to the Emergency Preparedness and Recovery Report for a comprehensive update (Goal #4 – Enhance Emergency Management Programs)*

Energy Operations Report

(Susan Ackerman, Rod Price)

EWEB Power Supply Performance (Mike McCann)

EWEB's owned generation was generally available and producing power during the first quarter of 2020. While the Leaburg Canal remains out of service during 2020, the remainder of EWEB's generating resources were operational and generating electricity. The Carmen-Smith project started the year offline due to the late 2019 failure of a transmission line potential transformer (PT). Quick action by EWEB's Generation and Electric Division staff allowed replacement PTs to be purchased and delivered to EWEB in early January, and the Carmen Project was back on line by the second week in the quarter. Also significant was a delay in the start of the Carmen Powerhouse Unit 2 overhaul, which was scheduled for March. Due to several issues, including COVID-19 impacts to production of necessary components, that work has been delayed and the two Carmen units remain available for production.

Of significance for energy production in the Pacific Northwest, the winter of 2020 has been warmer and dryer than usual and as a result, while our hydroelectric units have been available, overall production is down due to a lack of water. Flows in both the McKenzie and Clackamas basins were significantly below normal through the first quarter of 2020. That trend is expected to continue at least until the fall, and the Walterville Project will once again be operating in "low flow" mode.

Our utility-owned wind project, Harvest Wind, has been available and producing power throughout the first quarter. Both availability and production are exceeding plan. The two thermal cogeneration facilities were also available and producing energy during Q1/2020. There are no issues to report with either the wind project or the co-gen facilities.

Q1 2020 Generation Reliability by Fuel Type

Generation Type	Availability Factor (AF)	Forced Outage Factor (FOF)	Notes
Target	**>90%**	**<3.00%**	
Wind	98.19%	N/A	The Harvest Wind Project turbines were available and operating during the quarter.
Hydro	80.57%	18.88%	The Carmen-Smith, Stone Creek and Walterville projects were online and generating for most of the quarter. The Leaburg project remains offline through 2020.
Thermal	98.77%	1.23%	Both units were generally available and operating. Mill outages affected overall availability slightly.

April 2020 Generation YTD Report

Unit	AF	FOF	GCF	GOF
Carmen #1	89.79	10.21	5.00	69.03
Carmen #2	86.93	11.47	32.55	53.50
Trail Bridge	90.42	9.58	51.39	56.89
Leaburg #1	0.00	100.00	0.00	0.00
Leaburg #2	0.00	100.00	0.00	0.00
Walterville	94.84	5.16	73.30	77.29
Stone Creek	100.00	0.00	46.60	46.60
EWEB Hydro	80.57	18.88	24.56	56.87
Harvest Wind	98.19	n/a	n/a	n/a
EWEB Wind	98.19	n/a	n/a	n/a
International Paper	98.19	1.81	88.09	89.74
Wauna Generation	99.19	0.81	61.56	62.06
EWEB Thermal	98.77	1.23	72.57	73.48

AF: Availability Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were available for operation.
FOF: Forced Outage Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were forced offline due to an unplanned event.
GCF: Gross Capacity Factor. Multiplied by 100, this factor indicates the percentage of megawatt hours generated relative to the maximum number of megawatt hours that could have been generated if the generating unit had been operating continuously at full capacity.
GOF: Gross Output Factor. Multiplied by 100, this factor indicates the percentage of megawatt hours generated relative to the maximum number of megawatt hours that could have been generated if the generating unit had been operating at full capacity when available to generate.

Power Trading (Susan Ackerman/Kevin Cardoza)

COVID-19 & Loads: At the end of Q1 2020, the Trading Floor was closely watching loads as the COVID-19 hit and Stay at Home Orders were given. Later in March, the shape of EWEB's daily energy consumption changed, resembling a Spring Break load (a morning peak later in the day), however daily consumption did not change.

Fish Spill: River levels were low, and so EWEB was unable to do fish spill at Trailbridge in Q1 2020. We will continue to monitor this in Q2 and go to spill when inflows increase from rain and snow melt.

Monitoring: Power Trading will continue to monitor load shapes and power consumption to keep EWEB's portfolio in compliance during the COVID-19 Stay at Home Order and the unwinding of the order.

Power Planning (Susan Ackerman/Megan Capper)

Regional Policy Update: All in-person regional policy discussions have been converted to virtual formats (video or telephone conference). But work continues.

BPA Rate & 2028 Contract: BPA's Elliot Mainzer met with EWEB and the Board in March to kickoff discussions about the products and services EWEB might like from BPA's 2028 contract offerings. Since then, most post-2028 Contract discussions have gone into a holding pattern as most of BPA's resources are focused on Grid Modernizing/Energy Imbalance Market (EIM), Rate Case, and COVID-related efforts. BPA recently proposed an alternative timeline for the next rate case processes (BP-22, TC-22, and EIM Phase III), which would have resulted in no workshops for the months of May and June, culminating in a "proposal framework" for relevant EIM and Rate Case issues in July. Though generally supported by an aligned Public Power coalition, based on customer feedback BPA chose to maintain the status quo, with an EIM Decision Document expected in August and the Rate Case Initial Proposal due in November

NWPP Resource Adequacy: Discussions around creating a capacity regional resource adequacy program are nearing the end of a significant developmental phase. This phase, called 2A, creates a conceptual design for a regional resource

adequacy program. If accepted by the Northwest Power Pool Executives, then development work will progress to a more detailed design phase, called 2B. In this phase, a "program developer" will be hired to assist in creating a detailed structural framework, including modeling tools, multi-lateral party agreements, and a governance proposal. This effort includes work to develop an interim solution that can address capacity shortages that might appear prior to full design and implementation of the RA Program.

Public Power Council: In a significant development for the PPC, its Executive Committee voted to expel Clallam PUD as a PPC member. One of Clallam PUD's elected commissioners was using the PPC's confidential information for his own (not utility-approved) policy advocacy. Although the commissioner could have debated these issues in PPC forums, he instead used the information in support of protesters outside PPC's March meeting. The protesters carried signs naming individual PPC staff members and had the effect of intimidating invited guests, in this case BPA. This was not the first instance that confidential PPC material was used by this commissioner in this way. Expelling Clallam PUD as a member was the only way to stop release of confidential materials to non-members. Clallam's dues for the rest of the year were refunded, and the utility is welcome to rejoin PPC if their situation changes.

IRP & Electrification: The Planning group has pivoted from IRP preparation to completion of an electrification study. This topic is covered in detail in Goal 6.

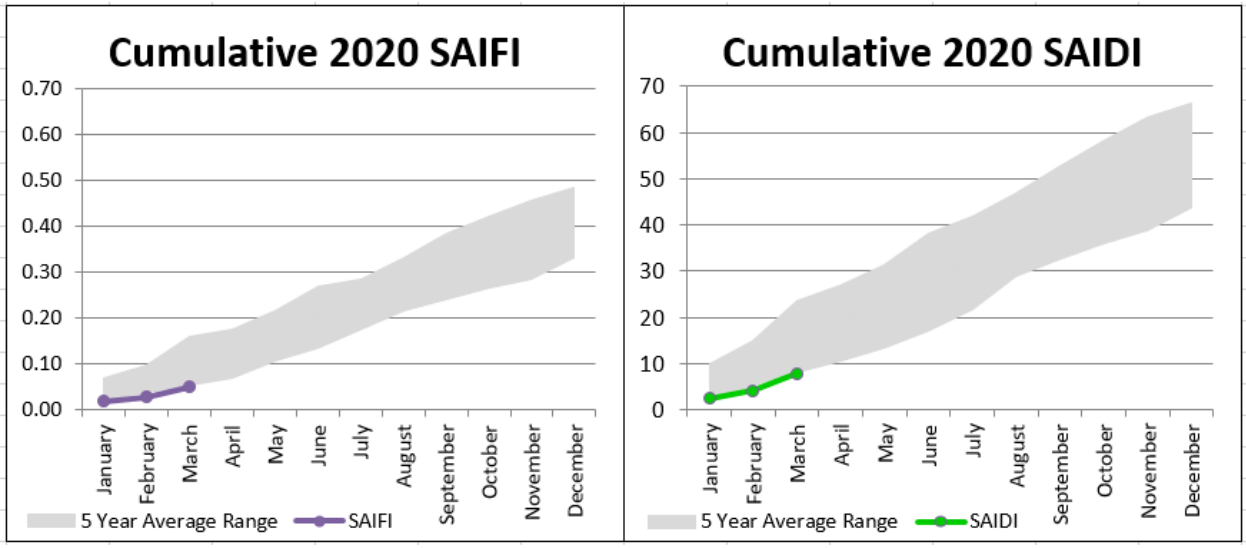
Columbia River Treaty: A regional power group continues influencing the Northwest Congressional delegation regarding US State Department negotiations with Canada over the Columbia River Treaty. That treaty is significant to public power because (1) the risk that BPA's customers will be responsible for flood control costs after the current treaty expires (2024), and (2) the need to achieve cost relief from high payments to Canada (called Entitlement payments) for the value of energy produced in Canada from the Columbia river there. This is a significant existing cost shouldered by BPA customers, and adjusting it to reflect current value would result in a significant rate offset for EWEB and others in public power.

Electric Reliability Report

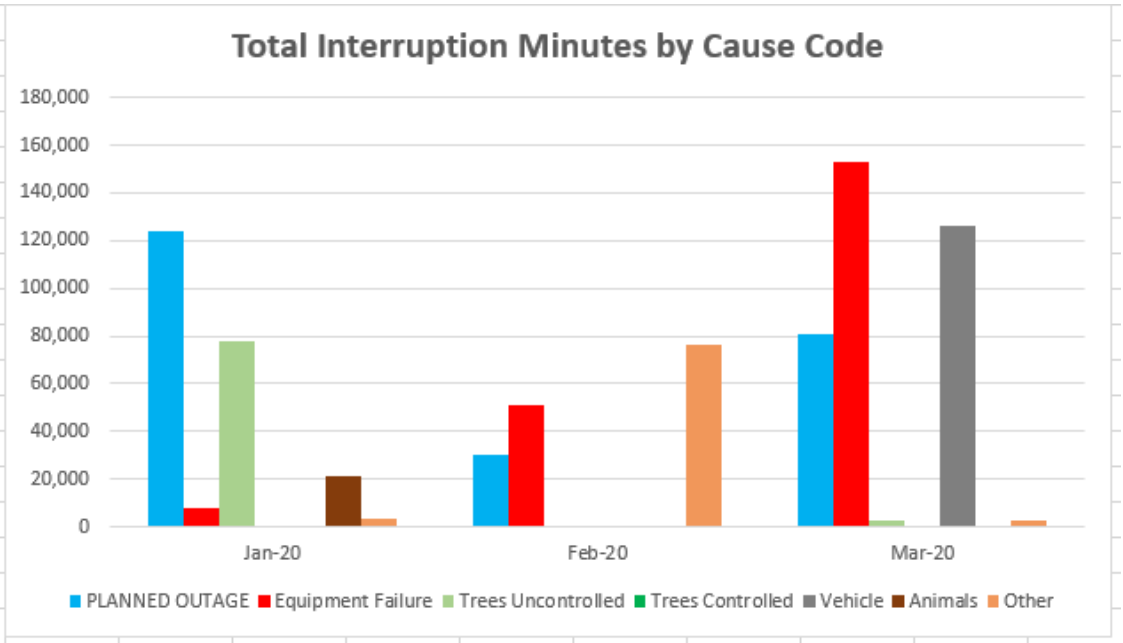
(Rod Price/Tyler Nice)

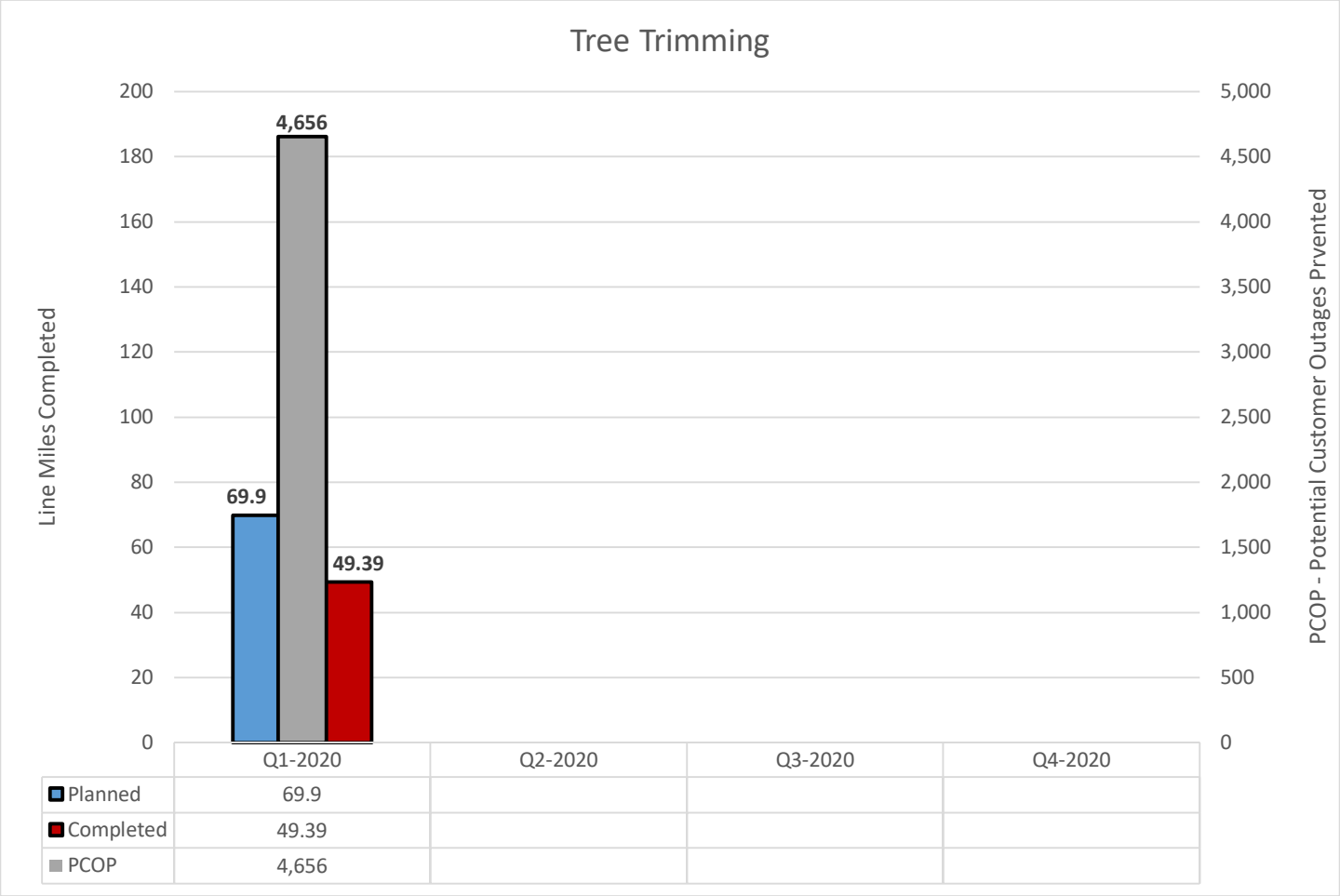
Electric Delivery Reliability

EWEB tracks electric system reliability using Institute of Electrical Electronic Engineers (IEEE) metrics, including System Average Interruption Frequency Index (SAIFI) & System Average Interruption Duration Index (SAIDI). In the first quarter the metrics reflect the mild weather and are at the low end of EWEB's 5-year average.



Below is a chart that shows the breakdown of the outages for the quarter into the major causes of the outages. The outages are tallied by the interruption minutes, which is calculated as the (outage duration in minutes) x (number of customers interrupted). In January, the biggest impact was a tree that tore down the overhead conductors for Cal Young feeder 4814 causing the feeder to lockout. In February a Mylar balloon got caught in the B-phase overhead jumper of the feeder get-away for Monroe feeder 3732, burning it in the clear and causing the feeder to lockout. This shows up as a cause of "Other" in the chart below. In March, there were 2 more feeder lockouts, Monroe feeder 3712 due to a car hit pole and Thurston feeder 2312 due to the lockout of the Thurston Substation transformer.





No significant changes to the Tree Department, proactive trimming efforts are on track with our plan for this year.

The COVID Pandemic has not affected the vegetation management progress substantially. All foresters are inspecting daily in the field and the tree crew contractors are all working safely in the field. See *Wildfire Mitigation Plan* section for updates around additional trimming completed associated with fire protection.

Water Operations Report

(Rod Price/Karen Kelley)

The Water Operations Section uses the Multiple Barrier Approach to Safe Drinking Water, an integrated system of procedures, processes and tools that collectively prevent or reduce the contamination of drinking water from source to tap. The purpose of this approach is to provide safe, reliable drinking water to customers 24/7/365 and to reduce the operational risks to public health while being good stewards of our customer/owner's infrastructure and funding resources.

Source Water Protection

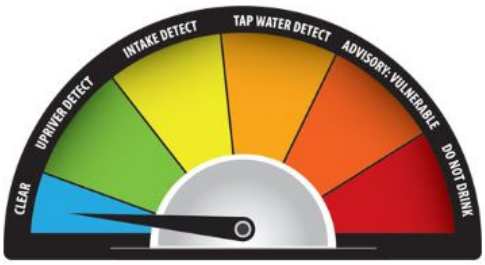
The purpose of the Source Water Protection Program is to minimize adverse impacts on the source of our community's drinking water. Specifically, the program aims to reduce the risk of pathogens and pollutants entering the treatment plant to in turn manage or reduce the degree of treatment required**.**

Q1 Project Updates

The Drinking Water Source Protection Program completed the 2018-2019 State of the Watershed Report, which is now posted on EWEB's website. Overall, the health of the McKenzie Watershed is good.

Cyanotoxins

EWEB began monitoring for harmful algal blooms (HABs) and cyanotoxins in mid-March 2020. There is evidence of low levels of cyanobacteria in Blue River Reservoir, but no cyanotoxins have been detected to date in the watershed. EWEB's website is now live with toxin results that is updated whenever new data becomes available. The current status is "Clear". For more information see: http://www.eweb.org/outages-and-safety/water-safety-in-your-home-or-business/drinking-water-quality/harmful-algae-blooms).



Cyanotoxin Detection Status

Pure Water Partners Program

The Pure Water Partners (PWP) program is an incentive-based strategy that aims to protect existing healthy riparian and floodplain areas and restore degraded riparian forests along the McKenzie River through voluntary actions with landowners. The PWP program was initially rolled out to McKenzie landowners in mid-2018. It should be noted that due to Covid-19, landowner engagement workshops were cancelled, which may affect program recruitment in 2020. Staff are working with partner organizations to put on a PWP webinar for McKenzie residents in early May. The following landowner participation statistics reflect program activity to date.

Landowners in PWP Program	Cumulative Totals	2020 Totals	2020 Goal
Initial PWP Intake Phase	10		--
PWP Riparian Assessment Phase	11	6	--
PWP Management Plan Phase	10		--
Signed PWP Agreements	9	1	10
PWP Naturescaping Only	28		--
Total Landowners in PWP	68	6	20
Total Riparian Acres in PWP Program	790	172	--
Total Riparian Acres Under PWP Agreements	78	7	100

Water Treatment (Leipold)

McKenzie River water is treated to drinking water standards using conventional treatment trains that include redundancy to protect from treatment failures. The treatment process is closely monitored and constantly adjusted to ensure production of safe drinking water prior to delivery to customers.

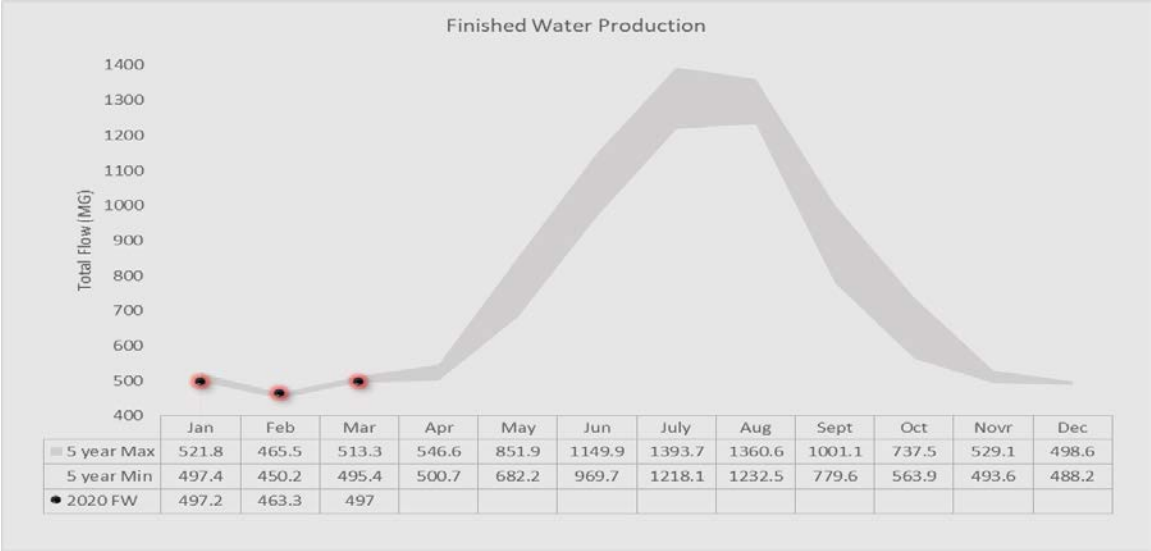
Q1 Project Updates

In February, the cold water testing for the pilot bio-filtration project was completed. Results of the pilot test indicates that the length of filter shutdown does not affect the biological activity in the filter during cold water months. It is important to note that this ensures the viability of bio-filtration as a permanent treatment technique at Hayden Bridge. In full scale testing that is resuming, enzyme activity and water quality parameters will be analyzed to establish if a correlation can be made to filter performance. It is anticipated that enzyme activity can signal the need to end a filter run providing a more consistent water quality. In partnership with the University of Toronto, an online instrument was installed to automate the data collection for enzyme activity. Samples previously shipped to Toronto for analysis can now be done every few hours by this device. Early results indicate the profiles created match similar lab analysis done during pilot testing.

In March, demolition of the scrubber that served as the engineered control for a possible gas chlorine release was completed. The scrubber, waste chemicals, and associated duct and electrical conduit were removed from the disinfection building. The building will be repurposed as a parts warehouse and electrical shop for Hayden Bridge.

Production

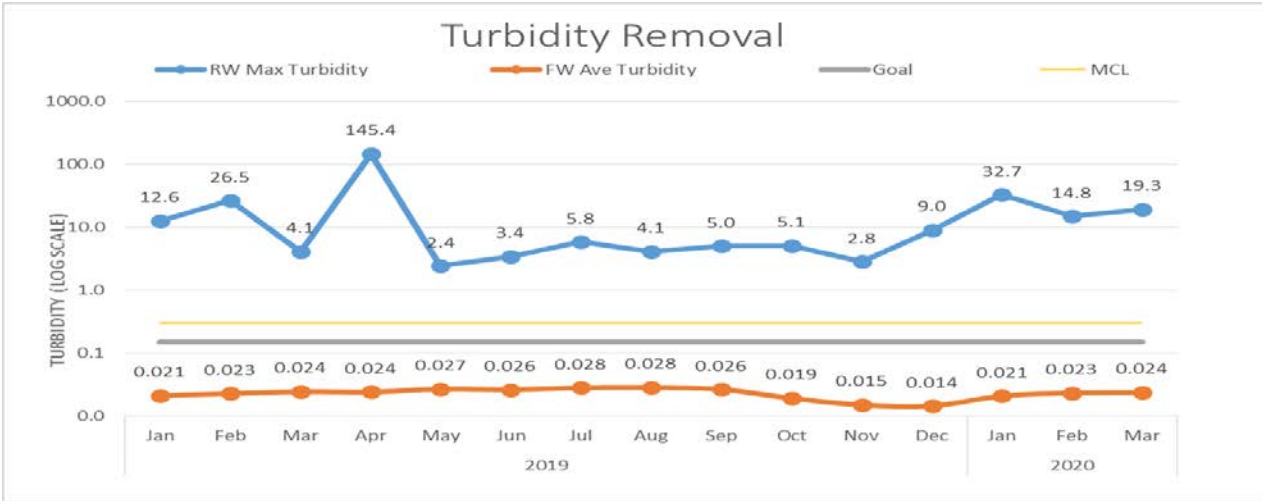
Production levels for the first quarter were near the 5 year minimum (see Finished Water Production Chart). It may be indicative of a drop in usage due to the COVID-19 impacts, but it is too early to determine. Chlorine Usage and Electric Consumption are being monitored to determine what saving are realized for operating costs using the new chlorine system. They are within the expected ranges and the actual cost of system operation is still being evaluated.



	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Novr	Dec
5 year Max	521.8	465.5	513.3	546.6	851.9	1149.9	1393.7	1360.6	1001.1	737.5	529.1	498.6
5 year Min	497.4	450.2	495.4	500.7	682.2	969.7	1218.1	1232.5	779.6	563.9	493.6	488.2
2020 FW	497.2	463.3	497									

Filtration Performance

Turbidity is a measurement of the clarity of water, which is an important indicator of filter performance that tells us if we are effectively removing microorganisms in the water. The Maximum Contaminant Level (MCL) for turbidity in drinking water is 0.3 NTU in 95% of the samples. The national performance optimization goal for turbidity in drinking water is 0.15 NTU in 95% of the samples. Filtration performance continues to show our filtration process is optimized.



Water Supply System Reliability

Once the water is adequately treated, the quality must be maintained as it is delivered to EWEB customers. Replacing aging infrastructure, repairing leaks, flushing, maintaining a disinfectant residual and positive pressure, and protecting against cross-connections are critical aspects of the program to ensure water quality, reliability and adequate fire flow.

Significant Outages and EWEB Caused Boil Notices

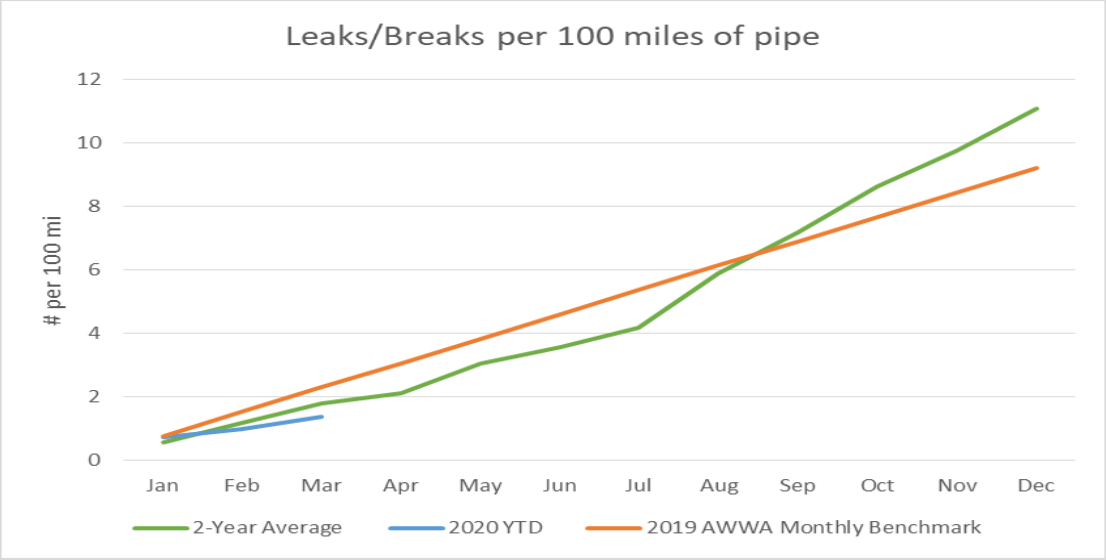
On March 26th EWEB had a significant water main break on Cross Street. The break occurred on an 8" asbestos cement water main that caused significant damage to surrounding area. To mitigate the damage crews had to isolate the water line which allowed the water line to go to zero pressure. The boil water notice was issued to three (3) customers. All sample results were absent of any coliform and the boil notice was lifted on March 27th.

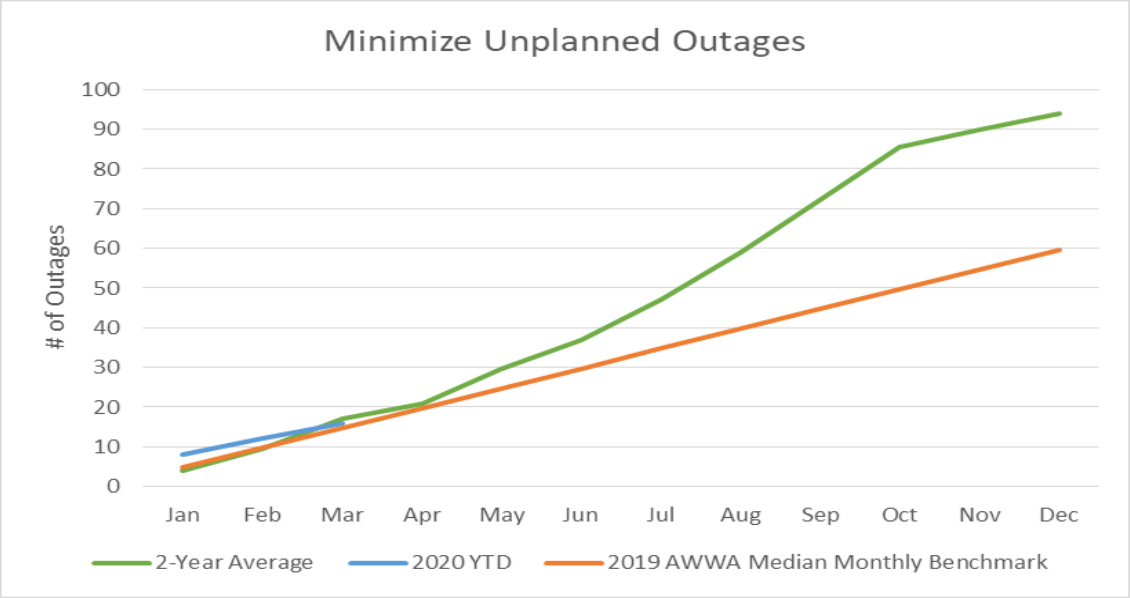
Leaks/breaks per mile & unplanned outages

The two graphs below compare EWEB Leaks/Breaks per 100 miles of pipe and number of unplanned outages to the latest American Water Works Association (AWWA) benchmarks, published in late 2019 using data from calendar year 2018. These benchmarks represents the 'national average' amongst utilities for these two parameters.

Water is watching these metrics to see if the projected 2-year trend continues and puts us well above the benchmark. Any action (i.e. increased investment in main replacements) will take a long time to have any real effect on the results shown below. There is a plan to increase investments in main replacements once the upgrade of water's Resilient Spine (Base Level Reservoirs/Transmission) is complete. If the below EWEB metrics change much for the worse, we may look to increase our investments in main replacements sooner.

Ensuring Reliability	Unit	AWWA Median Benchmark	YTD Results
Leaks and Breaks per 100 Miles of Pipe	#	9.2	1.4
Minimize Frequency of Unplanned Outages	#	59.5	16
Average Duration of Unplanned Outages	Minutes	150	71
Percentage of Customers who Experience a Planned or Unplanned Water Outage	%	N/A	0.29%
Boil Water Notices	# of Notices	None caused by EWEB	1





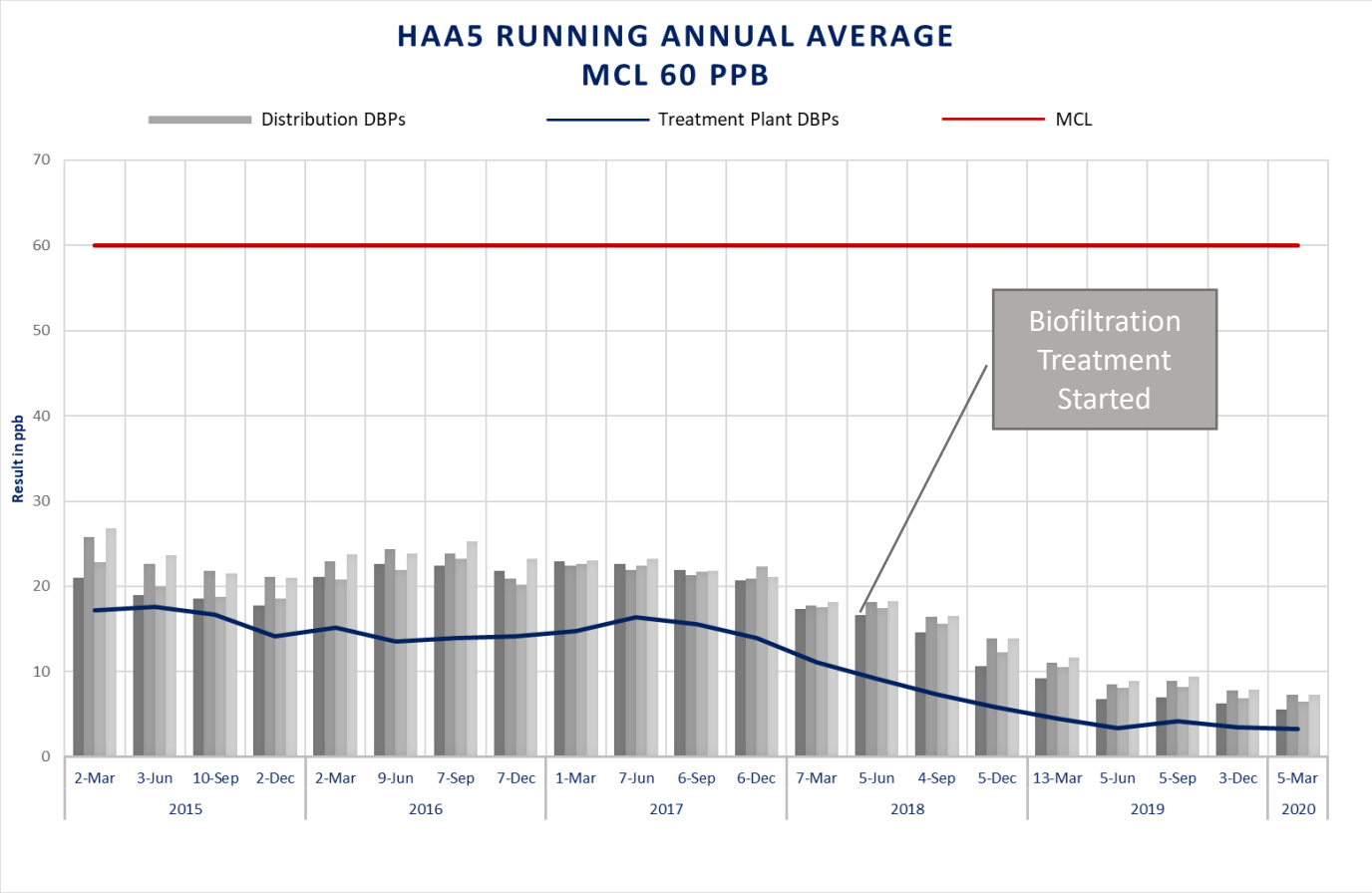
Water Quality Monitoring

Monitoring the quality of our raw, treated and distributed drinking water is essential to ensuring safe water for EWEB's customer/owners. Monitoring data gives water operations staff the ability to adjust treatment and system operation to safeguard quality for human consumption.

Disinfection By-Products (DBPs)

Disinfection by-products are formed when chlorine is added to disinfect water supplies and reacts with organic matter producing haloacetic acids (HAAs) and total trihalomethanes (TTHMs) in the finished water. DBPs can increase with higher levels of organic matter, longer residence time in the system (water age), and higher water temperatures. Therefore, adequate water treatment and management of the distribution system flow and residence time can reduce DBP formation.

DBPs have continued to decrease with the introduction of the biofiltration project at the water treatment plant which further removes organic matter before chlorination. The running annual average DBP graph below compares finished water DBP levels leaving the treatment plant with DBP levels found in the distribution system. All DBP levels are well below the EPA Maximum Contaminant Level (MCL) for Haloacetic Acids (60 ug/L), which is the lower of the two DBP MCLs (MCL for total trihalomethanes is 80 ug/L).



Water Resiliency Progress

Natural hazard and security response mitigation plans along with resiliency plans are a final barrier in place to protect the public if harmful contaminants should make it through the other water system barriers (source water protection, water treatment, water supply system reliability, and water quality monitoring). *Refer to Emergency Preparedness Goal*

Workforce Report

There was nothing extraordinary to report from a workforce management perspective until mid-February when EWEB began work to update and implement pandemic response plans to mitigate the workforce impacts of the Coronavirus. An overview of EWEB actions follows.

COVID-19 Response

EWEB's goal in its COVID response is to continue providing necessary services to customers while ensuring, to the extent possible, the safety and wellness of employees as they perform their work. To date, much of the effort has focused on collecting, interpreting, and communicating coronavirus response guidance from public health officials at all levels, and creating and implementing solutions matched to EWEB's operational objectives.

The Executive, Management, and Safety Teams have been meeting regularly to direct EWEB's response to rapidly evolving public health directives by addressing policy matters, temporarily amending standard business practices, determining necessary resources, and ensuring those resources are available as needed. The group also ensures the implementation of COVID-related legislative mandates, such as the Families First Coronavirus Response Act, and directs activities related to securing potentially available government funds or reimbursements.

Examples of work outcomes include numerous COVID response guidance tools to assist in operational management, decision-making and work process re-engineering; new workforce management policies and temporary policy expansions to enable alternative work arrangements and ensure sufficient leave options for employees; limiting virus exposures by re-configuring work teams and physical spaces; shutting down general building access, including the isolation of Hayden Bridge; and adjusting vehicle-usage practices to enable field personnel to report directly to job-sites. Many constructions projects are on hold and some jobs have been cancelled.

The Safety Team continues its work with supervisors and managers throughout the Utility to identify and address varying work exposures and to introduce and educate the workforce on EWEB's new COVID Safety Guidelines. Other response mitigation strategies include training, social distancing measures, telework, alternating crews, procurement and distribution of varying levels of personal protective equipment and cleaning supplies, enhanced janitorial services, periodic deep cleaning by an industrial cleaning services contractor, and outfitting individual vehicles with interior cleaning kits.

With the exception of those whose jobs could not be performed remotely, COVID-19 sent nearly all non-operations personnel into some degree of telework. Under normal circumstances EWEB would never have entered the world of telework in such dramatic numbers but the forced experiment may yield some positive outcomes, such as greater productivity in some jobs, reduced physical space requirements, and even a lowered carbon footprint. EWEB managers and supervisors went into the unplanned telecommuting arrangements by working with their employees to determine expectations and objectives as a means to ensure EWEB's continued progress and ability to deliver services. Telecommuting employees are being asked to track time spent teleworking. Anecdotally, many report that uninterrupted time to work on projects has enabled better focus and greater productivity. EWEB continues to monitor results with an eye toward leveraging any telecommuting benefits in the future.

Performance Comments

The Annual Performance Evaluation Process for 2019 concluded on January 31. Performance ratings continue to reflect that the majority of non-probationary workers are fully performing. Performance ratings for the Utility are represented in the table below, which reflects an appropriate ratings distribution, well-aligned with performance and compensation best practices.

Rating	Percentage
Early Developing	0.25%
Developing	1.50%
Highly Developing	4.25%
Early Performing	7.50%
Performing	51.25%
Highly Performing	26.25%
Exceptional	9.00%

Compensation

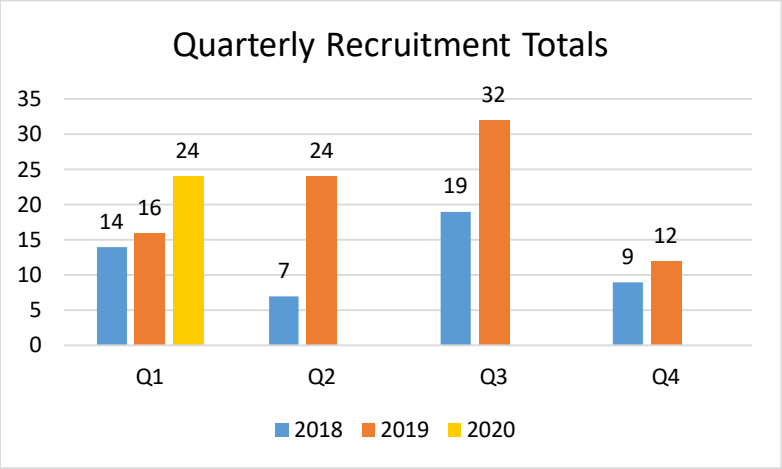
In January, EWEB applied structural adjustments of 2.63% to IBEW positions and 2.42% to MAPT positions. Those adjustments were based on CPI and other compensation indicators and in accordance with the IBEW Collective Bargaining Agreement. In addition to the annual market adjustment to the structures, the MAPT compensation plan includes a pay-for-performance element. The average total performance award, for those who received it, was 2.24%.

Workforce Composition

EWEB's workforce composition remains essentially the same as Year-End 2019. Detailed charts can be found in the appendix.

Recruiting

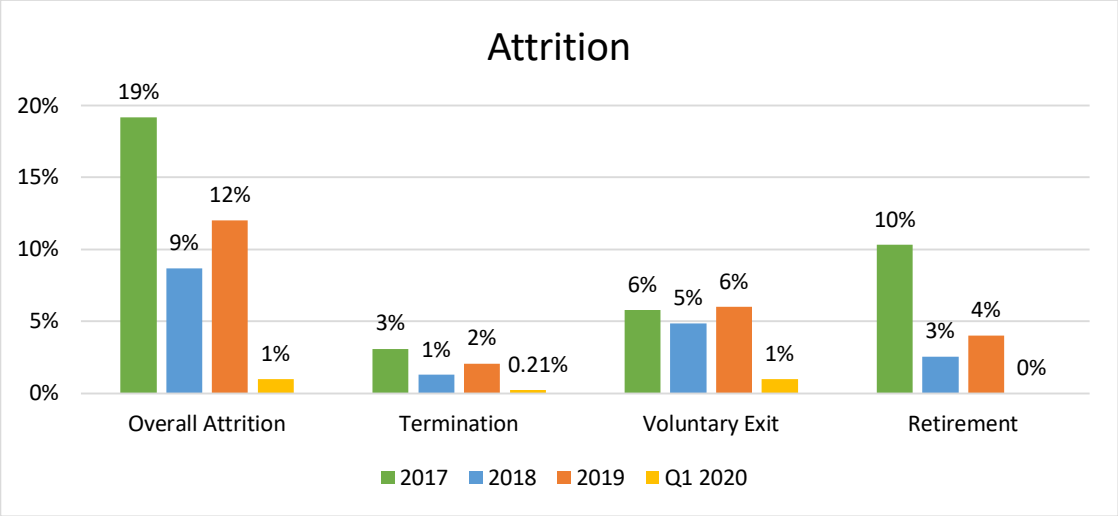
The chart below indicates a continued increase in recruitments from 2019 to 2020. Q1 recruitments reached 29% of the total number recruitments for all of 2019. This volume may be the effect of suspended hiring during December 2019 to facilitate the launch of new recruiting software.



Despite some disruptions due to COVID-19 and a higher-than-average volume of recruitments, the Q1 average time-to-fill was 41 days, down from the 2019 average of 48.

Attrition

Attrition rates for the quarter are reflected in the chart below. Voluntary non-retirement attrition is an indicator of an employer's ability to retain workers based on work management practices, benefits, and compensation. The voluntary attrition rate is very favorable at only 1% for Q1 of 2020.



Labor Relations

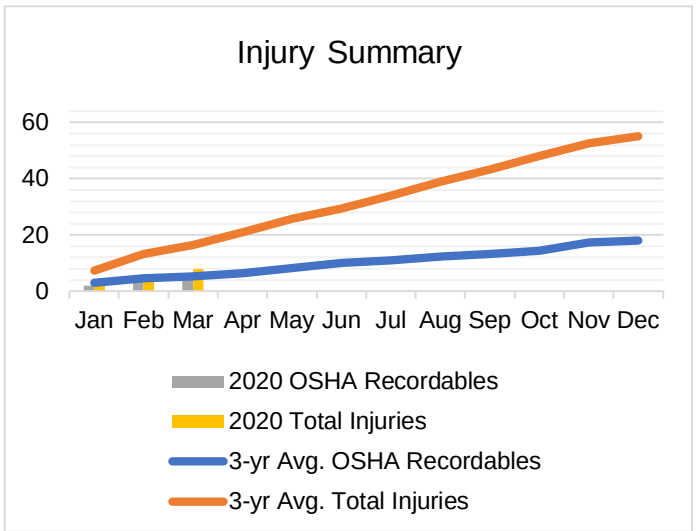
There were no grievances in the quarter. EWEB COVID-19 response actions prompted a spike in contract interpretation questions which were all resolved without difficulty. Cooperation between the IBEW and Management specifically regarding the Utility's approach to coronavirus mitigation has been good. At this writing, all mitigation strategy implementations have comported with existing CBA parameters.

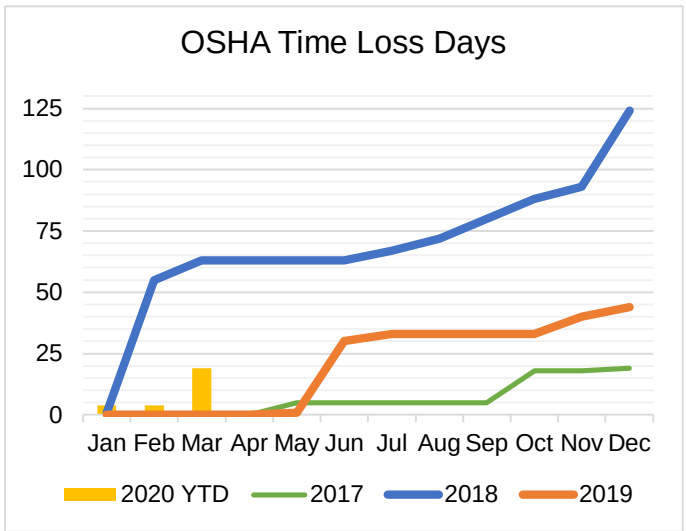
Safety, Health, & Wellness

Safety

There were 8 total injuries in Q1, a 33% reduction over Q1 2019 and 50% fewer than the 3-year average. Five of the 8 injuries were OSHA recordable*, consistent with the 3-year average, and a reduction over Q1 2019. Total OSHA time-loss days were 19, below the 3-year average. OSHA time-loss days would have been fewer were it not for delays in non-essential medical interventions and the reduction of light-duty opportunities due to the coronavirus.

Injury Summary YTD and OSHA Time Loss Days

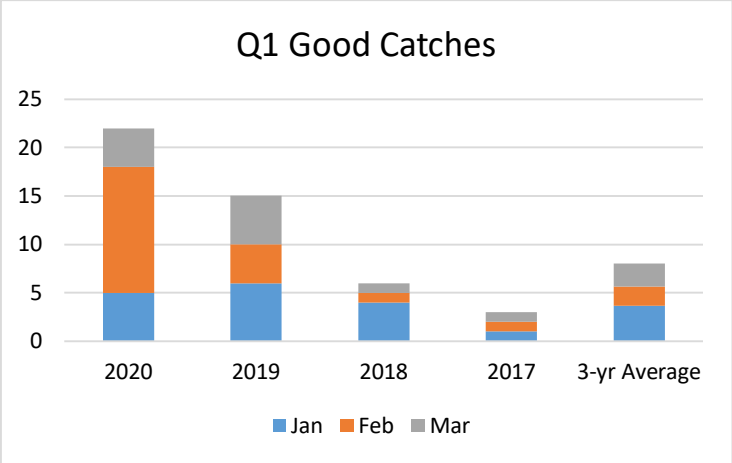




OSHA Recordable Injury: Death, any injury resulting in days away from work "OSHA time loss days," any injury resulting in restricted duty or job transfer, or any injury requiring medical treatment beyond first aid.

Good Catch Program

EWEB continues to make forward progress on the Good Catch Program, with reports increasing over last year at this time. The incidence of reporting has doubled, which is attributed to improved Safety communications and better interaction between managers, supervisors, and employees.



Health Insurance

The average utilization rate utilization rate (the net paid/loss ratio) for the medical plan was 70% for the quarter, well below the industry benchmark of 85%.

Dental plan utilization came in higher than the 85% target at 98.34%, which is typical for the beginning of the plan year. Vision utilization figures lag and will be reported in Q2.

COVID-19 disruptions in routine medical and dental care, the move toward telemedicine, and the postponement of elective surgeries and therapies are expected to result in a significant decrease in the Q2 utilization rates.

Other Operational Updates

Security – Physical & Cyber

The table below depicts Security Patrol Team activity in and around our properties within the EWEB Service Area, and reflects issues related to transient activity (citizen contacts).

	19Q4	20Q1
Citizen Contacts	118	164
Trespass	18	65
Drug Activity	8	11
Illegal Dumping	16	16
Vandalism/Graffiti	17	8

The *citizen contact* numbers show a 39% increase from 19Q4, with an overall increase of 321% since 19Q3. This coincides with tremendous growth in the unsheltered population in Lane County. The *trespass* numbers tripled from Q4, which is likely the result of the COVID-19 pandemic and the loss of temporary shelter opportunities for the chronically homeless. Drug activity, which includes needles and other paraphernalia found at our sites, rose slightly from 19Q4. *Illegal*

dumping, which is most often refuse left by transients, remained about the same from 19Q4. *Vandalism* and *graffiti* decreased from 19Q4 by 52%; likely due to shelter-in-place orders reducing the number of recreational graffiti artists.

Our efforts to support the Jefferson Neighborhood and City of Eugene by reducing transient activity at Jefferson Substation from November through January was largely successful. During this time, officers visited Jefferson Substation two to three times per day for 90-days, and encountered only 13 total citizens. When the increased patrols ended and regular bi-weekly patrols resumed, encounters increased to 13 in March alone. This suggests that enhanced patrols work. However, in order to maintain that level of patrol, regular patrols at other EWEB properties were reduced, causing increased activity at those locations.

As part of the COVID-19 Security Staffing Plan, we proactively eliminated direct contact with campers on EWEB properties, in line with the City of Eugene and Eugene Police Department. This is both for officer safety and to support the greater community efforts by not disrupting the vulnerable chronically homeless population during the Governor's Shelter-in-Place order. As these people have neither shelter, nor a place, and it would be a disservice to all to put them at any additional risk of contracting or spreading COVID-19. We will continue to address direct impacts to our apparatus and structures, and will conduct complaint-based contacts based upon severity and potential impact on EWEB services.

Compliance

NERC Compliance

During the first quarter, the following compliance violations were discovered and/or self-reported:

1. Generator modeling and testing of control function requirements remained behind schedule due to conflicts with ongoing construction activities at the Carmen power plant. These schedule delays have been self-reported to NERC. Discussions with the regulator to determine a reasonable schedule for performing this work in the midst of ongoing construction work at the plant are underway. (This is a carry-over from the Q3 report.)
2. Generation NERC requirements violation when staff inadvertently started Carmen units without the power system stabilization (PSS) enabled during post-construction equipment commissioning activities. This commissioning period oversight has been self-reported to NERC. The PSS system was re-enabled upon detection of the problem.
3. EWEB submitted a Self-report in February for not operating the IP generator in Automatic Voltage Regulation (AVR) mode. This was originally approved as an exception when EWEB was its own TOP; however, BPA does not grant exceptions to operating in AVR. This means EWEB was non-compliant since May 1, 2019 when BPA took over TOP. This compliance violation has been remediated by turning the AVR on.

The 2018 Audit officially wrapped up in January 2020. The remaining violations were given compliance exceptions. The result is zero financial penalties or sanctions against EWEB.

Additional Compliance

During the past quarter, staff begun development of a program for addressing a backlog of residential overhead electric service drop work that is associated with PUC compliance. This work will require a multi-year effort to remedy the applicable locations. Currently the work is being scoped, and the plan to return to compliance is being created in coordination between Engineering and Operations.

Dam Safety

EWEB's Dam Safety Program continues to make progress in implementing the ASDSO peer review recommendations to meet the Federal Energy Regulatory Commission (FERC) requirement for a robust Owner's Dam Safety Program (ODSP). A Board strategic policy for dam safety was drafted and presented to the Board in April 2020 for the Board adoption in the second quarter. Efforts to fully staff the dam safety program continue as well. The senior dam safety engineer position was filled in February providing two FTE in the program, and an associate/staff engineer position will be posted and recruited in the second quarter of 2020. Finally, internal procedures to improve the program continue to be developed and refined to ensure high quality regulatory compliance.

Regulatory compliance for the Dam Safety Program has been very successful for the quarter. Over 50 correspondences and submittals have been processed without missing any established deadlines. EWEB's relationship with FERC has been improved significantly as evidenced by FERC's February 27, 2020, letter commending EWEB's improvements in the dam safety program. Given the improvements, FERC changed EWEB's required coordination teleconference from monthly to quarterly after March.

The major dam safety projects progressed as expected. These projects include Carmen Diversion sinkhole investigation, Leaburg Canal analysis and previously identified issues, Smith Reservoir probable maximum flood analysis, and dam safety impacts associated with the Trail Bridge Spillway fish passage project. The field investigation for the Carmen Diversion reservoir sinkhole is completed and the geotechnical data report has been submitted to FERC for review. The next step is to work with FERC and the consultant to develop conclusions and mitigation measures in the Q2/Q3. EWEB continues to operate the Carmen Diversion Reservoir at a lower than normal water level as required by FERC. The reduced operating level has little impact on normal power production. At Leaburg, several regulatory items on the Leaburg Canal embankments are postponed until the completion of risk analysis work, which include seismic stability and soil erosions mentioned in the previous report. The risk analysis is reported separately elsewhere. At Smith Reservoir, FERC completed its review of EWEB's Probable Maximum Flood (PMF) analysis. This analysis concluded that the Smith Dam would be overtopped during the PMF condition. EWEB is obligated to provide FERC with a plan and schedule by early May 2020 to address the overtopping issue. The current operation of the reservoir is not affected by this requirement for the time being. At Trail Bridge, EWEB dam safety staff continue to work closely with the fish passage improvement project team to ensure dam safety.

Legislative (Frank Lawson, Jason Heuser)

COVID-19 Response

The COVID-19 Pandemic Outbreak has prompted massive policy response to address public health impacts, as well as economic and social impacts. Congress and the Oregon Legislature have already taken action in Q1, policy responses to provide relief and economic stimulus will be ongoing. EWEB is actively engaging with state and federal decision-makers and will continue that work throughout 2020.

Customer Bill Assistance – EWEB delivered a comprehensive customer assistance package to address COVID-19 impacts. The scale of customer hardship is beyond what EWEB can reasonably address and EWEB has actively lobbied the Oregon Legislature and Congress to increase customer assistance programs, not only for residential customers, but particularly small businesses and nonprofits not typically included in state and federal energy assistance programs. Congress has allocated $9 million in supplemental LIHEAP funding for Oregon, with more potentially to come in May. The state has earmarked $10-15 million for small business assistance for businesses of less than 25 employees that have not received federal CARES assistance, an allowed use of these state funds is for unpaid utility bills.

Personal Protective Equipment (PPE) and Testing for Critical Infrastructure Workers – EWEB has advocated for prioritization ahead of the general public, after health care needs are met, for PPE and testing access in order to ensure the availability of essential employees crucial to maintain reliability of electric and water systems. The state is still focusing on meeting needs in the healthcare system, but have pledged to address critical infrastructure sector soon.

Utility Autonomy in Bill Collection – EWEB has raised concerns about unintended consequences of government-mandated utility shutoff moratoriums that can exacerbate challenges for customers and utilities. Oregon has not issued a moratorium as of April 22, 2020.

Local Government Assistance – EWEB has shared with lawmakers modifications that would assist local governments during the crisis including 1) temporary easing during the crisis of some state compliance requirements, i.e. timelines for public records requests; and 2) improving public financing tools, for example, Congressional restoration of tax exemption for advance refunding bonds used by public entities, which was eliminated in 2017. These issues are still pending as of April 22, 2020 but may be addressed in May.

Compatibility of Critical Infrastructure Activity with Travel/Quarantine Restrictions – EWEB has been coordinating with the Governor's office to ensure that any policies to contain the pandemic allow for EWEB employees to continue work deemed crucial to reliability and safety of electric and water systems. Governor Brown's Executive Order 20- 14 currently in place as of April 22, 2020 meets the movement needs of EWEB employees.

Legal Matters

EWEB v. MWH et al: In 2015 EWEB filed a complaint claiming breach of contract and negligence by contractors responsible for the design, engineering and construction of certain upgrades to the roll gates and hoists at Leaburg Dam. The parties held mediation in October 2019 and were subsequently able to achieve a global resolution. The closing paperwork has been completed and funds have been received, so the stayed Lane County Circuit Court proceedings have been dismissed.

Central Lincoln PUD v. Oregon Department of Energy et al.: EWEB has joined with other utilities, including cooperatives and people's utility districts, to challenge aspects of the Energy Supplier Assessments imposed by the Oregon Department of Energy (ODOE). ODOE has appealed the trial court's decision; oral arguments were presented to the Court of Appeals in December 2018, and the matter has been taken under advisement. The Court of Appeals commonly issues written decisions within 12-18 months.

N. Harris Computer Corporation v. EWEB: In May 2018, EWEB issued a letter notice of termination on a vendor contract with a division of N. Harris Computer Corporation, relating to the installation and configuration of a replacement customer information system (CIS). Despite efforts to resolve the conflict by mediation, N. Harris Computer Corporation filed a lawsuit against EWEB on December 17, 2018, asserting Breach of Contract, seeking approximately $740,000. EWEB filed an answer and counter complaint based on misrepresentation, breach of contract, and seeking rescission with restitution for financial damages. EWEB's response to the plaintiff's motions for summary judgment has been filed, and the court took the motions under advisement July 2019. The schedule for discovery and trial will be dependent upon the timing and scope of the court's decisions on the pending motions.

Public Records Requests

During Q1 2020 EWEB received and responded to 4 public record requests; one for HR records, one for electric consumption information, and two for meter records.

Board Activity Report (Lawson)

During Q1 2020 the Board of Commissioners made a number of significant decisions including, but not limited, to the following board actions:

- Approval of 2020 organizational goals
- Resolutions authorizing the issuance, sale and delivery of Electric and Water Utility system revenue and refunding bonds.
- Resolution approving updates to the Water Utility Master Resolution
- Declaring Glenwood properties as surplus and granting authority to the General Manager to negotiate and execute the property sale consistent with guidance.

In addition to the aforementioned significant actions, meaningful discussions were held around electricity supply planning, drinking water source protection and the state of the McKenzie watershed, base level storage tank upgrades and a special presentation by Elliot Mainzer CEO and Administrator of Bonneville Power Administration.

Quarterly Update – Customer Confidence – Advance Metering (Annual Goal #2)

Goal #2 Using continuous improvement and good utility practice, standardize and scale the integration of advanced metering infrastructure (AMI) and existing metering technology for the purpose of effective (accurate, timely, secure) and efficient revenue billing, and move-in/out processing.

Q1 Overall Status: **Behind Schedule**

(Deborah Hart, Rod Price, Travis Knabe)

Key Indicators & Measurements
Meter Installations
Tower/Communications
Bills Successfully Processed (timely, accurate, secure)

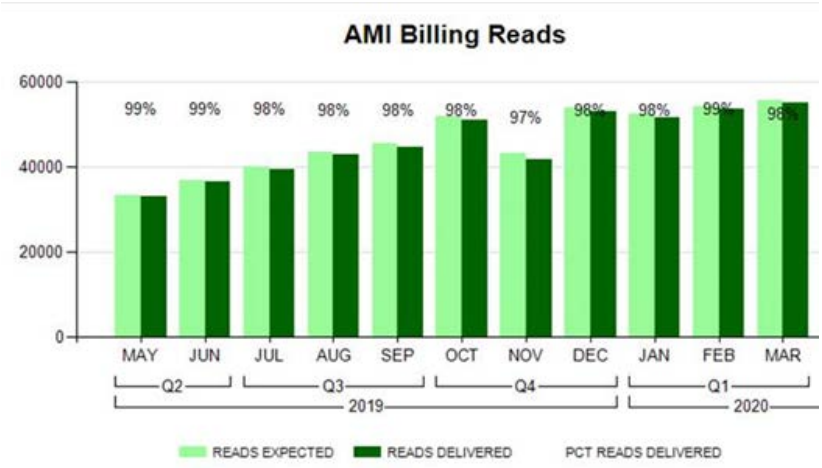
The AMI Program was updated in 2020 to provide more clarity and resources to ensure all the different components within the project are met. This was done after we did a review of all the AMI work in 2019 and found that we needed to break down the program into four distinct sub-projects and provide more resources to ensure we meet quality standards and timelines. Simrat Khalsa from EWEB's Continuous Improvement group was appointed to be the AMI Program Manager and will manage the integration of the four projects. The four projects are:

Meter Deployment (Jon Thomas, Project Manager)

Deployment in both Water and Electric was suspended through May to ensure social distancing for staff and customers. Project orientation proceeds with key stakeholders (Water, IS/AMI Facilities Project Manager, Advanced Meter Services), and data gathering to support further deployment planning is underway.

Meters Installed to date:

Successful meter reads remains consistently within targets at 98%.



Information Services Upgrades (Kris Moe, Project Manager)

The project team is working with Sensus and independent contractor to troubleshoot and resolve AMI Test Environment issues.

- Sensus professional services finished setting up three new RNI 4x systems for the upgrade project in early 2020. (DEV, TEST and PROD) The project will entail connecting existing systems from the AMI DEV, TEST and PROD environments to the new RNI 4x systems as well as testing and troubleshooting.
- Generated SOW for Sensus professional services support for the RNI upgrade and resetting of the TEST AMI environment.
- Began troubleshooting AMI TEST environment with support from Sensus professional services.
- Submitted RNI Upgrade Project to IS Intake process.
- Built out project framework.

AMI Facilities Project – Radio Tower Installations (Kris Moe)

Worked with AMI Infrastructure team to improve the sequence of installation/construction tasks for future installations.

- Obtained an agreement from the City of Eugene that will allow construction of AMI Facilities/Communication Equipment on EWEB owned property without having to go through the standard City permitting process.
- Working with project team, built out task list and project schedule for Spring Creek Facility. Spring Creek Project schedule will serve as a template for other facility installations.
- Setup 100+ foot pole at Spring Creek Facility, vacuumed trench from pole to facility building, installed Sensus equipment in facility building.
- Due to potential COVID-19 safety issues installing AMI Facilities/Communication equipment, work was postponed until May. A safety planning meeting has been scheduled and the project team is hoping, as work-load allows, to resume installing Spring Creek equipment by early May, 2020.
- On track to install two towers this year.

Meter to Cash (M2C) (Julie "Jules" Smith – Contractor)

The M2C team has completed a Kick-off meeting with Electric Meter Shop and phone introductions to AMS team members. The development of complete inventory of all M2C detailed processes is underway. Beginning process identification and as-is mapping work with Electric Meter Shop. Met with Water Supervisor to identify next steps with Water team.

Advanced Metering Information Services Improvement Project Financial Dashboard (Shared)

Information regarding the combined project budget and costs for all three projects is below.

Advanced Meter Upgrade (Water)

Project Initiation:	Feb-2018	Initial Scope Budget:*	$17,828,000
Initial Planned Completion:	Dec-2021	Actual Project Costs To-Date:	$7,877,400
Projected Completion:	Dec-2023	Total Final Cost Projection**	$18,800,000

Advanced Metering Projects (Electric)

Project Initiation:	Feb-2018	Initial Scope Budget:*	$13,695,000
Initial Planned Completion:	Dec-2021	Actual Project Costs To-Date:	$ 11,389,300***
Projected Completion:	Dec-2021	Total Final Cost Projection:**	$16,850,000

* Prior to February 2018, meter upgrades were performed only when requested by a customer. When the Board approved an accelerated installation approach, the budget was updated. The February 2018 meter upgrade budget is being used for comparability to actual and projected costs. No budget is included for the 2019 emergent projects.

** Due to the 2019 emergent projects, the total projection is currently under review. Staff expect to have updated projection information for 2020 reporting.

***Includes $3 million of in-stock meters.

See Appendix C – Electric Utility EL-1 Capital Report. Shared Services project updates are provided in the Advanced Metering Report, but the project budget and costs are split between Electric and Water in the appendices.

[Return to Capital Projects Section – Advanced Metering/Electric & Shared Services]
[Return to Capital Projects Section – Advanced Meter Upgrade/Water]

Quarterly Update – Customer Confidence – Customer Interactions (Annual Goal #3)

Goal #3 Streamline and simplify our most common customer interactions, including new self-service options, easy-to-understand bills, and secure ways to pay.

Q1 Overall Status: **On Schedule**

Key Indicators & Measurements
Project Milestones – Scope, Schedule, Budget

Project Initiation:	Oct-2019	Initial Scope Budget:	$1,985,000
Initial Planned Completion:	Dec-2020	Actual Project Costs To-Date:	$445,500
Projected Completion:	Dec-2020	Total Final Cost Projection:	$1,985,000

**Budget & Project Costs exclude overhead*

In support of EWEB's initial part of the Strategic Plan to enhance customer confidence, EWEB is implementing a customer self-service solution (CSS), as well as updating the Electronic Bill Payment and Presentment System (EBPP) and bill print and mail services (BPM). The project goal is to improve and simplify how we serve our customer owners by improving the delivery of information and making it easier to interact with EWEB on common customer issues.

Quarter 1 Milestones included:

- Bill print design has been approved
- EWEB's Customer Information System (CIS) by Banner & Bill Print integrations development completed
- User Acceptance Testing kicked off on March 17th with Build 1 testing scheduled through April 3rd. Due to COVID response issues, EWEB has had to reduce the number of full-time testers and account for less efficient testing from remote environments. To ensure that exhaustive testing is still completed, four (4) additional weeks have been added to the UAT Testing Schedule.

Upcoming Milestones include:

- Builds 2-4 testing scheduled to run through June 5th.
- Final Configuration requirements, development, and subsequent testing.
- Planning for Train-the-Trainer sessions
- Planning for soft go-live on July 22nd with employee participation.

Improved business processes being implemented to take advantage of the new functionality:

- Streamline logic on credit points to determine risk and deposit requirements.
- Start using Co-applicant functionality in CIS.
- Streamline how customers start/stop/transfer service online.
- Put audit functionality in place so more incorrect bills are caught before they go to bill print vendor.

[Return to Capital Projects section Customer Experience Improvement Project]

Quarterly Update – Emergency Preparedness (Annual Goal #4)

Goal #4 - Enhance emergency management programs by improving partnerships and public awareness of neighborhood emergency sites, improving electric system resiliency and outage management, and adopting a wildfire mitigation plan.

Q1 Overall Status: **On Schedule**
(Rod Price, Karen Kelley)

Key Indicators & Measurements
Project Milestones – Scope, Schedule, Budget

Emergency Site Status (Kelley, Gonzalez)

In the first quarter, EWEB's Water Department made progress on four additional emergency water distribution sites. The status of each site is discussed below:

1) ***Eugene Science Center***. This site is essentially complete with minor closeout items occurring in the first quarter.
2) ***Lane Events Center (Fairgrounds)***. The first quarter saw a significant amount of activity at this site. The existing well was improved and site work was completed for the deployment area. Only minor electrical work remains which is currently being coordinating. A live run will be scheduled when EWEB and its partners are past the pandemic slowdown.
3) ***Sheldon Fire Station.*** EWEB continued to coordinate with the City on the site layout and improvements. These discussion have been hindered by current events. Prior to the work slowdown however, a new well was constructed at the site along with some site improvements.
4) ***South Eugene.*** EWEB is working with the City, 4J, and the YMCA to finalize a site and preparing contracts for well testing and, if there is sufficient water quantity and quality, well construction. We anticipate these could begin this summer pending current events.

Water Resiliency Mitigation Assessment/Plan (Kelley)

In the first quarter, EWEB's Water Department completed the requirements for the Risk & Resiliency Assessment per the 2018 American Water Infrastructure Act. The completed assessment identified numerous potential vulnerabilities related to the Water Utility including cybersecurity. Most vulnerabilities were relatively minor and overall the consultant retained for the work thought EWEB was in fairly good shape.

The next steps in this process include: 1) prioritizing and budgeting for mitigation of the vulnerabilities identified in the Risk and Resiliency Assessment and 2) update EWEB's Emergency Response Plan. The updated Emergency Response Plan is required by the 2018 American Water infrastructure Act and is due September 30, 2020. EWEB is retaining a consultant to assist us with this effort. A more detailed update on the Assessment and the Emergency Response Plan will be provided to the Board at an upcoming board meeting.

[Return to Capital Projects Section – Emergency Water Supply]
[Return to Water Operations Report – Water Resiliency]

Electric System Resiliency/Outage Management (Tyler Nice)

Updates to bugs and efficiencies to Responder have been implemented.

Distribution Resiliency Upgrades (FEMA mitigation)

Project Initiation:	Jan-2019	Initial Scope Budget:	$1,862,000
Initial Planned Completion:	Dec-2020	Actual Project Costs To-Date:	$1,786,000
Projected Completion:	Jan-2021	Total Final Cost Projection:	$3,000,000

See Appendix C – Electric Utility EL-1 Capital Report.

There are 15 FEMA 406-Funded projects for the Distribution Resiliency Upgrade Project

- Twelve (12) have been completed at end of 2019.
- Three (3) will be completed in 2020
- There is one FEMA 404 project yet to be approved by FEMA.

Electric Resilient Spine Update

EWEB is in the process of identifying blackstart capabilities for local generation facilities to serve critical loads in the event that external resources, such as BPA, are unable to supply the Eugene area after a natural disaster. It has been determined that both Leaburg and certain University of Oregon generators are capable of providing startup power to the Eugene grid, and staff is gathering data to understand the effort required to functionalize blackstart capabilities.

Wildfire Mitigation Plan (Tyler Nice)

EWEB's fire mitigation program focuses on forested areas in the McKenzie Valley, south Eugene, anywhere outside of city limits, and anywhere with one entry access to an area or neighborhood. Ninety percent (90%) of fire program areas have been inspected. Crews have started on preventative trimming efforts specific to the fire mitigation vegetation program, and it is expected that in early May all the areas to be addressed will be completed.

Staff are developing additional wildfire mitigation measures under a holistic Wildfire Mitigation Plan for future board approval. This will include environmental triggers for action, and risk mitigations in the form of operational changes, and protection system upgrades for later implementation. This plan will satisfy future regulatory requirements for plan implementation. The Plan work was put on hold during the COVID response.

[Return to Capital Projects Section – Distribution Resiliency Upgrades]
[Return to Electric Reliability Report]

Quarterly Update – Emergency Preparedness – Cooperative Water Approach (Annual Goal #5)

Goal #5 –Work with Springfield Utility Board to explore a more robust and cooperative water resiliency plan, including potential backup treatment options, interties, and sharing of water resources.

Q1 Overall Status: **Behind Schedule**
(Frank Lawson, Rod Price, Karen Kelley)

Key Indicators & Measurements
Project Milestones – Planning

Discussions with Springfield Utility Board (SUB) have broadened from alternative sources to overall resiliency. In Q1, 2020, the primary focus was on identifying the investments needed to make three of the five existing interties functional for both utilities. In the long term, it is advantageous to both utilities to have these interties available through SCADA or controls, which is different that manually connecting. Further progress is pending an update to the Springfield Utility Board water model, expected to be completed very soon. A review of past water blending studies was completed, and the scoping for a new blending study will occur in Q2. In addition, research continues on options for long-term certificating of water rights for both utilities.

Identified as an emerging priority for SUB, discussions shifted to negotiations related to property matters in Glenwood. It is EWEB's goal to include the City of Springfield in the discussions to help determine the best land use changes for the area, facilitating a higher probability of utility use in the future.

Quarterly Update – Electric Resource Decisions – Electrification Analysis (Annual Goal #6)

Goal #6 – As part of electricity supply planning, develop and publish an Electrification Impact Analysis Report that assesses the effects of electrification, and related ordinances/legislation, on EWEB's loads, generation mix, reliability, costs, compliance, energy/efficiency efforts, and community GHGs.

Q1 Overall Status: **On Schedule**
(Susan Ackerman, Rene Gonzalez)

Key Indicators & Measurements
Key 2020 Milestones August—Analytical Analysis, Board Presentation October—Electrification Analysis White Paper, Board Report & Presentation 2021(Future)—Impacts & Mitigation: distribution system & supply portfolio.

The Electrification study is **on schedule** for the first milestone of a presentation to the Board of initial analytical results in August. Scenarios will focus on space and water heating, and small vehicle transportation, and will assess the impacts of EWEB's power supplies, demand, local infrastructure, and community greenhouse gas emissions.

Analyzing specific examples, the analysis will answer the following questions in an Analysis Report (White Paper) that will be presented to the Board for review in October:

- What would the MW and MWh impact of electrification be on EWEB's load/demand?
- When would we experience that impact (what hours, times of day, seasons, etc.)?
- How soon could EWEB see an impact (scenario driven) on overall loads & resource needs?
- How might different technologies moderate/mitigate peak load impacts?
- What are the environmental impacts from electrification?

For each of the scenarios, staff will include evaluations of technologies, potential policy/legislation changes, growth trajectories, energy and capacity effects, generation and portfolio impact, and environmental impact.

Public Engagement

Prioritizing the Electrification Analysis in 2020 required updates to our Electricity Supply Planning/Integrated Resource Plan public engagement strategy and materials. The website and brochure have been updated to focus on broader Electricity Supply Planning work, with the Electrification Study being the near-term priority. Staff will present preliminary results to the Board and public in August 2020.

Future Supplement – Mitigation Strategies

Future revisions/additions to the Analysis Report will include EWEB's assessment of mitigating actions and programs needed to manage varying degrees of electrification on EWEB's system, which will begin in late 2020. Key questions answered in this supplement will include:

- Can alternative rate structures help manage load impacts?
- Can targeted Energy Efficiency (high efficiency heating and hot water systems) make a significant difference in managing EWEB's load on peak hours?
- What infrastructural changes will be required, and when and where are these required?
- What is EWEB's optimal strategy for managing transportation electrification (charging infrastructure (location and charge level)?
- How might EWEB programs be structured to influence the pace or types of electrification?

Quarterly Update – Electric Resource Decisions – Lower McKenzie Hydro (Annual Goal #7)

Goal #7 –Work with the EWEB Commissioners, FERC, and the McKenzie Valley community to develop a TBL-based plan for the lower McKenzie River Hydroelectric Projects by the end of 2020.

Q1 Overall Status: **On Schedule**
(Rod Price, Mike McCann)

Key Indicators & Measurements
Project Milestones – Planning Scope, Schedule, Budget
Q1: Establish process for conducting the TBL analysis. Status- Complete
Q1: Evaluate financial position of the project under return to service. Status- Complete
Q1: Conduct RFP to select and hire a contractor to complete the TBL Analysis. Status- Complete

The goal to complete a Triple Bottom Line (TBL) analysis of the lower McKenzie hydroelectric projects is underway and remains largely on schedule. As described in the March 2020 board update memo (Correspondence), in Q1 staff established a process to determine the most beneficial approach to resolving the infrastructure issues and plan for the long-term management of the Project by conducting a TBL analysis. First quarter activities focused on evaluating the financial position of the plant assuming it returns to historic power production levels after reinvestment to the canals. As of the Leaburg canal, Cornforth Consultants were selected to assist EWEB with the process, and have initiated work to perform a risk-informed alternatives analysis focusing on the Leaburg canal. The alternative analysis will establish the feasibility and cost of alternative paths forward ranging from a 'return to service' to 'conversion to storm water conveyance'.

Q2 2020 Milestones:
The Cornforth Consultant team joined EWEB for a teleconference with FERC in March to discuss a proposed risk assessment approach and will conduct a 5-day teleconferenced workshop in mid-May. This workshop is intended to identify the critical risk drivers that must be mitigated for any given alternative path forward for the Leaburg Project. The findings from the May workshop will guide preparation for a second multi-day workshop that is designed to comply with FERC guidelines for a formal Level 3 Semi-Quantitative Risk Assessment (SQRA). Results from the SQRA will position EWEB and our consultants to develop preliminary cost estimates for the capital investment requirements associated with the alternative paths. Staff is scheduled to return to the Board at the June meeting and will be able to summarize the results of the May workshop at that time.

Q3 and Q4 Planned Activities:
Having established financially viable alternatives, the societal and environmental aspects can be established. Public outreach is expected to include several opportunities for lower McKenzie River valley residents to provide input on the impact of the chosen alternatives. Opportunities to provide input for Eugene area residents will also be provided. Additionally the environmental impacts likely focused on the impact of changes to water temperature and water supply to hatchery operations will similarly be incorporated in the review of viable alternatives.

Quarterly Update – Community – Climate Change/Carbon Mitigation (Annual Goal #8)

Goal #8 – Pursuant to SD15 Climate Change Policy, execute Resolution 1938 supporting State carbon pricing policy, reduce operational GHGs to 40% below 2009 levels, and achieve conservation/energy efficiency and peak-energy reductions in combination with smart electrification to equitably and cost-effectively facilitate the reduction of community carbon emissions by 8,500 MTCO2e.

Q1 Overall Status: **On Track or Exceeding**
(Susan Ackerman, Rod Price, Rene Gonzalez, Lisa Krentz)

Key Indicators & Measurements
Carbon Legislative Activity (Jason Heuser)
Operations GHG Fleet Savings (Lisa Krentz, Gary Lentsch)
Conservation & Energy Efficiency (Rene Gonzalez)
Smart Electrification Results (Rene Gonzalez)

State Carbon Legislation and Power Markets Landscape (Jason Heuser)

Governor Kate Brown in March issued Executive Order 20-04 in response to the failure of the carbon cap and trade bill SB 1530 in the February Session. Instead of an economy-wide, market-based, and regionally-linked carbon pricing mechanism, EO-20-04 will employ sector-specific mandates to accomplish GHG reductions --industrial, transportation and natural gas sectors would have their emissions capped over time by the state's Environmental Quality Commission and Department of Environmental Quality (DEQ). The electric sector will largely go unregulated in the order due to constraints on state authority to regulate imported electricity.

The upcoming rulemaking has been allocated $5 million and several new staff positions at DEQ. Some of the rulemaking and other supplemental work done as a result will produce precursor elements of a future carbon pricing program. A strong case exists for EWEB to be engaged in the future rulemaking.

DEQ will also resume revamping, modernizing and standardizing statewide mandatory GHG reporting rules, again, for consistency with existing regional carbon pricing programs Oregon could link to the future. This will impact the mandatory GHG reports submits, but also inform other voluntary GHG reporting that EWEB administers.

Operations Carbon Report (Rod Price, Lisa Krentz, Gary Lentsch)

EWEB's Fleet Services expanded its use of higher blends of lower carbon intensity alternative fuels in 2020. At the end of Q1, EWEB's fleet operations has reduced its GHG's by 44.4% below 2009 levels.

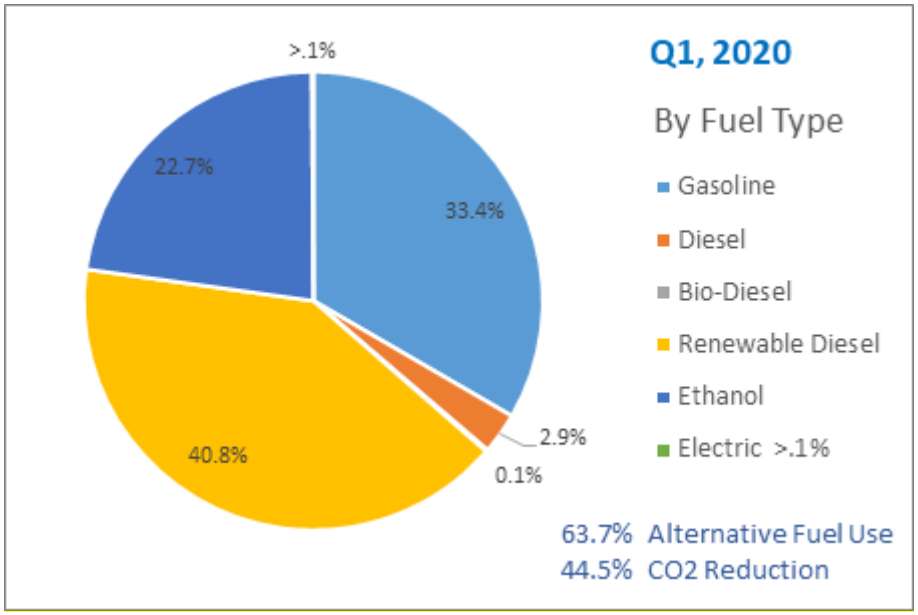
Oregon's mandated fuel bends include E10 (10% ethanol / 90% gasoline) and B5 (5% bio-diesel / 95% diesel). EWEB is currently blending its transportation fuels at a much higher level.

R99 (99% renewable diesel / 1% diesel) – On-site fueling of diesel vehicles at ROC, Leaburg, and Carmen-Smith
E20 (20% ethanol / 80% gasoline) – On-site fueling at ROC for gasoline vehicles not classified as light duty.
E85 (85% ethanol / 15% gasoline) – On-site fueling at ROC for light duty vehicles (ex. 1/2 and 3/4 ton pickups).

The percentage of alternative fuels used at the ROC is at 69.2% (overall for the Utility, it is 63.7%).

- EWEB is the only public agency in the Pacific Northwest using E20 fuel for its fleet.*
- EWEB is the largest user of E85 fuel in the State of Oregon (and the only public agency in Lane County, Oregon to use E85 fuel).*

  * confirmed by Columbia-Willamette Clean Cities Coalition



Energy Efficiency, Conservation and Electrification (Rene Gonzalez)

During Q1 2020, through its Energy Efficiency and Conservation Programs, EWEB has incentivized customers with over $650,000, resulting in over 2,500MWh in Conservation Savings and 0.6MW in Peak Savings, with 116 MWh in conservation savings for income-qualifying customers, exceeding EWEB's organizational goal of 17% of total conservation.

The table below provides additional information on Energy Efficiency and Conservation performance during Q1 2020:

Performance Metric	**YTD (Q1)**	**Annual Target**	**Comments**
BPA Reimbursements	$322,440	$2,430,483	On track – Additional reimbursements being processed.
Conservation Incentives	$655,369	$2,421,000	On target
Conservation Savings (MWh)	2,524	9,200	On track – 2 large projects expected to be completed soon.
Peak Savings (MW)	0.6	1.25	
Total Residential EE Projects	422		
Income-Qualifying EE Projects	56		
Residential Savings (MWh)	633.5		
Income-Qualifying Savings (MWh)	115.8	17%	Currently exceeding target at 18%
Limited Income/Home Audits	109	500	Home visits suspended due to Covid-19.
Carbon Reduction ($MTCO_2e$)	522	8,500	EV savings are not available and have not been included – reported from ODOE 2x/yr.

**Calculations we based on the NW WECC number of 0.20 MTCO2e/MWh.*
**Oregon DEQ has not released numbers for EV registrations for 2020 Q1. Our current EV program supports EV charging infrastructure.*

Echo Hollow Pool Electrification Project

In support of EWEB carbon and climate change goals, Management approved a smart electrification infrastructure grant for the Echo Hollow Pool renovation. The City of Eugene is moving from natural gas pool heating to efficient electric heat pump technology, which required a transformer upgrade to accommodate the new load for this innovative solution. A grant of $5,800 was provided to the City of Eugene to offset the cost of new EWEB infrastructure for the project. Natural gas boiler will remain as a back-up heat source for cold winter days and can also be used for demand management purposes.

County Climate Action Work Session

In March, staff participated in the work session with the Board of County Commissioners aimed at sharing information about how utilities including EWEB can support new County climate goals through its energy efficiency, smart electrification and similar programs.

Energy Home Audits

Energy efficiency Home Audits, including the Limited Income Energy Education and Home Energy Score programs have been suspended due to Covid-19 physical distancing guidelines. Prior to suspension, EWEB was on pace to meet organizational objectives. All other Energy Efficiency targets are on track and on budget.

Glossary

AF: Availability Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were available for operation.
BLM: Business Line Manager
CI: Continuous Improvement
CIA: Contributions in Aid of Construction
CIS: Customer Information System
CIP: Capital Improvement Plan
CIP: Critical Infrastructure Protection
CRM: Customer Relationship Manager
CSU1 and CSU2: Carmen-Smith turbine units 1 & 2
FERC: Federal Energy Regulatory Commission
FCRPS: Federal Columbia River Power System
FOF: Forced Outage Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were forced offline due to an unplanned event.
GCF: Gross Capacity Factor. Multiplied by 100, this factor indicates the percentage of megawatt hours generated relative to the maximum number of megawatt hours that could have been generated if the generating unit had been operating continuously at full capacity.
GIS: Geographical Information System
GOF: Gross Output Factor. Multiplied by 100, this factor indicates the percentage of megawatt hours generated relative to the maximum number of megawatt hours that could have been generated if the generating unit had been operating at full capacity when available to generate.
HW - Harvest Wind
ICS: Incident Command System
IP: International Paper
KPI: Key Performance Indicator
LBU1 and LBU2 - Leaburg turbine units 1 & 2
NERC: North American Electric Reliability Corporation
PERS: Public Employees Retirement System
PUC: Public Utility Commission
RCP: Retail Cash Payment
RMC: Risk Management Committee
SAIDI: System Average Interruption Duration Index
SAIFI: System Average Interruption Frequency Index
STC - Stone Creek
TB - Trail Bridge
WGA: Western Generation Agency (WGA) is the name of the intergovernmental entity formed by EWEB and Clatskanie People's Utility District (CPUD). The WGA steam turbine generator is located at the Georgia Pacific paper mill named Wauna.
WV – Walterville

Appendices

Appendix A: Electric Utility Financial Statement
Appendix B: Water Utility Financial Statement
Appendix C: Electric Utility and Shared Services EL-1 Report
Appendix D: Water Utility EL-1 Report
Appendix E: Contracts Awarded Report
Appendix F: Community Investment Report (EL-3)
Appendix G: Workforce Composition

Disclaimer: The unaudited financial statements provided in this report are intended for management purposes only.

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APPENDIX A

ELECTRIC CONDENSED STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION (Unaudited)

(In millions)

	Three Months Ended March 31,		YTD Budget Comparison	
	2020	2019	Budget $	Variance
Operating revenues	$ 68.2	$ 80.9	$ 67.7	$ 0.5
Operating expenses	64.3	79.7	61.2	(3.1)
Net operating income (loss)	3.9	1.2	6.5	(2.6)
Non-operating revenues	1.7	1.5	1.5	0.2
Non-operating expenses	1.8	1.8	1.7	(0.1)
Income before capital contributions	3.8	0.9	6.3	(2.5)
Capital contributions	3.1	2.1	0.6	2.5
Increase/(Decrease) in net position	$ 6.9	$ 3.0	$ 6.9	$ -

ELECTRIC CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)

	March 31,		December 31,
	2020	2019	2019
Current assets	$ 183.3	$ 222.6	$ 153.7
Net utility plant	407.0	368.2	407.8
Other assets	59.8	101.1	87.4
Total assets	650.1	691.9	648.9
Deferred outflows of resources	52.1	45.0	52.4
Total assets and deferred outflows	$ 702.2	$ 736.9	$ 701.3
Current liabilities	$ 32.8	$ 41.6	$ 38.4
Long-term debt	189.6	200.3	190.1
Other liabilities	73.3	94.0	73.1
Total liabilities	295.7	335.9	301.6
Deferred inflows of resources	21.2	11.9	21.3
Total net position	385.3	389.1	378.4
Total liabilities, deferred inflows, and net position	$ 702.2	$ 736.9	$ 701.3

ELECTRIC CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In millions)

	YTD	Annual Working Budget	
	3/31/2020	Budget $	% of Budget
Type 1 - General capital	$ 3.0	$ 14.0	21.4%
Type 2 - Rehabilitation and expansion	2.1	15.7	13.4%
Type 3 - Strategic projects	1.0	19.4	5.2%
Total capital	$ 6.1	$ 49.1	12.4%

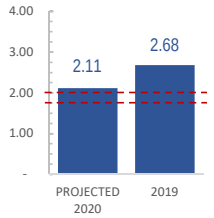
FINANCIAL STRENGTH MEASUREMENTS

Target line

Debt service coverage

Target: 1.75 to 2.0x

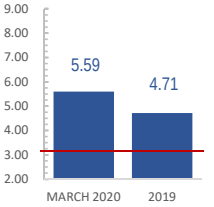
Measures the utility's ability to meet its annual long-term debt obligation.



Current ratio

Target: Minimum of 3.250x

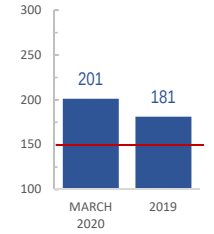
Measures the utility's short-term liquidity (ability to pay bills).



Working capital days cash

Target: Greater than 150 days

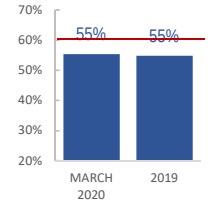
Estimates the number of days the utility can pay its daily O&M before running out of cash.



Age of system

Target: Less than 60 percent

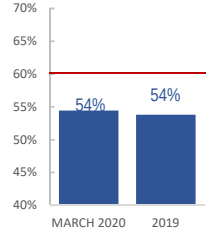
Measures age of system compared to how much has been depreciated.



Debt as a % of NBV

Target: Less than or equal to 6(

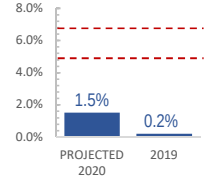
Measures overall leverage o the system by aligning debt service with the useful lives of assets



Rate of return

Target: 5 - 7%.

Measures the utility's ability to pay current and future infrastructure costs.



WATER CONDENSED STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION (Unaudited)

(In thousands)	Three Months Ended March 31,		Budget Comparison	
	2020	2019	Budget $	Variance
Operating revenues	$ 8,104	$ 7,399	$ 7,742	$ 362
Operating expenses	7,243	6,118	7,038	(205)
Net operating income (loss)	861	1,281	704	157
Non-operating revenues	373	371	142	231
Non-operating expenses	528	640	518	(10)
Income before capital contributions	706	1,012	328	378
Capital contributions	770	1,126	340	430
Increase/(Decrease) in net position	$ 1,476	$ 2,138	$ 668	$ 808

WATER CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)	March 31,		December 31,
	2020	2019	2019
Current assets	$ 46.3	$ 47.4	$ 46.7
Net utility plant	186.1	177.8	185.7
Other assets	10.3	8.6	9.9
Total assets	242.7	233.8	242.3
Deferred outflows of resources	15.2	9.6	15.2
Total assets and deferred outflows	$ 257.9	$ 243.4	$ 257.5
Current liabilities	$ 4.8	$ 4.4	$ 5.8
Long-term debt	57.9	61.0	58.1
Other liabilities	22.6	20.7	22.5
Total liabilities	85.3	86.1	86.4
Deferred inflows of resources	6.4	2.5	6.4
Total net position	166.2	154.8	164.7
Total liabilities, deferred inflows, and net position	$ 257.9	$ 243.4	$ 257.5

WATER CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In thousands)	YTD	Annual Working Budget	
	3/31/2020	Budget $	% of Budget
Type 1 - General capital	$ 653	$ 8,003	8.2%
Type 2 - Rehabilitation and expansion	1,508	9,606	15.7%
Type 3 - Strategic projects	353	412	85.8%
Total capital	$ 2,514	$ 18,021	14.0%

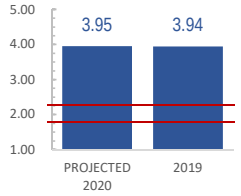
FINANCIAL STRENGTH MEASUREMENTS

Target line

Debt service coverage

Target: 2.0 - 2.50x

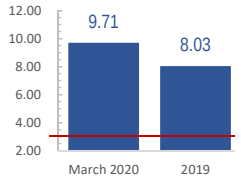
Measures the utility's ability to meet its annual long-term debt obligation.



Current ratio

Target: Minimum of 3.25x

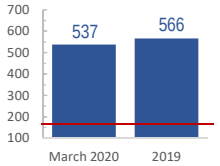
Measures the utility's short-term liquidity (ability to pay bills).



Working capital days cash

Target: Greater than 150 days

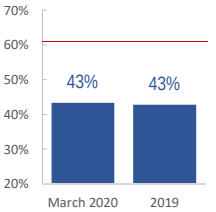
Estimates the number of days the utility can pay its daily O&M before running out of cash.



Age of system

Target: Less than 60 percent

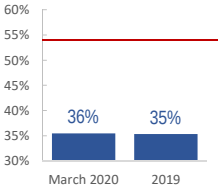
Measures age of system compared to how much has been depreciated.



Debt as a % of NBV

Target: Less than or equal to 60 percent.

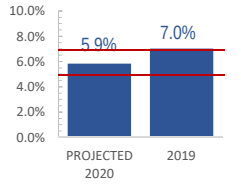
Measures overall leverage of the system by aligning debt service with the useful lives of assets.



Rate of return

Target: 5 - 7%.

Measures the utility's ability to pay current and future infrastructure costs.



EUGENE WATER & ELECTRIC BOARD
ELECTRIC UTILITY EL-1 CAPITAL REPORT
Q1 2020

	ANNUAL BUDGET APPROVED	ANNUAL BUDGET WORKING	2020 ACTUAL	% OF BUDGET	YEAR-END PROJECTION
TYPE 1 - GENERAL CAPITAL					
Generation Infrastructure	$ 2,100,000	$ 2,100,000	$ 126,400	6%	$ 1,400,000
Substation Infrastructure	1,700,000	1,700,000	1,334,900	79%	3,866,000
Transmission & Distribution Infrastructure	7,473,000	7,081,001	1,110,400	16%	6,513,000
Telecommunications	748,000	748,000	40,800	5%	655,000
Information Technology	1,590,000	1,590,000	152,400	10%	1,590,000
Buildings, Land, & Fleet	810,000	810,000	71,700	9%	793,000
TOTAL TYPE 1 PROJECTS	**$ 14,421,000**	**$ 14,029,001**	**$ 2,836,600**	**20%**	**$ 14,817,000**
TYPE 2 - REHABILITATION & EXPANSION PROJECTS					
Downtown Network	$ 958,000	$ 1,350,000	$ 567,100	42%	$ 1,029,000
Consolidation of Operations	-	-	296,400	0%	842,000
Electric T&D - Master Plan	-	625,000	20,400	0%	507,000
Grid Edge Demonstration Project	-	-	4,400	0%	4,400
Distribution Resiliency Upgrades	2,756,000	1,331,000	643,300	48%	1,989,000
Infrastructure - Generation	2,000,000	2,000,000	-	0%	200,000
Upriver Reconfiguration/Holden Creek	625,000	625,000	21,900	4%	21,900
Electric Meter Upgrade	5,555,000	7,055,942	103,800	1%	4,500,000
Telecommunications	-	-	5,300	0%	20,000
Information Technology	3,422,000	1,921,536	447,900	23%	1,921,536
Hayden-Bridge Lab & Backup Services Building	-	800,000	-	0%	800,000
TOTAL TYPE 2 PROJECTS	**$ 15,316,000**	**$ 15,708,478**	**$ 2,110,500**	**13%**	**$ 11,834,836**
TYPE 3 - STRATEGIC PROJECTS & PROGRAMS					
Carmen-Smith Relicensing	**$ 19,410,000**	**$ 19,410,000**	**$ 1,082,100**	**6%**	**$ 11,400,000**
TOTAL ELECTRIC CAPITAL PROJECTS	**$ 49,147,000**	**$ 49,147,480**	**$ 6,029,200**	**12%**	**$ 38,051,836**

Type 1 - General Capital is budgeted Year-by-Year for recurring capital expenditures from January through December. Type 1 Capital includes categorized collections of projects of less than $1 million, and typically involves dozens of individual projects that add up to $3.5-4.5 million per year.

Type 2 projects have "discrete" scopes, schedules (launch through completion), and cost over $1MM during the project life, and project life can span multiple years.

Type 3 projects are large strategic programs with long term impacts and are typically bond-funded.

EUGENE WATER & ELECTRIC BOARD
WATER UTILITY EL-1 CAPITAL REPORT
Q1 2020

	ANNUAL BUDGET		2019	% OF	YEAR-END
	APPROVED	WORKING	ACTUAL	BUDGET	PROJECTION
TYPE 1 - GENERAL CAPITAL					
Source - Water Intakes & Filtration Plant	$ 282,000	$ 283,000	$ 23,600	8%	$ 400,000
Distribution & Pipe Services	5,769,000	5,768,002	581,700	10%	$ 3,950,000
Distribution Facilities	1,195,000	1,195,000	26,300	2%	$ 370,000
Information Technology	180,000	180,000	21,400	12%	$ 180,000
Buildings, Land, & Fleet	577,000	577,000	100	0%	$ 577,000
TOTAL TYPE 1 PROJECTS	**$ 8,003,000**	**$ 8,003,001**	**$ 653,100**	**8%**	$ 5,477,000
TYPE 2 - REHABILITATION & EXPANSION PROJECTS					
Source - Water Intakes & Filtration Plant	$ 2,060,000	$ 2,060,000	$ 155,700	8%	$ 2,100,000
Distribution Facilities	3,090,000	3,090,000	55,700	2%	$ 250,000
Distribution & Pipe Services	-	-	220,800	0%	$ 3,000,000
Water Meter Upgrade	3,600,000	3,975,236	889,300	22%	$ 2,500,000
Information Technology	856,000	480,384	112,000	23%	$ 781,000
Consolidation of Operations	-	-	74,100	0%	$ 266,000
TOTAL TYPE 2 PROJECTS	**$ 9,606,000**	**$ 9,605,620**	**$ 1,507,600**	**16%**	**$ 8,897,000**
TYPE 3 - STRATEGIC PROJECTS & PROGRAMS					
Emergency Water Supply	**$ 412,000**	**$ 412,000**	**$ 353,300**	**86%**	**$ 600,000**
TOTAL WATER CAPITAL PROJECTS	**$ 18,021,000**	**$ 18,020,621**	**$ 2,514,000**	**14%**	**$ 14,974,000**

Type 1 - General Capital is budgeted Year-by-Year for recurring capital expenditures from January through December. Type 1 Capital includes categorized collections of projects of less than $1 million, and typically involves dozens of individual projects that add up to $3.5-4.5 million per year.

Type 2 projects have "discrete" scopes, schedules (launch through completion), and cost over $1MM during the project life, and project life can span multiple years.

Type 3 projects are large strategic programs with long term impacts and are typically bond-funded.

Quarterly Contract Report for Q1 2020

APPENDIX E

Contracts between $40,000-$150,000

Contract Execution Date	Contractor	City, State	Description	Contract Term	Contract Amount	Contract Process	ET Manager
1/2/2020	RBC (Royal Bank of Canada) Capital Markets	Seattle, Washington	Bond Underwriting Services	12/31/2020	Percent of bond proceeds	Direct Negotiation	Deborah Hart
2/6/2020	O'Malley and Skip Tracer	Eugene, Oregon	Excavation, Hauling, and Road Improvements (Hayden Bridge)	2/6/2025	$ 115,000	Formal Invitation to Bid	Rod Price
2/20/2020	Consolidated Supply	Tigard, Oregon	Butterfly Valves	one time purchase	$ 139,823	Quotes	Rod Price
2/27/2020	Stanley Consultants	Centennial, Colorado	Electrical Design Services - Public Utility Commission (PUC) Corrections and Maintenance	4/30/2020	$ 95,000	Direct Negotiation	Rod Price
3/12/2020	Foundation Engineering	Corvallis, Oregon	College Hill and Hawkins Reservoir Site Geotechnical Engineering Services	6/5/2020	$ 94,900	Direct Negotiation	Rod Price
1/15/2020	Lane Council of Government (LCOG)	Eugene, Oregon	Drinking Water Source Protection	12/30/2020	$ 92,950	Intergovernmental Agreement	Deborah Hart
1/24/2020	Tintometer Inc	Sarasota, Florida	Turbidity Meters	1/23/2025	$ 80,000	Formal Request for Proposals	Rod Price
3/2/2020	Maul Foster Associates	Eugene, Oregon	Environmental Assistance with water transmission	1/1/2021	$ 79,000	Direct Negotiation	Rod Price
2/18/2020	Withnell Motor Co	Salem, Oregon	Purchase of a 1 Ton Cab/Chassis	one time purchase	$ 70,830	Quotes	Rod Price
2/12/2020	PUBLIC GENERATING POOL	Vancouver, Washington	Advocacy and expertise on issues of common interest	12/31/2020	$ 70,000	N/A	Susan Ackerman
3/30/2020	Make it Happen LLC	Eugene, Oregon	AMI Contract Business Analyst Services	12/31/2020	$ 65,340	Direct Negotiation	Rod Price
2/18/2020	Kendall Ford	Eugene, Oregon	Purchase of two (2), 3/4 Ton Pickup	one time purchase	$ 143,667	Quotes	Rod Price
2/21/2020	Pacific Steel Structures, LLC	Tualatin, Oregon	Steel Structures	6/1/2020	$ 60,047	Informal ITB	Rod Price
3/31/2020	Landis Consulting	Lake Oswego, Oregon	1150 Pump Station Replacement	7/31/2021	$ 55,570	Direct Negotiation	Rod Price
2/21/2020	Harrang Long	Eugene, Oregon	Supplemental General Counsel	12/31/2020	$ 50,000	Direct Negotiation	Frank Lawson
3/23/2020	GSI Water Solutions	Corvallis, Oregon	Water Rights Consulting	3/22/2025	$ 50,000	Direct Negotiation	Rod Price
2/18/2020	Ron Tonkin Dodge	Gladstone, Oregon	Purchase of an H/D Cab/Chassis	one time purchase	$ 88,140	Quotes	Rod Price
3/6/2020	RF Gen (DataMAX)	Eldorado Hills, California	Software and Professional Services for Barcode Scanners	12/31/2020	$ 41,850	Direct Negotiation	Deborah Hart
3/3/2020	HD Fowler	Eugene Oregon	Ductile Iron Pipes and Fittings	3/1/2021	$ 40,000	Quotes	Rod Price
3/17/2020	Landmark Ford	Tigard, Oregon	1/2 Ton Pickup	one time purchase	$ 28,306	Quotes	Rod Price
3/17/2020	Northside Ford Truck Sales	Portland, Oregon	4WD Mid-Size SUV and 1/2 Ton Truck	one time purchase	$ 65,316	Quotes	Rod Price

EWEB association for listed contracts-None

Questions? Contact Sarah Gorsegner, 541-685-7348

Community Investment - Q1 2020

Total investment in Q1 - **$5,140,809** (not including Energy Efficiency loans, Water Truck deployments, or volunteer/ambassador efforts and events)

APPENDIX F

Community Investment Program guidelines are in place to ensure consistency and transparency for how we invest our customers' dollars for the betterment and well-being of the community we serve. Requests that provide strong alignment between EWEB's discretionary community investment criteria and the Strategic Plan are vetted through the General Manager's office for consideration. Sponsorship dollars are focused on initiatives that are both closely connected to EWEB's core mission and provide the broadest benefit to our customers.

Sponsorships, Donations, Grants

AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
The Eugene Science Center	2018 Greenpower grant winner - will receive up to $50,000	03/25/20	N/A	$12,500	ENVIRONMENTAL: Greenpower	Customer Voluntary	Installation of 32.5-kilowatt photovoltaic array project - Phase 2 partial disbursement of $6,000 (Phase 1 disbursements paid and reported in previous quarters). Subsequent installments will be made as project progresses.
Eugene 4J School District	Jan-June 2020 Education Grant	02/27/20	N/A	$123,500	ECONOMIC: Education	Board Directed	
Lane County Fair	Co-Sponsorship of Comfort Station Water Booth	02/27/20	07/22-07/26	$900	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	Booth Fee / Use of EWEB drinking water fountain w/chiller.
Oregon Environmental Council	2020 Oregon World Water Day	02/20/20	3/22/2020	$500	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	A month-long online educational campaign to promote greater awareness of the importance of protecting our water resources. EWEB's sponsorship includes both financial support and community engagement via social media. Visit http://www.oregonworldwaterday.org/ to learn more.
Washington & Oregon Higher Education Sustainability Conference (Hosted by University of Oregon in 2020)	2020 Washington & Oregon Higher Education Sustainability Conference	01/30/20	03/02-03/04	$2,500	ECONOMIC: Education	Discretionary	2020 Theme: Root Causes to Sustainability Challenges and Positive Actions to Address Them. Experts and leaders in higher education and sustainability will share their experiences on topics ranging from meaningful projects that impact the community and the environment to climate resilience, social permaculture and much more. Event sponsorship - 2 SMEs staffed table at conference.
Homes for Good	2016 Greenpower grant winner -$50,000 total grant	01/22/20	N/A	$12,500	ENVIRONMENTAL: Greenpower	Customer Voluntary	Photovoltaic system installed at their facility located at Parkview Terrace (255 High St; offers 1 and 2-bedroom units for Seniors and people with disabilities). They were a 2016 Greenpower Grant recipient ($50,000) and had delays in their project, but completed this year. First two payments of $37,500 paid on 12/16/19 and reported for that quarter. Final payment.
Bethel School District	Jan-June 2020 Education Grant	01/16/20	N/A	$38,500	ECONOMIC: Education	Board Directed	
McKenzie School District	Jan-June 2020 Education Grant	01/16/20	N/A	$10,500	ECONOMIC: Education	Board Directed	
Springfield School District	Jan-June 2020 Education Grant	01/16/20	N/A	$23,500	ECONOMIC: Education	Board Directed	
			Q1 TOTAL	**$224,900**			

Customer Solutions Products and Services

AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Residential	YTD	N/A	$433,469	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	422 residential customers took advantage of energy efficiency incentives (18% limited income projects for 44% of dollars invested).
EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Non-residential	YTD	N/A	$221,901	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	44 non-residential customers took advantage of energy efficiency incentives. 93% of non-residential incentives were for lighting projects with the remaining for HVAC, refrigeration, weatherization and manufacturing processes. Non-residential customers include businesses, schools, city and county facilities, hospitals, etc.
EWEB Energy Efficiency Programs	Electric Vehicle (EV) Clean Ride Rebate Program	YTD	N/A	$13,438	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	26 residential and 2 commercial (1 public) customers received rebates for Level 2 EV Chargers.
EWEB Greenpower Program	Solar Electric Incentives	YTD	N/A	$35,559	ENVIRONMENTAL: Greenpower	Customer Voluntary	14 residential and 2 commercial net-metered projects received incentives funded by the Greenpower Program year to date. An additional 3 residential and 1 commercial projects were installed but did not qualify for incentives.
EWEB Water Conservation Programs	Hand Valve and Toilet Rebates, Septic Maintenance Incentives	YTD	N/A	$4,750	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	34 customers received hand valve rebates, 9 toilet rebates and 4 septic maintenance rebates.
			ENERGY EFFICIENCY INCENTIVES Q1 TOTAL	**$709,116**			
EWEB Customer Care Program	Limited Income Energy Assistance	YTD	N/A	$549,005	PEOPLE: Safety Net	Board Directed	The EWEB Customer Care (ECC) program credited a total of $461,760 YTD to 1771 customer accounts. Energy Share contributed a total of $87,245 to 521 customer accounts. EWEB also credited federal LIHEAP funds to 1,143 accounts. *Note: Amount does not include federal LIHEAP funds.
EWEB Limited Income Assistance	Electric Line Repair Grants (Income eligible)	YTD	N/A	$10,235	PEOPLE: Safety Net	Discretionary	4 customers received electric repair grants.
EWEB Water Conservation Programs	Water Line Repair Grants (Income eligible)	YTD	N/A	$21,830	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	6 customers received water line repair grants.
			LIMITED INCOME ASSISTANCE Q1 TOTALL	**$581,070**			
EWEB Energy Efficiency Programs	Energy Efficiency Loans - Residential	YTD	N/A	$330,633	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	62 residential customers participated in Energy Efficiency Loan programs.
EWEB Water Conservation Programs	Water Line Repair & Septic Repair/Replacement Loans	YTD	N/A	$12,470	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	EWEB continues to monitor and detect continuous flow through AMI data and makes approximately 10 customer contacts per week to advise of leaks. 4 customers received water line repair loans.
EWEB Resiliency Program	Generator Loan Program	YTD	N/A	$9,592	PEOPLE: Emergency Preparedness	Discretionary	5 Residential customer participated in the Generator Loan Program
EWEB Electric Service Line Upgrade Loan Program	Electric Service Line Upgrade Loan Program	YTD	N/A	$5,550	PEOPLE: Safety Net	Discretionary	2 residential customers took advantage of electric service upgrade loans.
			ENERGY AND WATER LOANS Q1 TOTAL	**$358,245**			

System Development Charge (SDC) Waivers

AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Homes for Good	Taney Place	Mar-20	N/A	$18,200		Board Directed	49 unit development in the Bethel area.
St. Vincent de Paul	Iris Place	Feb-20	N/A	$18,200		Board Directed	53 unit development in the River Road area.
			Q1 TOTAL	**$36,400**			

Contributions in Lieu of Taxes (CILT)

AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
City of Eugene	Contribution in lieu of taxes (CILT)	Q1	N/A	$3,451,550	Required	Mandated	
City of Springfield	Contribution in lieu of taxes (CILT)	Q1	N/A	$137,773	Required	Mandated	
			Q1 TOTAL	**$3,589,324**			

EWEB Ambassador Efforts and Events (Paid)

AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Washington & Oregon Higher Education Sustainability Conference (Hosted by University of Oregon in 2020)	2020 Washington & Oregon Higher Education Sustainability Conference	N/A	03/02-03/04	N/A	ECONOMIC: Education	Discretionary	2020 Theme: Root Causes to Sustainability Challenges and Positive Actions to Address Them. Experts and leaders in higher education and sustainability will share their experiences on topics ranging from meaningful projects that impact the community and the environment to climate resilience, social permaculture and much more. Event sponsorship - 2 SMEs staffed table at conference.
Environmental Law Alliance Worldwide (ELAW)		N/A	02/26/20	N/A		Discretionary	Generation Manager hosted 2 attorneys and ELAW Fellow / Chief Executive Officer of Africa Institute for Energy Governance (AFIEGO) for a discussion of EWEB's electric energy resources and generation system.
University of Oregon	Solar Project Ribbon Cutting Ceremony	N/A	02/14/20	N/A	ENVIRONMENTAL: Greenpower	Customer Voluntary	Ribbon Cutting Ceremony for photovoltaic system installed at 205 Exmoor Pl (a non-profit corporation supporting adults who experience developmental disabilities at home and in the community). U of O received Solar Electric Program incentive.
Good Earth Home, Garden & Living Show		N/A	01/24-01/26	N/A	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	EWEB hosted booth highlighting heat pump technology and special promotions, electric vehicles, resiliency (Back-up Generator Program and Pledge to Prepare) and peak power.
Homes for Good	Greenpower Grant Ribbon Cutting Ceremony	N/A	01/21/20	N/A	ENVIRONMENTAL: Greenpower	Customer Voluntary	Ribbon Cutting Ceremony for the photovoltaic system installed at their facility located at Parkview Terrace (255 High St; offers 1 and 2-bedroom units for Seniors and people with disabilities). They were a 2016 Greenpower Grant recipient ($50,000) and had delays in their project, but completed this year.

EWEB Ambassadors have provided over 90 hours of educational and other services to the Community in Q1

Volunteer Efforts and Events (Unpaid)

AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Bloodworks Northwest	Onsite Blood Drive	N/A	01/27/20	N/A	PEOPLE: Safety Net	N/A	

Q1 2020 Workforce Composition

The following charts are demographic snapshots of EWEB's workforce composition as compared to that of the State of Oregon and Lane County, as reported by the US Census Bureau in Q2 of 2019, the most recent quarter for which they have data.