Strategic and Operational Report

2020 – Q3

Eugene Water & Electric Board

October 28, 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)
Marianne McElroy (Billing Operations 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 Q3 marked significant distractions, including COVID and the Holiday Farm Fire, many of EWEB's 2020 goals remained substantially on track. We are continuing to assess, plan, and respond to the effects of the pandemic, which will impact our local economy and therefore EWEB throughout 2020 and 2021. Safety, reliability (water and electric), and water quality are all within target, despite some operational challenges in the third quarter. At the end of the quarter, EWEB was on track to fully achieve four (4) of eight (8) goals, with the remaining making substantial progress but behind schedule.

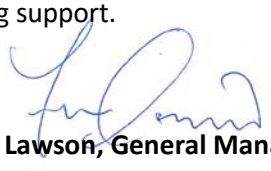
Financially, the Electric Utility year-end budget initially included a favorable change to unrestricted reserves of $3.1 million. The forecast, including consumption impacts from COVID, is now a year-end change in unrestricted reserves of $4.5 million unfavorable due to wildfire costs and unfavorable contribution margin due to higher power costs and lower retail demand. The Water Utility budget year-end forecast included a draw from unrestricted reserves of $800,000 is now projected to be a projected draw of $700,000 due to approximately $1.1 million higher revenue offset by an additional $1.0 million investment in immediate watershed recovery efforts, as approved by the Board in October.

Despite being behind schedule, the AMI program (Goal #2) is preparing for mass deployment of single-phase electric meters with contracted labor in late Q1/Q2 of 2021 resulting in a projected completion Q1/Q2 of 2022. The CEI project (Goal #3) will start an internal to EWEB "soft launch" of the new platform in Q4, wherein EWEB staff will preview and develop more internal awareness and understanding of the new system. In Q3, negotiations with Springfield Utility Board (Goal #5) for the division of the EWEB Glenwood property continued and operations staff from EWEB, SUB, and the Rainbow Water District met to discuss testing existing interties and needed improvements, along with revisions to the existing IGA regarding the use of interties.

Progress was achieved on the TBL analysis of the lower McKenzie hydroelectric projects (Goal #7) progressed well in Q3, but conformance to FERC guidelines for a semi-quantitative risk assessment is requiring more time and effort than originally planned, with updated NPVs for the alternative paths forward to be developed in Q4 and the results ready for Board review in Q1 of 2021.

Notable this year is EWEB's increase in the distribution of EWEB Customer Care (ECC) funds of $1,263,000 versus $588,000 over the same period last year. Customer Care activity has slowed throughout the summer, which is a normal trend, and EWEB has been able to keep the program open continuously during the third quarter.

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.

Q3 Overall Status: **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)

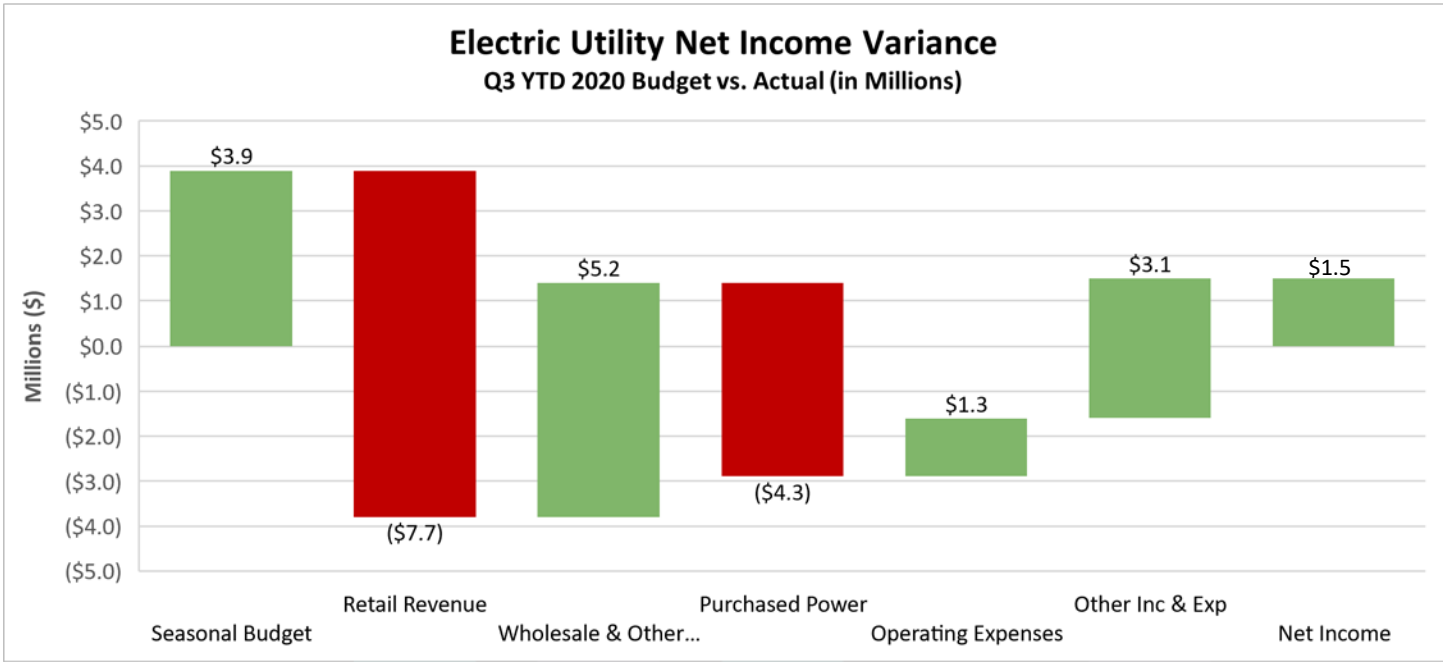
Electric Utility Financial Report

(Deborah Hart)

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

Net Income

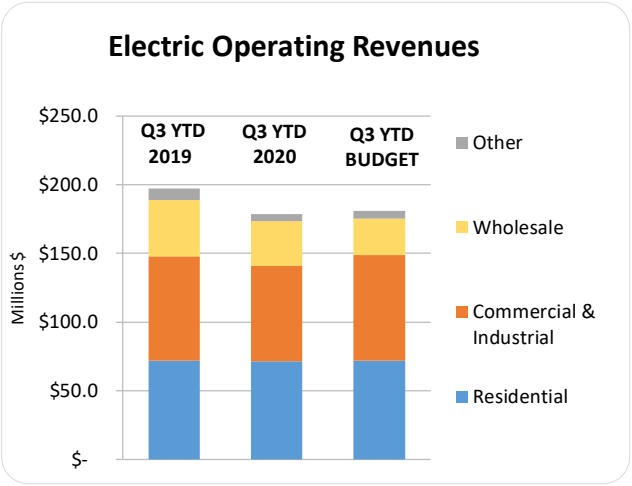
For the quarter ended September 30, 2020, net income for the Electric Utility was $1.5 million. For comparability purposes, the budget has been allocated to reflect seasonal fluctuations in revenue, purchased power, and wheeling.

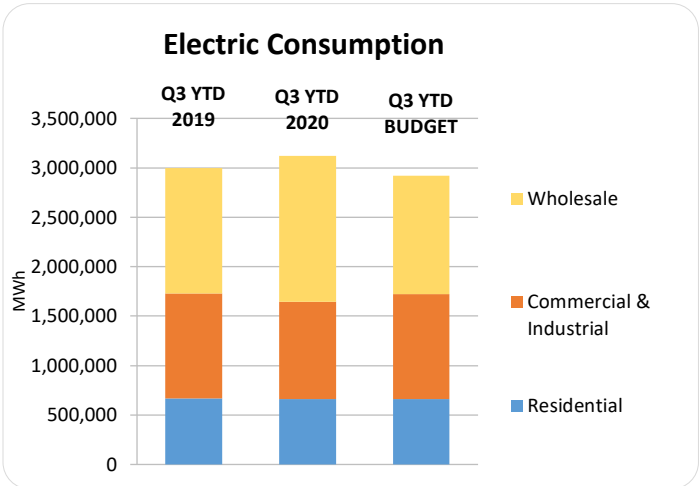


Electric Operating Revenues and Consumption

Retail revenue was unfavorable by $7.7 million when compared to budget assumptions. The unfavorable variance was driven by lower demand due to COVID-19 economic impacts and overall above average temperatures year to date (especially during January). Additionally the second largest electric customer closed in May. The closure was announced prior to COVID-19 impacts and was not anticipated in the budget. Wholesale and other revenues were greater than budget by $5.2 million. Lower retail demand and portfolio balancing activity increased sales to wholesale markets. This favorable variance was partially offset by the unfavorable variance in purchased power expense. Although volumes have been higher, year-to-date wholesale prices have been lower due to increased generation in the Columbia River Basin.

Year-to-date retail consumption was below budget by 4.4% due to the closure of a major electric customer, COVID-19 impacts, and overall below average heating load. Remaining resources available to serve load were sold into the market, and overall wholesale levels were 23.5% higher compared to budget.

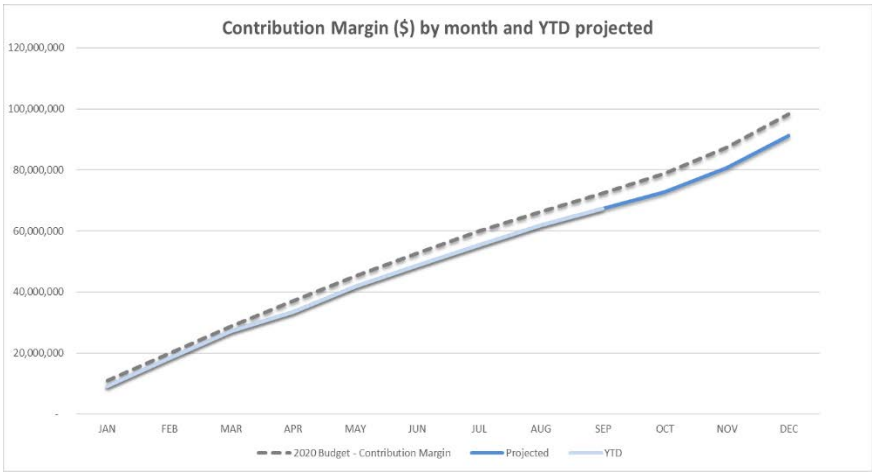




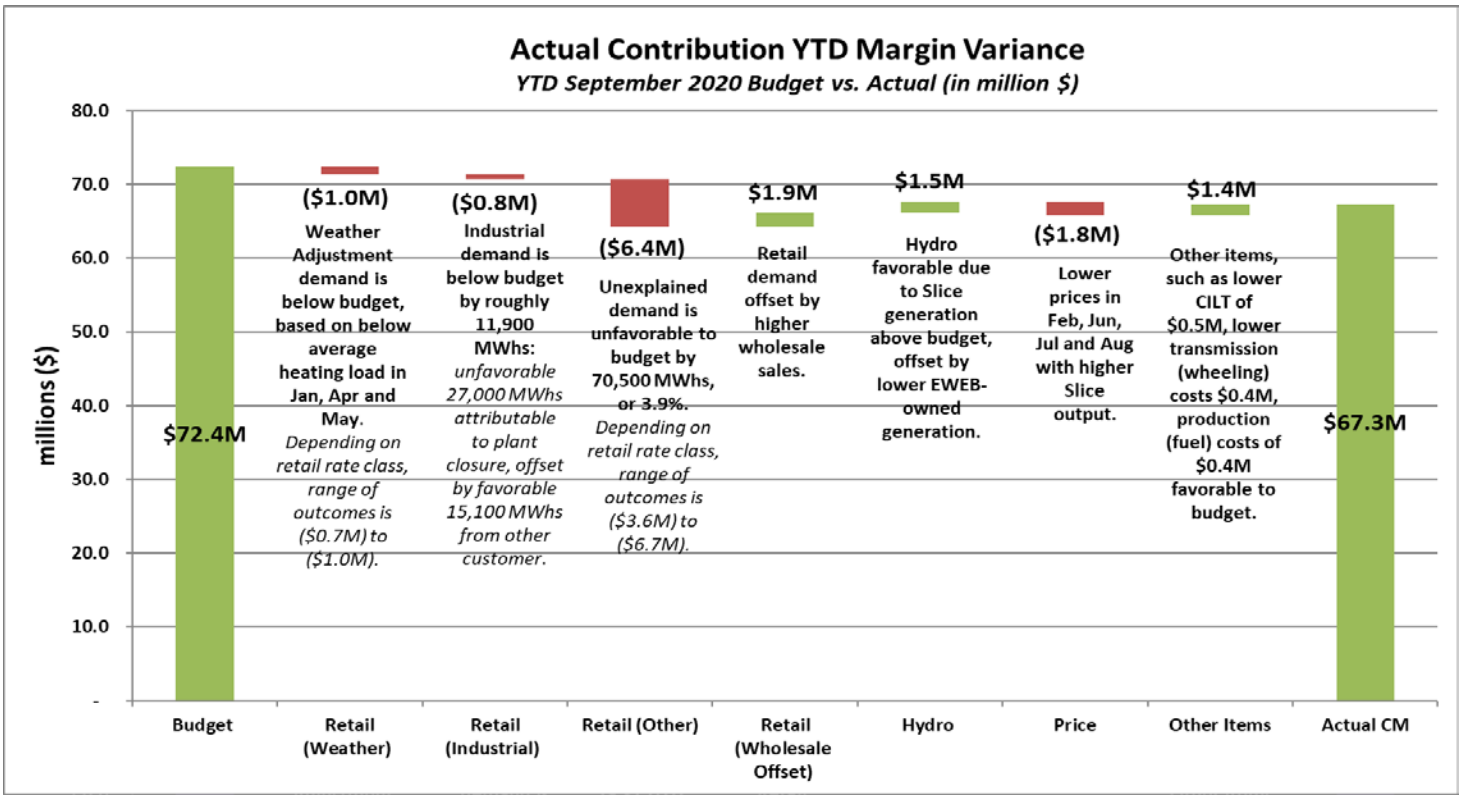
Contribution Margin

At the end of Q3 the contribution margin was unfavorable to the approved budget primarily 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 $5.1 million unfavorable to the approved budget due to several factors, including a) lower demand related to weather conditions, COVID-19 impacts and economic downturn, and closure of large industrial customer in Q2; b) lower production of McKenzie River projects was partially offset by higher BPA Slice production; and low wholesale market prices.



Electric Capital

Q3 capital spending was $21 million or 43% of the $49 million 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. Q3 2020 balances are presented below:

Reserve/Fund	Target	Balance 9/30/2020	In excess of Target
Working Cash	$ 36,000,000	$ 42,427,573	$ 6,427,573
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	27,656,935	5,656,935
Rate Stabilization Fund [1]	5,000,000	24,468,927	19,468,927
Pension Fund	-	974,000	974,000
Working Cash & Designated Funds Total	**$ 85,720,000**	**$ 118,384,114**	**$ 32,664,114**

[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 favorable change to unrestricted reserves of $3.1 million. The forecast, including impacts from COVID, is now a year-end change in unrestricted reserves of $5.8 million unfavorable due to the following:

Initial Budgeted Change in Unrestricted Reserves	$3.1 million
Unfavorable Contribution Margin	($6.2 million)
Deferred Rate-Funded Capital	$2.6 million
Favorable WGA Distribution	$0.5 million
Unfavorable O&M	($2.0 million)
Unfavorable Debt Service	($0.9 million)
FEMA Reimbursement for 2019 Storm	$3.1 million
Estimated Wildfire Restoration Costs	($6.0 million)
Anticipated Year-End Change in Unrestricted Reserves	($5.8 million)

The forecast contribution margin is unfavorable due to reduced retail sales, plant outages, and lower market prices. The impact of COVID-19 and the unexpected closure of a major customer beginning May 2020 both unfavorably impacted retail sales and revenue. Production at McKenzie generating facilities has been below budget through the year and the trend has been compounded by the Holiday Farm Fire impacting the Walterville and Carmen-Smith generating facilities and further reducing production in Q3. The Riverside Fire damaged transmission lines critical to the Stone Creek generating facilities and it has been offline since early September as well. Although the McKenzie generating facilities are expected to be back online for the last two months of the year, the below budget demand is anticipated to persist throughout the year, which impacts the year end projection unfavorably. Additionally, wholesale market prices have been below budget throughout the year.

Local economic impacts due to COVID-19 have impaired customers' ability to pay. Past due receivables are higher and anticipated to remain high. In early July, staff began contacting customers to offer low or zero interest payment plans in order to bring customers current over time. Recent counts from early October show over 1,900 customers have signed up to participate in payment plans. Roughly a quarter of customers who have entered into payment plans continue to struggle to remain current on their utility bills. Over 400 customers remain delinquent and have disconnect orders outstanding. Disconnects resumed on August 10th.

The rate funded capital variance was most recently projected to be $2.6 million below budget for Type 1 and 2 capital due to ongoing Leaburg canal discussions that are deferring the start of planned remediation work, as well as delays in AMI progress. The impact of the Holiday Farm Fire will be further evaluated and incorporated into future capital projections. The deferral of $2.6 million in capital projects causes overhead and labor to shift back from capital to O&M.

The favorable WGA distribution is due to a higher dividend payout as a result of increased production in May. The unfavorable debt service variance is due to a budgeted bond defeasance related to the Foote Creek asset sale that was not pursued.

The year-end O&M variance, excluding the impacts of the Holiday Farm Fire, is unfavorable to budget by $2.0million due to the shifts of overhead and labor from capital to O&M and non-labor O&M spending of $1.1 million in excess of budget mostly attributable to higher IT costs; offset by favorable projected year end vacancy savings of $0.6 million.

The impacts from the Holiday Farm Fire and Riverside Fire have not been fully realized. Impacts to date are substantial, not only on the expense side but also on the revenue side with generating projects located within the fire zone now out of service. Separate from lost revenues, the latest cost estimate associated to fire response and damage repairs is $6 million. EWEB has participated in initial damage assessment conversations with the intent to request grant funds from FEMA if they are made available. A request for FEMA public assistance funds is in preliminary stages. FEMA has not yet obligated EWEB eligible grant funds.

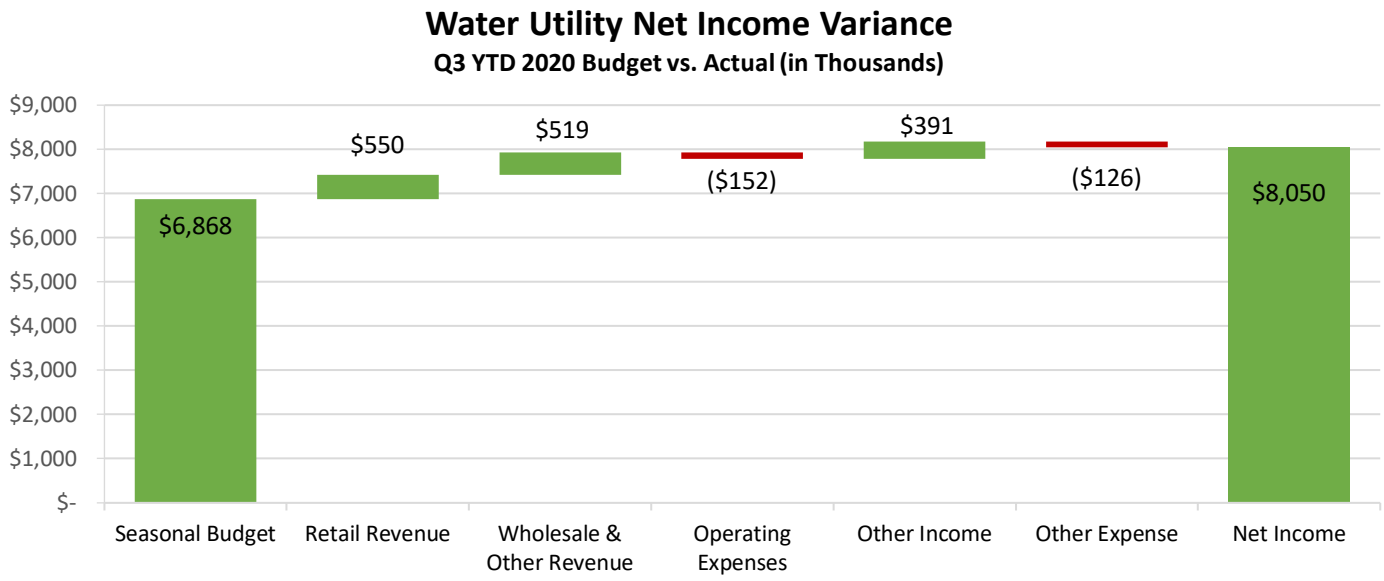
Water Utility Financial Report

(Deborah Hart)

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

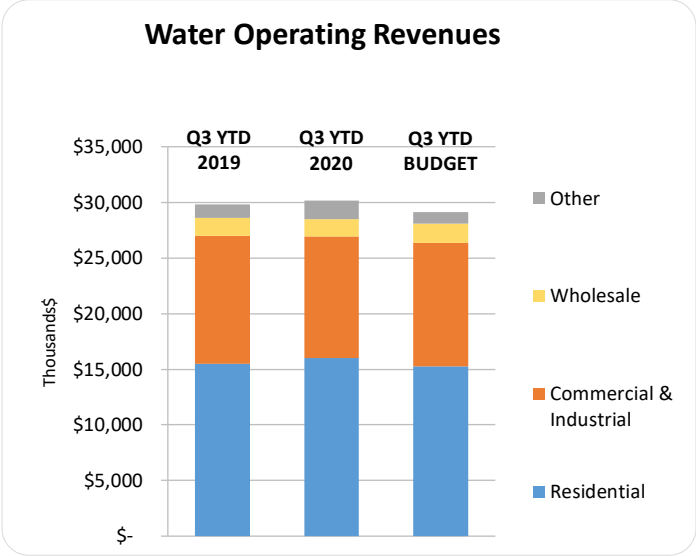
Net Income

For the quarter ended September 30, 2020 net income for the Water Utility was $8.1 million. Compared to the year-to-date seasonal budget, this was favorable by $1.2 million. The favorable position results from operating revenue and other income that exceeded the budgeted amounts. Within the Water Utility, revenue and maintenance activities peak in the summer months, while production and delivery costs remain fairly constant throughout the year.

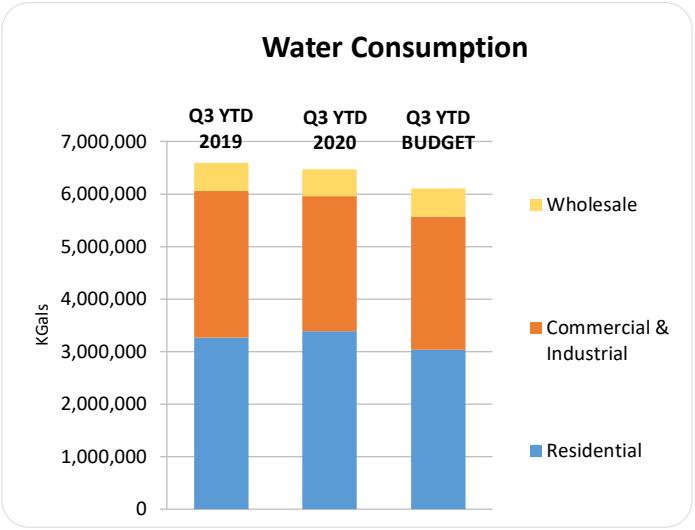


Water Operating Revenues and Consumption

Year-to-date total operating revenues were 3.7% ($1.1 million) higher than the seasonal budget. Retail revenue was 2.1% higher than budget and had a favorable variance of $550,000. Wholesale and other revenue was 19.1% ($519,000) above budget. This variance was primarily the result of billable work for the water districts including meter installations for water district customers. Wholesale sales included sales to the Water Districts, City of Veneta, and the Willamette Water Company.



Overall consumption year-to-date was 6% above budget, driven by strong residential demand. The Water System has not yet seen a decline in overall demand in comparison to budget due to COVID-19 economic impacts. The consumption budget was set using conservative assumptions of 95% of the prior five year's average. Consumption peaks during summer.



Water Capital

Through Q3, capital spending was $11.3 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. Q3 balances are presented below:

	Target	Balance 9/30/2020	In excess of Target
Working Cash	$ 3,400,000	$ 16,165,640	$ 12,765,640
Operating Reserve	1,000,000	1,012,184	12,184
Self-Insurance Reserve	280,000	288,712	8,712
Capital Improvement Reserve	7,000,000	13,247,314	6,247,314
Rate Stabilization Fund	1,000,000	1,000,000	-
Water Stewardship Fund- Septic Repairs	-	73,922	73,922
Alternate Water Supply Fund	-	5,449,521	5,449,521
Pension Fund	-	393,000	393,000
Working Cash & Designated Funds Total	**$ 12,680,000**	**$ 33,333,144**	**$ 24,950,292**

Water Utility Financial Outlook

The Water Utility budget included a draw from unrestricted reserves of $800,000 is now projected to not be a projected draw of $500,000 due to the following:

Initial Budgeted Draw from Unrestricted Reserves	($800,000)
Increased Operating Revenue	$1,100,000
Deferred Rate-Funded Capital	$1,200,000
Unfavorable O&M	($1,000,000)
Emergency Watershed Restoration	($1,000,000)
Anticipated Year End Change in Unrestricted Reserves	($500,000)()

The year-end O&M variance is unfavorable to budget by $1,000,000 primarily due to the shifts of overhead and labor from capital to O&M. At the October 6, 2020 Board meeting, commissioners approved an amendment transferring capital budget to O&M to account for this shift. Additionally, a budget amendment was approved for emergency watershed restoration.

The effects of the COVID-19 pandemic and the impact to retail water sales and the broader economics of the stay-at-home order have not had a significant impact on Water Utility revenue to date however, a prolonged economic downturn may result in reduced retail sales. Staff will continue to monitor potential impact on the Utility's financial condition. Like the Electric Utility, past due receivables are higher and anticipated to remain high. Payment plans offered for past due electric balances, also were available for water balances and over 1900 customers have signed up to participated. Over 400 customers still remain delinquent. To date, water retail revenue has tracked above budget.

Customer Programs & Services Report

Customer Operations

Through Q3 2020, Customer Service assisted 148,000 customers, down 13% from the same time last year. This decline can be attributed to both the lobby remaining closed to walk-in customers and the moratorium on disconnection of service for non-payment that ran from mid-March to mid-August.

Approximately 70 customers visit the HQ building each day to use the dropbox, depositing about 150 payments. On average, 10-15 of those daily payments are in cash.

Table: Customer Response Performance YTD 2020

Performance Metric	Result	Comment(s)
Calls Serviced	105,000	Down 7% YoY
In-person Visits (incl. dropbox)	31,000	Down 38% YoY
Emails Answered	11,500	Up 5% YoY
Satisfaction Rating	96%	Rated Satisfied or Very Satisfied; 770 surveys
First Call Resolution	94%	Based on 770 surveys
Call Center Time to Answer	113 seconds avg	Not including ECC 1st of month
Call Abandonment Rate	12%	Not including ECC 1st of month

Customer Aid and Assistance

Through Q3 EWEB has delivered nearly $1.5M in bill assistance ($1.263M to 4858 customers through Customer Care and $213k to 1231 customers through Energy Share).

Table: EWEB Customer Care (ECC) Program Results

	Q1	Q2	Q3	YTD
2019 Actual	$254,000	$157,000	$ 177,000	$588,000
2020 Orig.	$270,000	$270,000	$270,000	$810,000
2020 Actual	$462,000	$547,000	$255,000	$1,263,000
2019 Recipients	1,260	760	860	2,880
2020 Recipients	1,780	2,100	980	4,860

Customer Care activity has slowed throughout the summer, which is a normal trend, and EWEB has been able to keep the program open continuously during the third quarter. Even though bill assistance year to date has exceeded original pre-Covid-19 budget, actual third-party administrative fees are under budget, totaling less than $60k year to date. This is relative to a budget assumption of approximately $105k, as deemed eligibility has remained above 50%.

In June EWEB began offering enhanced payment arrangements for both residential and business customers affected by Covid-19. By the end of Q3, EWEB had arranged payment plans for 1,897 customers, providing a pathway to recovery for our customers and the Utility.

In September, EWEB used customer donation funds to forgive electric account and loan balances for significantly impacted customers within the immediate perimeter of the Holiday farm fire. Approximately $85,000 in donations was distributed to 380 customer accounts. EWEB has also donated over 300 emergency water containers to the McKenzie River Trust to be distributed to wildfire impacted community members.

Table: Limited Income Energy Efficiency Results

Performance Metric	Result	Comment(s)
Total Residential EE Projects	1,049	
Income-Qualifying EE Projects	136	35 projects supplemented grants with loans
Residential Rental EE Projects	113	19 projects are Income-Qualifying rental properties
Total Residential YTD Savings (MWh)	1,741	
Income-Qualifying YTD Savings (MWh)	279	
Residential Rental YTD Savings (MWh)	244	
Total Home Audits	127	96 LI energy education, 4 high bill site visits, 8 home audits, 19 Home Energy Scores. To protect staff and customer health and safety, physical site visits were suspended in March 2020.
Income-Qualifying electric repair grants	5	Typically related to heating system upgrades
Income-Qualifying water leak repair grants	22	To replace water lines or repair leaks inside homes

Community Involvement

EWEB has invested more than $13 million back into the community year-to-date. The bulk of these investments consist of board-directed education grants, energy assistance incentives and loans, limited income assistance and loans, and Contributions in Lieu of Taxes (CILT) to the cities of Eugene and Springfield. There were no requests for sponsorships, donations or system development charge (SDC) waivers in Q3.

As the coronavirus pandemic continues to affect the opportunity to gather, there remains a lull in coordinated ambassador and volunteer events. However, the devastating effects of the Holiday Farm Fire resulted in the need for the community to come together regardless of the challenges presented by COVID-19.

In September, EWEB participated in the Multi-Agency Resource Center (MARC) Event. This event brought over 2 dozen organizations together as a “one-stop shop” to assist those within the evacuation zones with their recovery plans. EWEB staff offered information and updates related to restoration efforts, water quality, billing activities and shared the good news of the balance and loan forgiveness programs developed in response to the fires that devastated many EWEB customers’ homes.

An EWEB Ambassador shared the positive impact not only for the customers, but for the staff there to assist.

"A couple stopped by our table to talk about stopping service. They knew their home was still standing, but with significant damage. I looked up their address and realized I was going to get to deliver the news that not only were we going to forgive their balance with EWEB, but also forgive two loans--one for windows and another for a generator. When I mentioned the loans, the woman's response was, 'We'll make sure to keep up on our payments.' When I told them the loan was being paid off, they got teary and couldn't believe it. I got choked up too.”

Appendix F lists contributions through Q3 2020, categorized by type of giving

Communications

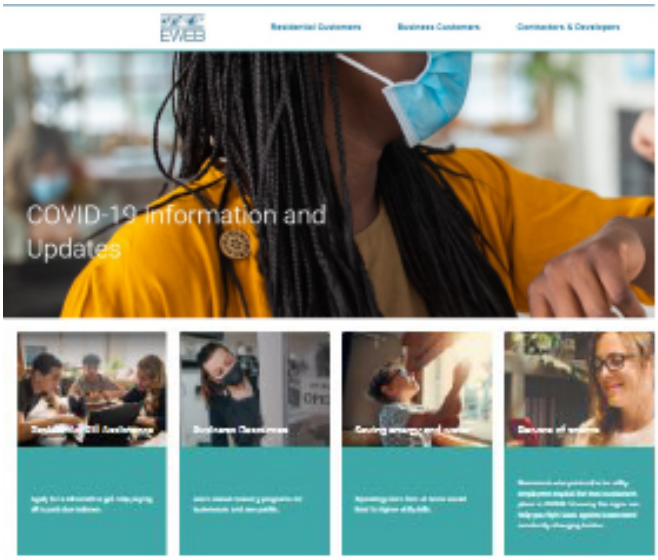
During Q3, the Communications & Marketing team continued to focus on internal and external COVID-related communications. Mid-way through the quarter, our core messaging shifted from short-term crisis programs for customers who were financially impacted by the economic downturn (moratorium on service disconnections, bill assistance programs, etc.) to programs aimed at helping customers bring their accounts up to date over time.

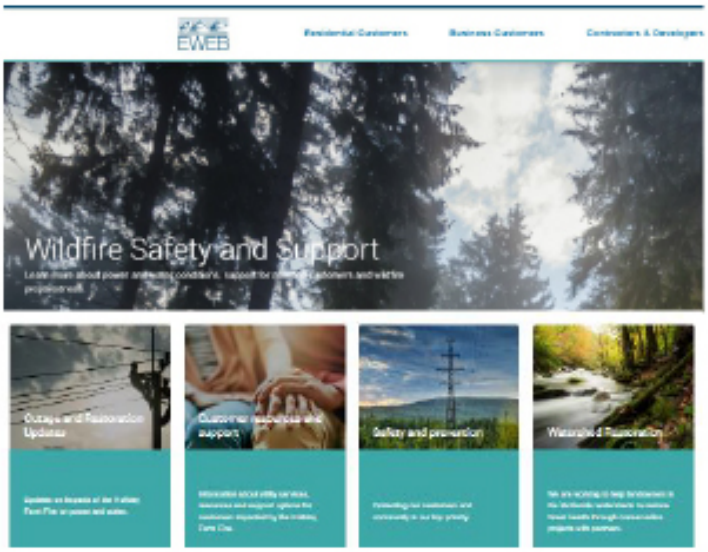
Leading up to the August resumption of standard disconnection procedures, the Communications team led a strategic effort to gradually prepare customers for the resumption of disconnections while maintaining the trust and confidence of our community. This required an extensive campaign of direct outreach to customers at risk of disconnection concurrent

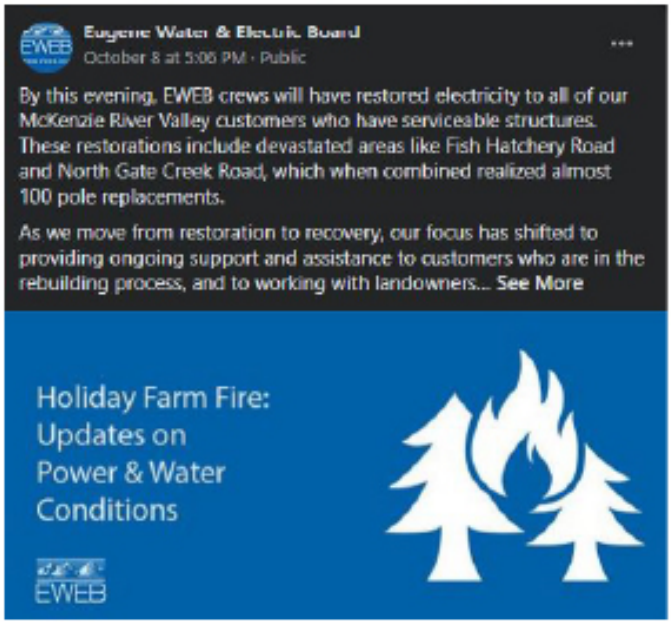
with a strategic public relations effort. While there was considerable national and state-level media attention given to utility shutoffs, local coverage of EWEB's efforts was neutral to positive.

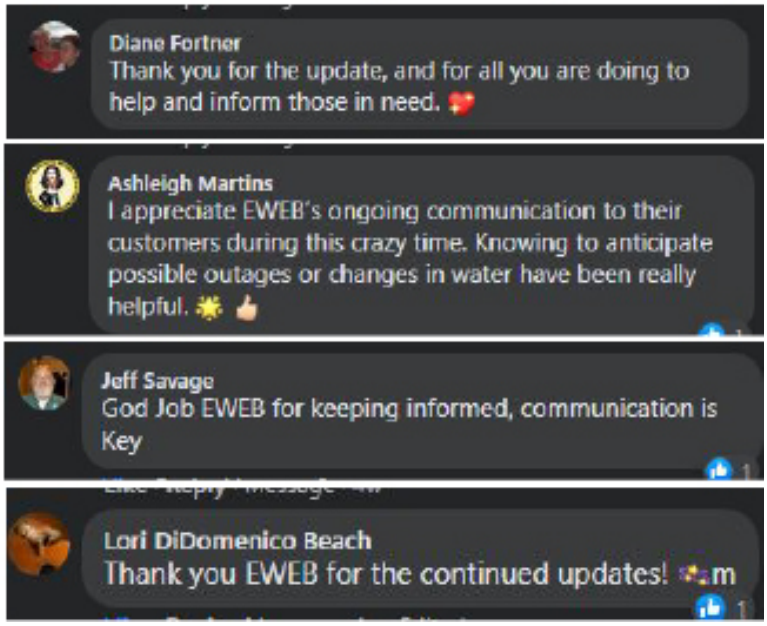
Immediately following this significant COVID recovery outreach and public relations effort, the Communications Team shifted once again into crisis-response, this time due to Holiday Farm Fire. Throughout the event, Public Information Group members worked collaboratively with Operations and Planning to gather the most up-to-date information to share internally, with customers and the media. In addition to frequent updates on power outages, we launched a public information campaign to educate customers on EWEB's efforts to protect our community's water source and drinking water in the aftermath of the fire.

For both COVID-19 and Holiday Farm Fire communications, the EWEB's Communications & Marketing team leveraged digital tools including email/Listserv, social media and website. The online resource centers—eweb.org/covid and eweb.org/wildfire—were launched to provide a single point of information for staff and customers.









Building & Renovations

EWEB continued to work on customer-driven construction projects throughout the quarter, including during the pandemic and fire event with special precautions around field visits to customer sites for public and staff safety.

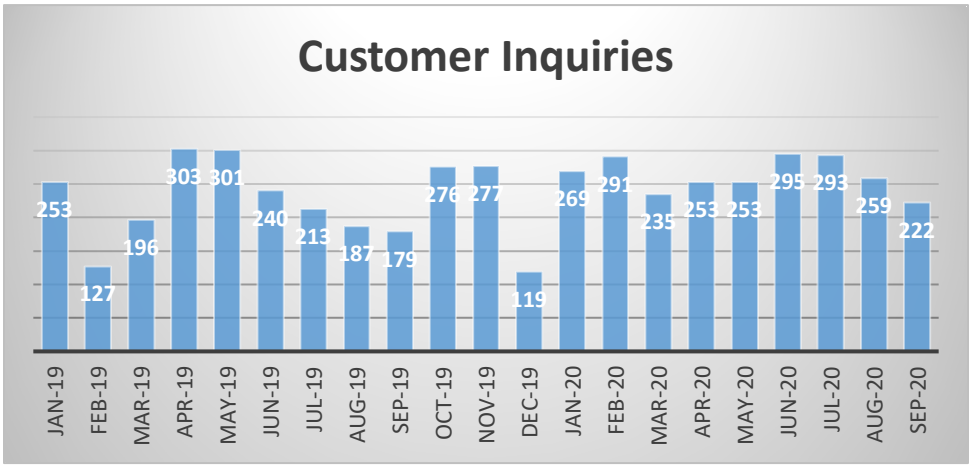
The following bullets speak to the statistics within the table below.

- Customer inquiries have increased compared to this time last year, indicating continued potential customer construction projects (small and large).
- Projects released for construction had decreased due design staffing constraints (-33%), as well as incremental output reduction due to adjustment to COVID related operational changes and onboarding of new staff.
- Projects assigned for design, but awaiting on additional customer project information had decreased due to limited design staff and efforts to ensure reporting accuracy
- Average wait time at end of Q3 was on target at 4 weeks, however, the wait time has increased to 6-7 weeks at the time of this report. New staff and the process of recruitment and re-prioritization of work is being completed to try and mitigate the lead time to target.

Distribution Engineering Customer Performance Metrics

Performance Categories (Customer-Driven)	Year to date Q3 2019	Year to date Q3 2020	Percentage (+/-)
Customer Inquiries	2060	2347	+13.9%
Projects Release for Construction	94	64	-31.9%
Projects Waiting for Customer Information	64	40	-37.5%
Design Queue Wait Time (time from customer inquiry to start)	4 weeks	4 weeks	0%

The below graphs show a 1.5-year trend from 2019 to Q3 of 2020 for Customer Inquiries, an indicator of Customer driven work flow. These graphs exhibit slight increasing customer work inflow from the community, even though the COVID pandemic. Staff have prioritized customer work as a result by deferring internal capital work and PUC related maintenance work temporarily. Customer inquiries are the first step in Electric Distribution project works, with some of these inquiries moving forward to the high-level estimate stage.



[Return to Type 1 Capital – Electric Transmission & Distribution]

Customer Programs & Services – Water

The Water Utility has started to track information related to the timeliness of its response to customer new service requests. This information will primarily be used to verify that resources are allocated correctly in our work. If our timeliness slips, then we may shift additional resources into this area and vice versa.

The information we are tracking includes:

- Design Time – the time it takes EWEB to complete the design of a new service once the customer makes an official service request.
- Time Waiting on Customers – the time EWEB spends waiting for customers to pay or complete the required paperwork for a new service.
- Construction Time – the time after which a new service is paid for to when construction starts on the service.

The table below shows this information for completed services for the third quarter of 2020. Going forward as more data is gathered trendlines will be established to show any increases or decreases in the timeliness of our customer service requests.

Number of New Service Requests	17
Design Time (Avg)	13 Days
Time Waiting on Customer (Avg)	14 Days
Construction Time (Avg)	9 Days

Capital Investments & Projects

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.*

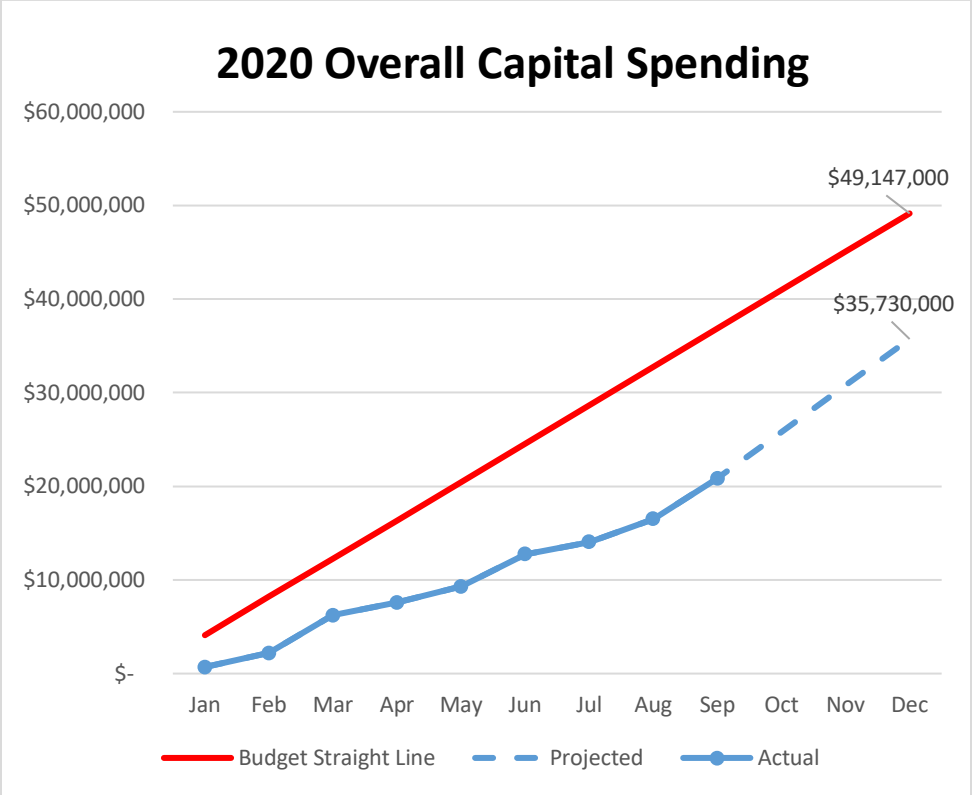
Summary

The Electric Capital Improvement plan (including Support Services and IS) ended the third quarter of 2020 at $21M, or 43% of budget. As shown in the EL-1 Report, it is anticipated that overall year end spending will end at $35.7M, or 73% of the $49M budget. The main drivers for the under-spend are an anticipated $10.8M variance associated with the Carmen Turbine-Generator work due to contractor delays, and approximately $9M of underspend associated with delays to Type 2 Work because of COVID delays and competing emergent work. Type 1 reliability work is seeing a 29% overspend due to anticipated Holiday Fire response costs, and an increase in customer work as well as acceleration of some fleet and IS replacements from 2021 to this year, amounting to an additional $3M in spending to level costs between 2020 and 2021.

Major drivers in Type 1 and 2 work underspends are:

- Electric AMI Deployment – $5M – COVID related due to halting deployment during initial shutdowns to limit staff interaction with customers, internal process improvements required for preparing for accelerated deployment, communication infrastructure limitations
- Leaburg Canal and Leaburg Substation Demo - $2.7M – work deferred until decision around future of Leaburg canal is finalized

Excluding Carmen Type 3, spending is currently projected at $27M or 91% of the $29.7M Type 1 and 2 combined budgets. 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 restrictions for personal safety which effect work progress. Even with some anticipated budget and schedule impacts, COVID specific 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 has been replaced and is successfully carrying load. (Risk Based)
- Willow Creek Substation Upgrades –New Transformer with LTC has been installed with additional work required. Schedule delays due to emergent Weyco 3 transformer replacement work but expected to be complete Q4. (Compulsory/Risk Based)
- Westmoreland Substation Upgrades – Controls, Protection, High Voltage switch and bus replacement. This project has been delayed until 2021 due to emergent work and limited resources (engineering and operations).

Transmission & Distribution Infrastructure (Risk Based Improvement and Compulsory)

Work includes distribution system 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 (see Building & Renovations in the Customer Operations Section). 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:	$ 9,993,000
Projected Completion:	Dec-2028	Total Final Cost Projection:	$20,000,000

Summary of work for 2020:

- Installed the four 15kV manual tie switches for downtown network feeders & upgraded 6 of the 8 feeder cables and energized 2 of the switches. 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). (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:	$ 4,994,000
Projected Completion:	Sep-2020	Total Final Cost Projection:	$5,285,000

Construction activities are complete. Furniture has been installed with only a few punch-list related items left to address. COVID19 related disruptions have caused delays with employee moves, however several have taken place, including

partial occupancy of the new Call Center. Additional employee moves are currently being coordinated, including Dispatch and Trading 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:	$ 858,000
Projected Completion:	Dec-2020	Total Final Cost Projection:	$1,250,000

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 2023-24. Currin Substation Rebuild expected to start construction Q2 2022. Costs shown are preliminary design and preparations for scoping (i.e.: property procurement, neighboring utility agreements). When initial design activities are completed, an updated estimate including this work will be included in future EL-1 submittals and as part of the normal budget approval process.

Distribution Resiliency Upgrades

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

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 2021, installation coordinated with 4J in 2022.

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

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

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:	$8,744,000
Projected Completion:	Dec-2022	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 Powerhouse Improvements and License Deployment

Project Initiation:	Sept-2010	Initial Scope Budget:	$ 135,000,000
Initial Planned Completion:	Dec-2015	Actual Project Costs To-Date:	$ 80,846,700
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 Q1/2021. During this gap year, EWEB is proceeding with digital governor conversion and exciter upgrade work which was originally planned for 2022. Early completion of this work will ease implementation of the delayed generating unit overhauls.
- Aquatics Management Plan: Fish passage 60% design has been completed as required in the Aquatics Management Plan and our design engineers are expected to reach the 90% stage by the end of the year with EWEB and regulatory review beginning in early 2021. 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. Completed plans include the Fire Management Plan, the Vegetation Management Plan and the Information and Education Management Plan.
- Additional license-related projects underway in 2020 include installation of gates on forest service roads for the protection of elk habitat and the logging portion of the transmission line relocation project. Installation of bird flight diverting devices on overwater transmission line spans has been deferred to mid-2021 due to contractor and site availability constraints as a result of forest fires. Planning and design for upcoming recreation improvements and preliminary design work for the bypass pipe at the Carmen powerhouse is continuing in 2021. Completion of the transmission line relocation is planned for May 2021.

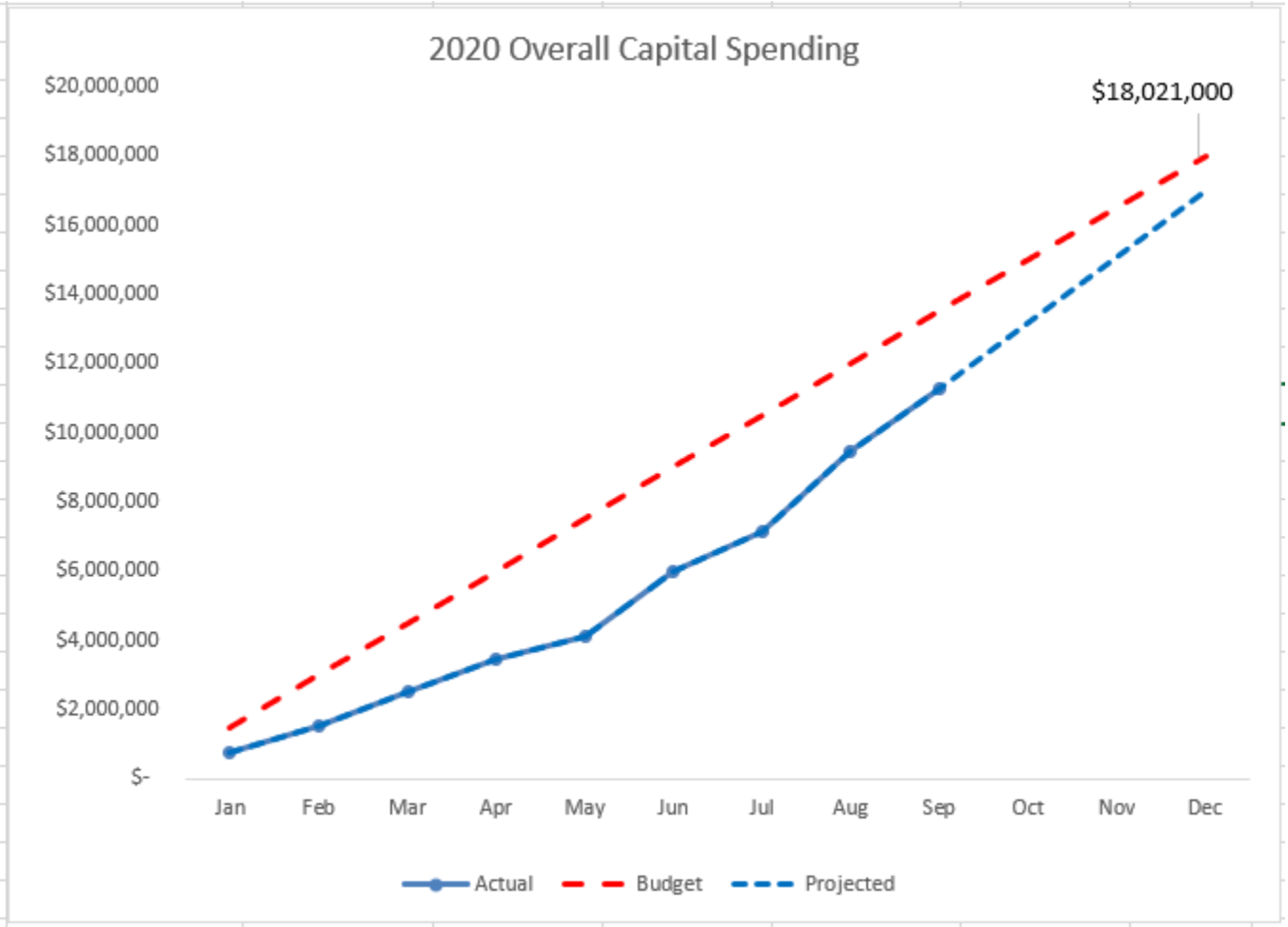
Water Utility Capital Spending Summary and Project Updates

**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 95% 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. In addition, the redirection of water resources to assist electric crews in fire restoration efforts in late September further hindered the completion of water capital work.

These issues primarily affected the Type 1 work and advanced metering project normally completed by EWEB staff. The advanced metering work is back on track however and the larger Type 2 projects were not really affected by the pandemic nor the fire. These are projected to finish the year with expenditures slightly above budget.

In the first quarter, we saw a slowdown in service and development work. Service work came back, and we are on track at the end of the third quarter. Development work is still down but we are seeing a lot of activity in this area as people are starting to ramp projects back up.



TYPE 1 – GENERAL CAPITAL PROJECTS

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. In addition, source water quality equipment will be purchased under the capital budget for this area. This equipment will help with watershed monitoring during the fourth quarter. Also, several projects are underway to help the plant cope with a potential increase in turbidity this winter. These include improvements to the sodium hydroxide and powder activated carbon systems.

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. The work slowdown in the first two quarters affected this work. While we are contracting out several large projects in the second half of the year which, we still only anticipate 70% of budget 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

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:	$1,633,100
Projected Completion:	Q4 2020	Total Final Cost Projection:	$2,000,000

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 were 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 approved a contract for the construction of the lab early this year. The Contractor broke ground on the new lab building the first week in April and construction is anticipated to be complete by year end.

Note that the above costs reflect costs for the Water Utility which is 68 percent of the project costs. Additional space was added in the building to accommodate back up services for the Electric Utility. As such, the Electric Utility is paying 38% of the cost for the building.

Base Level Reservoirs (Compulsory)

Project Initiation:	2018	Initial Scope Budget:	$10,250,000
Initial Planned Completion:	Dec-2021	Actual Project Costs To-Date:	$380,500
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 Hill, 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 System Master Plan. Planning and conceptual design work is occurring for placement of new reservoirs at three locations; East 40th Ave. (the Elliot Site), College Hill, and Hawkins Hill. While planning and public outreach is occurring for all three sites, the first reservoir to be constructed will be at East 40th Ave. In the second quarter staff received concurrence from the City of Eugene that non-elevated water storage reservoirs are an allowed use and are exempt from the PUD process which allowed staff to prepare and advertise a request for proposals for detailed design. In early Q3, the Board approved a contract for the design of this facility. Construction is planned to start in Mid-2021 and be completed by the end of 2022.

Note that the cost projection shown in the table above is the estimated cost to complete the design and construction of just the storage tank at E. 40th Ave with some earthwork completed for a future second reservoir at that site. This estimated amount will be verified as design is completed and more accurate cost estimates are prepared. The Ten-Year Water Capital Plan includes approximately $57 Million to construct four base level reservoirs, including the first one at E. 40th.

Advanced Meter Upgrade (Water)

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

TYPE 3 – STRATEGIC PROJECTS & PROGRAMS

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 – Improve Resiliency)*

Water Operations Section

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.

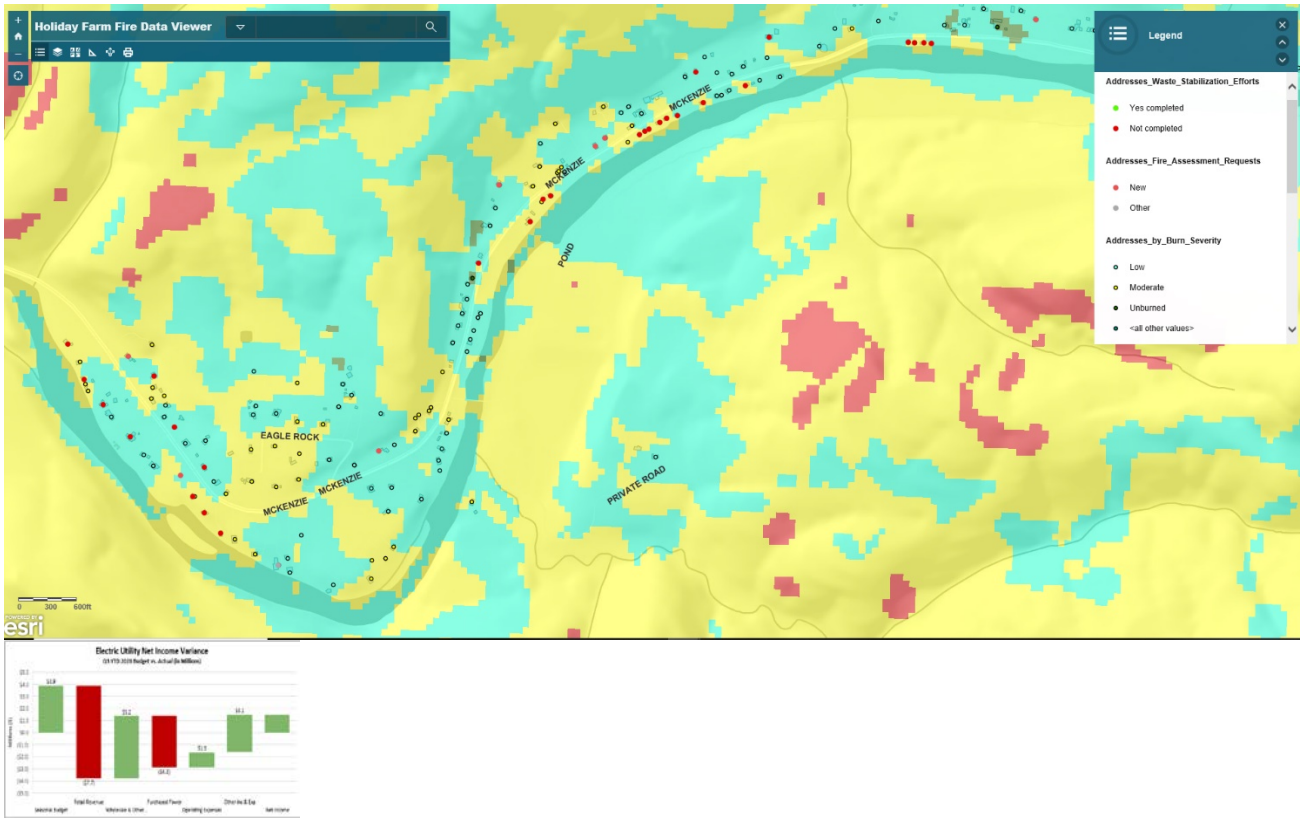
Drinking Water Source Protection

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.

Q3 Project Updates

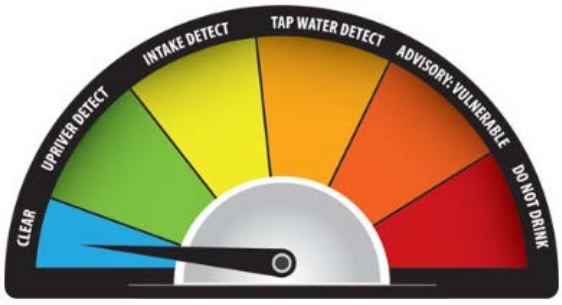
While Drinking Water Source Protection work progressed in July and August, that work was overshadowed with the Holiday Farm Fire in September. The initial response focused on getting online monitoring equipment installed on the river in Walterville to provide an early warning system for Hayden Bridge treatment staff to understand the quality of water coming to the plant. Triage of prioritized watershed stabilization efforts followed involving a multitude of stakeholders and partner agencies and included:

- **Landowner Outreach –** Getting landowner access agreements in place for high priority properties along the river and tributaries that request assistance with hazardous waste and toxic ash stabilization activities.
- **GIS Analysis & Tools –** Conduct watershed GIS assessment to document and prioritize high and medium risk properties to schedule erosion control and other work using Burned Area Emergency Response results, landslide prone areas, and other data layers; map progress of properties that have been identified as priorities for waste stabilization efforts, burn assessment and implementation of erosion control activities; and utilize web-based tools to conduct property condition assessments – see example map below.
- **Hazardous Tree ID –** Work with the City of Eugene arborists to identify and mark hazard trees ahead of erosion control efforts and institute back-up contracts for this work in support of City of Eugene efforts.
- **Hazardous Waste Stabilization -** Contain hazardous waste and ash using EWEB contractors on burned homes that pose an imminent threat to water quality for protection of public health in coordination with other efforts underway and inform landowners and others of progress and planned activities.
- **Erosion Control & Soil Stabilization Area -** Prioritize burn assessment work, schedule with landowners that have signed access agreements, and conduct assessments; establish erosion control contracts and acquire materials and supplies to support implementation of erosion control designs; integrate burn assessment and erosion control BMP implementation with federal funding opportunities; and continue coordinating with the interdisciplinary Erosion Threat Assessment/Reduction Team to calibrate erosion control BMPs and work with industrial timber companies to implement erosion and soil stabilization activities in high priority areas.



Cyanotoxins

EWEB began monitoring for harmful algal blooms (HABs) and cyanotoxins in mid-March 2020. There were low levels of the cyanotoxin cylindrospermopsin detected in Blue River reservoir in mid-August. No other cyanotoxins have been detected elsewhere in the watershed. EWEB's website is updated whenever new test data becomes available. The current status is "Clear" and no cyanotoxins have been detected in the reservoirs, river, or intake in recent sampling. For more information see: [http://www.eweb.org/outages-and-safety/water-safety-in-your-home-or-business/drinking-water-quality/harmful-algae-blooms)](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. Landowner engagement workshops were cancelled due to Covid-19, but a webinar was organized and about a dozen landowners participated. The following landowner participation statistics reflect program activity to date.

Landowners in PWP Program	Cumulative Totals	2020 Totals	2020 Goal
Initial PWP Intake Phase	14	1	--
PWP Riparian Assessment Phase	19	5	--
PWP Management Plan Phase	8	2	--
Signed PWP Agreements	9	1	10
PWP Naturescaping Landowners	36	--	--
PWP Naturescaping Agreements	17	3	--
Total Landowners in PWP	89	12	20
Total Riparian Acres in PWP Program	515	180	--
Total Riparian Acres Under PWP Agreements	53	10.5	100

Water Treatment

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.

Q3 Project Updates

Pilot Toxin testing continued during Q3. A toxin sample of Mycrosystin was obtained and three runs were performed on the pilot filter. The sample of lake water was highly turbid and created some coagulation issues for the pilot. The results were significantly impacted due to breakthrough of the filter media. During the three runs a sample preparation method was developed to strain out the solids leaving only toxin. Future runs should be more representative of the plant process. Although the filter performance was less than desirable there was a toxin reduction of up to 30%. Data also indicated an end of run increase in performance when flow is lower. The next tests will investigate filter flow rate and the corresponding toxin removal. Testing will resume in Q2 of 2021.

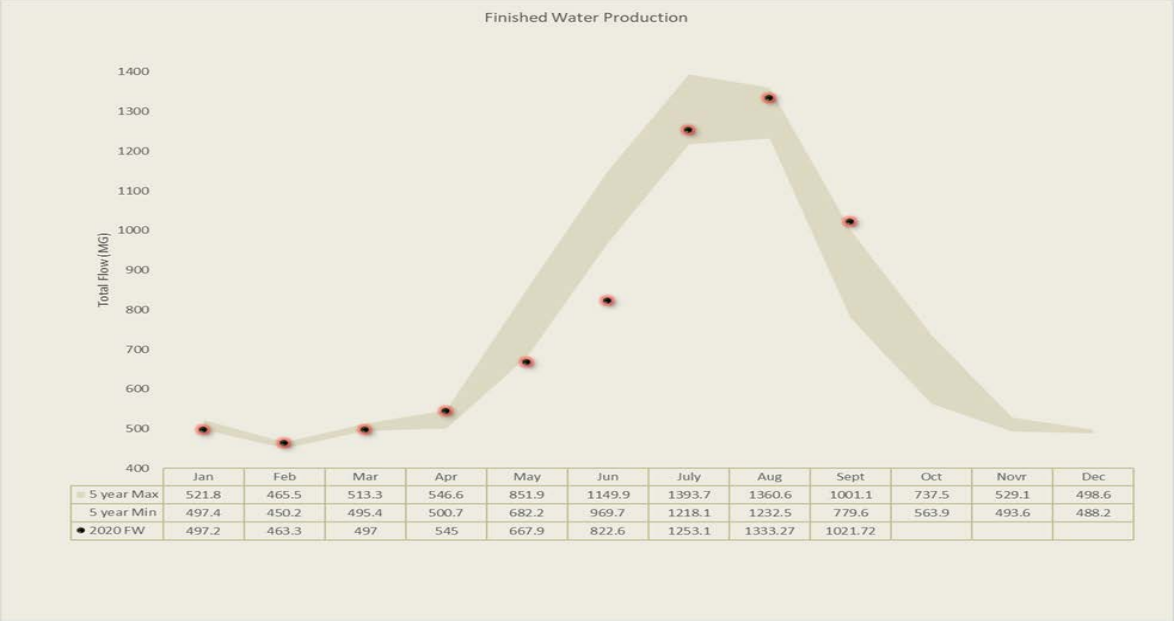
It is important to note that during the Holiday Farm Fire, staff had to plan for plant evacuation as the evacuation warning area was just across the river. They activated a previously established emergency fire suppression assistance contract and enacted a fire watch program. While we are fortunate that the plant did not need to evacuate, this experience has led to several projects and plans to address future risk of wildfire and plant evacuation.

Production

Production levels for the third quarter were normal. September was above the 5-year maximum as shown in the Finished Water Production trend. Increased cost of chemical usage in September for fire impacts and higher demand amounted to approximately $8600. The balance of the increase is from three weeks of Powder Activated Carbon (PAC) usage which cost approximately $3700. PAC will continue to be used to treat taste and odor as well as chemicals that could be present should rain wash unknown waste streams into the river.

Preparation for post fire impacts began in late September. Controls staff integrated an early warning system from the Walterville Sonde that will allow operations to incorporate alarm levels for turbidity and other constituents that can give 5-6 hours warning to Hayden Bridge. The system can also serve as a landslide warning during events that are not expected to produce turbidity. Staff will have the opportunity to drive upriver to retrieve samples for coagulation dose determinations when alarms come in before the slug of water arrives at the plant.

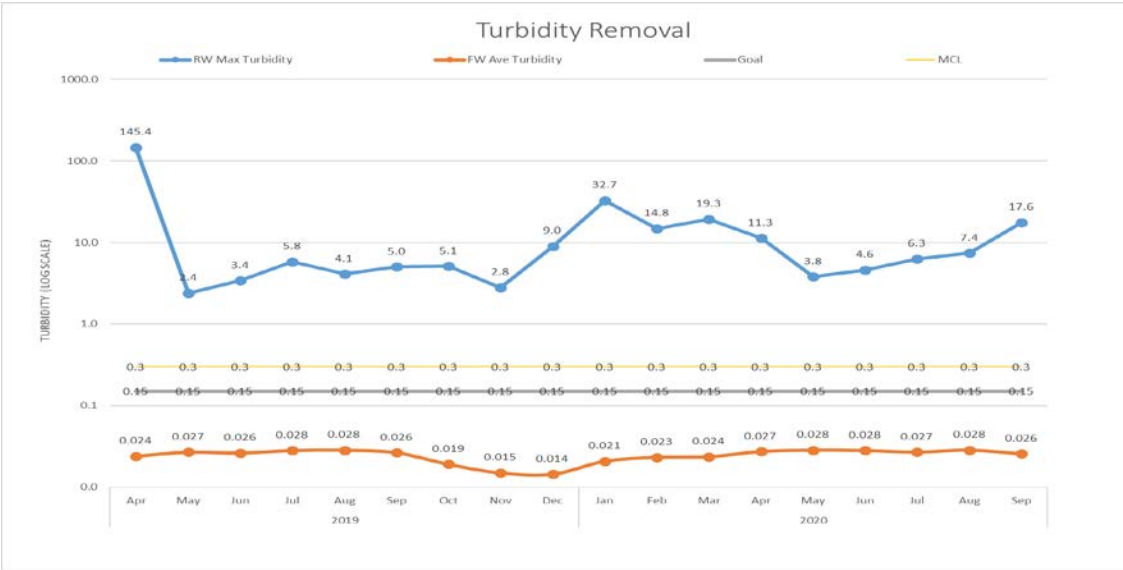
Production equipment upgrades have been investigated for fire impacts. Short term improvements include upsized caustic metering pumps that will allow necessary higher feed rates based on our post-fire experience. PAC system upsizing will also be incorporated to provide a safer option for operators to add PAC. Current usage is approximately 1 ton per week which is being moved manually in 50 lbs bags.



	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	545	667.9	822.6	1253.1	1333.27	1021.72			

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

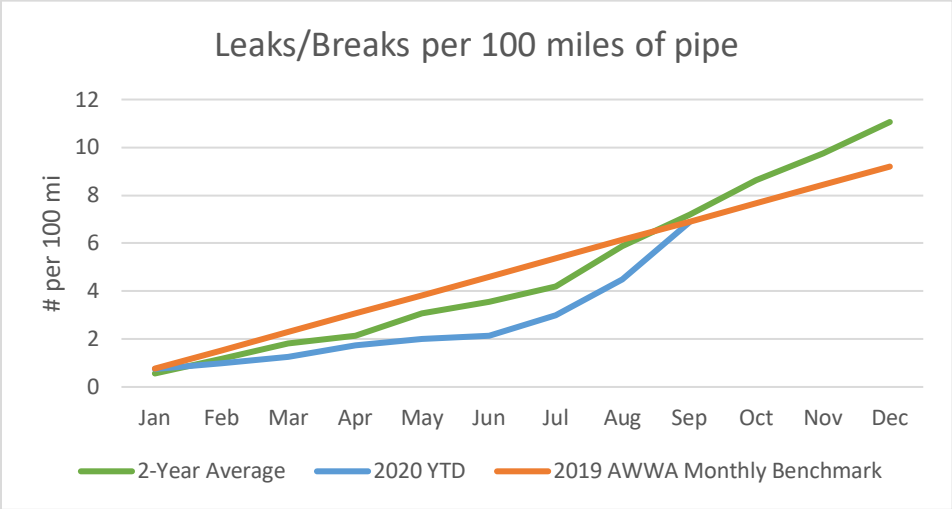
EWEB Water Division had no significant outages or EWEB caused boil notices during Q3.

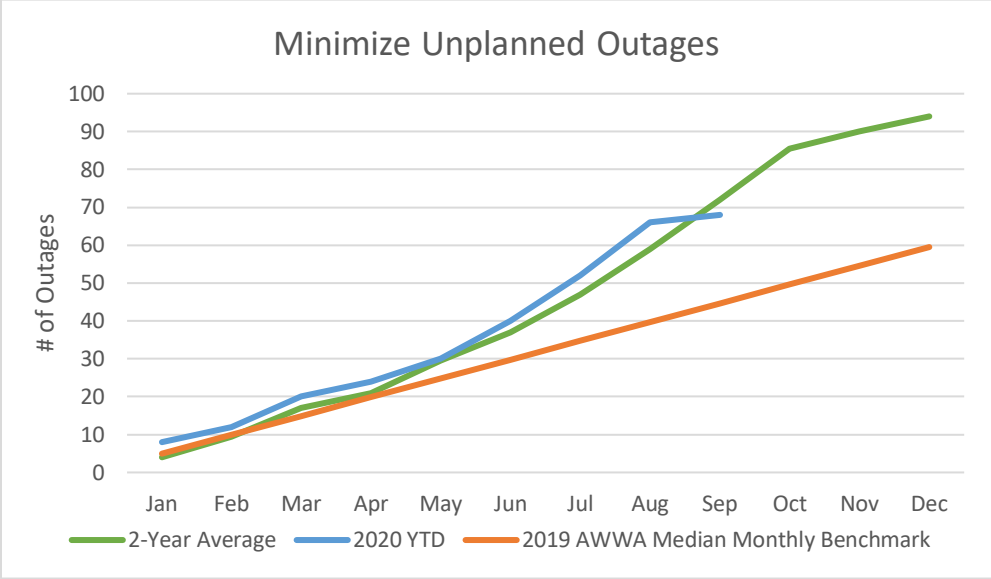
Leaks/breaks per mile & unplanned outages

The two graphs below compare EWEB Leaks/Breaks per 100 miles of pipe and number of unplanned outages to the American Water Works Association (AWWA) benchmarks. These benchmarks represent the 'national average' amongst utilities for these two parameters.

Water is watching these metrics to see if the trend continues. 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	6.9
Minimize Frequency of Unplanned Outages	#	59.5	68
Average Duration of Unplanned Outages	Minutes	150	101
Percentage of Customers who Experience a Planned or Unplanned Water Outage	%	N/A	1.02
Boil Water Notices	# of Notices	None caused by EWEB	0





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.

Q3 Project Updates

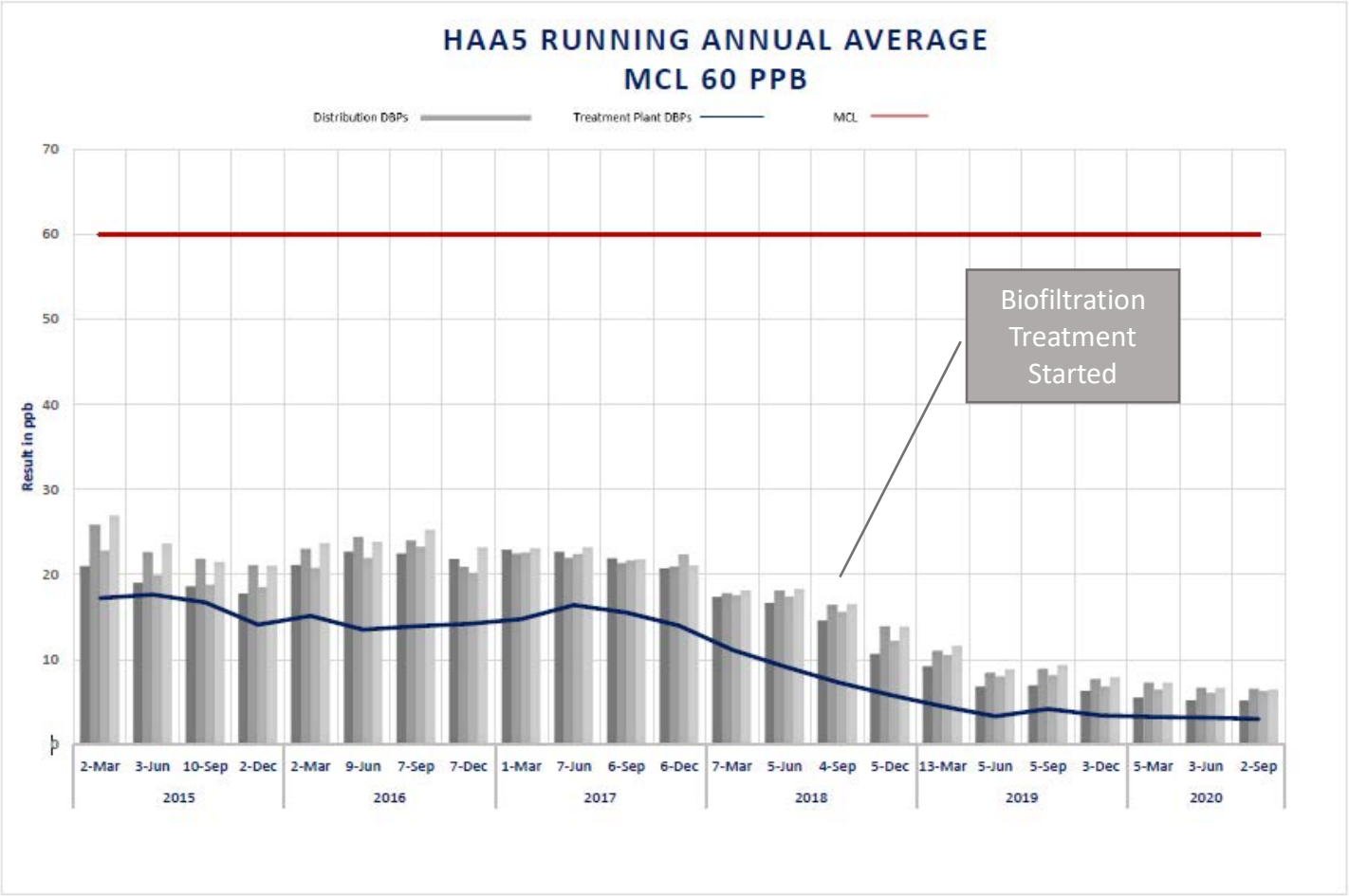
With concerns about water quality impacts from the Holiday Farm Fire, staff mobilized to research constituents found in other drinking water utilities who experienced impacts from wildfire from around the country. Staff obtained material safety data sheets for the fire suppressants used in this fire in combination with their wildfire research to ensure EWEB's water raw and finished water was tested for potential wildfire contaminants. A website was created to provide these test results to the public. Public information campaigns were implemented to ensure the public is aware of our actions to ensure water quality. While there were initial taste and odor complaints early in the wildfire, the water remained safe to drink. To date, no contaminants have been found at levels of public health concern in the treated drinking water.

Our Water Quality Lab underwent an inspection by the Oregon Laboratory Accreditation Program for cyanotoxin testing accreditation and to renew their microbiology accreditation in September. The inspection went very well and accreditation should be awarded for cyanotoxin testing in fourth quarter.

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 significantly decreased with the introduction of the biofiltration project at the water treatment plant which further removes organic matter before chlorination. DBP levels have stabilized over the last six quarters. 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 #4 – Enhance Emergency Management.*

Energy Operations Report

EWEB Power Supply Performance

Several of EWEB's owned hydroelectric assets were impacted by the September wildfires, although actual impacts to the plants were minimal. The Carmen-Smith project has been offline since the evening of September 7 when a windstorm related outage tripped the BPA transmission line. Portions of the BPA transmission line and the Mt Hagen communication site were damaged in the Holiday Farm Fire and repairs to those systems have extended into Q4/2020. We expect a return to service for Carmen-Smith in late October. EWEB's Stone Creek project was impacted in the Riverside Fire in the Clackamas River basin. The fire burned through and damaged portions of EWEB's 115-kV transmission line but did not damage the power plant. PGE's Oak Grove to Faraday transmission line suffered significant damage in the fire, however, and a return to service for Stone Creek is not expected until December 2020. EWEB's Walterville project also tripped offline due to the September 7 windstorm and related debris in the river, and it remained out of service until staff completed a previously planned maintenance outage in late September. Finally, while the Holiday Farm Fire burned through Leaburg park and down to the Leaburg canal, the only fire-related damage to generation infrastructure was to a restroom in the park and several recreation signs at the Goodpasture Boat Landing and in the park.

Prior to the September fires, EWEB's owned generation was generally available and producing power during the third 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 for most of the quarter. In late August, we initiated an unplanned maintenance outage at International Paper to correct emergent operational issues affecting the turbine. This three-week outage corrected the issue and we expect to operate without difficulty at IP during Q4/2020. A planned maintenance outage for the Wauna (WGA) turbine that was delayed from the spring due to facility staffing issues related to the COVID-19 pandemic affected the Q3 production numbers for that turbine.

Calendar year 2020 has remained warmer and dryer than normal in Oregon and as a result, while our hydroelectric units have generally been available, overall energy production is down due to a lack of water. Flows in both the McKenzie and Clackamas basins remained below normal through the third quarter of 2020. That trend is expected to continue at least through the fall, and the Walterville Project is once again operating in "low flow" mode. The Trail Bridge power plant has been offline due to a lack of water (fuel) since late August.

Our utility-owned wind project, Harvest Wind, has been available and producing power throughout the third quarter of 2020. Both availability and production continue to exceed planning metrics for the year. Production through Q3 is 24% above plan for the year.

Q3 2020 Generation Reliability by Fuel Type

Generation Type	Availability Factor (AF)	Forced Outage Factor (FOF)	Notes
Target	**>90%**	**<3.00%**	
Wind	96.05%	N/A	The Harvest Wind Project turbines were available and operating during the quarter.
Hydro	62.22%	33.73%	The Carmen-Smith, Stone Creek and Walterville projects were online and generating for of the first two months of the quarter. They were offline in September due to fires. The Leaburg project remains offline through 2020.
Thermal	81.56%	2.85%	Both units were generally available and operating. Mill and unit outages affected overall availability with the IP Unit offline for three weeks for turbine repair work.

June 2020 Generation YTD Performance Report

Unit	AF	FOF	GCF	GOF
Carmen #1	85.81	5.11	5.29	54.13
Carmen #2	84.72	5.84	32.41	53.68
Trail Bridge	86.65	4.79	47.70	55.08
Leaburg #1	0.00	100.00	0.00	0.00
Leaburg #2	0.00	100.00	0.00	0.00
Walterville	97.42	2.58	80.46	82.59
Stone Creek	98.52	0.01	46.03	46.73
EWEB Hydro	78.24	14.71	24.78	56.69
Harvest Wind	96.48	n/a	n/a	n/a
EWEB Wind	96.48	n/a	n/a	n/a
International Paper	78.15	15.63	66.05	85.11
Wauna Generation	96.85	2.20	55.31	57.11
EWEB Therm	89.09	7.78	59.77	67.27

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

EWEB system loads: During Q3 2020, the Trading Floor continued to monitor system loads as the COVID-19 pandemic continued to keep people home and away from working in their normal places of employment. Also, at the end of Q3 schools started to do remote learning and keeping children home, which are not normal load shape at this time of year. The shape of EWEB's daily energy consumption has stayed the same over the last 7 months.

Fish Spill: River levels continued to be low in Q3 2020 so there was no spill for fish. The reduced inflows to the project required us to take the Trail Bridge unit offline at the end of July and remain in spill mode through the end of Q3

Monitoring: Power Trading will continue to monitor load shapes and power consumption in Q4 2020, as temperatures start to change. We will continue to keep EWEB's portfolio in compliance during the continuing COVID-19 uncertainty.

Power Planning

Regional Policy Update: All in-person regional policy discussions have been converted to virtual formats. Regional staff are primarily telecommuting.

BPA Rate Case & 2028 Contract: In early October, BPA published it's "Provider of Choice: Post-2028" summarizing its post-2028 customer engagement to date. BPA plans to continue to engage with customers to refine those understandings in the coming month, pivoting in early 2021 toward the development of a Concept Paper that attempts to align the high-level Provider of Choice contract principles, rate structure, products, and policy direction.

Engagement in Bonneville's ongoing rate cases (TC-22, BP-22), and Energy Imbalance Market Initiative (EIM Phase III) Workshops continues, with an Initial Proposal expected this November. Additionally, BPA's decision on whether to join the EIM is expected at the conclusion of the TC-22 and BP-22 Rate Case proceedings.

NWPP Resource Adequacy: Phase 2A conceptual design of NWPP Resource Adequacy Program was completed in June, and detailed design of the program is underway. The Southwest Power Pool (SPP), operating in a region with similarities to the PNW, was hired to assist with program development. The funding members expanded from 18 to 19 with the addition of Calpine, an independent power developer and member of the Power Pool. Significant work remains to be done in developing a governance proposal for the program, including how BPA will participate in the program.

Columbia River Treaty: Negotiations on a revised treaty with Canada are not going well for a variety of reasons. EWEB is involved in trying to influence negotiations regarding the treaty because of significant potential financial benefit to public power from a revised obligation known as the Entitlement, and to get clarity on who will pay for future flood control benefits. Negotiations have stalled due to the departure of Elliot Mainzer from BPA, the upcoming US elections, and differences among the states' governors over direction.

Electric Reliability Report

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). The largest event this quarter was the Holiday Farm Fire, but since all of the outages began on Labor Day which was determined to be a "Major Event Day" per the IEEE standard they are not included in the reliability numbers.

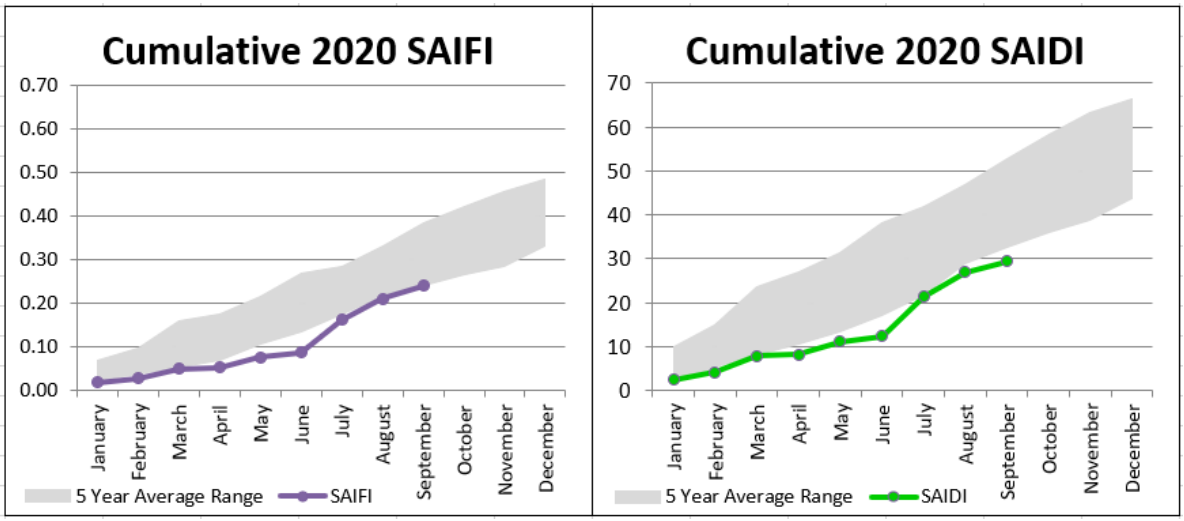
The reliability numbers saw an increase in July mainly due to Cal Young Substation tripping offline due to a squirrel contacting a Voltage Regulator within the substation. This resulted in an outage to the entire substation and all seven feeders and over 5,000 customers for about 1.5 hours.

There were a few feeder trips in August as well that caused an increase in the reliability numbers.

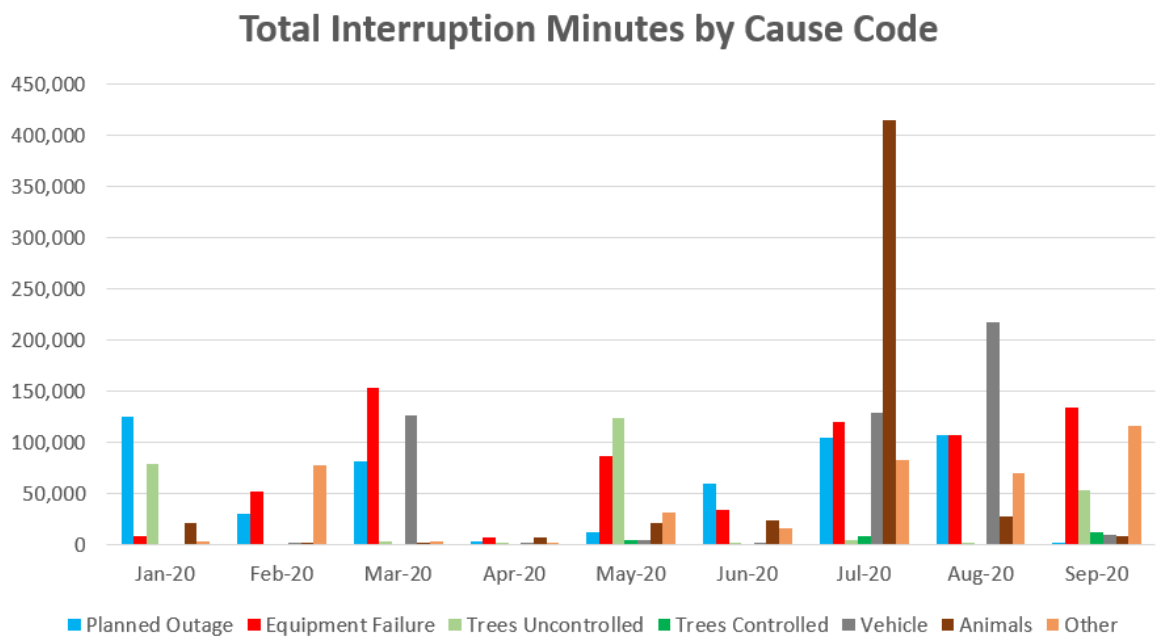
- A cable failed on a feeder from Dillard substation, resulting in an outage to 275 customers for one hour.
- A car hit a pole on the McKenzie Highway caused an outage to 157 customers on a feeder from Holden Creek substation for 1.5 hours.
- The new Willow Creek substation transformer tripped offline during commissioning as load was transferred to it causing a half hour outage to almost 2,000 customers on the three feeders energized from it.

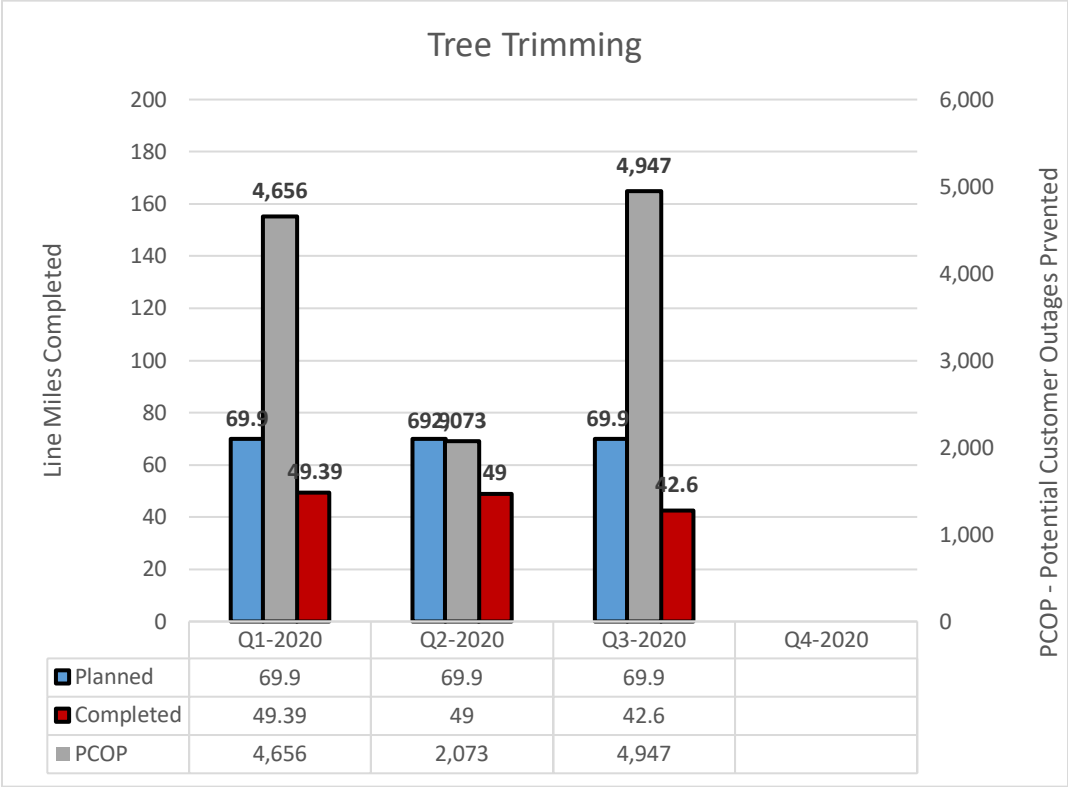
Besides the Holiday Farm Fire, which is not included in the reliability numbers, the largest outage in September was a cable failure on a Westmoreland feeder which was back-feeding a Willow Creek feeder, resulting in about 1,300 customers losing power for 1.5 hours.

Overall reliability both reliability indexes are below the 5-year average. On additional factor that has led to lower reliability numbers is an operational change through COVID to keep a dedicated crew on call to allow for crew segregation instead of a random call out of staff. This has decreased the normal response time of crews by approximately 30 minutes, which translates to a sooner customer restoration. Finally, numbers were also held low in the spring due to EWEB's choice to limit planned work outages to customers to a minimum (all outages greater than 2 hours were cancelled). This work has since resumed and is included in these indices.



Below is a chart that shows the breakdown of the outages for the quarter into the major causes of the outages. The outages are categorized by the interruption minutes, which is calculated as the (outage duration in minutes) x (number of customers interrupted).





Vegetation program work was trending on track until the Holiday Fire occurred. This delayed in town program work back close to one month. The COVID Pandemic is now slightly affecting staffing attendance due to in person school closures. With the current requirements around danger tree removal upriver following the Holiday Farm Fire, it may not be feasible to catch up on the current work plan as crew availability in the region is limited due to demand after multiple NW fires

requiring similar work. All foresters are inspecting daily in the field and the tree crew contractors are all working safely. Staff will continue to complete work and prioritize per normal procedure.

See *Wildfire Mitigation Plan* section for updates around additional trimming completed associated with fire protection.

Workforce Report

In spite of COVID disruptions, workforce management programs continued to perform well and achieved objectives as planned.

Safety, Health & Wellness

COVID-19

Safety continued to provide critical guidance to the Utility during Q3, which saw the continuation of the pandemic and the emergence of devastating wildfires in the McKenzie River Valley.

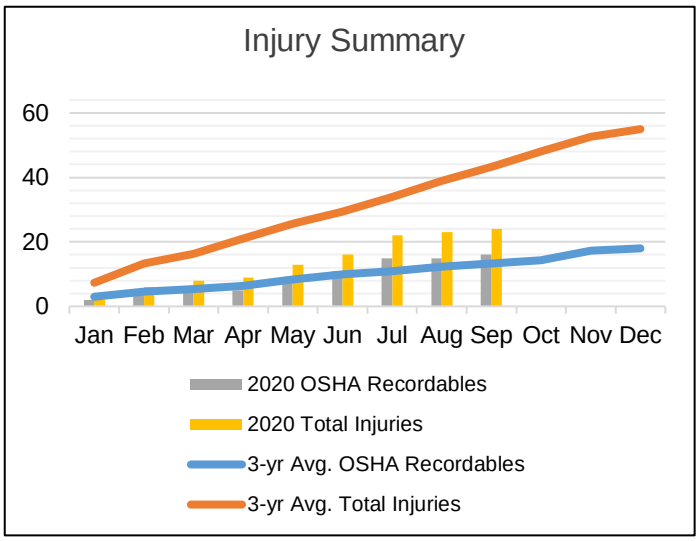
EWEB saw its first positive COVID cases in 8 employees in late September, impacting three divisions. COVID-positive employees self-identified and disclosed work contacts who were potentially exposed. Those employees were directed to seek treatment or diagnosis from their health care providers and subsequently quarantined. At this writing, all but one of the infected and quarantined workers have returned to work. EWEB's quick mitigation response was due in part to a COVID-19 Exposure Exercise which had prepared Managers and Supervisors for the potential of positive cases.

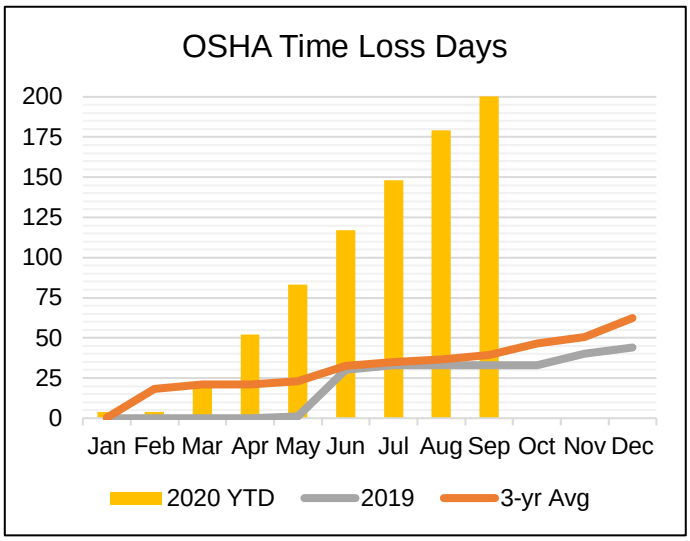
Safety played a critical role in EWEB's response to the Holiday Farm Fire, including communicating with all employees to promote awareness and identify hazards and work exposures. Consecutive days of hazardous air quality made the response particularly challenging. Safety met daily with Management to strategically plan work based on LRAPA's air quality index data. There were several days that saw air quality conditions too dangerous for the performance of routine work. Field employees not dedicated to the fire response were asked to shelter-in-place.

The ICS event saw no injury or illness reports, which is notable due to the extraordinarily hazardous and dangerous working conditions created by the wildfire.

Injury Summary YTD and OSHA Time Loss Days

YTD injuries are at 24, a 14% reduction over the same time period in 2019 and a 44% reduction against the 3-year average. EWEB's 2020 quarterly reported injuries have remained consistent at 8 per quarter. Despite the reduction in total injuries, the Utility has experienced a slight increase in OSHA recordables* at 16 YTD, over the 3-year average of 13. The Utility ended Q3 with 209 OSHA time-loss days YTD, an increase over 2019 (33) and the 3-year average (39). 2020 OSHA time-loss continues to rise due to a single incident resulting in a continuous leave of absence. Additional contributing factors to the Utility's abnormally high time-loss number was the temporary suspension of medical procedures due to COVID-19 in Q1.



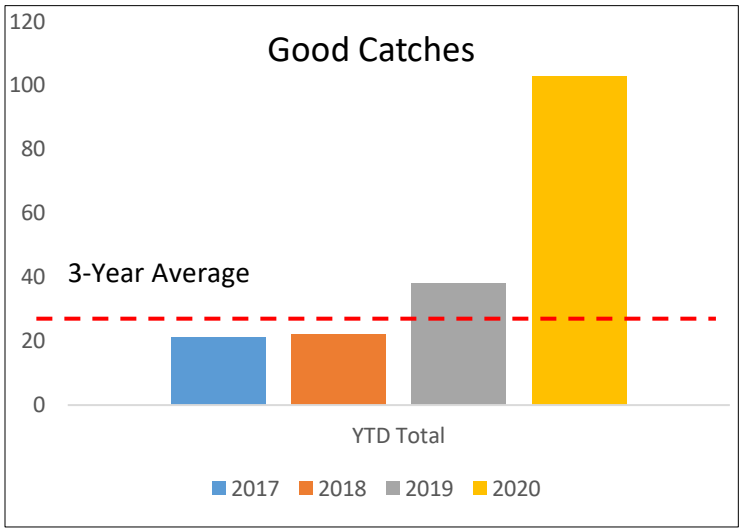


**OSHA Recordable Injury: Death, any injury resulting in days away from work "OSHA time loss days," any injury resulting in restricted duty or job transfer, or any injury requiring medical treatment beyond first aid.*

Good Catch Program

Q3 saw the highest number of Good Catch reports in EWEB Safety Program history. Safety collaborates with Leadership, Management and frontline employees to address Good Catches and mitigate hazards.

Total YTD Good Catch reports are 101, with 60 reported in Q3. EWEB's proactive approach to addressing concerns and questions is paramount in demonstrating to employees and the community that safety is one of EWEB's core values.



Workers' Compensation

Workers' Compensation claims correspond to EWEB's low rate of injury for the quarter and if the injury trends continue, EWEB is on track for flat or a potentially reduced annual premium renewal rate.

As in previous years, EWEB policyholder dividends were declared by SAIF this quarter, to be distributed in October 2020. Dividends are issued annually based on surplus in SAIF's Industrial Accident Fund. EWEB will receive $58,712, which is in addition to the $30,490 in reimbursements that EWEB received last quarter as part of the Coronavirus Worker Safety Fund.

Health Insurance

The 2021 health insurance premium renewal evaluation resulted in a 6.6% increase for medical, 2% of which represents mandated taxes and fees. The net paid/loss ratio (utilization) for the renewal period was 80.9%, below the insurance industry target of 85%. Professional, pharmacy, and outpatient services continue to represent most paid claims.

Claims experience to-date indicates that the greater share of utilization is driven by retirees under age 65. In the 2020 Year-End Report, EWEB will provide year-end actual claims experience distribution figures between active employees and retirees under age 65.

The dental plan paid/loss ratio was well below the 85% target, resulting in a rate hold. Preventative services represent most paid dental claims. Vision utilization also came in below target of 85%, resulting in a rate hold.

Wellness Program

As workers moved to telework in response to COVID conditions, EWEB had to shift its focus on workplace safety for office workers at EWEB facilities, to ensuring the safety of EWEB workers in their home offices. Beginning in Q4 ergonomic assessment services will be conducted virtually.

To adapt to COVID-19 restrictions, EWEB scheduled its first drive-up and walk-up flu shot clinic. Unfortunately, due to hazardous air quality conditions, the event had to be canceled. Inasmuch as health authorities have stressed that flu shots are more important than ever, EWEB is actively encouraging employees and their dependents to get flu shots through their medical provider or pharmacy. Available data suggests that historically, 40% of EWEB employees and dependents receive a flu shot and the hope is that promotion and awareness efforts will drive that figure up this year.

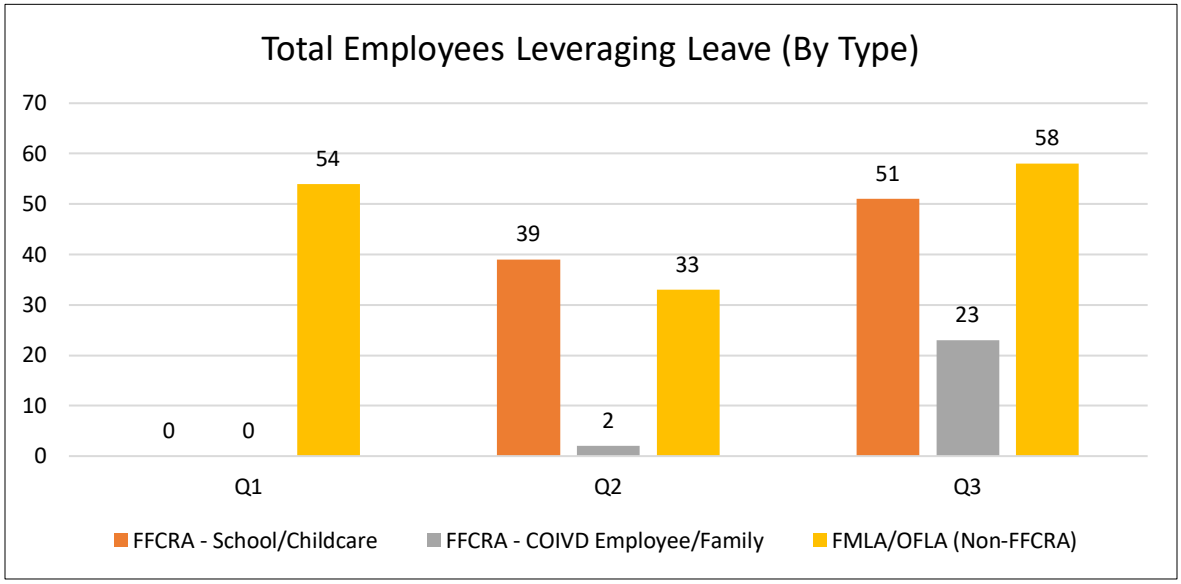
EWEB employees are all adapting as a result of COVID. The photograph to the right is EWEB's Safety Program Manager wearing his N-95 face mask and attending a virtual Microsoft Teams meeting while receiving a flu shot at a drive-up clinic. Notably, he was the passenger and not the driver.

Protected Leave Management

Q3 saw a sharp increase in FMLA, OFLA, and FFCRA leave usage. With respect to OFLA/FMLA, the increase can be attributed to medical providers resuming services and procedures. The balance of usage is for leave entitled under the Families First Coronavirus Act (FFCRA).

To address projected workforce capacity concerns associated with alternative school reopening models, EWEB conducted a study to determine the impact on EWEB workers. While approximately 50% of EWEB's workforce have children under the age of 18, only 6% of the workforce required ongoing and routinely occurring schedule adjustments.
Those who can telework or flex their schedules are often able to accomplish their work objectives without an impact to EWEB work. For workers unable to flex their schedules, adjustments are accommodated through use of the FFCRA. EWEB will reevaluate individual worker accommodations as the year draws to a close and there is a better understanding of protected leave legislation for working parents.

FFCRA leave usage dedicated to supporting school-aged children increased by 30% from Q2, as referenced in the graph below. Also, notable this quarter was a large increase in claims for COVID-related quarantine/isolation and/or care of treatment of COVID symptoms.

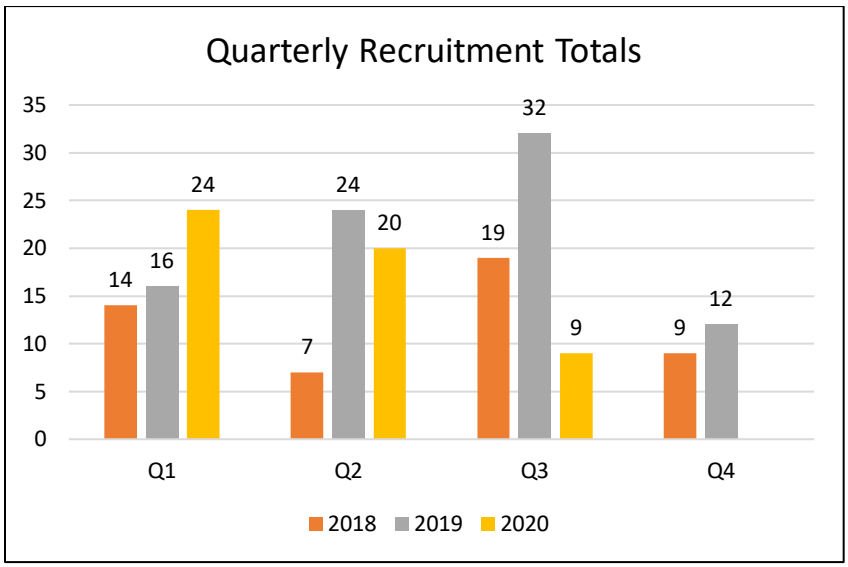


Labor Relations

EWEB's Collective Bargaining Agreement with the IBEW is set to expire in March of 2021. Based on projected financial impacts and constraints due to COVID, the Utility submitted a formal proposal in August to extend the current contract. The Utility is in receipt of a counter proposal from the Union and has formulated a response, which will be released in October.

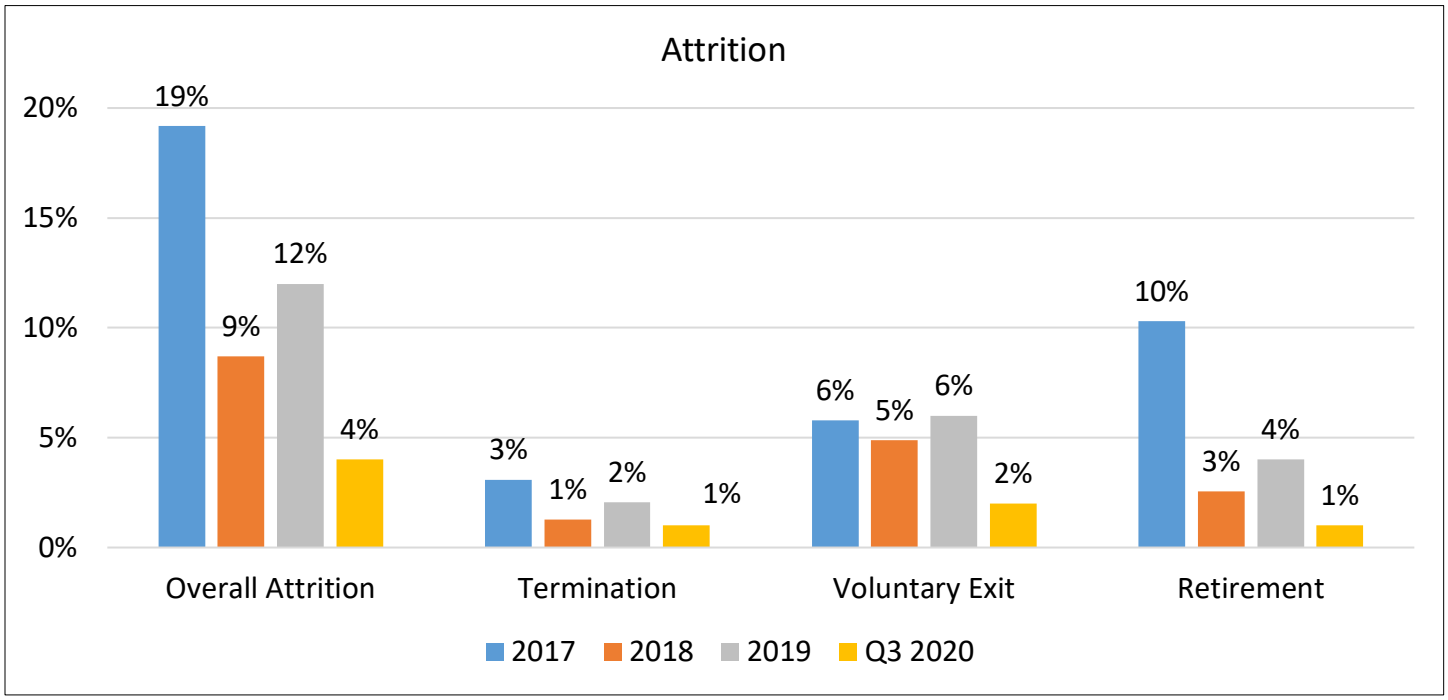
Recruiting

Recruitment volume was down significantly compared to this time last year – after a major push in the first two quarters to fill open positions. So far in 2020, 53 positions have been posted and filled, including 24 internal promotions.



Attrition

Attrition rates for the quarter are reflected in the chart below. The voluntary attrition rate is favorable, at only 2% for Q3 of 2020.



Continuous Improvement

Continuous Improvement (CI) and Change Management (CM) efforts are ongoing throughout the Utility and are focused primarily on supporting and advancing AMI and CEI initiatives. Additionally, CM continues to provide internal support of employee engagement initiatives to the Executive, Management, and Communications and Marketing Teams.
The table below illustrates some completed work and the impact of the initiative.

	COMPLETED	IMPACT
AMI	• Documented 'as-is' process and identified process-improvement opportunities for route-based deployment of meters.	• Facilitates ongoing improvements to optimize the way we schedule and deploy meters.
	• Completed compilation of Service Order (SO) close data for smart meter deployments.	• Streamlined Service Order closing process and developed training support and tools.
	• Developed complete inventory of all Meter to Cash (M2C) detailed processes and existing documentation.	• Enables work and critical process prioritization. • Provides a means to ensure accuracy of customer billing.
	• Initiated collaboration process with AMI deployment vendors to address SME concerns and questions.	• Enables early problem identification and resolution by EWEB process owners, as well as higher levels of engagement through worker involvement.
	• Lead change roadmap exercise with program team identifying audiences impacted by deployment (employee groups and process owners)	• Provides an ongoing reference tool to identify where CM efforts should be focused as a means to enable the success of the project.
CEI	• Engaged Test Managers and Testing Group (key influencers) in change management activities to gauge understanding of change management principles and individual change readiness.	• Increased awareness of change principles. • Enabled identification of how to best support internal stakeholder needs to enable ease and rate of adoption.
	• Trained stakeholder group on change communication principles and techniques.	• Development of planning tool designed for communication around change.
	• Developed CI and CM objectives, tactics, and milestones in support of CEI Employee Experience.	• Ensures successful support of the customer and employee experience through application of communication and change management planning and execution.

Workforce Composition

EWEB's workforce composition remains essentially the same as Q2 2020. Detailed charts can be found in the appendix.

Other Operational Updates

Information Services

Throughout Q3 IS continued to work on process and technology to provide secure tools for remote and telecommute capabilities. The migration to Microsoft 365 was completed, including full deployment of Microsoft Teams for collaboration. A pilot test began and a group was selected to utilize new client end point technology to provide feedback before full deployment currently scheduled for Q1 2021. Video conference and collaboration tools are being installed in key conference rooms and EOC's.

Security – Physical & Cyber

The table below categorizes activity in and around EWEB properties that could potentially disrupt operations or interfere with the Utility's strategic goals.

	19Q3	20Q3	% Change
Citizen Contacts	48	105	**+218%**
Trespass	8	23	**+287%**
Drug Activity	6	5	Steady
Property Nuisance	29	52	**+179%**

C*itizen contact* numbers are greatly affected by the prevalence of unhoused people in our community who seek out the open spaces that surround substations and reservoirs. *Trespass* numbers are up due to more frequent patrols and the recent unwillingness by citizens to cooperate when asked to move off EWEB property. *Drug activity* is consistent with years past and demonstrates the continued danger at open-space properties, substations, and reservoirs. *Property Nuisance* increased dramatically due to graffiti related to social unrest within the community.

In recent months, there has been an increase in incidents of aggressive behavior from the public toward meter readers, meter technicians, and customer call center staff, resulting in some disruption to field operations. EWEB officers have accompanied field staff, when requested, to ensure they can perform their duties safely and without disruption. We have also developed a Conflict Resolution & De-escalation training for public facing staff, a more robust access control policy, and additional access and alarm monitoring capacity.

In response to heightened civil unrest, protest activity, and the potential for further discord during the national elections, we have added additional public safety and security protocols to protect EWEB employees and customers and ensure resiliency of our utility services. These include specific response plans in the event an EWEB location becomes the target of violence. The Security Team actively monitors threats against utilities locally and nationally, and partners with local law enforcement and emergency services to ensure critical infrastructure are considered in their response plans. Law enforcement agencies often rely upon our staff as first responders to triage incidents at EWEB facilities. These efforts have shifted priorities towards a more proactive approach that we anticipate continuing for the foreseeable future.

Compliance

NERC Compliance

During the third quarter, the following compliance violations were self-reported, or are outstanding:

> 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 as of late April 2020. It is anticipated the violation will end when EWEB decommissions Unit 2 for rebuild; EWEB will verify the unit when it is commissioned again, which is currently scheduled for 2021. WECC granted an extension for mitigation activities, including exciter control system and governor verification, to complete by March 2022.

Additional Compliance
None to report.

Dam Safety

EWEB's Dam Safety Program continues to progress well toward its goal of a fully functioning Owner's Dam Safety Program (ODSP) in accordance with the Federal Energy Regulatory Commission (FERC) requirements. We are still developing procedures and ODSP functional elements en route to submitting updated ODSP documentation to FERC by the end of the year. The Program is now fully staffed after an associate engineer, Josh Deaver, joined the Program in August. Josh is a recent graduate of Oregon State University.

The COVID-19 pandemic did not impact dam safety activities during Q3/2020. Dam Safety Program staff worked efficiently from home and responded effectively to all dam safety concerns and incident reports in the field. Field operation staff continued the dam safety surveillance and monitoring programs without difficulties. Coordination with consultants, regulators and other EWEB staff were arranged through MS Teams video conferences and telephone calls. The Holiday Farm Fire had minor impacts to our surveillance and monitoring programs at both the Leaburg/Walterville and Carmen-Smith Projects, mainly due to communication disruption to the Carmen-Smith site and evacuation requirements and poor air quality along the canals. There was no damage to our dam infrastructure or instrumentation equipment due to the fire.

Dam Safety regulatory compliance met all obligations and requirements during the quarter. A quarterly conference with FERC Portland Regional Office staff was conducted through MS Teams on September 2, covering major project updates and dam safety priority items. We continue to improve our relationship with FERC and establish credibility in regulatory compliance. Great progress has been made in improving the quality of our products and consistency of our submittals to FERC. Of significance during this quarter, FERC published a proposed rulemaking to amend its regulations (Tittle 18, Part 12 of the Code of Federal Regulations) governing the safety of hydropower projects. The proposed amendment will significantly alter how the dam safety program functions and monitors compliance in the future should it be adopted. Dam Safety Program staff participated in the review and public comment process on the proposed amendment through a number of member organizations. Also this year due to the pandemic, FERC is requiring dam owners to perform their own annual dam safety inspections and report the findings to them following specific guidelines. We are planning to complete our inspections and report to FERC in early Q4.

Updates of major projects affecting dam safety include the following. Carmen Diversion Dam sluiceway modification design for fish flow was kicked off last week. The project will include repair of cracked spillway structures and deteriorated joints identified by the Dam Safety Program staff during the inspection in August. The alternatives evaluation study for Smith Dam overtopping mitigation and Smith Reach bypass flow release has progressed well. The consultant delivered the draft alternatives study report to us with a schedule to submit the final report to FERC by the end of the year. The consultant on the Carmen Diversion sinkhole mitigation study completed their evaluation. The next step is to work with the regulators and the consultant on potential mitigation measures. On the Leaburg Canal risk-informed alternative analysis (EWEB Board Goal #7), a video conference is scheduled for late October with FERC to discuss the possibility of partial back-to-service for the short term while the project team is working on long-term repair alternatives. During the annual outage of the Walterville canal completed in September, a 250-foot underground toe-drain system was replaced and a new pump station was installed to improve the stability of the embankment and lessen seepage impacts to the neighboring property.

Legislative

After a flurry of state and federal policy response earlier this year to address public health, economic and social impacts of the COVID-19 pandemic outbreak, policymaking has slowed. It is anticipated though that post-election state and federal legislation sessions in 2021 will resume efforts to address COVID-19 impacts, not only to address immediate issues but also longer-term strategies, particularly regarding economic recovery.

State

The scope of non-pandemic legislation for consideration in Salem for the 2021 legislation session is expected to narrow, however, interest in addressing climate change remains high. Should carbon pricing legislation stall again, work will continue on the Governor's Executive Order on Climate, and legislative efforts to advance clean electricity and transportation electrification goals will be expected. Key issues for EWEB in 2021 include: 1) Technology Neutrality in Clean Energy Policies – EWEB will be advocating all zero CO2 emitting electricity sources should qualify in any change to Oregon's Clean Energy Policies; 2) "Smart Electrification" – most electrification of other sectors is logical, but not in all instances. Electrification should be prioritized when it's the least cost most efficient approach to decarbonization, not electrification for its own sake; and 3) Utility Wildfire Mitigation Plans – the legislature is awaiting results of investigations into the causes of September wildfires and the OPUC continues to lead discussions of best practices in wildfire mitigation in the utility sector – legislation is expected in 2021, details to be determined.

Federal

In Washington DC, there is speculation that 2021 could produce a major infrastructure package, which may include elements of carbon reduction and adaptation to a changing climate. EWEB staff will be evaluating the design of such a package and will provide input to the Oregon congressional delegation at the appropriate time.

Legal Matters

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 (ESA) imposed by the Oregon Department of Energy (ODOE). ODOE appealed the trial court's decision favoring the plaintiffs; oral arguments were presented to the Court of Appeals in December 2018. The Court of Appeals issued their written decision on October 7, 2020, substantially ruling against the Petitioners, reversing refunds of past assessments and remanding the case for further action by the trial court. However, the ruling in the lower court that the ESA is a tax was upheld, as a result future ESA increases must be approved by the legislature -- by a 3/5ths majority in both the House and the Senate. This higher threshold for the approval of any future ESA rate increase may result containing future growth of the ESA.

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 Q3 2020 EWEB received and responded to 13 public record requests; one for water records, two for customer records, one for HR records, two for electric records, and seven for Purchasing records.

Board Activity Report

During the third quarter, the Board of Commissioners held a number of meaningful discussions including, but not limited to, the following:

- EWEB's response to the COVID-19 pandemic in relation to safety, customer assistance and financial position
- Capital Improvement Plans and priorities for the Electric and Water Utilities
- The first of several discussions regarding the Electric and Water Long-term Financial Plans and 2021 Budget
- Review and discussion of the impacts of electrification as presented in the preliminary report related to organizational goal #6
- Potential future disposition of the EWEB Headquarters buildings
- Annual review of EWEB's Strategic Plan

- Approval of Customer Service Policy revisions which promote the psychological health and safety of EWEB's workforce
- McKenzie Valley service territory and ratemaking

Commissioners also reviewed updates pertaining to EWEB's 2019 Audit Management Letter, the Integrated Electric Resource Plan and Enterprise Risk Management.

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.

Q3 Overall Status: **PROGRESS – BEHIND SCHEDULE**

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

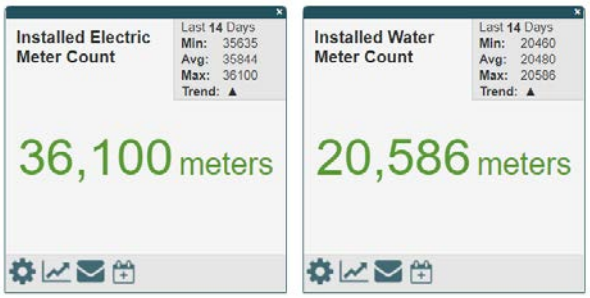
The overall AMI program consists of four separate projects, each of which is reported on below. At the program level, we have been working to coordinate timelines between the projects as there are several interdependencies and critical path items. New activities include the formation of a cross functional group between operational managers/supervisors and Business Line Managers to refresh our understanding of the current and future benefits/opportunities of our AMI systems, and to ensure that deliverables are aligned with EWEB's top level strategic plan.

Project 1: Meter Deployment (Jon Thomas, Project Manager) – Status: Yellow due to Schedule Slippage

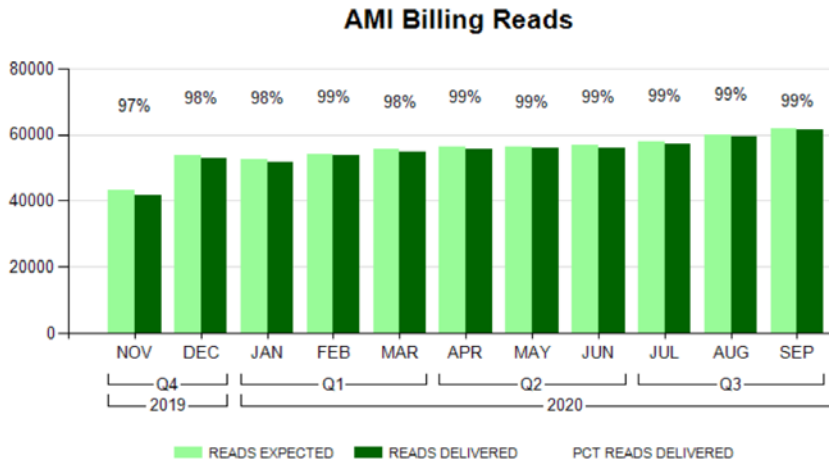
Since deployment resumed in June, Operational staff in both Water and Electric has targeted deployment rates consistent with the 2020 work plan to achieve project completion dates. The Holiday Farm Fire has had a great impact on Q3. Since the September 8th fire, Operational staff have lost productivity due to dangerous air quality as well as resources shortages that were reassigned from the project to assist in the ICS event. Current MDM data below reflects falling short of September's electric meter goal by nearly 50%. Adjustment to 4th quarter deployment rates have been made to align with current staffing levels. While the Water deployment effort was also greatly impacted by the Holiday Farm Fire in Q3, resources have been reassigned and deployment rate is on track with the project goals.

Contract negotiations with Sensus for single phase meter installations progressed in Q3. The team is nearing an agreement on pricing and the statement of work with an anticipated contract amendment to take to the EWEB Board in November. The planned start date for mass deployment of single-phase electric meters with contracted labor has slipped to late Q1/Q2 to 2021 resulted in a projected completion into Q1/Q2 of 2022.

Meters Installed to date:



Successful meter reads remain consistently within targets at 99% for the last six months.



Project 2: Information Services Upgrades (Kris Moe, Project Manager) – Status: On Schedule

EWEB's cross-functional Project team is working with Sensus professional services to improve the computer systems that support the AMI program.

- RNI 4.6 PROD go-live is tentatively scheduled for early November 2020.
- Plug and Play changes – SOW with Sensus has been approved and initial requirements gathering and project planning has started.

Project 3: AMI Facilities Project – Radio Tower Installations (Kris Moe) – Status: On Schedule

Installing and upgrading a series of AMI Facilities to improve radio coverage to support smart meter installation.

- Installed Spring Creek and Delta AMI Facilities. Fully functional and communicating with AMI meters.
- Crest Facility under construction, to be completed by end of November 2020. Was scheduled for completion mid-September but was delayed due to the Holiday Farm fire.
- Seneca and Bethel AMI Facilities to be upgraded with larger poles by mid-November. Was scheduled for completion mid-September but was delayed due to fire.

Project 4: Meter to Cash (M2C) (Julie "Jules" Smith – Contractor) – Status: On Schedule

The M2C team has completed as-is process maps for deployment of electric and water smart meters. M2C's current focus is developing new processes and modifying existing ones for mass deployment, including estimates of EWEB subject matter experts required to participate in this work. Completed activities included process maps and detailed procedures for deploying electric smart meters and standardizing how disparate work groups close electric smart meter exchange service orders.

Advanced Metering Information Services Improvement Project Financial Dashboard (Shared)

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

Advanced Metering Upgrade (Water)

Project Initiation:	Feb-2018	Initial Scope Budget: *	$17,828,000
Initial Planned Completion:	Dec-2021	Actual Project Costs To-Date:	$9,464,572
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:	$ 11,845,527
Projected Completion:	Mar-2022	Total Final Cost Projection: **	$16,850,000

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

** Total projection is currently under review. Staff expect to have updated projection information for 2020 Q4 reporting.

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.

Q3 Overall Status: **PROGRESS – BEHIND 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:	$1,204,000
Projected Completion:	Apr-2021	Total Final Cost Projection:	$2,223,000

**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. Due to logistical changes and global health issue (COVID-19) impacts – there have been several delays in completing work.

Quarter 3 Milestones included:

- Builds 3B & 4A dev complete, code received & technical reviews ~80% complete – Acceptance testing in-progress
- Final Configuration requirements, development, and subsequent testing.
- Comprehensive training plan developed by EWEB staff for EWEB staff with vendor support (See Appendix H)
- Soft go-live planning is in-progress and the launch is scheduled for Dec 8th with employee participation

Upcoming Activities include:

- Remaining testing, re-configuration and final acceptance
- Soft Launch – All new features and functions of the portal experience to include payment processing will be explored by EWEB ambassadors/staff
- Customer Go-live – customer release is scheduled for January pending test results and final acceptance

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.
- Chat & Co-browse

[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.

Q3 Overall Status: **ON TRACK**

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

Emergency Site Status

To date in 2020, water worked on four additional emergency water distribution sites. The status of each site is discussed below:

1. Eugene Science Center. This site is complete.
2. Lane Events Center (Fairgrounds). This site was completed in the third quarter. A live run will be scheduled when EWEB and its partners are comfortable with a group gathering.
3. Sheldon Fire Station. In the third quarter, this site was made operational on a temporary basis in case it was needed due to the fire in the watershed. Water continues to coordinate with the City on the final site layout and improvements. These discussions have been hindered by the pandemic. Prior to the work slowdown, a new well was constructed at the site along with some site improvements. This site will be completed by year end.
4. South Eugene. Water worked with the City, 4J, and the YMCA to finalize a well location and prepared contracts for well construction. Bids were opened for the well construction at the end of the second quarter and a new well was drilled in the third quarter. Early in the fourth quarter this well will be tested for capacity and water quality. Future work at this site will be depend on the results of these tests.

Water Resiliency Mitigation Assessment/Plan

In the first quarter, Water 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.

In the second and third quarters the focus was on the next step in the process, the preparation of an Emergency Response Plan to correct identified deficiencies. Staff prepared a request for proposals from Consultants to assist EWEB with this effort and the Emergency Response Plan was finalized by the due date of September 30, 2020.

In the fourth quarter and in early 2021, staff will work to modify the completed regulatory plan to ensure it meets all the internal goals of the Water Utility to make it a truly useful document.

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

Electric System Resiliency/Outage Management

Several updates and efficiencies to Responder have been implemented following reports from staff and public around issues with the public facing outage map during events. The map is now operating properly following this work.

Electric Resilient Spine Update

EWEB is in the process of identifying blackstart capabilities for local generation facilities to serve critical loads if 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 can provide startup power to the Eugene grid, and staff is coordinating with the University of Oregon to complete this study.

See Appendix C – Electric Utility EL-1 Capital Report.
[Return to Capital Projects Section – Distribution Resiliency Upgrades]

Wildfire Mitigation Plan

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-nine percent (99%) of fire program areas have been completed. Crews have finished all but one property of fire season work. This is due to wet conditions to get into a field to trim roughly 60 trees. This property was completed at the end of July, which was in town area. There was an additional 37.42 miles of pre-fire season work was completed, that was not part of the original plan and completed on an opportunistic basis. This additional trimming increased reliability for an additional 6495 customers.

[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.

Q3 Overall Status: **PROGRESS – BEHIND SCHEDULE**

Key Indicators & Measurements
Project Milestones – Planning

Progress on this goal was reduced in Q2 primarily due to the pandemic changing focus for both utilities. In Q3, operations staff from EWEB, SUB, and the Rainbow Water District met to discuss testing existing interties and needed improvements. A second meeting is planned for early 2021. In addition, management staff from the three utilities met to discuss revisions to the existing intergovernmental agreement regarding use of the interties.

Also in Q3, negotiations with Springfield Utility Board for the division of the EWEB Glenwood property continued. These negotiations involved various property/easement/asset transfers that would be beneficial to both utilities with respect to their future plans in the area.

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.

Q3 Overall Status: **ON TRACK**

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** to provide the Board with the Phase 1 Electrification Analysis White Paper in their board packet for the November 2 Board Meeting. This white paper will build off the preliminary results provided to the Board at the August meeting. Additional analysis has been done on commercial water and space heating as well as the impacts of cumulative residential and commercial space and water heating and small electric vehicles on EWEB's peak loads.

In Q3, staff worked with our strategic consultants, Energy and Environmental Economics Inc. (E3), to obtain and incorporate their review and guidance on the Phase 1 technical analysis. Staff have also continued to work with the City of Eugene to seek mutual understanding on scope and assumptions compared to that of the City's CAP 2.0. This will enable us to better explain the differences. On September 16 we presented our preliminary findings to the City's Sustainability Commission.

Staff have also been working with NWNG to better understand each other's study assumptions. While there are still differences in what our respective organizations expect would be the impact of electrification, we have adjusted fuel usage assumptions by sector for space heating and hot water loads based on conversations with NWNG. Fuel usage assumptions are key assumptions in the study.

The White Paper provided to the Board is turning out to be a highly detailed technical representation of our study. For that reason, we plan to include a comprehensive Executive Summary.

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.

Q3 Overall Status: **PROGRESS – BEHIND SCHEDULE - Completion Q1 2021.**

Key Indicators & Measurements
Project Milestones – Planning Scope, Schedule, Budget
Q3: Conduct Risk Analysis Workshops. Status – Complete
Q3: Identify Prospective Risk Mitigation Measures. Status – Complete
Q3: Public Outreach. Status – Incomplete

Work continues to determine the most beneficial approach to resolving the infrastructure issues and plan for the long-term management of the Project by conducting a Triple Bottom Line (TBL) analysis. The goal to complete a TBL analysis of the lower McKenzie hydroelectric projects progressed well in Q3 but conformance to FERC guidelines for a semi-quantitative risk assessment is requiring more time and effort than originally planned. Third quarter activities included two five-day workshops in July. Findings from the workshops were used to analyze each reach of the canal as necessary to identify prospective risk reduction measures which EWEB can consider implementing in the future. These risk mitigation findings will inform the subsequent alternative analysis work which will establish the feasibility and cost of alternative paths forward ranging from a 'return to service' to 'conversion to storm water conveyance'.

Q3 2020 Milestones:

The Cornforth Consultant team joined up to ten EWEB staff for two 5-day workshops which were successfully conducted in a virtual format using the videoconferencing tools established in June. Depending on the day, the participants included three to five FERC staff. The workshops were performed using the FERC's Level 3 Semi-Quantitative Risk Assessment (SQRA) guidelines and established a common understanding among participants of the likelihoods/consequences of a comprehensive list of potential failure modes for the Leaburg Canal. For each of the critical potential failure modes, subject matter experts identified potential risk reduction measures that EWEB can consider.

Plans for sharing out findings from the July workshops at the Upriver Board Meeting in September were postponed due to the Holiday Farm Fire and cancellation of the meeting.

Q4 Planned Activities:

Based on findings from the risk workshops, EWEB will present conceptual plans for alternative paths forward to the FERC in Q4. FERC feedback will improve EWEB's understanding of their expectations and position staff to better inform the Board of the costs and timelines necessary to meet those expectations. Staff will also be able to better describe the societal and environmental aspects of alternative paths forward once FERC expectations are clarified. Cost estimates for the alternative paths forward will be developed in Q4 and submitted to EWEB Finance Department staff so that they can update their baseline NPV analyses that were prepared in Q2. The results from updated NPV analyses should be ready for Board review in Q1 of 2021.

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.

Q3 Overall Status: **ON TRACK**

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

Governor Kate Brown's Executive Order 20-04 on Climate – Work continues on EO 20-04, updating the state's carbon reduction goals, setting targets of a 45% reduction below 1990 levels by 2035, and an 80% reduction by 2050.

EWEB has been very active on the Clean Fuels Program (CFP) Update Rulemaking Advisory Group. EWEB goals include 1) retaining some flexibility on EWEB decision-making on the use of revenues from the sale of CFP credits derived from the aggregation of residential EV charging in EWEB's service territory; 2) compatibility of CFP program design with Smart Electrification and investments in Renewable/Electrolytic Hydrogen; and 3) preserving recognition of environmental attributes of EWEB's low carbon electricity mix, as well as future zero or low carbon EWEB retail electricity products.

Operations Carbon Report

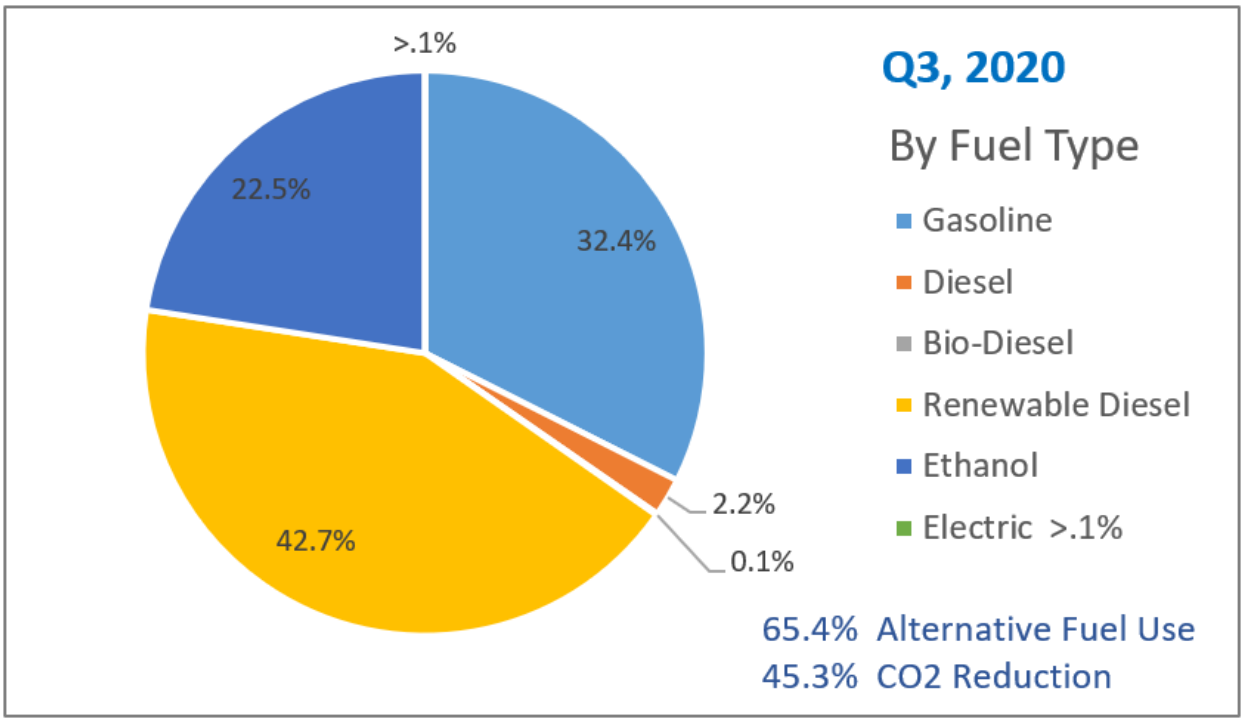
EWEB's fleet operations took the initiative several years ago to use low carbon intensity alternative fuels and, by developing a sustainable fuel contract, we have been able to blend those fuels at higher levels. Because of this, the percentage of alternative fuels used by the Utility was 65.4% by the end of Q3.

Currently, the types and blends of fuels that are used in EWEB's fleet consist of:

- R99 (99% Hydrogen-Derived Renewable Diesel) for on-site fueling of diesel vehicles at ROC, Leaburg, and Carmen-Smith locations.
- E20 (20% Ethanol blended gasoline) for on-site fueling at ROC for gasoline vehicles.
- E85 (85% Ethanol blended gasoline) for on-site fueling at ROC for EPAct flex-fuel vehicles.

Overall fuel use is down by 9.3% compared to the same period last year, primarily due to a reduction in miles driven related to the COVID-19 pandemic. However, the Holiday Farm Fire response has increased fuel use for the months of September and October. By year end, we estimate that overall fuel use will be down by approximately 5%.

For Q3, Fleet Operations greenhouse gas (GHG) emissions are 45.3% below 2009 levels. The primary driver for this reduction is the use of alternative fuels. Although the decline in overall fuel use has contributed to this decrease, we estimate GHG emissions would still be 40% below 2009 levels if fuel use were equal to past years. With our current fuel blends, these emissions reductions are sustainable year over year.



Energy Efficiency, Conservation and Electrification

Energy efficiency activity in the community has continued at a steady pace through Q3, with no noticeable reduction as a result of Covid-19. Annual Energy efficiency target has been achieved for the year, while trending below budget year to date.

Carbon reduction is trending slightly below target but we expect to meet target at end of year as a result of increased local electric vehicle sales (reported semi-annually). Limited Income Energy Education and Home Energy Score programs were suspended to adhere to Covid-19 physical distancing guidelines, and as a result, Home Audits goal will not be met. Prior to program suspension, EWEB was on pace to meet organizational objectives.

Table: Energy Efficiency

Performance Metric	**YTD**	**Annual Target**	**Comments**
BPA Reimbursements	$1,685,521*	$2,300,000	73% attained. Projected to meet target. *$322k of YTD total reimbursed was included in 2019 financial reporting.
Conservation Incentives	$1,423,766	$2,421,000	Slightly below budget YTD, 59% spent.
Conservation Savings (MWh)	9,757	9,200	Goal achieved. Includes 5,158 MWH of savings achieved at IP mill.
Peak Savings (MW)	2.0	1.25	Goal achieved at 161% attainment YTD.
Total Residential EE Projects	1,049		
Income-Qualifying EE Projects	136		
Residential Savings (MWh)	1,741		
Income-Qualifying Savings (MWh)	279	17%	Slightly below target at 16%. Expected to meet target of 17% by EOY.
Limited Income/Home Audits	127	500	Home visits suspended due to Covid-19.

Carbon Reduction ($MTCO_2e$)	6,859	8,500	EVs through 6/30 are included. Trending slightly below target, as assumption for electricity carbon content was reduced from 0.468 to 0.22 $MTCO_2e$/MWh in 2020.

Though staff have slowly resumed commercial site visits, with added safety, PPE and distancing precautions, non-essential residential site visits continue to be suspended due to Covid-19 health and safety concerns. Staff continue to use remote forms, photographs and phone calls to continue progress on energy efficiency and conservation work.

BPA has offered reimbursement increases for selected heating and cooling measures through the end of fiscal year 2021. EWEB has responded by increasing incentives for efficient commercial heating and cooling measures, including Variable Refrigerant Flow (VRF) systems, ducted and ductless heat pumps, and Advanced Rooftop Controls (ARC), in order to capture more potential savings as there is great potential for efficient Commercial heating and cooling. EWEB is also beginning to offer a deemed measure to replace packaged terminal air conditioners (PTAC) with packaged terminal heat pumps (PTHP) in hotels, motels, dormitories and residential care facilities. This was previously offered as a custom measure and will now be simpler to implement for customers and staff.

Customer Solutions has commenced planning for the replacement of its Energy Insight project tracking and reporting system, which enables staff to organize and process activity in over 2,000 customer projects, rebates and loans annually. Requirements gathering sessions are underway, and the planning phase is expected to be completed in late Q4 or early Q1 2021.

On the water side, EWEB has added a rebate for Commercial smart sprinkler controllers and have been working with Bethel School District on improvements to replace hundreds of fixtures in several buildings, significantly reducing water consumption and resulting charges. Year to date, the income- eligible leak repair program has resulted in approximately 2.4 million gallons of water conserved, and the 2020 toilet rebates are expected to save approximately 0.3 million gallons annually. Significant water savings are also realized through water service line replacement loans (16 YTD) and troubleshooting activity.

On the electrification front, EWEB has provided incentives for 63 residential and 4 commercial EV charging stations year to date and assisted in converting 52 homes and 4 businesses with non-electric heat to efficient electric heat.
Transportation electrification efforts continued in Q3 and electric vehicles in EWEB service territory increased by 24% from 1,328 at the end of 2019 to 1,652 as of June 2020, according to the Oregon Department of Energy.

To support efforts to increase electric vehicle adoption, a Dealership Engagement Pilot was introduced in partnership with Forth Mobility and Emerald People's Utility District. Three auto dealerships have expressed interest and contracts are being finalized to begin program implementation in late October. Also, staff is exploring a direct current fast charging (DCFC) pilot rate that better reflects current cost causation for DCFC stations. DCFC can provide charging opportunities to various groups, including multi-dwelling, ride-hailing and travelers to help increase EV adoption.

Also, during Q3 EWEB lead an effort with 13 other local electric vehicle stakeholders, including municipalities, utilities and transit agencies to support direct current fast charging investment from Electrify America in the Eugene and Springfield area. Evaluation and selection of potential sites across the country will occur in the coming months.

A cross-functional team in collaboration with Forth Mobility was established to help guide customers through site and capacity assessment, technology options and implementation of Level 2 EV charging infrastructure. Staff is currently piloting this approach with Lane County and their charging station installation efforts.

Plans to upgrade EWEB's current public Blink electric vehicle charging stations at the Roosevelt Operations Center continued to progress during Q3. Equipment replacement is expected to begin in mid Q4 2020.

*For emissions factor, EWEB utilizes the NW WECC number of 0.20 MTCO2e/MWh.

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
PSPS: Public Safety Power Shutoff
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
Appendix H: Customer Experience Improvement Project – Supporting the Employee Experience

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)

	Nine Months Ended September 30,		YTD Budget Comparison	
	2020	2019	Budget $	Variance
Operating revenues	$ 178.4	$ 197.1	$ 181.0	$ (2.6)
Operating expenses	179.4	198.5	176.5	(2.9)
Net operating income (loss)	(1.0)	(1.4)	4.5	(5.5)
Non-operating revenues	8.4	5.9	4.6	3.8
Non-operating expenses	5.9	6.4	5.2	(0.7)
Income before capital contributions	1.5	(1.9)	3.9	(2.4)
Capital contributions	5.3	3.5	1.7	3.6
Increase/(Decrease) in net position	$ 6.8	$ 1.6	$ 5.6	$ 1.2

ELECTRIC CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)

	September 30,		December 31,
	2020	2019	2019
Current assets	$ 218.4	$ 196.8	$ 153.7
Net utility plant	410.1	394.3	407.8
Other assets	58.1	80.7	87.4
Total assets	686.6	671.8	648.9
Deferred outflows of resources	51.8	45.6	52.4
Total assets and deferred outflows	$ 738.4	$ 717.4	$ 701.3
Current liabilities	$ 30.4	$ 31.9	$ 38.4
Long-term debt	228.9	190.7	190.1
Other liabilities	72.8	95.2	73.1
Total liabilities	332.1	317.8	301.6
Deferred inflows of resources	21.0	12.0	21.3
Total net position	385.3	387.6	378.4
Total liabilities, deferred inflows, and net position	$ 738.4	$ 717.4	$ 701.3

ELECTRIC CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In millions)

	YTD	Annual Working Budget	
	9/30/2020	Budget $	% of Budget
Type 1 - General capital	$ 10.8	$ 13.5	80.0%
Type 2 - Rehabilitation and expansion	5.3	15.7	33.8%
Type 3 - Strategic projects	5.0	19.4	25.8%
Total capital	$ 21.1	$ 48.6	43.4%

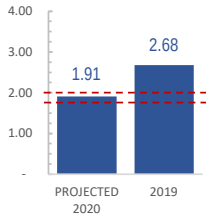
FINANCIAL STRENGTH MEASUREMENTS

Target line

Debt service coverage

Target: 1.75 to 2.0x

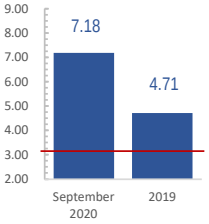
Measures the utility's ability to meet its annual long-term debt obligation.



Current ratio

Target: Minimum of 3.250x

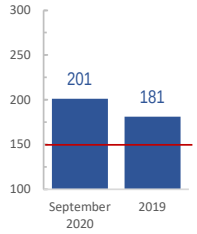
Measures the utility's short-term liquidity (ability to pay bills).



Working capital days cash

Target: Greater than 150 days

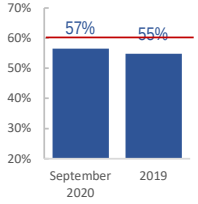
Estimates the number of days the utility can pay its daily O&M before running out of cash.



Age of system

Target: Less than 60 percent

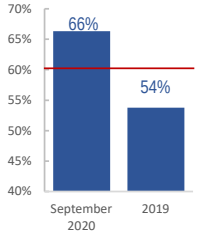
Measures age of system compared to how much has been depreciated.



Debt as a % of NBV

Target: Less than or equal to 60 percent.

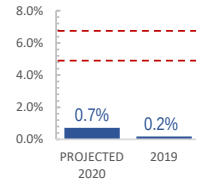
Measures overall leverage of the system by aligning debt service with the useful lives of assets.



Rate of return

Target: 5 - 7%.

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



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

(In thousands)	Nine Months Ended September 30,		Budget Comparison	
	2020	2019	Budget $	Variance
Operating revenues	$ 30,177	$ 29,825	$ 29,108	$ 1,069
Operating expenses	21,264	19,057	21,112	(152)
Net operating income (loss)	8,913	10,768	7,996	917
Non-operating revenues	817	1,196	426	391
Non-operating expenses	1,680	1,724	1,554	(126)
Income before capital contributions	8,050	10,240	6,868	1,182
Capital contributions	1,450	3,491	1,019	431
Increase/(Decrease) in net position	$ 9,500	$ 13,731	$ 7,887	$ 1,613

WATER CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)	September 30,		December 31,
	2020	2019	2019
Current assets	$ 66.8	$ 50.3	$ 46.7
Net utility plant	191.0	184.1	185.7
Other assets	10.6	8.5	9.9
Total assets	268.4	242.9	242.3
Deferred outflows of resources	15.7	9.5	15.2
Total assets and deferred outflows	$ 284.1	$ 252.4	$ 257.5
Current liabilities	$ 5.1	$ 4.5	$ 5.8
Long-term debt	75.6	58.3	58.1
Other liabilities	22.8	20.7	22.5
Total liabilities	103.5	83.5	86.4
Deferred inflows of resources	6.4	2.5	6.4
Total net position	174.2	166.4	164.7
Total liabilities, deferred inflows, and net position	$ 284.1	$ 252.4	$ 257.5

WATER CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In thousands)	YTD	Annual Working Budget	
	9/30/2020	Budget $	% of Budget
Type 1 - General capital	$ 3,932	$ 8,003	49.1%
Type 2 - Rehabilitation and expansion	$ 6,915	9,606	72.0%
Type 3 - Strategic projects	$ 500	412	121.4%
Total capital	$ 11,347	$ 18,021	63.0%

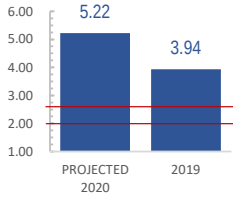
FINANCIAL STRENGTH MEASUREMENTS

Target line

Debt service coverage

Target: 2.0 - 2.50x

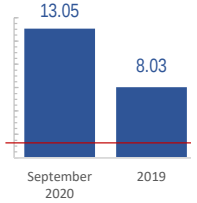
Measures the utility's ability to meet its annual long-term debt obligation.



Current ratio

Target: Minimum of 3.25x

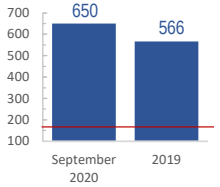
Measures the utility's short-term liquidity (ability to pay bills).



Working capital days cash

Target: Greater than 150 days

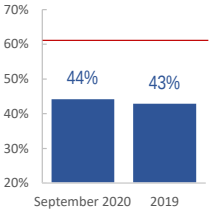
Estimates the number of days the utility can pay its daily O&M before running out of cash.



Age of system

Target: Less than 60 percent

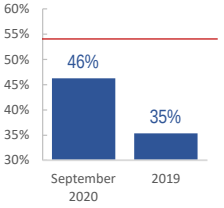
Measures age of system compared to how much has been depreciated.



Debt as a % of NBV

Target: Less than or equal to 60 percent.

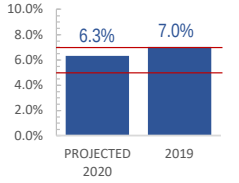
Measures overall leverage of the system by aligning debt service with the useful lives of assets.



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
Q3 2020

	ANNUAL BUDGET		2020	% OF	YEAR-END
	APPROVED	WORKING	ACTUAL	BUDGET	PROJECTION
TYPE 1 - GENERAL CAPITAL					
Generation Infrastructure	$ 2,100,000	$ 2,100,000	$ 652,800	31%	$ 1,200,000
Substation Infrastructure	1,700,000	1,700,000	2,368,400	139%	2,540,000
Transmission & Distribution Infrastructure	7,473,000	7,081,001	5,165,600	73%	7,137,000
Telecommunications	748,000	748,000	164,600	22%	555,000
Information Technology	1,590,000	1,590,000	1,904,100	120%	5,302,000
Buildings, Land, & Fleet	810,000	810,000	513,200	63%	1,378,000
TOTAL TYPE 1 PROJECTS	**$ 14,421,000**	**$ 14,029,001**	**$ 10,768,700**	**77%**	**$ 18,112,000**
TYPE 2 - REHABILITATION & EXPANSION PROJECTS					
Downtown Network	$ 958,000	$ 1,350,000	$ 1,074,000	80%	$ 1,161,000
Consolidation of Operations	-	-	801,500	0%	801,500
Electric T&D - Master Plan	-	625,000	132,700	0%	463,500
Distribution Resiliency Upgrades	2,756,000	1,331,000	1,094,700	82%	2,325,500
Infrastructure - Generation	2,000,000	2,000,000	-	0%	-
Upriver Reconfiguration/Holden Creek	625,000	625,000	26,900	4%	26,900
Electric Meter Upgrade	5,555,000	7,055,942	805,200	11%	1,925,000
Telecommunications	-	-	16,000	0%	20,000
Information Technology	3,422,000	1,921,536	713,400	37%	1,440,000
Hayden-Bridge Lab & Backup Services Building	-	800,000	614,500	77%	900,000
TOTAL TYPE 2 PROJECTS	**$ 15,316,000**	**$ 15,708,478**	**$ 5,278,900**	**34%**	**$ 9,063,400**
TYPE 3 - STRATEGIC PROJECTS & PROGRAMS					
Carmen-Smith Relicensing	**$ 19,410,000**	**$ 19,410,000**	**$ 4,959,600**	**26%**	**$ 8,560,000**
TOTAL ELECTRIC CAPITAL PROJECTS	**$ 49,147,000**	**$ 49,147,480**	**$ 21,007,200**	**43%**	**$ 35,735,400**

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
Q3 2020

	ANNUAL BUDGET		2020	% OF	YEAR-END
	APPROVED	WORKING	ACTUAL	BUDGET	PROJECTION
TYPE 1 - GENERAL CAPITAL					
Source - Water Intakes & Filtration Plant	$ 282,000	$ 283,000	$ 278,200	98%	$ 600,000
Distribution & Pipe Services	5,769,000	5,768,002	2,699,600	47%	$ 4,350,000
Distribution Facilities	1,195,000	1,195,000	68,500	6%	$ 203,000
Information Technology	180,000	180,000	379,600	211%	$ 1,070,600
Buildings, Land, & Fleet	577,000	577,000	506,100	88%	$ 556,000
TOTAL TYPE 1 PROJECTS	**$ 8,003,000**	**$ 8,003,001**	**$ 3,932,000**	**49%**	$ 6,779,600
TYPE 2 - REHABILITATION & EXPANSION PROJECTS					
Source - Water Intakes & Filtration Plant	$ 2,060,000	$ 2,060,000	$ 1,388,800	67%	$ 2,000,000
Distribution Facilities	3,090,000	3,090,000	236,200	8%	$ 450,000
Distribution & Pipe Services	-	-	2,278,300	0%	$ 3,700,000
Water Meter Upgrade	3,600,000	3,975,236	2,633,400	66%	$ 3,018,000
Information Technology	856,000	480,384	178,300	37%	$ 277,000
Consolidation of Operations	-	-	200,400	0%	$ 200,000
TOTAL TYPE 2 PROJECTS	**$ 9,606,000**	**$ 9,605,620**	**$ 6,915,400**	**72%**	**$ 9,645,000**
TYPE 3 - STRATEGIC PROJECTS & PROGRAMS					
Emergency Water Supply	**$ 412,000**	**$ 412,000**	**$ 500,300**	**121%**	**$ 750,000**
TOTAL WATER CAPITAL PROJECTS	**$ 18,021,000**	**$ 18,020,621**	**$ 11,347,700**	**63%**	**$ 17,174,600**

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.

Q3 2020 Quarterly Contracts Report							APPENDIX E
Contract Execution Date	Contractor	City, State	Contract Title, Detailed Description	Expiration Date	Contract Amount	Contract Process	Executive Manager
7/1/2020	Make it Happen	Eugene, OR	**Energy Insite Replacement**, Project Management/Business Analyst Services to support replacement of an EWEB developed custom software solution. The software provides a web presence for EWEB services and supports Customer Solutions activities that includes work flow management, tracking loans and rebates, and energy conservation efforts.	7/14/2021	$ 42,900	Direct Negotiation	Rod Price
7/1/2020	Stillwater	Portland, OR	**Wildlife Habitat Management Plan**, The Carmen-Smith Hydroelectric Project relicense obligations requires EWEB to develop a Wildlife Habitat Management Plan to manage 343 acres of habitat. Activities include coordination with other requirements of the Settlement Agreement and with other parties.	12/31/2021	$ 125,570	Direct Negotiation	Rod Price
7/9/2020	Advanced American Construction Inc	Portland, OR	**On Call Diving**, The work will allow for scuba diving services on an as needed basis, activities may include underwater inspections, structural assembly, debris removal, and welding.	7/9/2025	$ 75,000	Formal Bid	Rod Price
7/14/2020	Ballard Marine Construction	Portland, OR	**On Call Diving**, The work will allow for scuba diving services on an as needed basis, activities may include underwater inspections, structural assembly, debris removal, and welding.	7/9/2025	$ 75,000	Formal Bid	Rod Price
7/16/2020	Harbor Offshore	Ventura, CA	**On Call Diving**, The work will allow for scuba diving services on an as needed basis, activities may include underwater inspections, structural assembly, debris removal, and welding.	7/16/2025	$ 75,000	Formal Bid	Rod Price
7/16/2020	Concept Systems	Albany, OR	**Maintenance for Historian Scada System**, Support services for controls systems used by Water Operations. Includes customer service report by a Controls Engineer primarily over the phone, but on site field work may be available. Includes tracking and documentation services.	6/15/2025	$ 54,051	Direct Negotiation	Rod Price
7/17/2020	Aegis Asphalt	Springfield, OR	**Sealcoat ROC Parking Lots**, Clean and apply crack sealer to all asphalt cracks in excess of 1/4" wide. Prep and clean all surfaces, apply coating, and paint parking and traffic control markings.	9/30/2020	$ 132,622	Formal ITB	Rod Price
8/19/2020	YSI Inc., A Xylem Brand	Yellow Springs, OH	**Troubleshooting and Replacement Part Services**, Repair and replacement services for water quality sondes equipment, prices established for various maintenance equipment.	7/9/2025	$ 50,000	Direct Negotiation	Rod Price
8/19/2020	Oregon Dept of fish and Wildlife	Springfield, OR	**Carmen Brook Trout Removal/Cutthroat Reintroduction & Monitoring**, The Carmen-Smith Hydroelectric Project relicense obligations requires EWEB to assess the Native Coastal Cutthroat and Brook Trout in Carmen Diversion Reservoir and McKenzie River, reintroduce native species and removal of non-native species.	8/19/2025	$ 125,000	Direct Negotiation	Rod Price

Q3 2020 Quarterly Contracts Report							APPENDIX E
Contract Execution Date	Contractor	City, State	Contract Title, Detailed Description	Expiration Date	Contract Amount	Contract Process	Executive Manager
8/20/2020	Stratus Corporation	Gaston, OR	**Sheldon Fire Station Well Improvements**, Work will include improvements for an existing well at Sheldon Fire Station, activities include installing piping, a pre-charged tank and water service lateral, installation of a concrete slab for a fuel tank, and disinfection and start up activities for the pump.	11/13/2020	$ 66,400	Quotes	Rod Price
8/24/2020	McKenzie Watershed Alliance	Springfield, OR	**General Support & Deer Creek Enhancement**, $15,000 Administrative support funding annually to be Granted to McKenzie Watershed Alliance and $5,000 matching support for a US Forest Service grant application to the Drinking Water Provider Partnership, $65,000 grant to be provided over the next 5 years.	8/31/2025	$ 65,000	Direct Negotiation	Rod Price
8/25/2020	Rexius	Eugene, OR	**College Hill Outdoor Maintenance Services**, Services to include mowing, trimming, edging, garbage/debris pick up, blackberry control, tree pruning and other landscape maintenance activities at the College Hill Reservoir location.	8/25/2025	$ 129,348	Quotes	Rod Price
8/26/2020	Bend Genetics	Sacramento, CA	**Genetics Testing**, Sample testing of cyanobacteria for specific biotoxin producing genes to identify harmful algal blooms.	8/1/2025	$ 72,000	Quotes	Rod Price
8/28/2020	Glen Landscape Services	Eugene, OR	**Zone 1 Landscape Services at Hayden Bridge**, Services to include mowing, edging, pulling weeds, leaves and debris removal, tree trimming, and aeration landscape services.	8/31/2025	$ 83,700	Quotes	Rod Price
9/2/2020	Unit Process Company	Everett, WA	**Electric Actuators**, Electric controls for the operation of butterfly valves and gates are at the end of their useful life. 10 new actuators to control equipment at Hayden Bridge are expected to be purchased over the next 5 years, 2 per year.	12/31/2020	$ 90,000	Informal RFP	Rod Price
9/9/2020	Schoox, Inc	Austin, TX	**Subscription Services for BizLibrary access in UltiPro**, This subscription gives EWEB access to a library of training materials through UltiPro (HR software) to support EWEB staff in learning skills that will support their effectiveness.	9/8/2023	$ 69,825	Direct Negotiation	Lena Kostopulos
9/11/2020	Aggregate Resource Industries	Springfield, OR	**3/4" Minus Quarry Rock**, Rock to be used for road maintenance at Hayden Bridge and as needed by Electric and Water Operations construction activities.	9/1/2025	$ 87,750	Quotes	Rod Price
9/14/2020	Flexim Americas	Edgewood, NY	**Ultrasonic Flow Meters for HB Raw Water**, Equipment measures flow of air and liquid velocity in the Water Treatment System, purchase includes electronic transmitters, communications modules, and submersible transducers.	9/28/1930	$ 41,520	Direct Negotiation-Sole Source	Rod Price
9/24/2020	Harvey & Price	Eugene, OR	**ROC Fleet HVAC Replacement**, Construction Services to install an HVAC system in the office areas at Fleet, work will replace the existing heat pump system, rebalance equipment, install ductwork, and integrate with building controls.	12/31/2020	$ 89,590	Informal ITB	Rod Price

Q3 2020 Quarterly Contracts Report							APPENDIX E
Contract Execution Date	**Contractor**	**City, State**	**Contract Title, Detailed Description**	**Expiration Date**	**Contract Amount**	**Contract Process**	**Executive Manager**
9/24/2020	Environmental Controls Corporation	Tigard, OR	**Environmental Control Service Support**, Support services for building controls systems used by Facilities. Includes customer service support by phone or online. Provides access to equipment replacement, emergency support, software updates, and preventative maintenance support services.	8/31/2025	$ 114,498	Direct Negotiation	Rod Price
Procurement Threshold Overage							
Water Engineering had a breach of the intermediate procurement threshold of $100,000 in September 2020. The original contract was solicited as an informal solicitation, requiring 3 quotes, and a contract was awarded for $93,900. The project team identified additional work for the success of the project requiring a valve tie-in and a pipe in the filter gallery to be replaced. The additional work has increased the value of the contract to $122,309, construction work over $100,000 requires a formal process. The work proceeded based on the existing contract and the reliance on the additional work for the success of the project. Purchasing has reviewed the breach with the project team, their supervisor, and manager.							
For questions please contact Sarah Gorsegner, 541-685-7348							

APPENDIX F

Community Investment - Q3 2020

Total investment in Q3 - **$13,063,013** (not including Energy Efficiency loans, Water Truck deployments, or volunteer/ambassador efforts and events)

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
Q3	Bethel School District	July-Dec 2020 Education Grant	07/01/20	N/A	$40,500	ECONOMIC: Education	Board Directed	
	McKenzie School District	July-Dec 2020 Education Grant	07/01/20	N/A	$11,000	ECONOMIC: Education	Board Directed	
	Springfield School District	July-Dec 2020 Education Grant	07/01/20	N/A	$24,500	ECONOMIC: Education	Board Directed	
	Eugene 4J School District	July-Dec 2020 Education Grant	07/01/20	N/A	$130,000	ECONOMIC: Education	Board Directed	
				Q3 SUBTOTAL	**$206,000**			
Q2	The Eugene Science Center	2018 Greenpower grant winner - will receive up to $50,000	6/24/2020	N/A	$7,090	ENVIRONMENTAL: Greenpower	Customer Voluntary	Installation of 32.5-kilowatt photovoltaic array project - Final disbursement. (Phase 1 & 2 disbursements paid and reported in previous quarters).
				Q2 SUBTOTAL	**$7,090**			
Q1	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	03/22/20	$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 SUBTOTAL	**$224,900**			
				SPONSORSHIPS, DONATIONS, GRANTS YTD TOTAL	**$437,990**			

Customer Solutions Products and Services

	AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
				ENERGY EFFICIENCY INCENTIVES				
Q3	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Residential	Q3	N/A	$291,135	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	324 residential customers took advantage of energy efficiency incentives (10% limited income projects for 37% of dollars invested).
	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Non-residential	Q3	N/A	$86,537	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	17 non-residential customers took advantage of energy efficiency incentives. Q3 non-residential incentives were 21% lighting, 31% manufacturing and 47% HVAC. Large projects were also completed at the pulp mill under the rate credit agreement. Non-residential customers include retail, offices, schools, city and county facilities, medical buildings and manufacturing facilities.
	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Efficient Growth			$10,758	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	23 customer conversions from non-electric to efficient electric heating. 15 customers converted in Q1 ($10,000 EWEB incentives) and 15 in Q2 ($10,750). Additional projects have both efficiency and growth components and have thus far been included in energy efficiency numbers.
	EWEB Energy Efficiency Programs	Transportation Electrification	Q3	N/A	$12,729	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	21 residential and 1 commercial customers received rebates for Level 2 EV Chargers.
	EWEB Greenpower Program	Solar Electric Incentives	Q3	N/A	$33,385	ENVIRONMENTAL: Greenpower	Customer Voluntary	10 residential net-metered projects and 1 non-profit received incentives funded by the Greenpower Program in Q3. An additional 2 residential projects were installed but did not qualify for incentives.
	EWEB Water Conservation Programs	Hand Valve and Toilet Rebates, Septic Maintenance Incentives	Q3	N/A	$8,775	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	29 customers received hand valve rebates, 12 toilet rebates and 21 septic maintenance rebates.
				Q3 SUBTOTAL	**$443,319**			

Q2	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Residential	Q2	N/A	$309,504	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	337 residential customers took advantage of energy efficiency incentives (15% limited income projects for 52% of dollars invested).
	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Non-residential	Q2	N/A	$81,222	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	18 non-residential customers took advantage of energy efficiency incentives. 96% of non-residential incentives were for lighting projects with the remaining for HVAC. A large compressed air project was also completed at the pulp mill under the rate credit agreement. Non-residential customers include businesses, schools, city and county facilities, medical buildings and manufacturing facilities.
	EWEB Energy Efficiency Programs	Electric Vehicles (EV)	Q2	N/A	$11,888	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	16 residential and 1 commercial (4 units) customers received rebates for Level 2 EV Chargers.
	EWEB Greenpower Program	Solar Electric Incentives	Q2	N/A	$29,132	ENVIRONMENTAL: Greenpower	Customer Voluntary	14 residential net-metered projects received incentives funded by the Greenpower Program year to date. An additional 4 residential projects were installed but did not qualify for incentives.
	EWEB Water Conservation Programs	Hand Valve and Toilet Rebates, Septic Maintenance Incentives	Q2	N/A	$5,450	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	23 customers received hand valve rebates, 4 toilet rebates and 13 septic maintenance rebates.
				Q2 SUBTOTAL	**$437,196**			
Q1	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Residential	Q1	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	Q1	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	Q1	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	Q1	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	Q1	N/A	$4,750	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	34 customers received hand valve rebates, 9 toilet rebates and 4 septic maintenance rebates.
				Q1 SUBTOTAL	**$709,116**			
				ENERGY EFFICIENCY INCENTIVES YTD TOTAL	**$1,589,631**			
LIMITED INCOME ASSISTANCE								
Q3	EWEB Customer Care Program	Limited Income Energy Assistance	Q3	N/A	$331,278	PEOPLE: Safety Net	Board Directed	The EWEB Customer Care (ECC) program credited $254,800 in Q3 to 980 customer accounts. Energy Share contributed a total of $76,478 to 428 customer accounts in Q3. EWEB also credited federal LIHEAP funds to 615 accounts. *Note: Amount does not include federal LIHEAP funds.
	EWEB Limited Income Assistance	Electric Line Repair Grants (Income eligible)	Q3	N/A	$2,400	PEOPLE: Safety Net	Discretionary	1 customers received an electric repair grant.
	EWEB Water Conservation Programs	Water Line Repair Grants (Income eligible)	Q3	N/A	$10,888	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	7 customers received water line repair grants.
				Q3 SUBTOTAL	**$344,566**			
Q2	EWEB Customer Care Program	Limited Income Energy Assistance	Q2	N/A	$595,837	PEOPLE: Safety Net	Board Directed	The EWEB Customer Care (ECC) program credited $546,520 in Q2 to 2107 customer accounts. Energy Share contributed a total of $49,317 to 282 customer accounts in Q2. EWEB also credited federal LIHEAP funds to 440 accounts. *Note: Amount does not include federal LIHEAP funds.
	EWEB Limited Income Assistance	Electric Line Repair Grants (Income eligible)	Q2	N/A	$0	PEOPLE: Safety Net	Discretionary	0 customers received electric repair grants.
	EWEB Water Conservation Programs	Water Line Repair Grants (Income eligible)	Q2	N/A	$11,915	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	8 customers received water line repair grants.
				Q2 SUBTOTAL	**$607,752**			
Q1	EWEB Customer Care Program	Limited Income Energy Assistance	Q1	N/A	$549,005	PEOPLE: Safety Net	Board Directed	The EWEB Customer Care (ECC) program credited a total of $461,760 in Q1 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)	Q1	N/A	$10,235	PEOPLE: Safety Net	Discretionary	4 customers received electric repair grants.
	EWEB Water Conservation Programs	Water Line Repair Grants (Income eligible)	Q1	N/A	$21,830	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	6 customers received water line repair grants.
				Q1 SUBTOTAL	**$581,070**			
				LIMITED INCOME ASSISTANCE YTD TOTAL	**$1,533,388**			
ENERGY AND WATER LOANS								
Q3	EWEB Energy Efficiency Programs	Energy Efficiency Loans - Residential	Q3	N/A	$556,093	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	91 residential customers participated in Energy Efficiency Loan programs.
	EWEB Water Conservation Programs	Water Line Repair & Septic Repair/Replacement Loans	Q3	N/A	$29,042	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. 5 customers received water line repair loans, and 1 received a septic loan.
	EWEB Resiliency Program	Generator Loan Program	Q3	N/A	$0	PEOPLE: Emergency Preparedness	Discretionary	Although many customers applied for the Generator Loan Program, no Generator loans closed in Q3.
	EWEB Electric Service Line Upgrade Loan Program	Electric Service Line Upgrade Loan Program	Q3	N/A	$0	PEOPLE: Safety Net	Discretionary	No customers took advantage of electric service upgrade loans in Q3.
				Q3 SUBTOTAL	**$585,135**			
Q2	EWEB Energy Efficiency Programs	Energy Efficiency Loans - Residential	Q2	N/A	$420,980	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	69 residential customers participated in Energy Efficiency Loan programs.
	EWEB Water Conservation Programs	Water Line Repair & Septic Repair/Replacement Loans	Q2	N/A	$18,991	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. 3 customers received water line repair loans, and 1 received a septic loan.
	EWEB Resiliency Program	Generator Loan Program	Q2	N/A	$3,038	PEOPLE: Emergency Preparedness	Discretionary	2 Residential customer participated in the Generator Loan Program
	EWEB Electric Service Line Upgrade Loan Program	Electric Service Line Upgrade Loan Program	Q2	N/A	$2,331	PEOPLE: Safety Net	Discretionary	1 residential customer took advantage of electric service upgrade loans.
				Q2 SUBTOTAL	**$445,340**			

Q1	EWEB Energy Efficiency Programs	Energy Efficiency Loans - Residential	Q1	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	Q1	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	Q1	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	Q1	N/A	$5,550	PEOPLE: Safety Net	Discretionary	2 residential customers took advantage of electric service upgrade loans.
				Q1 SUBTOTAL	**$358,245**			
				ENERGY AND WATER LOANS YTD TOTAL	**$1,388,720**			

System Development Charge (SDC) Waivers

AGENCY		EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q3	**No new SDC waivers in Q3.**							
				Q3 SUBTOTAL	**$0**			
Q2	No new SDC waivers in Q2.							
				Q2 SUBTOTAL	**$0**			
Q1	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**			
				SDC WAIVERS YTD TOTAL	**$36,400**			

Contributions in Lieu of Taxes (CILT)

AGENCY		EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q3	City of Eugene	Contribution in lieu of taxes (CILT)	Q3	N/A	$2,840,007	Required	Mandated	
	City of Springfield	Contribution in lieu of taxes (CILT)	Q3	N/A	$136,544	Required	Mandated	
				Q3 SUBTOTAL	**$2,976,551**			
Q2	City of Eugene	Contribution in lieu of taxes (CILT)	Q2	N/A	$2,759,857	Required	Mandated	
	City of Springfield	Contribution in lieu of taxes (CILT)	Q2	N/A	$139,873	Required	Mandated	
				Q2 SUBTOTAL	**$2,899,730**			
Q1	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 SUBTOTAL	**$3,589,324**			
				CILT YTD TOTAL	**$9,465,605**			

EWEB Ambassador Efforts and Events (Paid)

AGENCY		EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q3	Participating agencies included EWEB, the Red Cross, FEMA, other utilities, county services, DEQ and mental health services.	Multi-Agency Resource Center Event	N/A	09/17-09/18 09/25, 10/02	N/A	PEOPLE: Safety Net	Discretionary	The MARC event brought over 2 dozen organizations together as a "one-stop shop" to assist those within the evacuation zones of the Holiday Farm Fire with their recovery plans. EWEB offered information and updates related to restoration efforts, water quality and billing activities as requested by EWEB customers.
Q2	No new events in Q2.							
Q1	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 almost 160 hours of services to the Community YTD

Volunteer Efforts and Events (Unpaid)

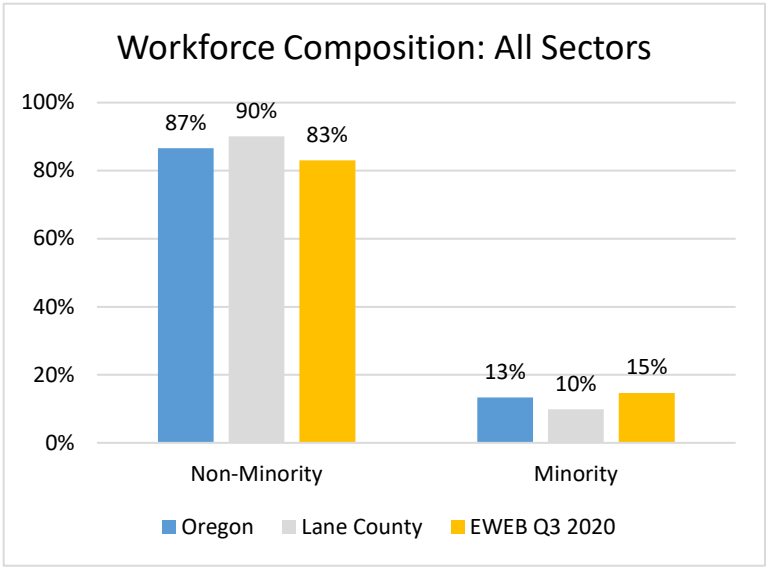
AGENCY		EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q3	**No new events in Q3.**							
Q2	McKenzie Watershed Council	Annual McKenzie River Clean-Up	N/A	06/27/20	N/A	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	Twelve volunteers, including management and staff from EWEB's Water and Environmental departments, picked up trash in five areas around Leaburg Dam.
Q1	Bloodworks Northwest	Onsite Blood Drive	N/A	01/27/20	N/A	PEOPLE: Safety Net	N/A	

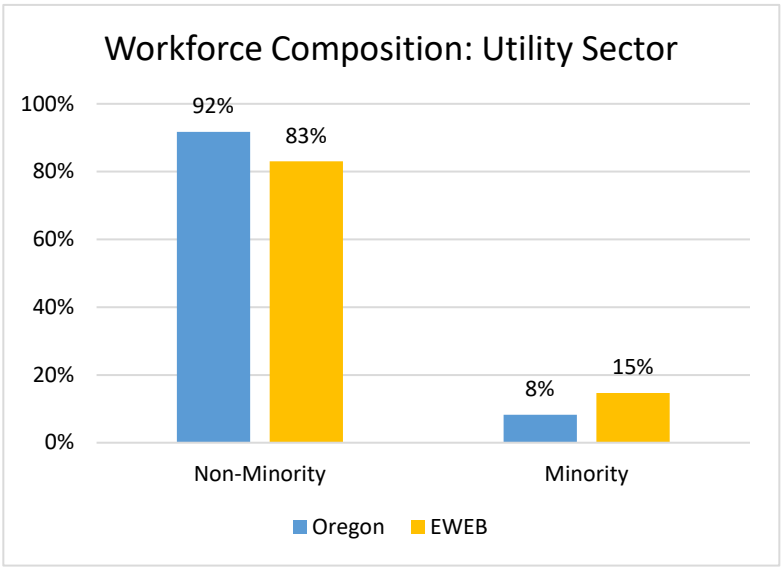
EWEB employees, friends and families have volunteered 25 hours YTD

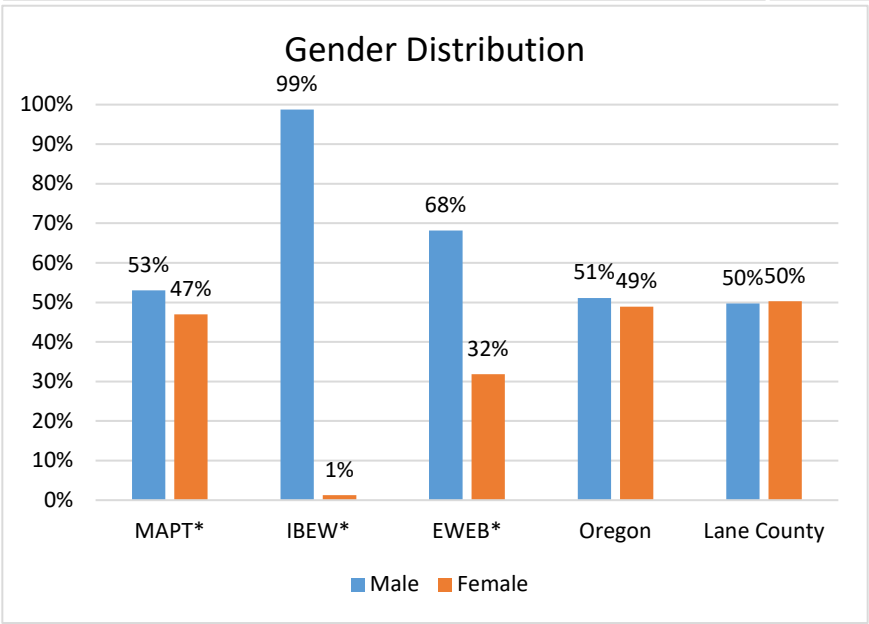
Upcoming and/or committed Sponsorships, Donations, Grants								
AGENCY		EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q4	Oregon Environmental Council	Business & Environment Forum Sponsorship	10/08/20	12/01/20	$500	PEOPLE: Emergency Preparedness	Discretionary	COVID, Climate and Quakes: Cross-cutting Solutions for Resilience and Recovery - virtual event will take place December 1,2020.
				TOTAL	$500			

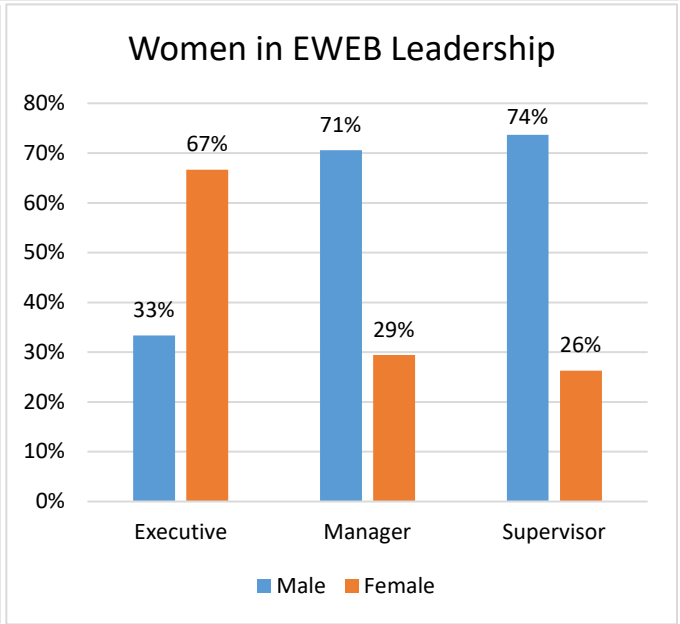
Q3 2020 Workforce Composition

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 Q4 of 2019, the most recent quarter for which they have data.









CUSTOMER EXPERIENCE IMPROVEMENT PROJECT

SUPPORTING THE EMPLOYEE EXPERIENCE

CONTINUOUS IMPROVEMENT (CI)

Develop tools for measuring success

Develop feedback loops for both customer experience (CX) and employee experience (EX)

Collaborate with the training team & business to identify, maximize and document process improvements

Providing room to not only "run the business" but "change the business"

TACTICS = The CI toolbox, systemic review of process opportunities, tools, framworks & knowledge sharing, training, coaching & facilitation

TECHNICAL TRAINING

Front-end of "My Account"

New bill print scenarios

Admin portals: Milestone, Paymentus, Utilitec

IVR

Roles, responsibilities and workflows

Co-browse and chat

TACTICS = train-the-trainer, hands-on training, documentation, video tutorials, reinforcement of learning (knowledge bank, dedicated time in systems, 1:1 coaching)

VISION (THE WHY)

Engaged employees who feel connected, prepared, trusted and valued are vital to creating a positive customer experience .

SOFT SKILL DEVELOPMENT

Shift-left customer service, helping customers solve their own problems

Building problem-solving, analytical and storytelling skills over time

TACTICS = Reading material & discussions, sharing experiences, 1:1 coaching & feedback, learning partners. Clifton Strengths Assessment

CHANGE MANAGEMENT

Embedding change mangement focus to reduce the variability associated with change and promote individual change success. Area of focus includes identifying the needs of those impacted by change such as: exectuive sponsors, managers, supervisors, staff — and delivering change activities to meet those needs.

TACTICS = Change roadmap planning, 1:1 coaching

INTERNAL COMMUNICATION

Providing employees the information they need to stay informed, engaged and ready to support customers through the transition. Approach in three layers:

- Building a foundation — all staff
- Increasing accountability through leadership — supervisors, managers, executives
- Leveraging CX ambassadors — frontline (customer facing)

TACTICS = key messages, newsletter articles, emails, videos, share external marketing materials, work with existing communication channels by work group (i.e. Teams channels, "What's Up Water", staff meetings)