

TO:Commissioners Barofsky, Schlossberg, Brown, Carlson, and MorrisFROM:Frank Lawson, CEO & General ManagerDATE:May 6, 2025, Board MeetingSUBJECT:2025-Q1 Quarterly ReportOBJECTIVE:Information

## Issue

Per Board Policy, management presents updates on operations and strategic initiatives to the Board on a quarterly basis via the attached report, which also represents the 2025 Annual Organizational Report.





Eugene Water & Electric Board Q1-2025 Quarterly Report

Frank Lawson, CEO & General Manager

Executive Team, Q1-2025 Deborah Hart, Asst. Gen. Mgr./Chief Financial Officer Brian Booth, Chief Energy Resource Officer Karen Kelley, Chief Operations Officer Travis Knabe, Chief Information Officer Julie McGaughey, Chief Customer Officer Anne Kah, Chief Administrator/Asst. Corp. Secretary

Data in this report is preliminary and unaudited.





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# APPENDICES

Management is obligated to report explicit information as guided by Board policy and voluntarily reports additional supplemental information, contained as follows:

REQUIRED REPORTING PER BOARD POLICY Appendix A: Electric Utility Financial Statement (EL1) Appendix B: Water Utility Financial Statement (EL1) Appendix C: Electric Utility EL1 Capital Report Appendix D: Water Utility EL1 Capital Report Appendix E: Capital Spending Summary (Supplement to EL1 Reports) Appendix F: Contracts Awarded Report (EL2) Appendix G: Community Investment Report (EL3) (Reported at Year-end)

ADDITIONAL APPENDICES Appendix H: Electric Division Details Appendix I: Water Division Details Appendix J: Workforce Composition Appendix K: Customer Division Details (No appendix this quarter) Appendix I: Claims Report





# Introduction

Management is pleased to provide this quarterly report summarizing our unaudited financial position, reviewing impactful events, highlighting our ongoing day-to-day operations, and providing an update on strategic progress. As the 2025 Organizational Goals, approved by the Board, represent both operational and strategic endeavors, this report uses these goals as the basis for its content.

# **Executive Summary**

From a financial perspective, both utilities posted solid financial results in the first quarter, especially compared to the Electric utility's challenging Q1 of 2024. The Electric utility realized an \$11.6 million increase in net position, which was \$800,000 unfavorable to the budgeted \$12.4 million increase for the quarter, primarily due to lower wholesale revenue. While water revenue is highly seasonal with significant consumption in the drier months, Water utility operating revenue ended the quarter at \$10.2 million, unfavorable by \$137,000 to budget. Overall, a \$173,000 decrease in net position was \$682,000 favorable to the budgeted \$855,000 decrease in net position for the quarter.

Throughout the first quarter, Initial progress was made on most 2024 Organizational Goals. Some may require revision as staff further scopes and launches the pursuit and Management plans to discuss specific potential revisions with the Board in July.

Throughout late 2024 and early 2025, EWEB continued to recruit for an executive position to lead Human Resources, Business Continuity, and several other major departments. In March, Diedre Williams was selected as EWEB's Chief People Officer with plans to start in mid-May. Once she joins, she will be introduced to Commissioners and staff.

Frank Lawson CEO & General Manager

The following dials are used to represent overall goal status.







# Goal 1 – Ongoing Operational Efficiency & Effectiveness

Maintain or improve our ongoing operational efficiency and effectiveness through Continuous Improvement (CI) using deliberate benchmarking and performance metrics, and with 2025 milestones of Type 2 and Type 3 Projects (including base level drinking



water storage, Willamette water source, McKenzie generation projects, EWEB Enterprise Solutions Season 2, etc.) in scope, on schedule, and within budget.

# Governance (Board Actions/Guidance)

At the Board's annual organizational meeting, Commissioners John Barofsky and Sonya Carlson renewed their oaths of office, and Tim Morris was sworn in as EWEB's new Commissioner representing Wards 1 & 8, additional business included the election of John Barofsky as President and Mindy Schlossberg as Vice President, and all Commissioners accepted Board Liaison assignments for the upcoming year. Other year-to-date highlights include approval of the Utility's 2025 organizational goals whereby the Board established priorities for the Utility to focus its resources. Over the course of three meetings Commissioners discussed and provided direction on energy supply planning and the Utility's selection of a BPA product. Commissioners approved the Wildfire Mitigation Plan as well as contracts to advance significant capital projects including College Hill storage tanks, Danebo Substation, and multiple Carmen-Smith projects, demonstrating EWEB's commitment to invest in the fulfilment of our FERC license obligations, public safety, and the reliability and resiliency of our infrastructure. The Board approved amendments to their board policy manual and bylaws to ensure their ongoing effectiveness.

# Electric and Water Consumption

Retail and wholesale consumption for electricity and drinking water, as compared to previous years and the budget assumption, are presented in Tables 1-1 and 1-2 below.

Segment	Quarter	Year	3-Year Avg.	Budget	Actual vs. Budget
Retail Electric – Residential	315,634	315,634	310,565	304,986	10,647
Retail Electric – Commercial	213,734	213,734	212,739	215,784	(2,050)
Retail Electric – Industrial	121,963	121,963	120,853	123,073	(1,110)
Retail Electric – Total	651,331	651,331	644,157	643,843	7,488
Wholesale Electric	248,781	248,781	331,579	291,824	(43,044)
Total Electric	900,112	900,112	975,736	935,668	(35,556)

# Table 1-1: Electricity Consumption (MWh)

(Unfavorable)





Segment	Quarter	Year	3-Year Avg.	Budget	Actual vs. Budget
Retail Water – Residential	509,384	509,384	542,177	522,830	(13,446)
Retail Water – General Service	567,373	567,373	585,284	541,570	25,803
Retail Water – Total	1,076,757	1,076,757	1,127,461	1,064,400	12,357
Wholesale Water	115,840	115,840	116,495	108,274	7,566
Total Water	1,192,597	1,192,597	1,243,956	1,172,674	19,923

# Table 1-2: Drinking Water Consumption (kGal)

Favorable

# Legal/Risks

Holiday Farm Fire Lawsuits: At the end of Q1 2025, four federal lawsuits representing approximately 600 plaintiffs are pending against EWEB and other defendants. Plaintiffs seek damages related to the Holiday Farm Fire. Pre-trial matters are underway with the trial expected to convene in 2025.

# **Financial**

EWEB is required by law to separate the finances of the electric utility and water utility. Appendices A and B of this report present preliminary unaudited results for the quarter and year-to-date, along with other financial strength metrics consistent with Board policies.

# Electric Utility

Through the first quarter, electric retail consumption was slightly favorable to budget. The slightly favorable retail demand and below budget Slice (Columbia water-based) product generation, particularly in February, made for less energy available for wholesale sales activity. Following historically poor water years, regional hydrogeneration forecasts have been recovering as winter weather brought precipitation to the Columbia Basin. The forecast for water supply recovered near budget assumptions which are conservative at 90% of normal Slice generation. Overall, an \$11.6 million increase in net position was \$800,000 unfavorable to the budgeted \$12.4 million increase in net position for the quarter.

# Budget Adherence YTD

Capital investment activity increases in the summer with construction season. Through the first quarter, capital investment activity was 10% of the annual budget. Operations and maintenance spending was \$6.6 million favorable to budget at \$77.0 million.

# Water Utility

With the water utility's major consumption occurring during the drier months, the first quarter financial results were slightly lower than expected. Water operating revenue ended the quarter at \$10.2 million, unfavorable by \$137,000 to budget. Overall, a \$173,000 decrease in net position was \$682,000 favorable to the budgeted \$855,000 decrease in net position for the quarter.





# **Budget Adherence YTD**

Capital investment activity increases in the summer with construction season. Through the first quarter, capital investment activity was 14% of the annual budget. The water utility is forecasting year end capital activity will be \$7.7 million over budget. Main replacement projects in conjunction with City road work are a significant driver. Management is seeking a greater understanding on the pace of City repaving efforts and evaluating measures to hold capital activities closer to budget. Operating expenses were \$211,000 unfavorable to budget at \$11.5 million.

# <u>Workforce</u>

# Total Rewards

# Annual Performance Review & Compensation Adjustments

The MAPT (non-union) compensation structure was increased 2.5%. Structural adjustments are intended to keep EWEB on pace with the market going forward. The Consumer Price Index (CPI or headline inflation) is continuing to trend downward, with most indices between 2-3% year-over-year. Third-party survey data also indicated EWEB comparative employers are forecasting wage and compensation budget escalation of around 4.5%. Eligible MAPT employees received an average performance base pay increase of 1.51% and one-time recognition pay average of 1.07%.

In accordance with the terms of the collective bargaining agreement, a market comparison review was conducted for IBEW benchmark job classifications. Where discrepancies were identified between EWEB pay rates and the comparator market, adjustments were implemented, effective April 14.

# Benefits & Leave Program Management

While medical plan utilization is up compared to Q1 2024, it remains below the break-even point.

Protected sick time increased by 14.9% compared to Q1 2024, while incidental leave rose 5% in the same period.

The percentage of total available hours to actual hours worked remains consistent over the past three years.

# Workforce - Hiring & Retention

Recruitment activity continued to rise in Q1. Several positions that were previously on hold due to EES implementation and budget constraints were posted during this period. Application volume increased significantly, with more than double the number of submissions as compared to Q1 2024.

The average time to fill positions continues to decline, driven by increased use of internal recruitments, existing candidate pools, and other process efficiency improvements. Time to Start improved slightly to 24 days between offer acceptance and the new hire's first day, partially due to the number of internal hires during Q1.

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Overall, filling open positions has not posed a significant challenge in Q1. However, current postings for Line Technicians and Engineers are expected to be more difficult to fill. Year to date, only seven employees have separated from the utility.

Voluntary non-retirement attrition ticked up slightly as compared to Q1 of 2024. As in previous periods, the majority of attrition continues to occur among employees with less than four years of tenure.

Refer to Appendix J of this report for additional Workforce data.

# Enterprise Safety

Key performance indicators are on target in Q1. Safety's year-to-date numbers are reflecting improved performance over the 3-year average. Safety activities continue to focus on EWEB's Public Safety Program development. EWEB safety has received a proposed OSHA citation for an injury occurring in 2024, which is currently in the appeal process.

Performance Measure	Result	Result 3-Year Average		Vs. 3-Year Average				
	Quarter 1	Year-To-Date						
Exposure Hours (EH) in Hours	245,003.53	245,003.53	241,869.77	3,133.76				
OSHA Cases per 100K (EH)	1.22	1.22	1.24	( .02 )				
OHSA Time Loss Days	0	0	42	(42)				
"Good Catch" Reports	82	82	50	32				

#### Table 1-3: Enterprise Safety – Injury and Time Loss

# Operations (Quality/Delivery) – Electric

EWEB values the *"ongoing continuous on-demand delivery of drinking water and electricity, and the dependability of our response to our customers."* EWEB monitors the reliability of our services including Electricity, Drinking Water, Customer Service and Support/Customer Program Delivery, Customer Building & Renovation Projects, and progress on significant Capital Investments Projects.

Electricity "Source-to-Switch"

EWEB evaluates electric reliability from "Source-to-Switch", including electricity acquisition and generation, transmission, and distribution (delivery). Indicators representing the ongoing management of assets and resources for the Source-to-Switch delivery of electricity are shown below.

#### Table 1-4: Water Availability/Forecast for Hydroelectric Generation

Performance Measure	Quarter 1	Year-to-Date (Calendar)	Year-to-Date (Water year)	Forecast - Summer	Forecast-Water Year (October)	Previous Water Year End
Water Availability - Columbia Basin (% of Mean)	88%	88%	87%	93%	80%	77%
Water Availability - Columbia Basin (% of Budget)	98%	79%	78%	103%	89%	69%
Water Availability - McKenzie Watershed (% of Mean)	114%	114%	111%	108%	105%	109%
Water Availability - McKenzie Watershed (% of Budget)	127%	102%	100%	121%	117%	98%





#### Table 1-5: EWEB Generation Reliability (Availability)

Performance Measure	Quarter		Year-To-Date	Target
Availability Factor (%)				
Wind	96.04	96.04	>90	
Hydro*	54.08	54.08	>90	
Thermal	94.79	94.79	>90	
Forced Outage Factor (%)				
Wind**	N/A	N/A		<3
Hydro*	7.43	7.43		<3
Thermal***	5.21	5.21		<3

Availability Factor (AF) = % of time generating units are available to produce power

Forced Outage Factor (FOF) = % of time generating units are unavailable due to unplanned outages

\*Year-to-date high FOF at hydro resources is driven by Walterville emergency dewatering

\*\*FOF is not a standard metric for wind generation

\*\*\*Year to date high FOF driven by Steam Stop Valve issue

#### Table 1-6: Electric (Source-to-Switch) Reliability

Performance Measure	Result	Result	Target	vs. Target	Benchmark (Annual)		
	Quarter		Year-To-Date				
SAIFI (Events)	0.07	0.07	0.16	0.09	0.82		
SAIDI (Minutes)	13.8	13.8	18.5	4.7	86		
CAIDI (Minutes)	189	189	140	(49)	105		
Preventative Maintenance	Preventative Maintenance						
Vegetation Management (Line Miles)	53	53	69.9	-16.9	NA		
OPUC Inspections / Corrections	See Comments						

SAIFI = System Average Interruption Frequency Index

SAIDI = System Average Interruption Duration Index

CAIDI = Sum of customer interruption time/Total number of customer interruptions

\*CAIDI Data is not a cumulative number but is a rolled-up average throughout the year.

\*\*CAIDI Target is relative to EWEB's 5-year average performance.

\*\*\*Represents percentage of tracked preventative maintenance work queue metrics in good standing (on target). Percentage is a quarterly status and not applicable to a cumulative year to date KPI.

\*\*\*\*Tree trimming benchmarking is not relevant due to unique characteristics of system configuration, location and staffing utility to utility.

### **Tree Trimming**

Annual routine tree trimming is 23% completed in town and 25% completed upriver as of the end of Q1. Overall, the planned trimming work is about 3 months behind in town. Two crews have been transferred to the urban territory to make up the backlog. This will continue for two months, then transferred back upriver to complete inspections and corrections on the Carmen-Smith transmission line, as an annual activity following snowmelt and the road becoming accessible.

Pre fire season inspections are in process and are on pace to have everything applicable inspected and pruned before any restrictions from heightened fire levels issued by the ODF.





A new contractor is now completing ROW mowing. This work is completed spring and summer and will be reported in Q2. An RFP for a new tree trimming contract is in evaluation. The current tree trimming contract has been extended from May 1<sup>st</sup> to June 30<sup>th</sup> to allow for evaluation, negotiations and award.

# Oregon PUC (OPUC) Inspections/Corrections

The OPUC requires bi-annual high level patrol inspections on main feeders and transmission lines. These inspections were completed in Q1 except for the Stone Creek transmission line which is scheduled for April. Additionally, OPUC requires Detailed Inspections once every 10 years. EWEB performs detailed inspections on approximately 10% of their system every year to meet the requirements. In 2025, EWEB will have Osmose Utilities Inc perform detailed inspections on facilities serving the Hawkins, Danebo, and River Road substations. These inspections will begin in May 2025 with an expected completion date of August 2025. Communications were developed for customers in these areas to ensure awareness of contracted inspectors in the area.

OPUC requires annual inspections of facilities located within the designated High Fire Risk Zone (HFRZ). In 2025, Osmose Utilities Inc are performing these inspections. Inspections began on March 31<sup>st</sup>. Currently these inspections are 22% complete. 712 inspections completed, 3,200 remaining (as of 4/3/2025). The average pace is 700 poles/week. The expected completion date is May 8<sup>th</sup>.

Designs are drafted for findings that require corrections after inspections are complete. 2025 design progress is currently on track for completion by September 2025 to meet correction turn around requirements. These designs are then completed in the field. 2023 corrections are currently in progress. The due date to have all 2023 corrections completed is July 2025. EWEB hired one contract crew in December 2024 from Key Line Construction to support corrections. In April of 2025, EWEB added a second crew from Key Line Construction to support corrections to ensure this compliance deadline is met.

# North American Electric Reliability Corporation (NERC)

EWEB is currently working on 4 active mitigations for NERC Potential Non-Compliances (PNCs) which took place from 2019 to 2025. These include:

- VAR-002-4.1-2019
- PRC-002 2022
- PRC-024-3 2022
- PRC-005-6 2024 and 2024

Along with the required mitigation plans required by WECC, EWEB has developed Extent of Condition (EOC) evaluations to dive further into the root-causes of these PNCs. EOC evaluations will enhance Bulk Power System reliability, reduce risk of recurrence, reduce operating costs and foster a safer working environment. EOC evaluations examine the actual or potential applicability for an event or condition to exist in other activities, projects, programs, facilities or organizations.

Additionally, EWEB is developing a PNC Mitigation Tracker in SharePoint which should go live by Fall of 2025. Not only will this tracker add visibility into the root-causes of NERC PNCs at EWEB, but will demonstrate the internal controls developed to improve EWEB's overall compliance posture. The goal is to not simply mitigate PNCs, but to identify gaps and areas of improvement that might be shared amongst other divisions at EWEB.





# Drinking Water "Source-to-Tap"

EWEB evaluates drinking water reliability from "Source-to-tap", including watershed condition, production, treatment, delivery (transmission, storage, distribution) and water quality (customer feedback). Indicators representing the ongoing management of assets and resources for the Source-to-Tap delivery of drinking water are shown below.

A total of 7 source protection monitoring events were completed in Q1, which included 2 harmful algal bloom (HAB) surveillance events, 2 urban ambient events, 2 storm events (urban runoff and Holiday Farm Fire) and 1 baseline event. Preliminary HAB monitoring efforts in March yielded very little evidence of cyanobacteria in either Blue River or Cougar Reservoirs at this time, although both showed signs of emerging diatom blooms, which are typical this time of year. Active weather patterns beginning in mid-February have kept precipitation levels close to median values in the upper watershed, with a relatively good snowpack leading into spring. On February 23<sup>rd</sup>, staff sampled Holiday Farm Fire (HFF) sites during the largest flow event in Q1, when flows in the McKenzie River near Hayden Bridge climbed just above 23,000 cubic feet per second. Analytical results from the event are consistent with other large flow events following the HFF.

No major spills or releases were reported in or near the McKenzie River during Q1. EWEB Source Protection staff monitored a single vehicle accident that occurred in the McKenzie River the evening of March 5<sup>th</sup> near milepost 31. EWEB staff did not observe any vehicular fluid releases or sheening downstream of the crash site before or during extraction of the vehicle.

Having conducted over 320 property assessments post-fire we currently have approximately 230 signed watershed stewardship agreements with McKenzie landowners. The last larger scale planting effort was completed in March. Contractors planted approximately 28,000 native trees and shrubs across 40 properties. As post-fire funding wraps in June, partners are currently seeking grant funding to continue working with McKenzie landowners through the PWP Program.

Production levels for the first quarter of 2025 were slightly lower than the previous year. Water production and treatment conditions were average for Q1 of 2025 Overall, the 1<sup>st</sup> quarter in terms of turbidity and treatment challenges was very minimal. We saw two weather events that created significant turbidity. One of 63 NTU and the other of 144 NTU. The second event was related to higher amounts of rain on top of snow fall in the watershed that created a flushing effect.

The Water Division issued two Boil Water Notices during the 1<sup>st</sup> quarter, neither of which were EWEB caused. As a corrective note, a review of previously reported data identified a discrepancy in the Q4 report. While initially reported as 10 boil water notices, further review confirmed the actual total was 12 due to omission of a boil notice that occurred during the January 2024 ice storm and two back-to-back notices affecting the same 3 customers on South Louis Ln. in December were incorrectly counted as one. Eight (8) customer water complaints were received in Q1. We also had 28 informational inquiries. Customers were contacted to assess each situation and to alleviate any concerns.





#### Table 1-7: Water (Source-to-Tap) Reliability

Performance Measure	Result	Result	Target	vs. Target	Benchmark			
	Quarter		Year-To-Date					
Source – Cyanotoxin Detections	0	0						
Treatment – Highest Finished Water Turbidity (NTU)	0.041	0.041	<0.30 MCL	Compliant	<0.30 MCL			
Delivery – Line Breaks/100 Miles of Pipe	3.51	3.51	3.4	(0.11)	13.6			
Delivery – Unplanned Customer Outages	16	16	35	19	140			
Delivery – Average Outage Duration (Minutes)	106	106	280.5	174.5	1122			
Delivery – EWEB caused Boil Water Notices (#– Duration)	0	0	n/a	n/a	n/a			
Tap – Water Quality Complaints	8	8	n/a	n/a	n/a			
Preventative Maintenance								
PM Tasks Completed xx/yy (%) *	42%	42%	100%	(58)%	n/a			
PM – Valve Exercising (2-12")	2105	2105	1250	(1645)	20% of total valves in system annually			
PM – Valve Exercising (16-20")	0	0	73.25	73.25	100% annually			

\*Represents percentage of tracked preventative maintenance work queue KPI metrics in good standing (on target)

## **Backflow**

Backflow testing is critical to ensuring backflow devices properly protect our system from contamination. A compliant device has had a passing test in the previous 12 months. The seasonal dip in April's compliance is due to the start of irrigation season and the peak amount for tests due for the year. With an annual goal of 95% compliance, our monthly compliance numbers have ranged between 82% & 90% in Q1.







# Customer/Customer Programs

# Customer Service and Response/ Customer Program Delivery

Contact Center: The Average Speed of Answer (ASA) for inbound calls in Q1 2025 was 214 seconds (3.5 minutes). Although not meeting the 90-second goal, it was a solid performance considering the massive impact of a new Customer Information System (CIS) and new customer portal. Contributing to the increased call volume and hold times were the first of the year ECC days using a new application and process, and the February restart of the Dunning process (collection activities including disconnection for nonpayment), which had been paused since October 2024 for the SAP cutover. In addition, the overall Average Handle Time of customer calls has increased from a pre-SAP Go Live of 8 minutes per call to 11 minutes per call since moving to the SAP platform. This is an expected result, and the Contact Center Operations team is focused on finding internal department efficiencies in the new system, as well as working with the Continuous Improvement team and other EWEB departments to streamline work product hand-offs within the SAP platform.

Digital Customer Service: The increase in customer emails is directly attributable to the new customer portal. Of the 7,832 emails received, 5,665 were sent from customers on the portal site. There are currently 62,276 registered portal users, which means 7,846 new users have signed up since the December 2, 2024 go-live.

EWEB Eugene City Hall (ECH): In Q1 2025, the Lobby Team at Eugene City Hall handled 556 appointments over 60 working days for an average of 9.2 appointments/day. Slightly fewer than half (48%) were scheduled appointments, while the rest were walk-ins. The top three reasons for appointments were: Billing questions (33%), Customer portal assistance (29%), and ID Verification (21%).

Performance	Opportunities	Goal	Actual	Achievement	Opportunities	Achievement		
Measurement		Q1 202	Q1 202	24 YTD				
Customer Calls (Average	12 155	<90 sec	214 sec	81%	33 048	50%		
Speed to Answer)	45,455	43,433 <90 Sec.	214 Sec.	81/0	55,048	59%		
Website/Email/Portal	7,832	1 Bus. Day	1 Bus. Day	100%	3,285	100%		

Table 1-8: Customer Response

# Energy Efficiency & Conservation

In reviewing Q1 financial and energy savings metrics, a number of issues contributing to a lack of data reliability were identified. Efforts to address these issues are ongoing and are expected to be remedied in the second half of the year.

	2025	2025
Sector	Target	Forecast
Total Residential	2,600	2,770
Limited Income	300	394
General Service	9,200	11,319
Total Res + GS	11,800	14,089
		119%





In lieu of actual results, staff have prepared an energy efficiency forecast for 2025. Projected savings are based on 1) historic results and current market conditions for the residential sector, and 2) intended or in-progress projects for the commercial and industrial sectors. It should be noted that projects are not guaranteed to be complete, and estimated savings revisions may occur as staff partner with customers to deliver conservation throughout the year.



Table 1-9: Energy Efficiency & Conservation

- A significant year-over-year increase in commercial energy savings (subcomponent of General Service) is anticipated due to a six-month commercial lighting promotion. This promotion was undertaken to maximize cost effective savings in advance of changes to BPA's eligibility and reimbursement policies for this measure.
- The current BPA two-year rate period ends October 1, 2025. This deadline will increase pressure on contract customers to complete large energy efficiency projects in order to avoid alternative fees in lieu of delivered savings.
- The limited income increase includes multi-family projects with local community partners, including Homes for Good and St. Vincent de Paul. These projects have significant savings relative to typical efficiency gains for individual projects in this segment.

# **Electrification**

The 2025 budget for electrification is \$1.45M. \$250k is allocated for Building Electrification (BE), with the remainder going to Transportation Electrification (TE) projects. The 2025 TE investment strategy will place a higher focus on reliability efforts such as grid optimization and residential EV charging rebates, as well as Community and Culture program spending for programs such as e-bikes, multi-family charging, and electric mobility grants. Additionally, there is ~\$300k allocated to existing commitments that predate recent changes to program focus following a dramatic decline in Clean Fuel Credit markets.





# Limited Income/Assistance

The highest demand for EWEB Customer Care lands in the first quarter of each year when the rate-funded budget renews. While monthly allocations are typically set higher during this period, EWEB caps the number of applications to control the flow of customers referred to partner agencies for income verification services. These activities are time-consuming, and local agencies lack the capacity to service an unlimited number of customers. This year, the January allocation was reduced to 450 applicants, compared to 750 applicants in 2024, due to business process changes following EES implementation. Since the beginning of April, EWEB has not limited the number of applications accepted in any given month. It is anticipated that ECC will remain open to customers throughout 2025. The approved budget is \$1.6M and the allocation plan matches that capacity.

# Water Efficiency & Conservation

In Q1 of 2025, EWEB provided leak notifications to 322 commercial and 519 residential customers with estimated water savings of 8,611 kGals and 30,233 kGals, respectively. These results are slightly higher year-over-year, with 35,500 kGals attributable to leak detection in Q1 2024.

# Customer Building & Renovation Projects

In Q1, Electric inquiries totaled 533, compared to the three year quarterly average of 554. These inquiries include short cycle connection work, temporary power, new connection, renovations, and larger scale customer projects. For the projects requiring design work, the average wait time for a designer to be assigned was 3.5 weeks. This queue can fluctuate frequently due to real time requests, staffing and scope of upstream designs. The three-year average queue wait time has dropped from 7 to 5.5 weeks over the last 4 quarters. This has been due largely to restaffing in the Distribution Engineering department to allow for more design throughput.

Water measures customer request data lagging a quarter behind to allow for work order closeouts and more accurate data. In Q4 2024, Water had 35 requests for new service, compared to a two year quarterly average of 30. In Q4 2024, the average total days to execute were 34.8, with 20.1 average days waiting on the customer, for a net average of 14.7 days to execute.

In 2025, for both Electric and Water, we intend to launch a customer experience survey following their transaction with EWEB to learn how these processes are going from the customer perspective. Feedback will be used to improve customer experience as we map and integrate our processes into SAP during Season 3 Enterprise Asset Management.

# Significant Updates to Capital Investment Projects

According to Board Policy EL-1, Financial Controls, staff will provide the Board with quarterly updates for all current year projects on the Capital Improvement Plans. Appendix C and D are intended to fulfill this requirement. Additionally, Appendix E provides specific financial and project status for larger projects. Type 1, General Capital, is budgeted year-by-year for recurring capital expenditures from January through December and includes categorized projects individually less than \$3 million. Type 2 projects have "discrete" scopes and





schedules and are anticipated to cost over \$3 million during the life of the project which may span several years.

The first quarter has seen scoping finalized and kickoff for 2025 planned work with design in progress. With the improvement of weather, heavy construction will be occurring across divisions in Q2 throughout the year. The Electric budget is currently projected to overspend by 6% in support of renewal, expansion and improvement of infrastructure. Main drivers include an increase in type 1 generation plant work, and an increase in spending of the Jessen Substation upgrade in 2025, with equipment purchasing being spent in 2025 rather than 2026. With most of the work in design, procurement and planning, staff will continue to evaluate project progress and manage budget.

Type 1 projects were underspent for Q1 for Water, but contracts for multiple main replacement projects are planned to prepare for City of Eugene Street projects and expected to ramp up in Q2 and exceed budget by year end.

Overall, Water Type 2 Capital Expenditures are at about 11% of 2025 budget, however several significant projects are underway and planned for 2025. The Hilyard Street Transmission Main was recently completed but significant restoration work remains. This project was budgeted for 2024 but delayed to 2025 due to permitting. Additionally, work on College Hill tanks is ramping up quickly and due to higher than anticipated bids will likely spend more than anticipated. Finally, bids were just received for the East 23<sup>rd</sup> street 42" transmission main planned for 2025 that were about 20% higher than budgeted. Design work on the Willamette Treatment Plant has been delayed to mid-2025 and is expected to come in significantly lower than the budgeted amount.

# EES Season 2

Most of the time and effort spent year-to-date on EES Season 2 has been focused on bug fixes. By the end of March, the quantity and severity of bugs were down to a level where planning for future work began. An SOW and Contract were signed with SEW to begin work on Customer Portal 2.0, which includes detailed usage, move-in and move-out, and a mobile app. The first milestone of a detailed project plan was fully completed, and resources were assigned.

In support of Continuous Improvement efforts, a cross-divisional team called WESLAP (Water and Electric SAP Live Advancement Group) was formed, led by the Continuous Improvement team and Tyler Nice. The team is looking at newly implemented end-to-end business processes, how they flow through SAP, and finding opportunities to improve and learn.

Relyonus.



# Goal 2 – Succession Planning

Develop and commence succession plans for leadership and vulnerable single-depth positions, and review and refine policies and practices associated with our Dynamic Workforce Model, in support of SD22 Resiliency Policy, specifically workforce resiliency.



# Metrics Tracked:

1) 100% of roles supporting critical processes will have a succession/back up plan outlining short term operational needs

The following metrics will be used to track progress. As a prerequisite to the development of succession plans, a Business Impact Analysis (see item 3 below) will inform the positions being prioritized.

	July	August	September	October
% completion expected-Critical Processes	25%	50%	75%	100%
% completion actual-Critical Processes				

Tools are under development, piloting, and training in March, April, and May respectively for manager and supervisor use upon completion of a Business Impact Analysis scheduled for June 2025 to determine the critical roles supporting critical processes.

# 2) 100% of Executive, Management, and Supervisor roles will have a succession plan outlining recruiting and short term back up plans

	June	July	August	September	October
% completion expected -	10%	25%	50%	75%	100%
Critical Processes					
% completion actual -					
Critical Processes					

Tools are under development, piloting, and training in March, April, and May respectively for executive, manager and supervisor use.

3) A Business Impact Analysis will be completed to identify critical processes for 5 Business Lines. Each step in the critical process will be evaluated to determine opportunities to address/improve our continuity of operations during disruptive events

Relyonus.



The 5 Business Lines are proposed and will be refined upon training to be provided to Management Team on April 23. A Resiliency Framework and Tools to complete the Business Impact Analysis are in progress. The Business Impact Analysis (BIA) is to be facilitated by a Contractor that will be onsite to complete workshops with the key critical services the week of June 9-13. Planning is underway for preliminary work to complete the BIA.

4) The Dynamic Workforce Policy and associated workforce management policies, processes, and forms will be updated to reflect current business requirements and address continuity of operations

This work is expected to be completed between August through October 2025.





# Goal 3 – Energy Supply Contracts with Bonneville Power Administration (BRIAN BOOTH)



Negotiate and execute energy supply contract(s) with Bonneville Power Administration (BPA), and others as appropriate, consistent with EWEB's strategic initiatives to improve resiliency and optimize energy delivery, ongoing Energy Resource Study efforts, future business model options, and a published demand-side potential assessment (DSPA) of customer programs/resources.

Two milestones were discussed with EWEB's Commissioners during the first quarter, including the results of the Demand-Side Potential Assessment (DSPA) which assesses the potential for conservation and demand response, and the Energy Resource Study which highlighted the financial costs of EWEB's projected future portfolio, along with portfolio management cost, for several BPA product alternatives.





# Goal 4 – Limited Income Support Programs Impact

(JULIE MCGAUGHEY, DEBORAH HART, TRAVIS KNABE)



Enhance the impact of EWEB's limited income support programs, including existing programs such as EWEB Customer Care and new potential payment options such as Pre-Pay, in support of SD23 Diversity, Equity, and Inclusion Policy and rate re-design.

EWEB staff have formed a working group to assess all existing Limited Income (LI) programs and evaluate potential new program opportunities. With the goal of expanding LI program participation to reach a greater share of eligible customers, the 2025 work will look to reduce existing points of friction, improve efficacy of EWEB's offerings, optimize the customer perception of value for dollars spent, and enhance the overall ease of doing business with EWEB.

The Q2 and Q3 work will include a full assessment of the current state of EWEB's offerings, utility peer product review, customer outreach and engagement, technology functionality assessment, financial impact assessment, and policy alignment.

The scope of existing offerings will be presented at the June 2025 Board meeting, and recommendations will be presented to the Board for feedback in Q4 2025.





# Goal 5 – Cost Adjustments & Demand Charges

(FRANK LAWSON, DEBORAH HART, JULIE MCGAUGHEY)



Consistent with EWEB's initiative to re-design rates, prepare to implement significant fixed/variable cost adjustments and residential demand charges.

EWEB staff will be reviewing its cost-of-service analysis, particularly the fixed/variable cost and approach to recovering demand-related costs. Rate design proposals will be developed for annual rate adjustment and will incorporate cost-of-service analysis and results of the demand potential assessment to work to utilize both cost and behavioral informed impacts in the 2026 rate proposal at November and December Board meetings.





# Goal 6 – Operational Asset Management Plans

# (KAREN KELLEY)



Formalize and publish Operational Asset Management Plans for at least 3 of the 5

(electric, water, generation, information systems, fleet/facilities) asset groups in preparation for new asset and field work management systems (2026-27), EWEB Enterprise Solutions Season 3.

# **Project Purpose:**

EWEB is engaged in a multi-year process to improve our ability to manage our assets in a way that optimizes their value. We completed our first Strategic Asset Management Plan in 2024 which set the objectives, roadmap, resourcing and framework. The next step for 2025 is to develop comprehensive Operational Asset Management Plans (OAMPs) for the Electric Transmission & Distribution System and the Water System. These plans systematically pursue increased optimization of cost, performance, and risks across the lifecycles of these assets. Having one or more OAMPs complete before the 2026 conversion of the existing Enterprise Asset Management System (EAMS) Work and Asset Management (WAM) to SAP will give EWEB more understanding of the consequences of EAMS configuration choices the organization will face during that process.



# Timeline:

# Milestones:

- Compile and review strategic drivers and legal/regulatory requirements
- Determine scope and hierarchy of asset types covered by OAMP
- Calculate and report asset inventory: identities, quantities, ages, replacement values.
- Develop useful life schedules and report asset health/condition relative to useful life.
- Identify and report asset objectives and risks (consequence and probability of failure).
- Document existing asset performance information and forecast asset performance requirements.
- Identify and report existing lifecycle strategies; analyze current preventative maintenance (PM) and inspection activities, and develop future lifecycle strategies.





- Estimate workplan volume and costs, analyze relative to resource constraints, and develop final workplan.
- Document OAMP development process and develop plan for continuous improvement of OAMPs.

# In Progress:

- Detailed resource planning has begun in earnest for the Electric OAMP, but timing this with other high priority work and timelines has been a challenge. Water is in the beginning phases of resource planning. Overall, allocation of resources to the project has been significantly slower than originally anticipated.
- Recruitment of two Asset Management Specialists has resulted in a large pool of candidates, but without direct asset management experience. Staff are in the process of teasing out the relatable skills of those candidates and how they might best be utilized to move this project forward.
- Nearly finished finalizing scope and hierarchy of asset types covered by OAMP.
- In progress on compiling asset inventory, useful live schedules, asset health/condition information, asset consequence of failure ratings, and existing lifecycle strategies.





# Goal 7 – Environmental & Climate Change Policies (FRANK LAWSON, KELLY HOELL)



Improve the effectiveness of EWEB's environmental and climate change policies in response to new external standards and practices, including Climate Registry's Electric Power Sector Protocol, and EWEB's progress, status, and outlook.

To achieve this goal, EWEB is prepared to finalize two of three separate deliverables in 2025, with the third forecasted for 2026:

- 1. An operations-focused greenhouse gas (GHG) inventory using The Climate Registry's General Reporting Protocol for non-utility specific emissions sources. This was completed in April 2025.
- 2. An expanded GHG inventory that will include emissions from EWEB-owned power generating facilities and follows both The Climate Registry's General Reporting Protocol and Electric Power Sector Protocol. This is expected to be completed in August 2025.
- 3. Updated policy language for SD2 EWEB's Environmental Policy, and SD15 EWEB's Climate Change Policy. This is expected to be completed in 2026.

# EWEB's Operations-focused GHG Inventory following The Climate Registry's General Reporting Protocol

In April 2025, EWEB completed this inventory and reported results as part of <u>EWEB's 2025 Climate Guidebook</u> <u>v3.0</u>. Organization-wide results and progress towards EWEB's operational GHG reduction goals as outlined in SD15, EWEB's Climate Change Policy are shown below. An operations-focused greenhouse gas (GHG) inventory using The Climate Registry's General Reporting Protocol for non-utility specific emissions sources such as EWEB's owned buildings, equipment, and fleet vehicles. This deliverable is consistent with methods used for greenhouse gas reporting since EWEB began this work in 2010. In 2024, operational emissions were below the 2030 target of 50% reduction over the 2010 baseline.



Figure 1: EWEB Operations GHG Inventory, 2010-2024 showing progress towards emissions targets outlined in SD15 EWEB's Climate Change Policy

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# EWEB's Expanded GHG Inventory following The Climate Registry's Electric Power Sector Protocol

This is an expanded greenhouse gas inventory that builds on the operational inventory published in April 2025, but with expanded boundaries to include emissions associated with utility-specific emissions sources from owned and operated power generation sources. This inventory will follow both The Climate Registry's Electric Power Sector Protocol (EPSP) in addition to the General Reporting Protocol. The Electric Power Sector Protocol was written for different types of electric utilities as denoted by the columns in the graphic below snipped from the EPSP. EWEB has operations related to all five columns. The additional emissions sources that apply to EWEB and will be added to EWEB's GHG reporting on an annual basis are shown by the red circles.

Ultimately, this inventory will show emissions associated with EWEB's Power Delivery, EWEB's Water Delivery, and EWEB's Operational Emissions from shared services including buildings and fleet.

Figure 2: Emissions reporting covered under The Climate Registry's Electric Power Sector Protocol and that apply to EWEB's operations (red circles).







# Goal 8 – Energy Efficiency Programs for Rental Properties (JULIE MCGAUGHEY)



Based on updated baseline information, including but not limited to demographic and stock assessments, customer awareness surveys and participation rates, and the results of the Demand Side Potential Assessment, develop and execute plans and actions designed to drive intentional outcomes, endorsed by the Board, of EWEB's energy efficiency programs within Eugene's rental stock segment.

EWEB staff have formed a working group to begin the process of creating a holistic and comprehensive conservation management strategy and Conservation Implementation Plan. Work will include an assessment of segmented participation and potential, including identifying points of friction and areas for improved awareness and access. There will also be a broader look at creating guiding principles for conservation programs; analysis, research, and segmentation to inform decision making, customer outreach and engagement; and creation of 2026 targets by customer segment, including, but not limited to rentals.

The current state of Energy Efficiency Programs will be presented at the July 2025 Board meeting, and a draft plan with recommendations will be presented to the Board for feedback in Q4 2025.



# ELECTRIC UTILITY PRELIMINARY FINANCIAL STATEMENT (EL1) | Q1 2025 **APPENDIX A**

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

n millions)		3 Months Ende	d Ma	arch 31,	YTD Budget Comparison			
		2025		2024	E	Budget \$		Variance
Operating revenues	\$	86.8	\$	83.5	\$	95.5	\$	(8.7)
Operating expenses		77.0		89.7	\$	83.6		6.6
Net operating income (loss)		9.8		(6.2)		11.9		(2.1)
Non-operating revenues		3.5		1.8	\$	2.2		1.3
Non-operating expenses		2.4		1.9	\$	2.3		(0.1)
Income (loss) before capital contributions		10.9		(6.3)		11.8		(0.9)
Capital contributions		0.7		0.9	\$	0.6		0.1
Increase/(Decrease) in net position	\$	11.6	\$	(5.4)	\$	12.4	\$	(0.8)

#### **ELECTRIC CONDENSED STATEMENT OF NET POSITION (Unaudited)**

n millions)	March	December 31,			
	 2025	;	2024	2	2024
Current assets	\$ 223.5	\$	165.9	\$	167.4
Net utility plant	484.8		443.9		488.9
Other assets	70.0		71.9		122.2
Total assets	 778.3		681.7		778.5
Deferred outflows of resources	29.9		26.6		30.1
Total assets and deferred outflows	\$ 808.2	\$	708.3	\$	808.6
Current liabilities	\$ 42.8	\$	35.6	\$	53.3
Long-term debt	254.2		195.8		254.7
Other liabilities	79.8		64.5		80.1
Total liabilities	 376.8		295.9		388.1
Deferred inflows of resources	8.1		11.9		8.9
Total net position	423.3		400.5		411.6
Total liabilities, deferred inflows, and net	 				
position	\$ 808.2	\$	708.3	\$	808.6

#### ELECTRIC CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

In millions)	١	TD	Annual Working Budget			
	3/31	/2025	Bu	dget \$	% of Budget	
Type 1 - General capital	\$	4.2	\$	27.9	15.1%	
Type 2 - Rehabilitation and expansion		3.5		50.0	7.0%	
Total capital		7.7		77.9	9.9%	





2.52

4.12

# WATER UTILITY PRELIMINARY FINANCIAL STATEMENT (EL1) | Q1 2025 **APPENDIX B**

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

(In thousands)	1	hree Months	Ende	d March 31,	Budget Comparison			
		2025		2024	E	Budget \$		Variance
Operating revenues	\$	10,210	\$	9,787	\$	10,347	\$	(137)
Operating expenses		11,476		10,288		11,265		(211)
Net operating income (loss)		(1,266)		(501)		(918)		(348)
Non-operating revenues		607		647		607		-
Non-operating expenses		989		996		939		(50)
Income (loss) before capital contributions		(1,648)		(850)		(1,250)		(398)
Capital contributions		1,475		424		395		1,080
Increase (decrease) in net position	\$	(173)	\$	(426)	\$	(855)	\$	682

#### WATER CONDENSED STATEMENT OF NET POSITION (Unaudited)

In millions)		Mai	December 31,			
		2025	-	2024	2	2024
Current assets	\$	50.0	\$	71.2	\$	60.0
Net utility plant		287.6		259.6		287.2
Other assets		13.8		13.2		11.6
Total assets		351.4		344.0		358.8
Deferred outflows of resources		9.1		8.1		9.1
Total assets and deferred outflows	\$	360.5	\$	352.1	\$	367.9
Current liabilities	\$	8.7	\$	8.1	\$	15.8
Long-term debt		108.1		112.4		108.3
Other liabilities		25.2		19.7		25.2
Total liabilities		142.0		140.2		149.3
Deferred inflows of resources		2.1		3.7		2.1
Total net position		216.4		208.2		216.5
Total liabilities, deferred inflows, and net position	\$	360.5	\$	352.1	\$	367.9

#### WATER CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In thousands)		YTD	Annual Workir	ing Budget		
	3/3	1/2025	Budget \$		% of Budget	
Type 1 - General capital	\$	2,075	\$	12,898	16.1%	
Type 2 - Rehabilitation and expansion	\$	3,374		27,348	12.3%	
Total capital	\$	5,449	\$	40,246	13.5%	

#### FINANCIAL STRENGTH MEASUREMENTS

#### Target line Debt service coverage 4.00 Target: 2.0 - 2.50x 3.00 Measures the utility's 2.00 ability to meet its annual long-term debt obligation. 1.00

#### 5.77 **Current ratio** 5.00 3.81 Target: Minimum of 3.25x 3.00 1.00 Projected 2023

2024

2.35

Mar-25

2.91

2024

#### Working capital days cash

Measures the utility's

short-term liquidity

(ability to pay bills).

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 60% Target: Less than 60 percent 50%

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



70%

60%

#### 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%.

2.0% Measures the utility's ability to pay current and 0.0% future infrastructure costs.



8.0% 6.0% 4.0% 2.4% 1.9% Mar-25 2024

# ELECTRIC UTILITY EL1 PRELIMINARY CAPITAL REPORT | Q1 2025 APPENDIX C

	ANNUAL BUDGET		GET		2025	% OF	YEAR-END		
	4	APPROVED		WORKING	ACTUAL BUDG		BUDGET	BUDGET PROJECTIO	
TYPE 1 - GENERAL CAPITAL									
Generation Infrastructure	\$	1,307,000	\$	1,307,000	\$	27,700	2%	\$	620,000
Substation Infrastructure		4,016,000		4,016,000		728,600	18%		4,016,000
Transmission & Distribution Infrastructure		9,641,000		10,186,000		2,536,900	25%		10,268,000
Telecommunications		1,106,000		1,105,000		154,900	14%		1,058,000
Down Town Network		1,092,000		1,092,000		110,700	10%		1,091,000
Information Technology		6,632,000		6,632,000		580,300	9%		6,632,000
Buildings, Land, & Fleet		3,557,000		3,557,000		75,600	2%		3,557,000
TOTAL TYPE 1 PROJECTS	\$	27,351,000	\$	27,895,000	\$	4,214,700	15%	\$	27,242,000
<b>TYPE 2 - REHABILITATION &amp; EXPANSION PROJECTS</b>									
Bertelsen Property Expansion		8,177,000		4,094,000		83,200	2%		2,690,000
ROC Yard Electrification		-		450,000		-	0%		142,000
Upriver Resiliency Upgrades		1,050,000		1,050,000		80,000	8%		1,050,000
Currin Substation Rebuild		-		-		7,800	0%		7,800
Jessen Substation Rebuild		-		-		83,000	0%		1,000,000
FEMA Dillard Resiliency Rebuild		1,155,000		1,155,000		15,800	1%		1,155,000
International Paper Renewal & Replacement		-		3,235,000		488,600	15%		2,725,000
Leaburg Risk Mitigation Improvements		6,857,000		3,633,000		-	0%		2,000,000
Walterville Spillway and Forebay		-		3,623,000		130,100	4%		1,000,000
Electric Meter Upgrade		2,471,000		1,926,000		217,000	11%		1,189,000
EWEB Enterprise Solutions		8,187,000		8,187,000		383,500	5%		8,187,000
IT - GIS Infrastructure 2021		-		-		60,600	0%		60,600
Carmen-Smith Relicensing		22,617,000		22,617,000		1,953,000	9%		21,000,000
TOTAL TYPE 2 PROJECTS	\$	50,514,000	\$	49,970,000	\$	3,502,500	7%	\$	42,206,400
TOTAL ELECTRIC CAPITAL PROJECTS	\$	77,865,000	\$	77,865,000	\$	7,717,200	10%	\$	69,448,400

Type 1 - General Capital is budgeted Year-by-Year for recurring capital expenditures from January through December. Type 1 Capital includes discrete projects to maintain system reliability, or are customer driven, that generally costs <\$3 million per year

Type 2 projects are multi-year strategic projects that are projected to cost >\$3 million for the life of the project

# WATER UTILITY EL1 PRELIMINARY CAPITAL REPORT | Q1 2025

		ANNUAL	NUAL BUDGET 2025		2025	% OF	YEAR-END		
	ļ	APPROVED		WORKING		ACTUAL BUDGET		PROJECTION	
TYPE 1 - GENERAL CAPITAL									
Source - Water Intakes & Filtration Plant	\$	1,443,000	\$	1,444,000	\$	69,800	5%	\$	1,669,000
Distribution & Pipe Services		7,855,000		7,854,000		1,629,600	21%		12,230,000
Distribution Facilities		1,197,000		1,197,000		53,700	4%		959,000
Information Technology		1,562,000		1,562,000		185,400	12%		1,563,000
Buildings, Land, & Fleet		841,000		841,000		136,900	16%		841,000
TOTAL TYPE 1 PROJECTS	\$	12,898,000	\$	12,898,000	\$	2,075,400	16%	\$	17,262,000
TYPE 2 - REHABILITATION & EXPANSION PROJECTS									
Bertelsen Property Expansion		1,292,800		1,292,800		26,300	2%		850,000
ROC Yard Electrification		142,200		142,200		-	0%		-
E 23rd St Transmission Main		4,200,000		4,200,000		61,500	1%		5,643,000
Hilyard St Transmission Main		-		-		42,700	0%		2,822,000
Willametter River Crossing - FEMA		-		-		24,100	0%		24,100
Knickerbocker Bridge seismic upgrades - FEMA		-		-		1,600	0%		1,600
Riverfront Parkway to Villard Street		-		-		800	0%		800
E 40th Storage Tanks		-		-		4,100	0%		30,000
Shasta 975 Reservoir		2,100,000		2,100,000		6,000	0%		3,078,000
College Hill Reservoir Replacement		9,450,000		9,450,000		2,433,700	26%		12,312,000
Water Meter Upgrade		2,327,000		2,327,495		564,400	24%		2,222,000
EWEB Enterprise Solutions		2,586,000		2,585,500		121,100	5%		2,586,000
IT - GIS Infrastructure 2021		-		-		19,100	0%		19,100
Emergency Water Supply		-		-		200	0%		103,000
Second Source		5,250,000		5,250,000		68,000	1%		1,026,000
TOTAL TYPE 2 PROJECTS	\$	27,348,000	\$	27,347,995	\$	3,373,600	12%	\$	30,717,600
TOTAL WATER CAPITAL PROJECTS	\$	40,246,000	\$	40,245,995	\$	5,449,000	14%	\$	47,979,600

Type 1 - General Capital is budgeted Year-by-Year for recurring capital expenditures from January through December. Type 1 Capital includes discrete projects to maintain system reliability, or are customer driven, that generally costs <\$3 million per year

Type 2 projects are multi-year strategic projects that are projected to cost >\$3 million for the life of the project

# CAPITAL SPENDING SUMMARY | Q1 2025 APPENDIX E

In accordance with Board Policy EL1, staff will provide the Board with quarterly updates for all current year projects on the Capital Improvement Plans.

Capital Asset Renewal and Replacement projects (Type 1) – includes discrete projects to maintain or improve system reliability, or are customer driven, that generally cost <\$3 million per year. These projects will be reported by category (e.g., substations, shared IT infrastructure, transmission & distribution mains).

Infrastructure Rehabilitation & Expansion (Type 2) – includes multi-year strategic projects that are projected to cost >\$3 million for the life of the project. These projects will be reported individually.

# ELECTRIC UTILITY AND SHARED SERVICES CAPITAL SPENDING SUMMARY

# **TYPE 2 – REHABILITATION & EXPANSION (ELECTRIC AND SHARED SERVICES)**

Shared Services project updates are provided within the Electric Utility Capital section below, but the project budget and costs are split between Electric and Water in Appendix C and D.

# Jessen Substation Rebuild

Jessen Substation rebuild to improve transmission reliability and provision for future load growth in north-west Eugene. Design is at 90% with permitting and remaining major equipment purchases occurring over summer 2025. Construction to start Q1 2026 and back online by end of 2026.

Project Initiation:	Nov. 2023	Initial Scope Budget:	\$10,800,000
Initial Planned Completion:	June 2026	Actual Project Costs To-Date:	\$660,444
Projected Completion:	Nov. 2026	Total Final Cost Projection:	\$10,800,000

# Leaburg Canal Risk Mitigation (Near Term Risk Reduction Measures)

Measures to reduce public safety risk associated with hydraulic loading of the canal embankment. Includes repairing canal infrastructure to convey tributary and stormwater flows to the river in the most direct route possible, while also meeting the decommissioning goal of returning as much of the canal footprint to pre-project conditions as reasonably practical. Design alternatives development will start in Q2 2025 with construction expected to begin in Q2 2028. Substantial completion is currently expected to be in Q4 2029.

Project Initiation*:	Jul. 2021	Initial Scope Budget:	\$21,500,000
Initial Planned Completion:	Dec. 2028	Actual Project Costs To-Date:	\$3,035,000
Projected Completion*:	Dec. 2029	Total Final Cost Projection:	\$29,400,000

\*Initial scope budget was developed prior to determining the long-term plan for the canal. The additional final cost will be offset by a reduction in O&M expenses related to decommissioning.

# **Carmen Smith License Deployment**

The total final cost projection for Carmen-Smith License Deployment is shown holding steady at \$199 million, though several cost risk factors are becoming better understood in 2025. Risk factors currently under assessment include potential changes to the current fish passage requirements, escalating electrical equipment costs affecting the load bank project, more challenging seismic design criteria affecting concrete structures, and possibly greater volume of aquatic habitat structures and water flow required by resource agencies. Risk factors related to the Trail Bridge Reservoir sinkholes remain low following the favorable Quantitative Risk Assessment in November 2024. The cost implications associated with adverse and favorable changes will become clearer as engineering work advances and discussions with regulatory agencies continue.

# CAPITAL SPENDING SUMMARY | Q1 2025 APPENDIX E

Project Initiation:	Nov. 2016	Initial Scope Budget:	\$139,000,000
Initial Planned Completion:	Dec. 2027	Actual Project Costs To-Date:	\$106,917,000
Projected Completion:	Dec. 2030	Total Final Cost Projection:	\$199,000,000

# WATER UTILITY CAPITAL SPENDING SUMMARY AND PROJECT UPDATES

# **TYPE 2 – REHABILITATION & EXPANSION (WATER AND SHARED SERVICES)**

Shared Services project updates are provided within the Water Utility Capital section below, but the project budget and costs are split between Electric and Water in Appendix C and D.

# Water Meter AMI

After reaching 85% deployment in November 2024, AMI mass deployment projects were paused for SAP Go Live. EWEB will resume project work once deployment tools and processes for meter exchanges are updated to integrate with SAP service notifications, leading project timeline to extend until 2026.

Project Initiation:	2018	Initial Scope Budget:	17,564,000
Initial Planned Completion:	2021	Actual Project Costs To-Date:	20,987,000
Projected Completion:	2026	Total Final Cost Projection:	25,600,000

# Shasta 975 Tank Replacement

Work was delayed due to city permitting but construction has resumed, and project is expected to be completed in 2025.

Project Initiation:	2022	Initial Scope Budget:	\$2,500,000
Initial Planned Completion:	Dec 2024	Actual Project Costs To-Date:	\$966,675
Projected Completion:	Dec 2025	Total Final Cost Projection:	\$3,250,000

# **College Hill Storage Tanks and Connecting Pipelines**

Earthwork will be completed in Q2 2025 with tank construction beginning shortly thereafter.

Project Initiation*:	2023	Initial Scope Budget:	\$34,000,000
Initial Planned Completion: Dec 2026 Actual Project Costs To-D		Actual Project Costs To-Date:	\$6,100,000
Projected Completion:	Dec 2026	Total Final Cost Projection:	\$36,000,000

\*Difference between initial scope budget and final const projection reflects additional scope required due to unanticipated tunneling effort to install pipelines down Lincoln Street. Offsite pipeline design and updated cost estimate not yet completed at this time.

# **Hilyard Street Transmission Main**

Wetland Permits and city approvals have been obtained, and project is anticipated to be completed in Q2 2025. Final road restoration will be done under IGA with city paving project summer 2025.

Project Initiation*:	2018	Initial Scope Budget:	\$4,600,000
Initial Planned Completion: 2021		Actual Project Costs To-Date:	\$7,800,000
Projected Completion:	2025**	Total Final Cost Projection:	\$11,000,000

\*Difference between initial scope budget and final cost project due to increases in scope of work (including addition of water main replacement ~\$1M), significant escalation in material pricing, unfavorable bidding conditions, and more extensive road restoration efforts than originally anticipated.

\*\*Transmission main is substantially complete at this time. Final restoration work ongoing through 2025.

# CAPITAL SPENDING SUMMARY | Q1 2025 APPENDIX E

# East 23<sup>rd</sup> Street Transmission Main

Bids were recently received, and construction is expected to begin in late summer 2025 and be complete by early 2026. 42" steel pipe pricing was near estimates, but 16-inch ductile iron main replacement and associated work came in above target possibly due to early impacts of tariffs.

Project Initiation*:	2018	Initial Scope Budget:	\$4,200,000
Initial Planned Completion:	2025	Actual Project Costs To-Date:	\$206,000
Projected Completion:	2025**	Total Final Cost Projection:	\$5,600,000

# **Emergency Water Supply**

Construction of new emergency distribution sites was completed in 2025 with 7 emergency sites. Final closeout and commissioning work to occur in 2025.

Project Initiation:	2018	Initial Scope Budget:	\$4,000,000
Initial Planned Completion:	2028	Actual Project Costs To-Date:	\$3,200,289
Projected Completion:	2025	Total Final Cost Projection:	\$3,500,000

# Willamette Treatment Plant

For the purposes of this report, 2021 is used as the start of the current second source efforts, primarily with respect to cost and budget tracking. Projected completion assumes permitting complete in 2026 followed by 3-4 years construction. Cost projection updated in April 2025 based on inflation factors with similar projects is shown below.

Project Initiation*:	2021	Initial Scope Budget:	\$90,000,000
Initial Planned Completion:	2027	Actual Project Costs To-Date:	\$2,929,482
Projected Completion:	2030	Total Final Cost Projection:	\$160,000,000

# CONTRACTS REPORT | Q1 2025 APPENDIX F

Contract Execution Date	Contractor	City, State	Contract Title, Detailed Description	Expiration Date	Contract Amount	Contract Process	Executive Manager
01/02/25	Branch Engineering	Springfield, OR	Willamette Water Treatment Plant Project - Miscellaneous Surveying Services	12/31/26	\$70,000.00	Direct Negotiation	Karen Kelley
01/17/25	Kearns and West	San Francisco, CA	Carmen-Smith Facilitation Consulting Services	06/30/25	\$149,553.40	Direct Negotiation	Karen Kelley
02/10/25	Glass Tree Care And Spray Service	Eugene, OR	Vegetation Management Weed Treatment Services	02/28/30	\$149,000.00	Informal ITB	Karen Kelley
02/19/25	4C Strategies	McLean, VA	Resiliency BIA Development	12/31/25	\$54,628.00	Direct Negotiation	Frank Lawson
02/19/25	Voith	Springfield, OR	Trail Bridge Engineering Assessment	06/30/25	\$68,148.00	Direct Negotiation	Karen Kelley
03/13/25	Mid-State Industrual Services, Inc.	Eugene, OR	Parking Lot Sweeping/Mud Wash Service	03/31/30	\$148,500.00	Informal ITB	Karen Kelley
03/13/25	FEI Testing, Inc.	Eugene, OR	College Hill 7.5 MG Storage Tanks - Special Inspection	06/30/27	\$149,580.00	Direct Negotiation	Karen Kelley
03/18/25	AKS	Tualatin, OR	TB and Smith Lidar Survey and Habitat Monitoring	11/30/25	\$65,642.00	Direct Negotiation	Karen Kelley

For questions please contact Quentin Furrow, 541-685-7380



Your electric bill supports clean, safe, and reliable power from source to switch.



# ELECTRIC DIVISION | Q1 2025 **APPENDIX H**

## **SOURCE & PRODUCTION**

Number of Project Requirements













**APPENDIX H** 

### **TRANSMISSION & DISTRIBUTION**





#### **MONITORING & COMPLIANCE**



### **RESILIENCY, PLANNING & EMERGENCY PREPAREDNESS**





# SWITCH (CUSTOMER)





# ELECTRIC SAFETY & RELIABILITY FROM SOURCE TO SWITCH!

The Electric Operations Division aims to provide safe, reliable electricity to customers 24/7/365 and reduce the operational risks to public safety while being good stewards of our customer/owner's infrastructure and funding resources.

## SOURCE

EWEB has many sources of power generation that require careful attention to ensure our resources remain available, safe for use, and comply with multiple agency regulations, while mitigating the impact of resource use on our environment. To achieve this, staff from multiple departments work to monitor these sources, identify and mitigate factors that influence their availability, and ensure compliance to ultimately optimize their use as a source of power generation to meet load requirements.

## PRODUCTION

EWEB generates around 20 percent of the community's power using EWEB-owned or co-owned resources. The power generation process includes redundancy to protect from process failures and is closely monitored and constantly adjusted to meet regulatory requirements, including Dam Safety. The remaining 80 percent comes from power purchase agreements, with the vast majority of purchased power coming from Bonneville Power Administration. The purchasing and trading processes require constant monitoring and adjustment to balance with our generation ability and customer demands.

## **TRANSMISSION & DISTRIBUTION**

Once the electricity is generated or purchased, safety and reliability must be maintained as it is delivered to EWEB customers. Assessing, testing, maintaining, repairing, and replacing infrastructure are critical aspects of the program to ensure safety, reliability and meet customer demands.

### **MONITORING & COMPLIANCE**

Monitoring the electric grid is essential to ensuring safe and reliable service to EWEB's customer/owners. Monitoring data gives electric operations staff the ability to adjust generation and system operation to safeguard service for public and employee safety as well as meeting customer demands. Compliance with all North American Electric Reliability Corporation, Public Utility Commission, and other health/safety/environmental requirements is key to ensuring service reliability and public safety.

# **RESILIENCY, PLANNING & EMERGENCY PREPAREDNESS**

Natural hazard and security response mitigation plans along with resiliency plans are a final barrier in place to protect the safety and reliability of our service. The Master Plan and Capital Plan ensure investment in our infrastructure is prioritized in both the short and long term to ensure continued reliable service to our customer/owners.

# **SWITCH (CUSTOMER)**

The Electric Division's mission is to provide safe, reliable electricity to our customers while serving as stewards of utility assets and infrastructure using the Source to Switch approach. This final section includes data and information that points to the customer's experience with the Electric Division.

# **APPENDIX I**



## **SOURCE & PRODUCTION**







# WATER DIVISION | Q1 2025 APPENDIX I

# **TRANSMISSION & DISTRIBUTION**







# **APPENDIX I**



## **MONITORING & COMPLIANCE**





# **RESILIENCY & PLANNING**







# **TAP (CUSTOMER)**





**APPENDIX I** 

## WATER QUALITY & RELIABILITY FROM SOURCE TO TAP!

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

### SOURCE

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 1) identify and understand the threats to our drinking water through watershed monitoring and 2) reduce the risk of pathogens and pollutants entering the treatment plant through source water protection to ultimately manage or reduce the degree of treatment required.

### **PRODUCTION & PERFORMANCE**

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.

## **TRANSMISSION & DISTRIBUTION**

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.

### **MONITORING & COMPLIANCE**

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. Compliance with all Safe Drinking Water Act requirements is key to protecting the public's health.

### **RESILIENCY, PLANNING & EMERGENCY PREPAREDNESS**

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). The Master Plan and Capital Plan ensure investment in our infrastructure is prioritized in both the short and long term to ensure reliable service to our customer/owners.

### **SUPPORT SERVICES**

To ensure the smooth delivery of high quality, reliable water service to our customers, the Support Services Operations Division provides assistance with traffic control, locating, saw cutting, communications and control systems, along with fleet, property, facility, design and mapping and services.

# **TAP (CUSTOMER)**

The Water Division's mission is to provide high quality, reliable drinking water to our customers while serving as stewards of utility assets and infrastructure using the Source to Tap approach. This final section includes data and information that points to the customer's experience with the Water Division.

## **ANNUAL PERFORMANCE REVIEW & COMPENSATION ADJUSTMENTS**



# **BENEFITS & LEAVE PROGRAM MANAGEMENT**



# **APPENDIX I**





# **APPENDIX I**

# WORKFORCE RESILIENCY (HIRING, ADVANCEMENT & TURNOVER)









80

100+

60

Time To Fill Ranges (days)

0

20

40

# **APPENDIX I**









# CLAIMS | Q1 2025

# **APPENDIX L**

During this quarter, \$74,684.68 was paid out on liability claims and \$21,746.52 was received on recovery claims.



# **PAYMENT DRIVERS:**

Q3 2023 had uncharacteristically high payment amounts. The key drivers of this were:

- 1. Claim 5935 Included a legal settlement and attorney fees (claim total = \$66,873.71).
- 2. Claim 6317 Expenses due to a water main break (claim total = \$ \$45,620.27).

Q4 2022 also had uncharacteristically high payment amounts. The key driver of this was:

1. Claim 5704 – Included a legal settlement (claim total = \$50,000).

### Q1 2025 key drivers were:

- Q1 saw the largest payout per quarter since Q3 2023.
- 53% of the Q1 payments were due to the residual impacts from a single water main break. This main break has been
  involved in costly breaks in the past so Water is in the process of decommissioning and replacing the transmission line taps
  and fire hydrants.
- Historically the bulk of claim payments can be attributed to the Electric Division. This trend changed in Q1 2024 with the Water Division becoming the primary source of claims payments. This new trend has remained consistent since that time.

# CLAIMS | Q1 2025

# **APPENDIX L**



### **RECOVERY FACTS:**

- We collected on 2 claims in Q1 with an average claim amount collected of \$10,873.26.
- The claims collected on were entirely for the Electric Division.
- Claims related to the Electric Division continue to comprise the bulk of recovery dollars.
- Recovery Claim activity is expected to increase as we enter construction season.

During Q1, 28 new liability claims and 15 new recovery claims were reported.



### **NEW CLAIM FACT:**

Q1 2025 new claims are in line with our 3-year average.

The graphs below provide additional context of how current quarterly claims activities align with our 3-year average for that same period of time.

# CLAIMS | Q1 2025

# **APPENDIX L**





As of 3/31/2025 we have:

- 25 claims PCS is attempting to collect on for us.
- 8 claims in which restitution has been ordered.
- 1 claim that is in an active payment arrangement.