TO:	Commissioners Barofsky, Schlossberg, Brown, Carlson, and Morris
FROM:	Frank Lawson, CEO & General Manager
DATE:	December 2, 2025, Board Meeting
SUBJECT:	2025-Q3 Quarterly Report
OBJECTIVE:	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
Q3-2025 Quarterly Report

Frank Lawson, CEO & General Manager

Executive Team, Q3-2025
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
Diedre Williams, Chief People Officer
Anne Kah, Chief Administrator/Asst. Corp. Secretary

Data in this report is preliminary and unaudited.

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Q3 2025 Introduction

Management is pleased to provide this quarterly report summarizing our unaudited financial position, reviewing impactful events, highlighting our ongoing day-to-day operations (Section 1, Core Work), and providing an update on strategic progress, as reflected in EWEB's annual organizational goals (Section 2, Strategic Compass).

Executive Summary

Financially, both that water and electric utility have posted solid financial results through three quarters. The Electric utility realized a $15.6 million increase in net position which is $4.0 million favorable to the budgeted $11.6 through September, primarily due to favorable power purchasing costs and budget conservatism to cover low water availability for hydroelectric generation. Through September, the water utility's $9.9 million increase in net position is $4.8 million favorable to the budgeted $5.1 million increase for the year, primarily due to higher than anticipated retail revenue driven by residential and commercial consumption that was above budget by 15% and 10%, respectively.

Through three quarters, most standard operational key performance indicators (KPIs), metrics, and milestones are as expected. Favorable operational performance includes energy saved through efficiency and conservation programs, improvements in tree trimming backlog measurements and awareness, increased number of customers (1,492) assisted at the downtown City Hall service location, and lack of detections of Cyanotoxins and associated toxigenic genes anywhere in the McKenzie Watershed during Q3.

Unfavorable operational performance includes EWEB's Average Speed of Answer (ASA) for inbound customer service calls (173 seconds versus a target of 90 seconds), which is impacted by a 6% year-over-year increase in call volume, water availability for hydroelectric generation in both the Columbia Basin and McKenzie Watershed, delays in some Carmen Smith federal license fulfillment requirements because of dam safety issues, and the pace of progress associated with Holiday Farm Fire litigation.

Significantly, the third quarter included Board actions authorizing the General Manager to negotiate and execute a contract with the Bonneville Power Administration (BPA), consistent with a "Block with Shaping" product, for access to federal power between 2028 – 2044. Additionally, the Board granted authority to negotiate and execute a short-term extension to the Power Purchase Agreement between EWEB and Seneca Sustainable Energy, LLC, approved the position description and job posting for the General Manager role in anticipation of my retirement in 2026, and approved a contract with Carollo Engineers, Inc. for engineering and construction management services for the Willamette River Intake and Water Treatment Plant including the initial of a preliminary (30%) design.

As approved by the Board in August, EWEB's 2025 Organizational Goals were revised to align with EWEB's Business Management System, as described further in this report. Through three quarters, 15 of EWEB's 18 annual goals are on track, with one fully completed, and two behind schedule. As part of implementing EWEB's Wildfire Mitigation Plan (Goal 16), a formal Wildfire Mitigation Strategy and Investment Framework may extend into 2026. Additionally, pertaining to refining EWEB's approach to a formalized Cyber Security Program (Goal 17), executive review and approval of key policies, along with ongoing discussions on long-term cybersecurity strategy may result in restatement of the 2025 objectives and associated tactics to align with new overall strategy.

Frank Lawson, CEO & General Manager

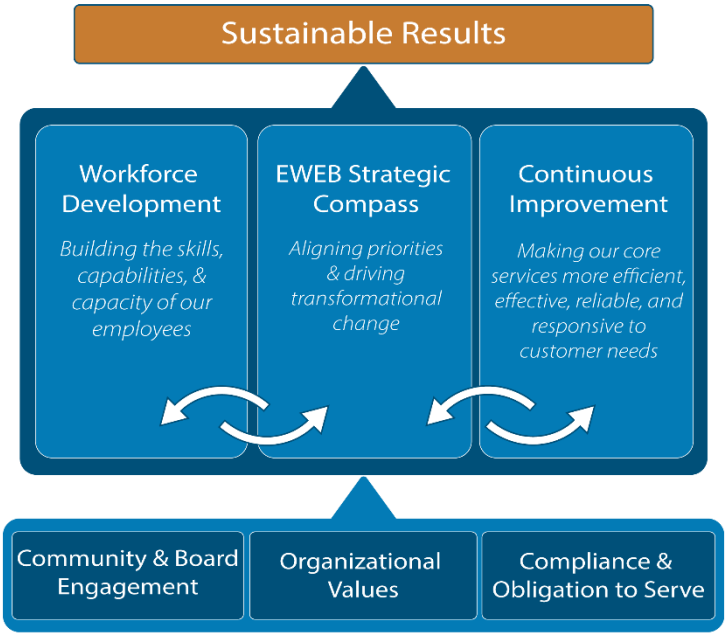
EWEB Business Management System Introduction

EWEB is using a process called EWEB's Business management system (EBMS), to prioritize our work. A business management system is a set of tools, processes and methods that aid in the pursuit of organizational excellence and sustainable results.

EWEB's Business Management System is built on a strong foundation of our organizational values, engagement with our community and publicly elected Board of Commissioners, and our compliance responsibilities and obligation to serve.

The EBMS has three pillars of focused work:

- Investment in **Workforce Development** to continually build the capabilities of our employees.
- Core services that are made more effective, efficient, and reliable through incremental **continuous improvement**.
- Transformational change that is driven by **EWEB's strategic compass** and aligns organizational priorities toward fulfillment of our mission and pursuit of our vision.



This report is split into two sections.

Section 1 describes EWEB's core work and the key performance indicators that track our progress in delivering safe, clean, reliable, affordable, and community focused services. EWEB's core work includes the foundation of everything we do related to EWEB's obligation to serve, legal requirements, Board-directed policy requirements, and "keeping the flow" of water, electricity, information, money, supplies, etc. Core work represents delivery of existing services that is made more effective through incremental continuous improvement. Core work is vitally important to the fulfillment of our mission but won't show up in the Strategic Compass unless transformational change is required.

Section 2 describes EWEB's Strategic Compass. The Strategic Compass includes the process and tools used to prioritize our strategic work and drive transformational change in alignment with EWEB's 2018-2028 Strategic Plan. This section will connect the dots between EWEB's mission and vision, EWEB's highest-level strategic business priorities, 5-Year Themes to make progress on business priorities, and Annual Board-approved Strategic Goals to make progress on 5-year themes.

SECTION 1: EWEB's Core Work

EWEB's core work includes the foundation of everything we do related to EWEB's obligation to serve, legal requirements, Board-directed policy requirements, and "keeping the flow" of water, electricity, information, money, supplies, etc. Core work represents delivery of existing services that is made more effective through incremental continuous improvement. This section is generally organized by Division.

Governance (Board Actions/Guidance)

During the third quarter, EWEB's Board of Commissioners began the annual budget cycle by providing direction on both Utility's integrated long-term financial and capital plans, rate design attributes (alignment of fixed and variable costs with fixed and variable billing determinants), and prices for electric and water products and services. Following months of Board collaboration and guidance, Commissioners approved a resolution authorizing the General Manager to execute the Bonneville Power Administration's Block with Shaping Plus Peak Load Variance Service Agreement. Also in support of EWEB's energy portfolio, the Board granted authority to the General Manager, or designee, to negotiate and execute a short-term extension to the Power Purchase Agreement between EWEB and Seneca Sustainable Energy, LLC with revised terms and conditions including but not limited to a Market-Neutral price. The Board took action on the allocation of reserve funds and authorized revisions to several reserve fund targets contained in EWEB's Financial Policies. Commissioners approved new 2025 Organizational Goals based on the implementation of EWEB's new Business Management System (EBMS). In anticipation of COE/General Manager Frank Lawson's retirement, the Board approved the position description and job posting for the General Manager role. Commissioners approved a contract with Carollo Engineers, Inc. for engineering and construction management services for the Willamette River Intake and Water Treatment Plant; the initial work product will be the preliminary (30%) design; a comprehensive work session was also held to discuss the project. The Board conducted its annual review and adoption of EWEB's Investment Policy.

Finance

Financial Overview

EWEB maintains separate financial records for the electric utility and water utility in accordance with governmental accounting standards.
Various charts are included below:

- Utility Q3 Preliminary Financial Statements
    - Statement of Revenues, Expenses, & Changes in Net Position – presents comparative YTD operating activity as well as variance to current year operating budget
    - Statement of Net Position – presents balances of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.
    - Board policy financial metrics – Financial metrics provide a pulse on financial health.
- Utility Q3 Preliminary Capital Report: These present budgets, spending, and forecasts by capital project. Forecast amounts are the basis for monitoring and assessing the need for capital budget amendments.
- Utility Q3 YTD Net Income Report: These bridge charts categorize variances to provide operational insights for the reporting period.

Electric Utility

The dial here represents sound financial condition and performance through the third quarter. Electric retail consumption was slightly unfavorable due to milder temperatures. A June outage at Carmen-Smith and below budget Slice (Columbia water-based) product generation, made for less energy available for wholesale sales activity. Regional hydrogeneration forecasts are below budgeted assumptions with Slice projected to be 85% of normal generation for 2025. The budget assumption is conservative at 90% of normal Slice generation. Lower market pricing has been favorable to purchased power costs. Overall, a $15.6 million increase in net position was $4.0 million favorable to the budgeted $11.6 million increase in net position through September.

Two financial metrics were not meeting target. Working capital days cash was below target of 150 days at 146 days. The Return on NBV metric is below target of 5-7% at 4% due to rising costs from inflation and the need to upgrade aging infrastructure. This metric projects remaining year activity, which includes conservative revenue assumptions.

Electric Utility Budget Adherence YTD

Capital investment activity increases in the summer with construction season. Through the third quarter, capital investment activity was 54% of the annual budget. Operations and maintenance spending was $14.9 million favorable to budget at $222.3 million.

Electric Utility PRELIMINARY Financial Statement (EL1) | Q3 2025

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

(In millions)	Nine Months Ended September 30,		YTD Budget Comparison	
	2025	2024	Budget $	Variance
Operating revenues	$ 232.9	$ 222.3	$ 246.7	$ (13.8)
Operating expenses	222.3	218.5	237.2	14.9
Net operating income	10.6	3.8	9.5	1.1
Non-operating revenues	9.5	8.6	7.5	2.0
Non-operating expenses	7.4	6.3	7.1	(0.3)
Income before capital contributions	12.7	6.1	9.9	2.8
Capital contributions	2.9	2.4	1.7	1.2
Increase in net position	$ 15.6	$ 8.5	$ 11.6	$ 4.0

ELECTRIC CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)	September 30,		December 31,
	2025	2024	2024
Current assets	$ 202.8	$ 222.7	$ 167.4
Net utility plant	499.8	468.9	488.9
Other assets	67.6	70.1	122.2
Total assets	770.2	761.7	778.5
Deferred outflows of resources	28.5	26.6	30.1
Total assets and deferred outflows	$ 798.7	$ 788.3	$ 808.6
Current liabilities	$ 43.5	$ 42.3	$ 53.3
Long-term debt	243.9	255.3	254.7
Other liabilities	77.0	63.2	80.1
Total liabilities	364.4	360.8	388.1
Deferred inflows of resources	7.2	13.0	8.9
Total net position	427.1	414.5	411.6
Total liabilities, deferred inflows, and net position	$ 798.7	$ 788.3	$ 808.6

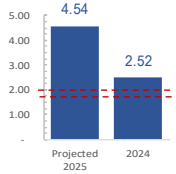
ELECTRIC CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In millions)	YTD	Annual Working Budget	
	9/30/2025	Budget $	% of Budget
Type 1 - General capital	$ 18.5	$ 27.9	66.3%
Type 2 - Rehabilitation and expansion	23.3	50.0	46.6%
Total capital	41.8	77.9	53.7%

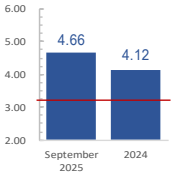
FINANCIAL STRENGTH MEASUREMENTS

Target line

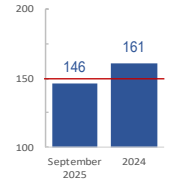
Debt service coverage
Target: 1.75 to 2.0x
Measures the utility's ability to meet its annual long-term debt obligation.



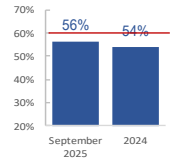
Current ratio
Target: Minimum of 3.250x
Measures the utility's short-term liquidity (ability to pay bills).



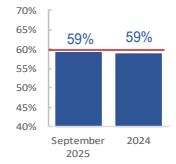
Working capital days cash
Target: Greater than 150 days
Estimates the number of days the utility can pay its daily O&M before running out of cash.



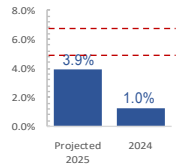
Age of system
Target: Less than 60 percent
Measures age of system compared to how much has been depreciated.



Debt as a % of NBV
Target: Less than or equal to 60 percent.
Measures overall leverage of the system by aligning debt service with asset useful



Return on NBV
Target: 5 - 7%.
Measures the utility's ability to pay current and future infrastructure costs.



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Electric Utility PRELIMINARY Capital Report (EL1) | Q3 2025

	ANNUAL BUDGET		2025	% OF	YEAR-END
	APPROVED	WORKING	YTD ACTUAL	BUDGET	PROJECTION
Type 1 - RENEWAL AND REPLACEMENT PROJECTS					
Generation Infrastructure	$ 1,307,000	$ 1,307,000	$ 516,000	39%	$ 770,000
Substation Infrastructure	4,016,000	4,016,000	3,601,000	90%	2,638,000
Transmission & Distribution Infrastructure	10,186,000	10,186,000	7,865,000	77%	10,034,000
Telecommunications	1,105,000	1,105,000	724,000	66%	1,270,000
Downtown Network	1,092,000	1,092,000	212,000	19%	290,000
Information Technology	6,632,000	6,632,000	3,921,000	59%	5,320,000
Buildings, Land, & Fleet	3,557,000	3,557,000	1,614,000	45%	3,397,000
TOTAL TYPE 1 PROJECTS	$ 27,895,000	$ 27,895,000	$ 18,453,000	66%	$ 23,719,000
		$ -			
Type 2 - INFRASTRUCTURE REHABILITATION & EXPANSION					
Bertelsen Property Expansion	4,094,000	4,094,000	1,198,000	29%	2,964,000
ROC Yard Electrification	450,000	450,000	-	0%	-
Upriver Resiliency Upgrades	1,050,000	1,050,000	167,000	16%	233,000
Coburg Substation XFMR Addition - Phase 2	-	-	-		670,000
Danebo Substation SWGR #1 Replacement	-	-	-		1,595,000
Currin Substation Rebuild	-	-	11,000		11,000
Jessen Substation Rebuild	-	-	217,000		548,000
FEMA Dillard Resiliency Rebuild	1,155,000	1,155,000	301,000	26%	508,000
International Paper Renewal & Replacement	3,234,000	3,234,000	570,000	18%	3,000,000
Leaburg Risk Mitigation Improvements	3,633,000	3,633,000	3,000	0%	850,000
Walterville Spillway and Forebay	3,623,000	3,623,000	300,000	8%	600,000
Electric Meter Upgrade	1,926,000	1,926,000	742,000	39%	696,000
EWEB Enterprise Solutions	8,187,000	8,187,000	1,734,000	21%	4,750,000
IT - GIS Infrastructure	-	-	61,000		61,000
Carmen-Smith Relicensing	22,617,000	22,617,000	17,987,000	80%	26,000,000
TOTAL TYPE 2 PROJECTS	$ 49,969,000	$ 49,969,000	$ 23,291,000	47%	$ 42,486,000
TOTAL ELECTRIC CAPITAL PROJECTS	$ 77,864,000	$ 77,864,000	$ 41,744,000	54%	$ 66,205,000

Type 1: Capital Asset Renewal and Replacement projects – includes discrete projects to maintain/improve system reliability, or are customer driven, that generally cost less than $3 million per year.
Type 2: Infrastructure Rehabilitation & Expansion – includes multi-year strategic projects that are projected to cost greater than $3 million for the life of the project

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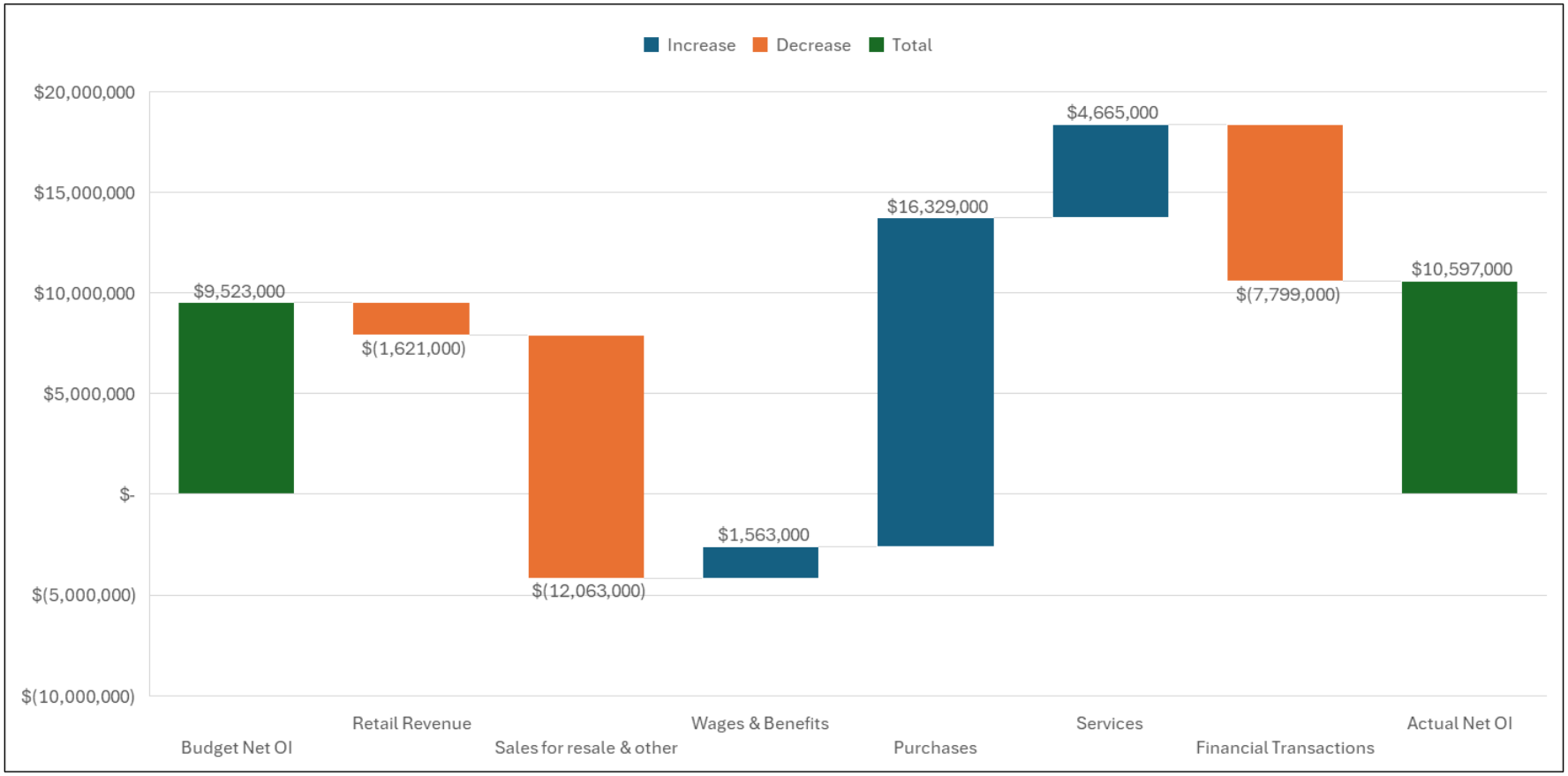
Electric Utility PRELIMINARY Year-to-Date (YTD) Net Operating Income (OI) Variance | Q3 2025



The "Financial Transactions" category represents depreciation, amortization, and clearing activities.

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Water Utility

The dial here represents sound financial condition and performance through the third quarter. The Water Utility's major consumption occurs in the drier months, especially in Q3. Financial results for the Water Utility through September was favorable. Residential and commercial consumption were above budget by 15% and 10%, respectively, while wholesale consumption aligned with budget assumptions. Q3 year-to-date operating revenue was $41.5 million, favorable by $2.9 million to budget. Overall, a $9.9 million increase in net position was $4.8 million favorable to the budgeted $5.1 increase in net position for the year.

The Return on NBV financial metric was below target of 5-7% at 3% due to rising costs from inflation and the need to upgrade aging infrastructure. This metric projects remaining year activity, which includes conservative revenue assumptions.

Water Utility Budget Adherence YTD

Capital investment activity increased in the summer with construction season and through September, capital investment activity was 72% of the annual budget. Operating expenses were $35.0 million, $1.3 million unfavorable to budget. Based on capital spending year-to-date, a budget amendment is anticipated later this year.

Water Utility PRELIMINARY Financial Statement (EL1) | Q3 2025

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

(In thousands)	Nine Months Ended September 30,		Budget Comparison	
	2025	2024	Budget $	Variance
Operating revenues	$ 41,513	$ 38,884	$ 38,659	$ 2,854
Operating expenses	35,051	32,658	33,794	(1,257)
Net operating income	6,462	6,226	4,865	1,597
Non-operating revenues	3,999	4,187	1,821	2,178
Non-operating expenses	2,901	2,954	2,817	(84)
Income before capital contributions	7,560	7,459	3,869	3,691
Capital contributions	2,297	1,440	1,186	1,111
Increase in net position	$ 9,857	$ 8,899	$ 5,055	$ 4,802

WATER CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)	September 30,		December 31,
	2025	2024	2024
Current assets	$ 40.9	$ 67.0	$ 60.0
Net utility plant	302.9	271.0	287.2
Other assets	13.4	12.9	11.6
Total assets	357.2	350.9	358.8
Deferred outflows of resources	9.0	8.0	9.1
Total assets and deferred outflows	$ 366.2	$ 358.9	$ 367.9
Current liabilities	$ 9.2	$ 9.8	$ 16.4
Long-term debt	104.1	108.6	108.3
Other liabilities	24.4	19.4	24.6
Total liabilities	137.7	137.8	149.3
Deferred inflows of resources	2.1	3.6	2.1
Total net position	226.4	217.5	216.5
Total liabilities, deferred inflows, and net position	$ 366.2	$ 358.9	$ 367.9

WATER CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In thousands)	YTD	Annual Working Budget	
	9/30/2025	Budget $	% of Budget
Type 1 - General capital	$ 10,227	$ 12,898	79.3%
Type 2 - Rehabilitation and expansion	$ 18,677	27,348	68.3%
Total capital	$ 28,904	$ 40,246	71.8%

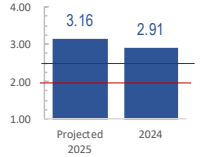
FINANCIAL STRENGTH MEASUREMENTS

Target line

Debt service coverage

Target: 2.0 - 2.50x

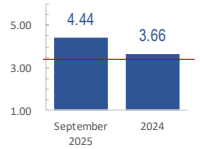
Measures the utility's ability to meet its annual long-term debt obligation.



Current ratio

Target: Minimum of 3.25x

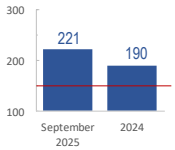
Measures the utility's short-term liquidity (ability to pay bills).



Working capital days cash

Target: Greater than 150 days

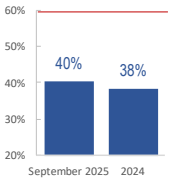
Estimates the number of days the utility can pay its daily O&M before running out of cash.



Age of system

Target: Less than 60 percent

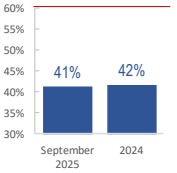
Measures age of system compared to how much has been depreciated.



Debt as a % of NBV

Target: Less than or equal to 60 percent.

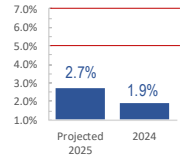
Measures overall leverage of the system by aligning debt service with the useful lives of assets.



Return on NBV

Target: 5 - 7%.

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



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Water Utility PRELIMINARY Capital Report (EL1) | Q3 2025

	ANNUAL BUDGET		2025	% OF	YEAR-END
	APPROVED	WORKING	YTD ACTUAL	BUDGET	PROJECTION
Type 1 - RENEWAL AND REPLACEMENT PROJECTS					
Source - Water Intakes & Filtration Plant	$ 1,444,000	$ 1,444,000	$ 462,000	32%	$ 1,426,000
Distribution & Pipe Services	7,853,000	7,853,000	7,493,000	95%	9,419,000
Distribution Facilities	1,197,000	1,197,000	271,000	23%	363,000
Information Technology	1,563,000	1,563,000	1,215,000	78%	1,606,000
Buildings, Land, & Fleet	841,000	841,000	786,000	93%	815,000
TOTAL TYPE 1 PROJECTS	$ 12,898,000	$ 12,898,000	$ 10,227,000	79%	$ 13,629,000
Type 2 - INFRASTRUCTURE REHABILITATION & EXPANSION					
Bertelsen Property Expansion	1,293,000	1,293,000	378,000	29%	936,000
ROC Yard Electrification	142,000	142,000	-	0%	-
E 23rd St Transmission Main	4,200,000	4,200,000	98,000	2%	175,000
Hilyard St Transmission Main	-	-	2,086,000		2,822,000
Willamette River Crossing - FEMA	-	-	242,000		400,000
Knickerbocker Bridge Seismic Upgrades - FEMA	-	-	62,000		200,000
Riverfront Parkway to Villard Street	-	-	8,000		100,000
E 40th Storage Tanks	-	-	4,000		4,000
Shasta 975 Reservoir	2,100,000	2,100,000	1,745,000	83%	2,472,000
College Hill Reservoir Replacement	9,450,000	9,450,000	11,902,000	126%	19,000,000
Water Meter Upgrade	2,327,000	2,327,000	1,164,000	50%	2,115,000
EWEB Enterprise Solutions	2,586,000	2,586,000	548,000	21%	1,500,000
IT - GIS Infrastructure	-	-	19,000		19,000
Emergency Water Supply	-	-	42,000		50,000
Second Source	5,250,000	5,250,000	379,000	7%	1,506,000
TOTAL TYPE 2 PROJECTS	$ 27,348,000	$ 27,348,000	$ 18,677,000	68%	$ 31,299,000
TOTAL WATER CAPITAL PROJECTS	$ 40,246,000	$ 40,246,000	$ 28,904,000	72%	$ 44,928,000

Type 1: Capital Asset Renewal and Replacement projects – includes discrete projects to maintain/improve system reliability, or are customer driven, that generally cost less than $3 million per year.
Type 2: Infrastructure Rehabilitation & Expansion – includes multi-year strategic projects that are projected to cost greater than $3 million for the life of the project.

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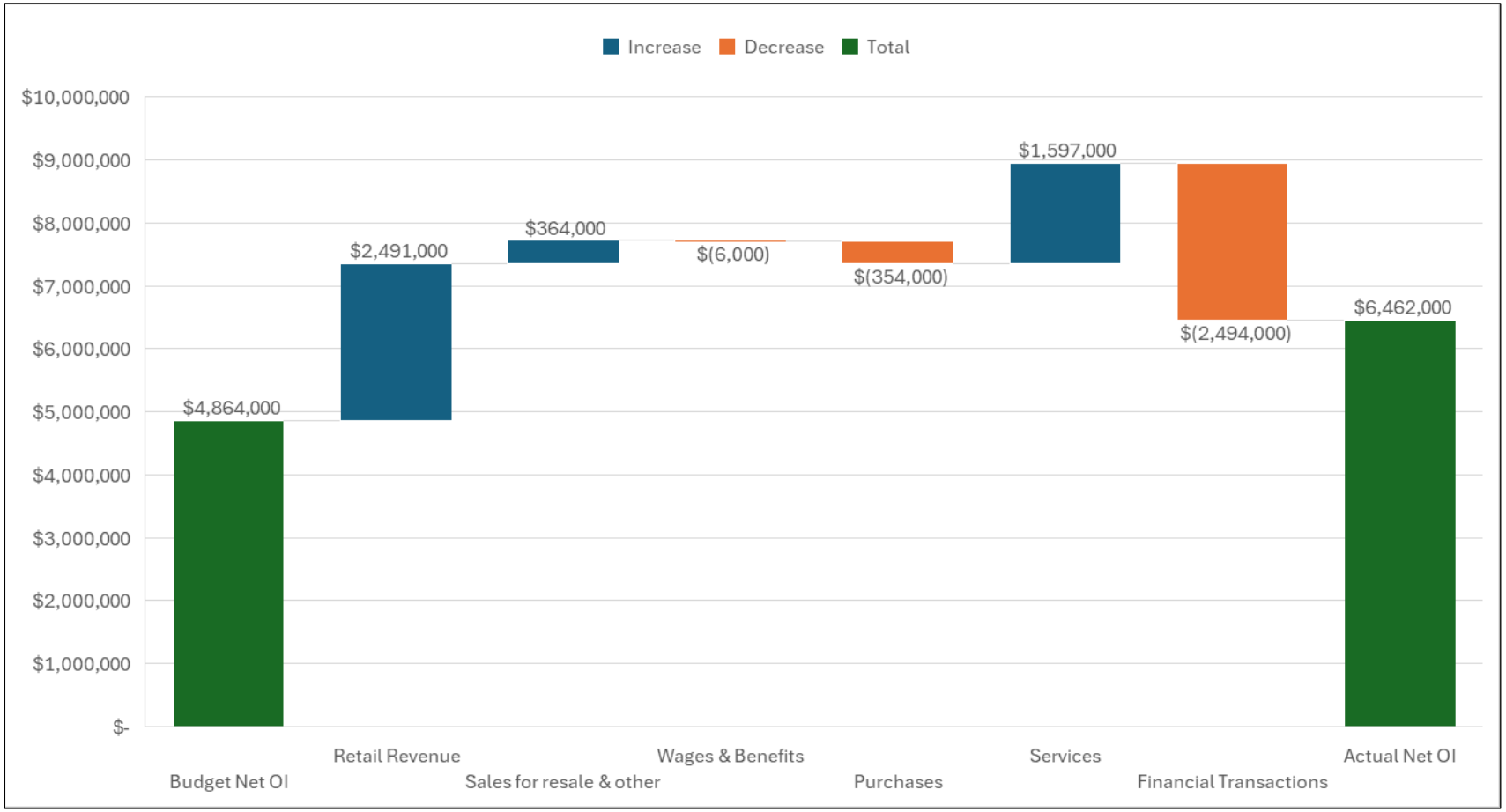
Water Utility PRELIMINARY Year-to-Date (YTD) Net Operating Income (OI) Variance | Q3 2025



The "Financial Transactions" category represents depreciation, amortization, and clearing activities.

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EWEB Contracts Report | Q3 2025

Contract Execution Date	Contractor	City, State	Contract Title, Detailed Description	Expiration Date	Contract Amount	Contract Process	Executive Manager
7/18/2025	Energy Northwest	Richland, WA	Specialty Electrical Engineering Services for Stone Creek	7/1/2030	$ 100,000.00	Direct Negotiation	Karen Kelley
7/25/2025	Aviat US Inc.	Palatine, IL	Belknap to Smith Microwave Radio Replacement	11/1/2025	$ 134,411.00	Cooperative/Direct	Karen Kelley
8/14/2025	DOWL	Eugene, OR	Leaburg Forebay Repair	11/21/2025	$ 44,345.00	Direct Negotiation	Karen Kelley
8/14/2025	Geosyntec Consultants	Portland, OR	Temperature Total Maximum Daily Load (TDML) Implementation Support	8/31/2030	$ 54,900.00	Direct Negotiation	Karen Kelley
8/14/2025	Electric Power Engineers, LLC	Austin, TX	PRC-027 Relay Coordination Study	6/30/2026	$ 61,950.00	Formal ITB	Karen Kelley
8/18/2025	KorTerra Inc.	Chanhassen, MN	KorTerra Locate Management Plus (State of OR 811 One Call system access)	8/12/2028	$ 40,200.00	Quotes	Karen Kelley
8/22/2025	Stoddard Power Systems, LLC	Eugene, OR	Satellite Clock Design	10/1/2025	$ 49,755.00	Direct Negotiation	Karen Kelley
8/26/2025	Associated Underwater Services (AUS)	Spokane, WA	Diving Services	9/15/2030	$ 50,000.00	Formal RFP	Karen Kelley
9/9/2025	Mycoff Fry Partners	Conifer, CO	Executive Recruitment Services for EWEB General Manager	4/30/2026	$ 145,000.00	Direct Negotiation	Diedre Williams
9/19/2025	Accruent LLC	Austin, TX	Meridian Enterprise Software License	5/31/2030	$ 149,385.69	Direct Negotiation	Karen Kelley
9/29/2025	Emerson Process Management	Freedom, PA	Onsite Technical Support for Carmen Governor	12/31/2025	$ 40,570.00	Direct Negotiation	Karen Kelley
9/30/2025	Stillwater Sciences	Berkeley, CA	Amended Biological Assessment for Fish Passage Plan at Trail Bridge Dam	1/31/2026	$ 80,000.00	Direct Negotiation	Karen Kelley

Customer

Electric Use by Customers

Dial is measuring customer electric consumption compared to budget. Electricity demand is driven primarily by weather and behavioral choices among customers. Retail and wholesale electricity load as compared to previous years and the budget assumption, are presented in Table 1.

Table 1 - Electricity Consumption (MWh)

Segment	Quarter	Year	3-Year Avg.	Budget	Actual vs. Budget
Retail Electric – Residential	203,908	*705,561*	*707,071*	703,257	2,304
Retail Electric – Commercial	210,650	619,270	627,227	646,662	(27,392)
Retail Electric – Industrial	123,360	380,456	371,946	379,145	1,311
Retail Electric – Total	**537,918**	**1,705,287**	**1,706,244**	**1,729,064**	**(23,777)**
Wholesale Electric	161,398	704,850	1,003,029	864,265	(159,415)
Total Electric	**699,315**	**2,410,137**	**2,709,274**	**2,593,329**	**(183,192)**

(Unfavorable)

Weather Impacts on Electric Use

Q3 2025 temperatures were 2 degrees warmer than average. With warmer temperatures in summer and early fall, loads were above expected. September load reduction was affected by IP mill outage.

Figure 1 - Q3 2025 Eugene Actual Daily and Monthly Average loads vs. Forecasted (expected)

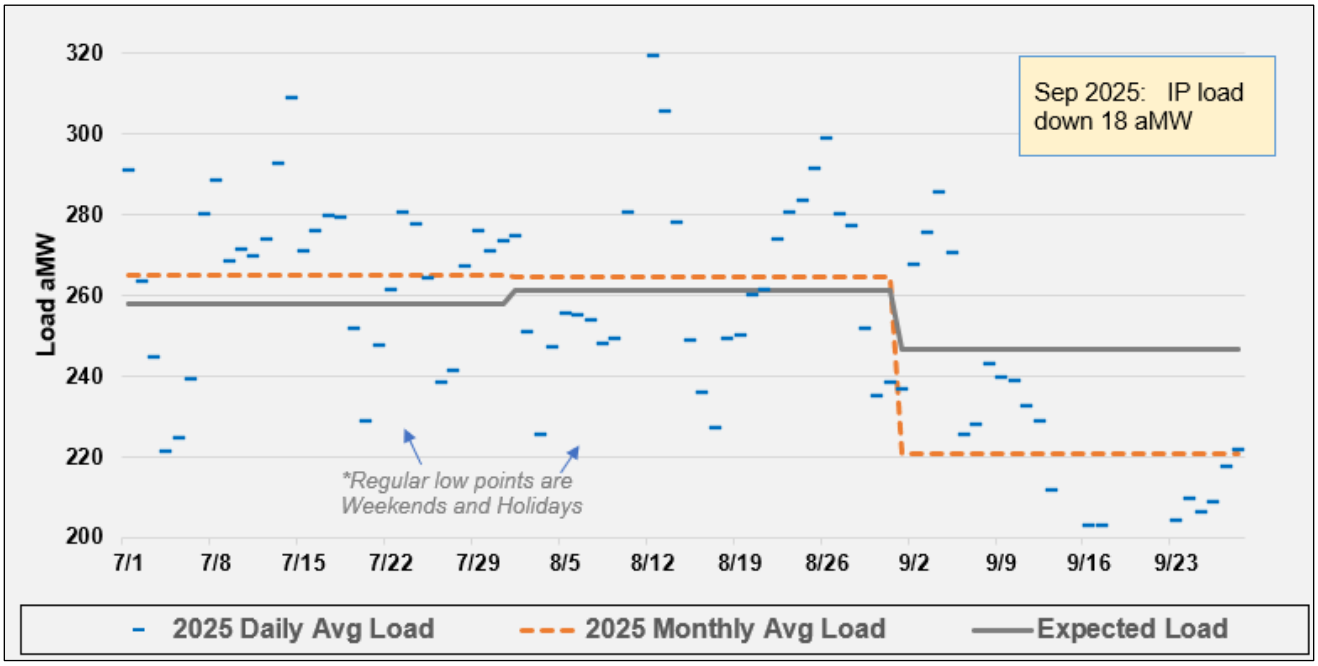

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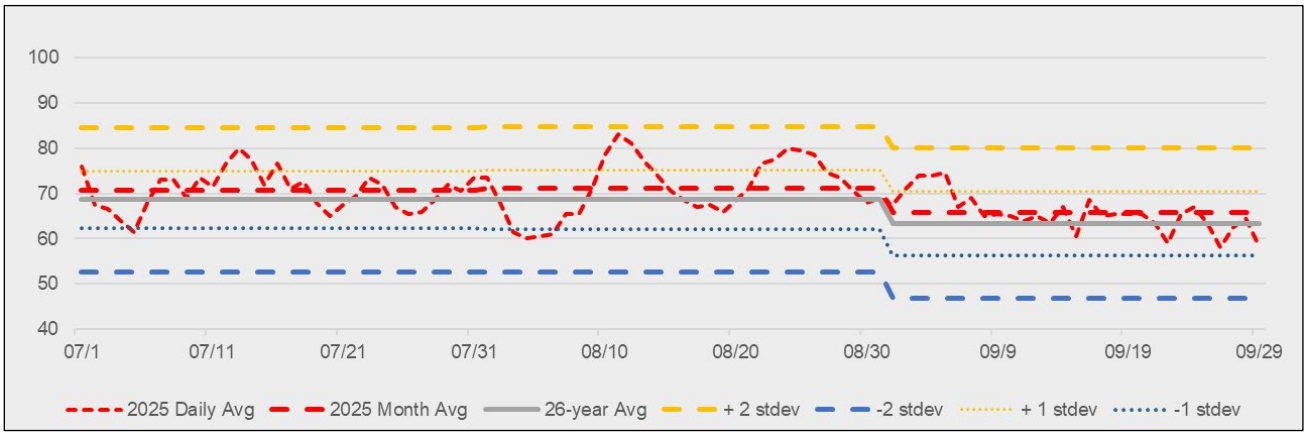
Figure 2 - Q3 2025 Eugene Actual Average Daily Temperatures vs Historical



Water Use by Customers

Dial is measuring customer water consumption compared to budget. Retail and wholesale consumption for drinking water, as compared to previous years and the budget assumption, are presented in Table 2 below.

Table 2 - Drinking Water Consumption (kGal)

Segment	Quarter	Year	3-Year Avg.	Budget	Actual vs. Budget
Retail Water – Residential	1,799,122	3,373,727	3,294,889	3,075,946	297,781
Retail Water – General Service	1,422,780	2,930,618	2,841,717	2,542,420	388,198
Retail Water – Total	**3,221,902**	**6,304,345**	**6,136,606**	**5,618,366**	**685,979**
Wholesale Water	245,135	484,406	476,119	497,562	(13,156)
Total Water	**3,467,037**	**6,788,751**	**6,612,725**	**6,115,929**	**672,822**

Favorable

Weather Impacts on Water Use

Lack of excessive heat for an extended period during Q3 and milder temperatures coming a bit earlier than what is typical this time of year, led to production levels that were slightly lower across all three months of the quarter versus that of the previous year.

Customer Operations

Contact Center

In Q3 2025, the Average Speed of Answer (ASA) for inbound calls was 173 seconds (2.8 minutes). Call volume remains elevated, with a 6% year-over-year increase through Q3, directly impacting EWEB's ability to meet the 90-second ASA goal. Despite this, Average Handle Time has improved steadily from 12 minutes at the beginning of the year to 10 minutes in September. Efforts to further reduce handle times are ongoing, and recruitment is underway for additional Customer Service staff, with new hires expected to start in December.

EWEB City Hall Customer Service

Year-to-date, 1,492 in-person appointments have been completed at the City Hall location. Of these, 53% were scheduled in advance and 46% were walk-ins. The primary reasons for appointments were ID verification (30%), general billing inquiries (24%), and portal assistance (20%).

Table 3 - Customer Response

Performance Measurement	Opportunities	Goal	Actual	Achievement	Opportunities	Achievement
	Q3 2025 YTD				Q3 2024 YTD	
Customer Calls (Average Speed to Answer)	99,391	<90 sec.	173 sec.	43%	93,773	80%
Website/Email/Portal	4,747	1 Bus. Day	1 Bus. Day	100%	5,358	100%

Digital Customer Service

EWEB currently has 70,102 active registered users on the Customer Portal. The portal remains a key channel for customers who prefer digital engagement, offering convenient access to account information and customer service. Notably, 66% of customer emails to EWEB were submitted through the portal, underscoring its role as the primary digital contact point for customers.

Billing Operations

Year-to-date through Q3 2025, EWEB issued approximately 963,400 customer billing statements, with 45% delivered electronically and 55% by mail.

During the same period, 104,300 late fees were assessed, and 61,500 final notice letters were sent. As part of the final step in the collection process, prior to service disconnection, 23,400 automated reminder calls and emails were issued. In total, 8,010 service disconnections occurred due to non-payment.

Customer payments posted through Q3 2025 totaled $298.8 million. Of this amount, 62% was received through automatic payment channels (customer portal, IVR, AutoPay), while approximately 25% was received via mailed physical checks. The remaining balance of payments come from ACH/Wires direct to EWEB's bank, customer bank bill pay, large cash payments at ROC, and LIHEAP & EWEB assistance.

Uncollectible Accounts Update - Through the third quarter, EWEB's net write-off of uncollected payments totaled $367,000, representing a 70% increase compared to $213,000 through Q3 2024. Several factors contributed to this increase:

- System transition pause: Collection activities were intentionally paused from October 2024 through March 2025 to support the transition to the new SAP system. This pause resulted in higher outstanding balances for some customers that ultimately went unpaid.
- Payment Plan Defaults: A higher proportion of customers have not fulfilled agreed-upon payment plans, leading to more accounts being referred to our collection agency partner.
- Data Clean-Up Adjustments: The system conversion from Banner to SAP also identified and required write-offs of older, previously unresolved accounts.
- During the first year following go-live, customer deposits have been calculated at a flat rate of $150 rather than the standard requirement of two times the customer's average bill. This variance has also affected write-offs, as outstanding balances are significantly higher than the deposit amounts on record.

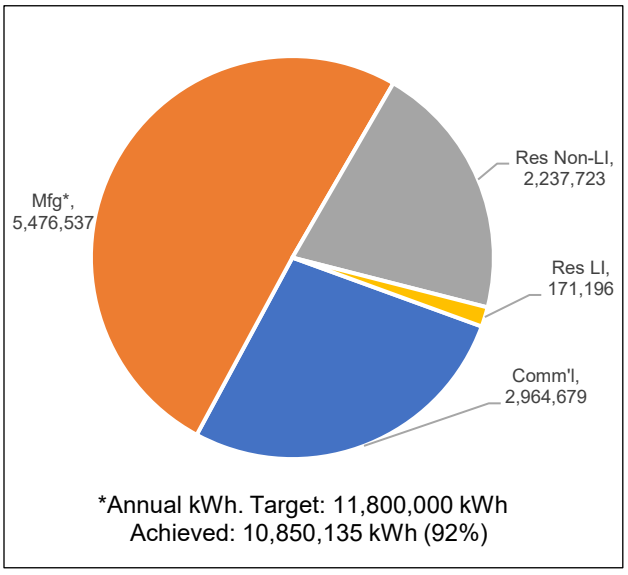
Customer Programs

The dial represents EWEB's conservation achievements year to date. EWEB is above target and below budget.

Energy Efficiency & Conservation

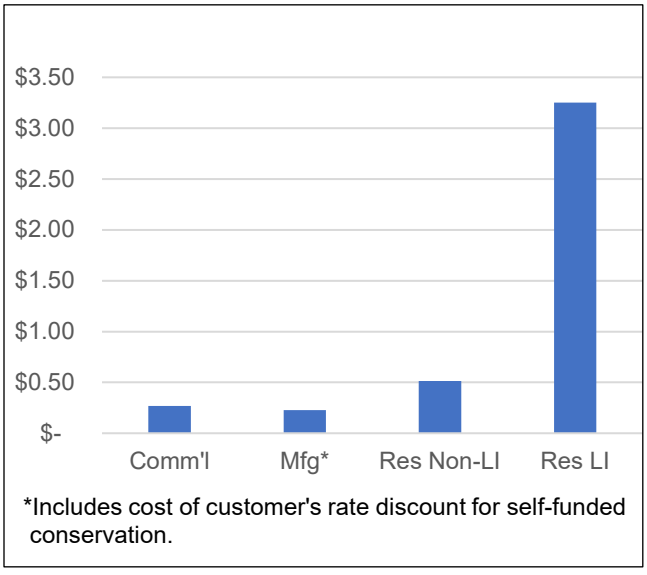
Through Q3 EWEB has reached 92% of its overall 2025 energy savings target at 71% of budget. Customer Solutions is on track to exceed its target while remaining on budget.

Figure 3 - Conservation Energy Savings 2025 through Q3



*Annual kWh. Target: 11,800,000 kWh
Achieved: 10,850,135 kWh (92%)

Figure 4 - Utility Cost Per First Year kWh



*Includes cost of customer's rate discount for self-funded conservation.

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- EWEB has continued higher energy savings in the commercial sector through another six-month commercial lighting promotion. Energy savings in this sector remain far more cost effective than in the residential sector.
- The BPA two-year rate period ended September 30, 2025. Contract customers in the manufacturing sector completed enough large energy efficiency projects to meet their conservation obligation and avoid alternative fees in lieu of delivered savings.
- EWEB was able to complete enough conservation projects with its customers to recover 100% of its available BPA reimbursement for the two-year rate period ($4.6 million) and completed additional projects to make use of BPA Direct Funding Demonstration (DFD) grants and conservation allocations that other utilities were not able to spend, netting over $2 million in additional funding in 2025. Customer Solutions has remained on budget without this revenue, so these funds contribute directly to the utility's bottom line.
- Part of the reason EWEB is able to exceed energy efficiency targets under budget is due to offering customers a zero-interest loan in lieu of a rebate. Through Q3 EWEB has funded 371 loans ($3,362k) for efficiency and electrification projects in homes and 32 loans ($222k) for residential projects such as water line replacements, septic system replacements, electric service line upgrades, and backup generators. These loan terms are typically 4-5 years and consistently maintain a delinquency rate below 0.5%.
- EWEB continues to offer higher incentives for projects in limited income households and has completed over 130 projects through Q3, 24% of which were for rentals.

Electrification

The dial represents progress toward 2025 investments in Transportation and Building Electrification. Through Q3, EWEB has spent $665k for Transportation Electrification (TE) for EV charging incentives and grant projects, and electric bikes; and $130k for Building Electrification (BE). The 2025 TE investment strategy places 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.

Limited Income/Assistance

The dial represents bill assistance spending relative to budget.
The utility budgeted $1.6 million for EWEB Customer Care in 2025. Through the end of Q3, $1.1 million has been allocated. Energy Share assistance is slightly higher year over year at $170k, compared with $142k in 2024.

The government shutdown has had an impact on our community. The 2026 LIHEAP program year has been delayed, and SNAP payments lapsed in November. EWEB is closely monitoring the situation and planning to make proactive ECC payments to eligible customers. These credits will be deployed within existing budgets, and all recipients will be eligible in January when the new program year begins.

Water Efficiency & Conservation

The dial represents progress of water efficiency programs and budget adherence.
In Q3 2025, EWEB provided leak notifications to 520 commercial and 2,051 residential customers with estimated water savings of 2,524 kGal and 31,822 kGal, respectively. Year to date, EWEB provided notifications to 1,308 commercial and 3,765 residential customers with savings of 23,807 and 90,380 kGal respectively.

EWEB administered 96 rebates for efficient toilets and sprinkler controls year to date. For watershed protection year to date, EWEB administered 46 septic grants funded by Lane County and DEQ ($1,027k), funded 3 septic system replacement/repair loans, and provided rebates to pump 40 septic systems.

Customer Building & Renovation Projects

For Electric Customer facing metrics, see “Switch” section of Electric portion of report.

Electric Utility: “Source-to-Switch”

EWEB values the “ongoing continuous on-demand delivery of electricity, and the dependability of our response to our customers.” The delivery of safe, reliable, clean electricity to customers is evaluated across the entire electricity lifecycle from “Source-to-Switch” including source acquisition; generation at owned facilities; transmission/substations/and distribution (delivery); metering, system monitoring and compliance; resiliency planning, preparedness and emergency response; and customer experience (switch). The Source to Switch model is shown below:

Figure 5 - Source to Switch: Electricity Lifecycle Model

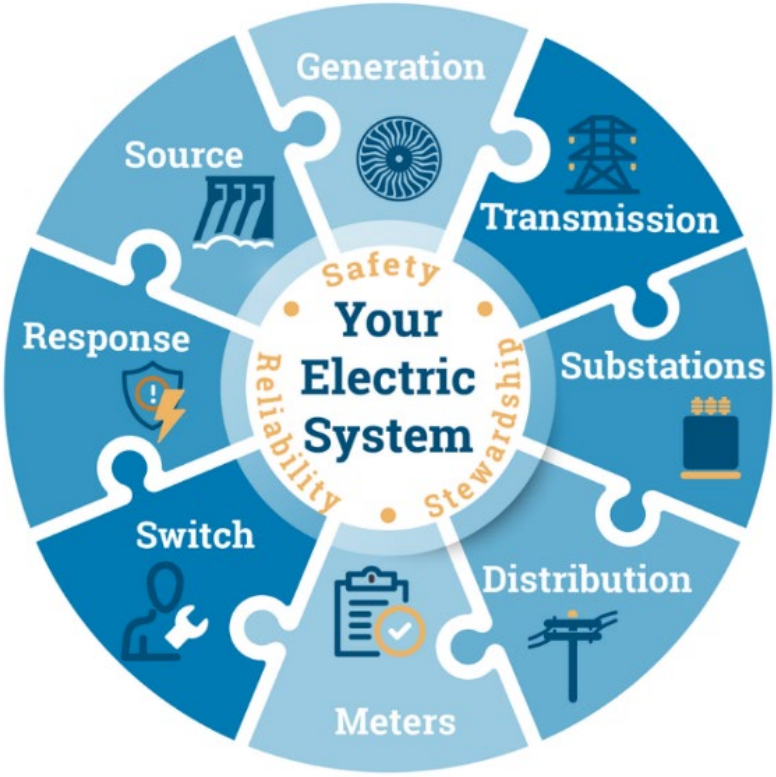
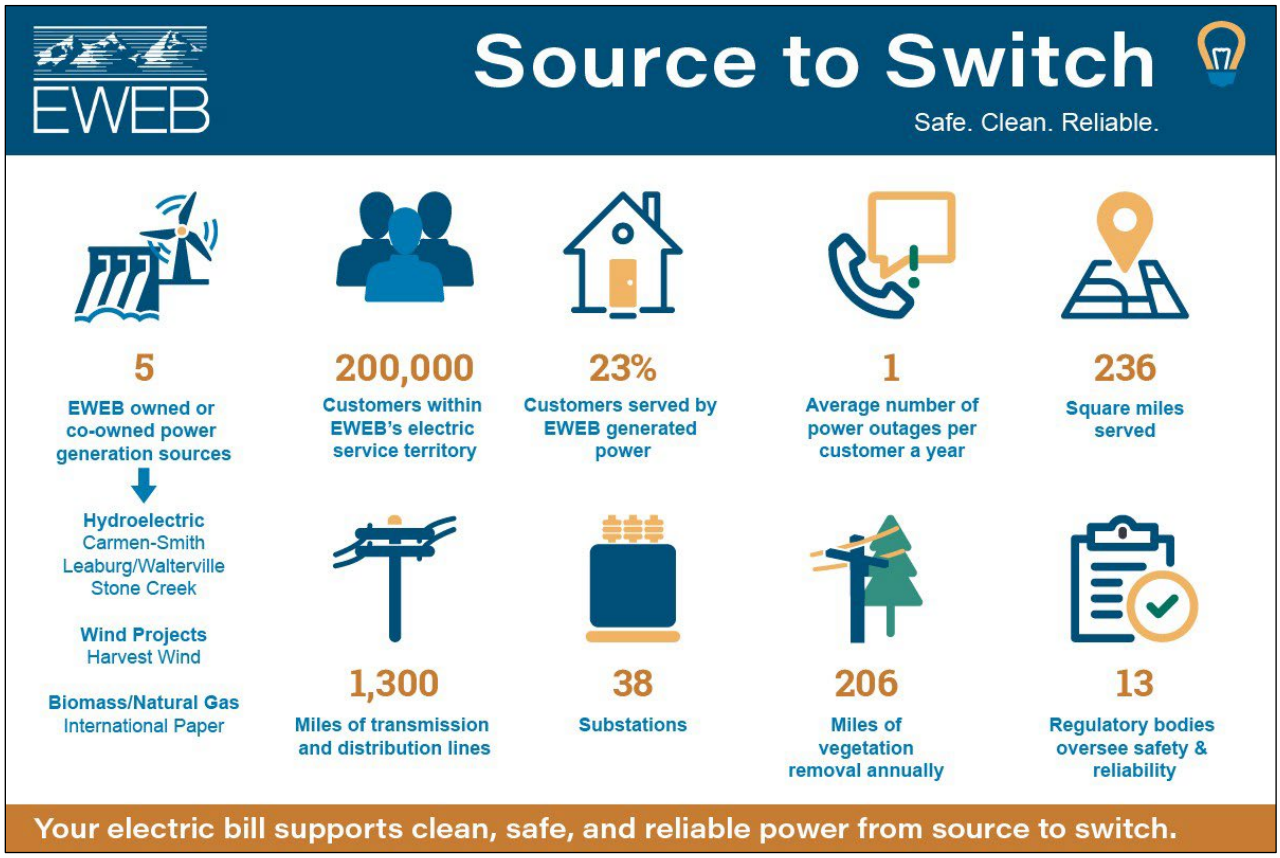


Figure 6 - Source to Switch Electricity Lifecycle Model Quick Facts



Electricity Source

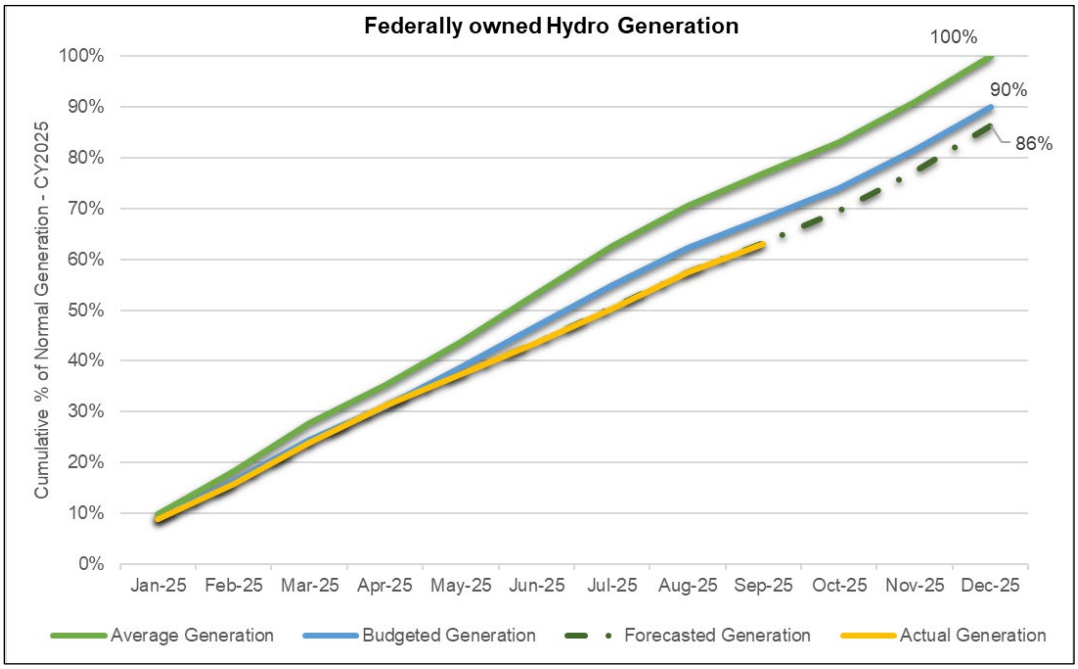
EWEB has many sources of power generation that require careful attention to ensure our resources remain available, safe for use, and comply with multiple agency regulations, while mitigating the impact of resource use on our environment. To achieve this, staff from multiple departments work to monitor 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.

Contracted Resources

The dial represents actual generation driven by water availability for hydro generation in the Columbia Basin and is reflective of our Bonneville Power Administration (BPA) power sales contract. About 80 percent of EWEB's power comes from power purchase agreements, with the vast majority of purchased power coming from BPA. The purchasing and trading processes require constant monitoring and adjustment to balance with our generation ability and customer demands.

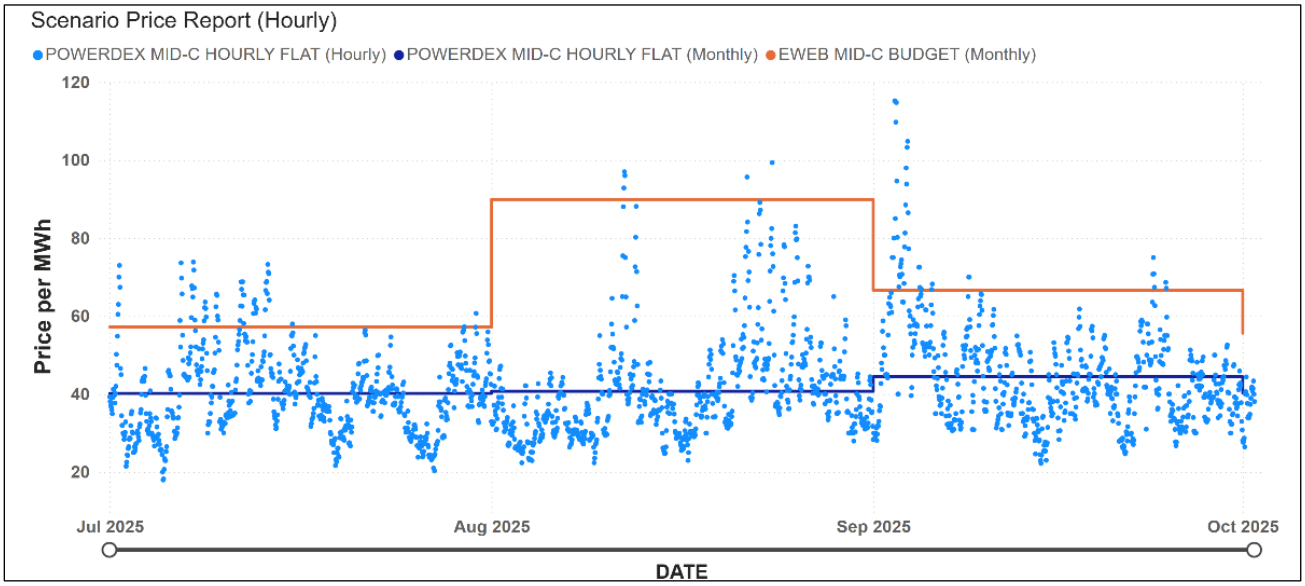
During the third quarter of 2025, the Columbia Basin continued to experience precipitation variability, with many regions receiving below-average rainfall amid persistently warm temperatures. These dry conditions compounded earlier deficits from the first half of the year, further straining water availability for federally owned hydroelectric facilities. As a result, Q3 hydro generation remained below budget expectations, reflecting the cumulative impact of reduced inflows and diminished reservoir levels across the basin.

Figure 7 - Cumulative Percent of Average Hydro Generation Columbia River Basin Q3 2025



Q3 pricing has been lower than budgeted mainly due to the moderate summer weather in the region. While warm on average, we didn't experience extreme coincident heat events. An increase in regional solar generation was sufficient to maintain resource adequacy during small heat events recognizing inter-regional transmission is at times close to its maximum. Q3 hourly prices through mid-September were on average $40, almost half of budgeted $70 prices.

Figure 8: Hourly Market Prices Q3 2025



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EWEB Owned Resources

The dial here represents actual generation driven by lower-than-expected water availability for hydro generation in the McKenzie watershed where EWEB's owned hydro facilities are located. 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.

EWEB hydro conditions improved from the last quarter. However, during the third quarter of 2025, the McKenzie River near Vida experienced below-average precipitation, consistent with broader dryness across the region. The combination of reduced precipitation and sustained warm temperatures contributed to lower-than-expected inflows, impacting hydro generation.

Figure 9 - Cumulative Percent of Average Hydro Generation for EWEB Owned McKenzie Hydro Q3 2025

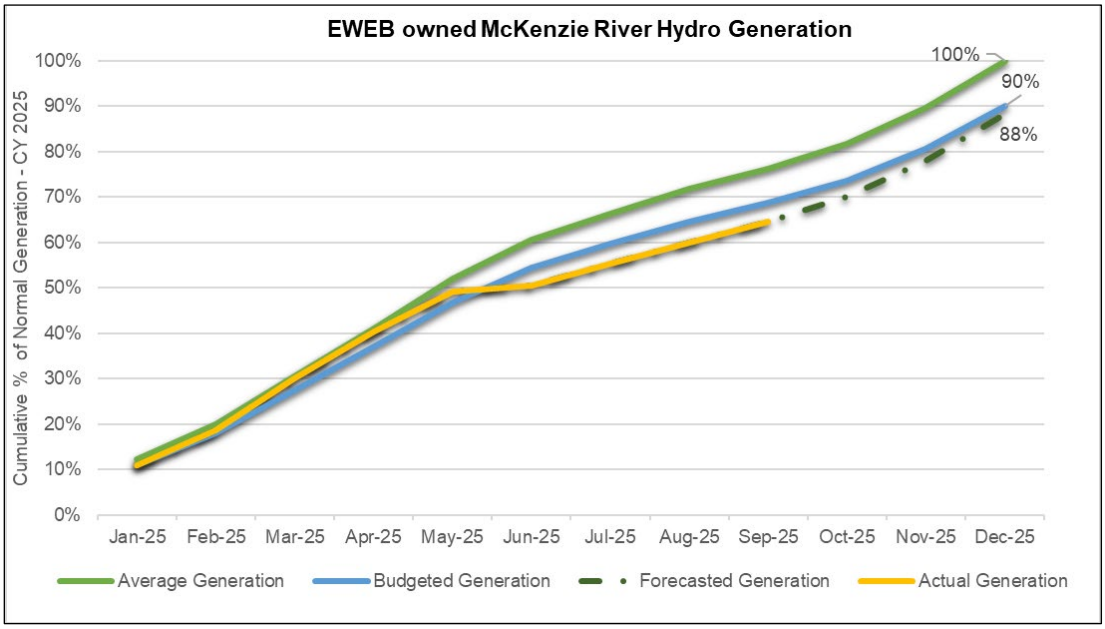


Table 4 - Water Availability/Forecast for Hydroelectric Generation

Performance Measure Water Availability	Quarter 3	Year-to-Date (Calendar)	Year-to-Date (Water year)	Forecast Summer	Forecast Water Year (October)	Previous Water Year End
Columbia Basin (% of Mean)	70%	79%	79%	70%	80%	77%
Columbia Basin (% of Budget)	78%	71%	71%	78%	79%	69%
McKenzie Watershed (% of Mean)	101%	97%	100%	101%	100%	109%
McKenzie Watershed (% of Budget)	112%	87%	90%	112%	100%	98%

Rely on us.

Table 5 - EWEB Generation Reliability (Availability)

Performance Measure		Quarter	Year-To-Date	Target
Availability Factor (%)				
	Wind	93.35	95.46	>90
	Hydro*	45.46	46.51	>90
	Thermal	79.74	91.05	>90
Forced Outage Factor (%)				
	Wind**	N/A	N/A	<3
	Hydro*	13.53	13.47	<3
	Thermal***	0	1.72	<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 and Carmen Unit 2
**FOF is not a standard metric for wind generation
***Year to date high FOF

Electricity Transmission & Distribution

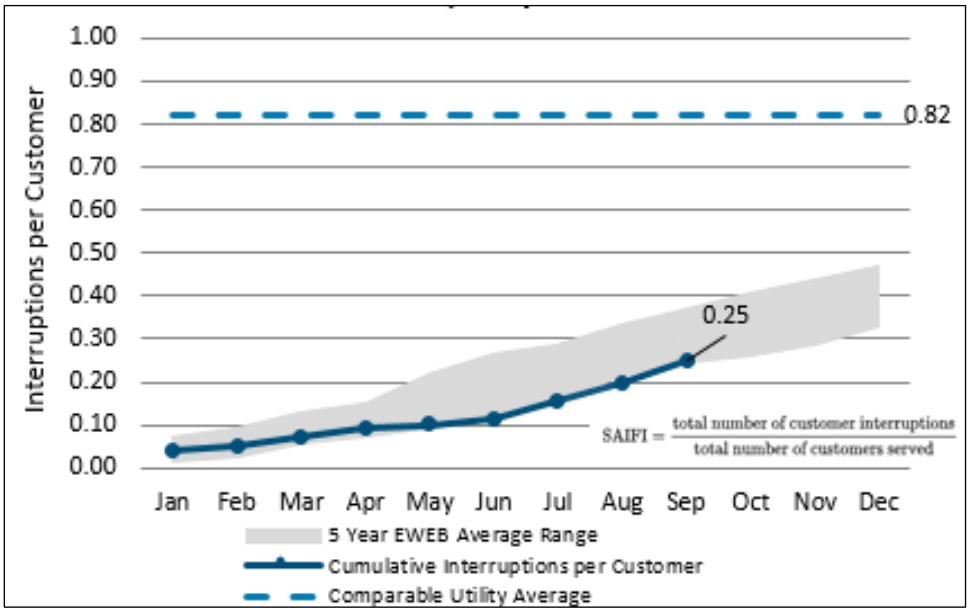
Once the electricity is generated or purchased, safety and reliability must be maintained as it is delivered to EWEB customers. Assessing, testing, maintaining, repairing, and replacing infrastructure are critical aspects of the program to ensure safety, reliability and meet customer demands. Overall, the Electric Division performance is on target when considering core work (emergency response, compliance, maintenance, capital, etc.)

System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI)

The two figures below represent EWEB's reliability performance in terms of industry standard reliability indices. These are defined by the international electronics and electrical engineering society as a standard for utility performance. EWEB collects data throughout the year on these metrics via outage management systems that are collated to produce this data. These indices normalize system wide data to the average single customer experience. The utilities used in the comparison for benchmarking data include those available publicly and are the same compared for financial rate benchmarking. It should be noted that this graph does not segregate upriver and urban territories, and is a normalized set of data, where there may be individual customers experiencing several outages per year or higher outage minutes, and some customers experiencing no outages in the year or lower outage minutes than shown.

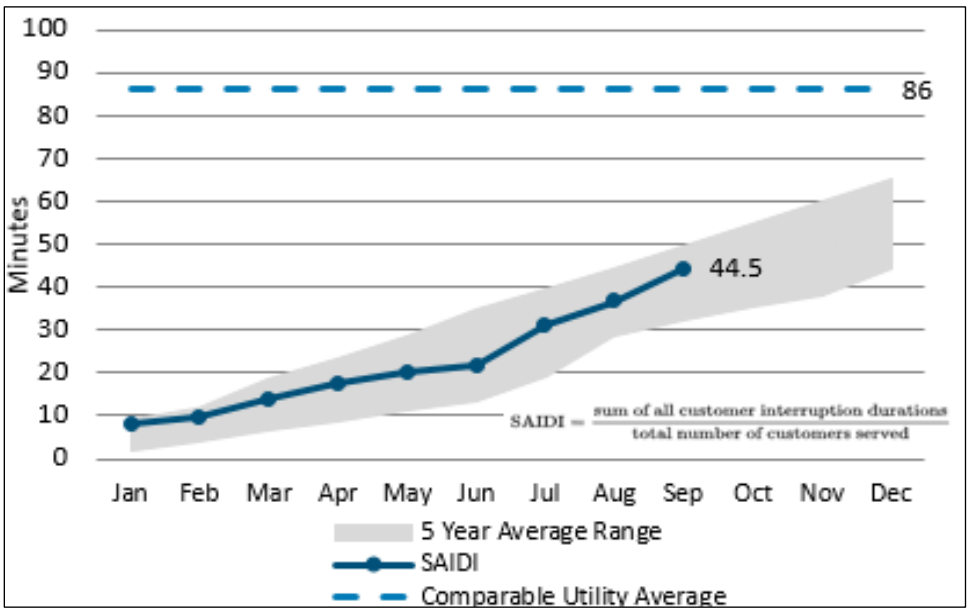
The 'SAIFI', which represents the frequency of outages for an average customer experience, is currently at the lower end of EWEB's 5-year average. This shows that the average EWEB customer is experiencing a lower-than-average outage frequency (average representing the middle section in the gray area in the graph). When compared with comparable utilities, EWEB is far below the benchmark. This graph shows the average EWEB customer will experience 0.25 outages through Q3, which though not mathematically possible, represents the numerical representation of less than one outage per year for customers individually.

Figure 10 - 2025 SAIFI: Average Electrical System Interruption Frequency



The 'SAIDI', which represents the duration of outage interruption for an average customer experience, is currently within EWEB's 5-year average. This shows that the average EWEB customer is experiencing a higher-than-average outage duration (average representing the middle section in the gray area in the graph), however still within historical performance when a 5-year span is considered. When compared with comparable utilities, EWEB is far below the benchmark. This graph shows the average EWEB customer will experience 44.5 minutes without power through Q3.

Figure 11 - 2025 SAIDI: Average Electrical System Interruption Duration



Rely on us.

Staff conclusion after analyzing both performance metrics is that there is no intervention required as performance is within bounds considering EWEB's own historical data and lower than comparable utilities in the region.

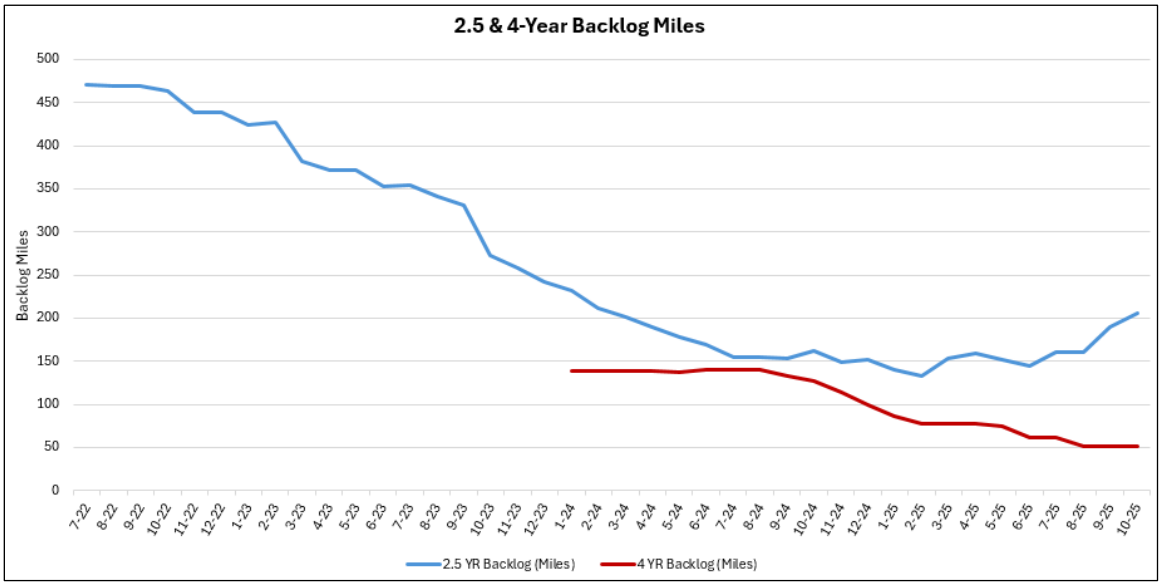
Tree Trimming

EWEB vegetation management is one of the highest contributors to reliability among capital and O&M work. This workflow involves inspection by an internal forestry team of EWEB's circuits for line to vegetation distance, and trimming performed by a contractor team based on the inspection findings. This trimming is performed on an ongoing basis for the system, adhering to PUC requirements for timing. The PUC requires utilities to inspect and trim trees on a 5-year cycle and a lower detail cursory 'mid cycle' at 2.5 years to ensure clearances are maintained for reliability and safety over the course of the cycle. EWEB targets a 4-year cycle to allow for a buffer to manage work within and performs the 2.5-year 'mid cycle' check per requirement. Timing of trimming locations is based on substation circuit feeders, and this rotation of inspections is tracked and monitored by EWEB for performance and adherence to PUC requirements.

This last quarter, Electric Division staff partnered with the Continuous Improvement team to develop more useful, consumable, and meaningful metrics to aid in the long-term planning and monitoring for this workflow.

Following is a stack of graphs which tell a story of EWEB's tree trimming journey over the last approximately 3 years. The first graph shows the overall backlog of work by miles, showing the number of miles behind trimming is from the current inspection cycle.

Figure 12 - Vegetation Management: Backlog Miles



In mid-2022, EWEB was experiencing an approximately 475-mile backlog for the 4-year trimming cycle. This backlog was accumulated due to a combination of covid related inefficiencies and staffing shortages experienced in 2020-2022, past contractor performance, and a substantial amount of emergent work related to the Holiday Farm fire tree removals, and new wildfire inspection and trimming

requirements, now required annually for wildfire high risk designated circuits. At that time EWEB chose to increase productivity by adding overtime and crews to the contractor workforce. This can be seen in the second and third graphs depicting “Crews per Week”, and “Units per Week” (units is a forestry term for trees trimmed).

Figure 13 - Vegetation Management: Crews/Week

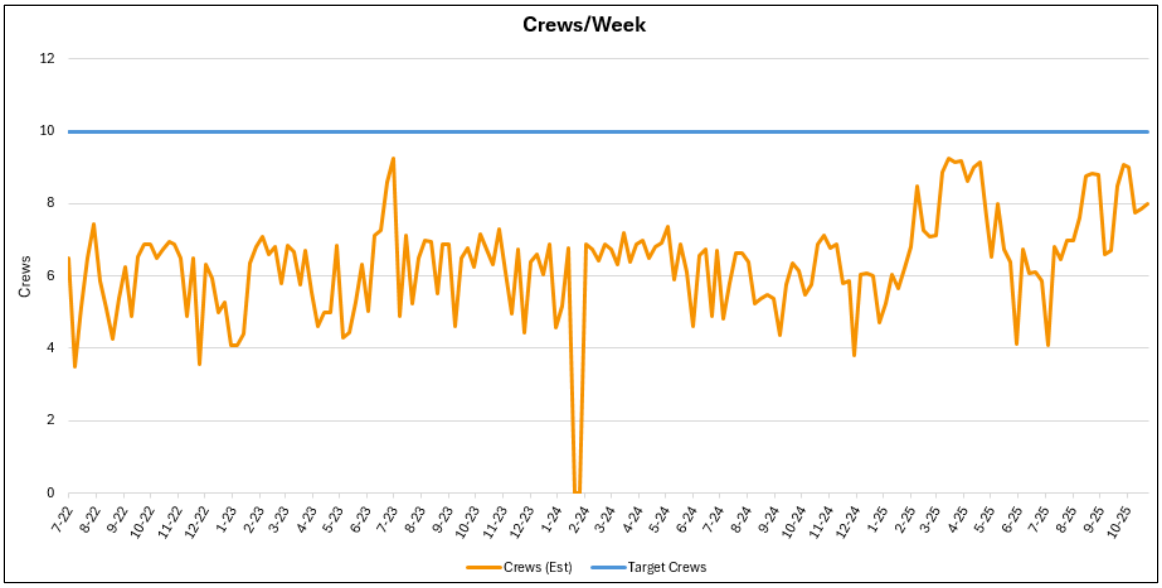
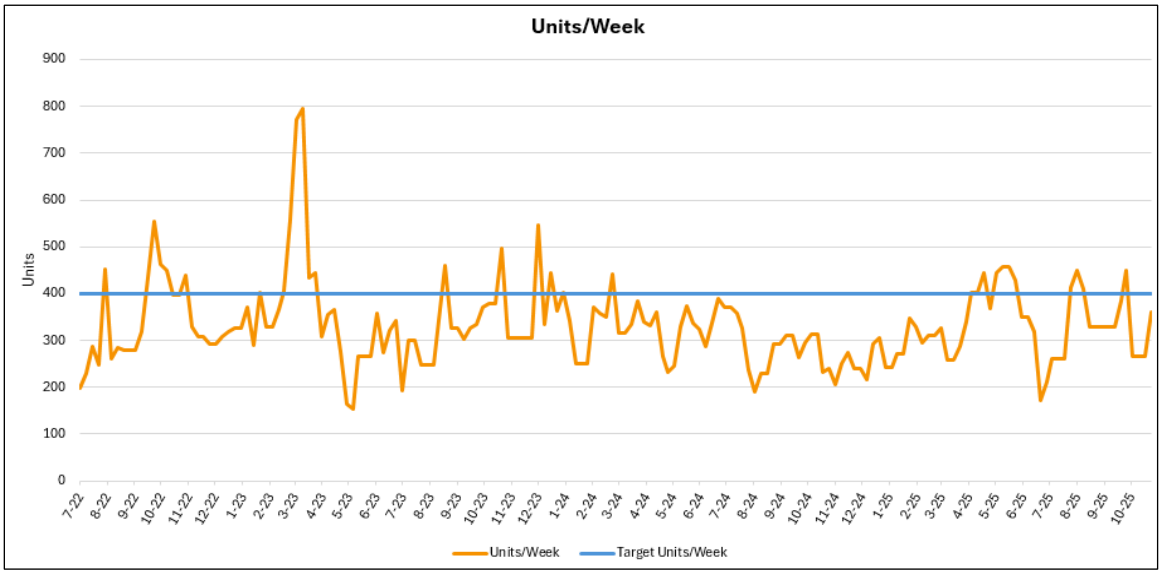


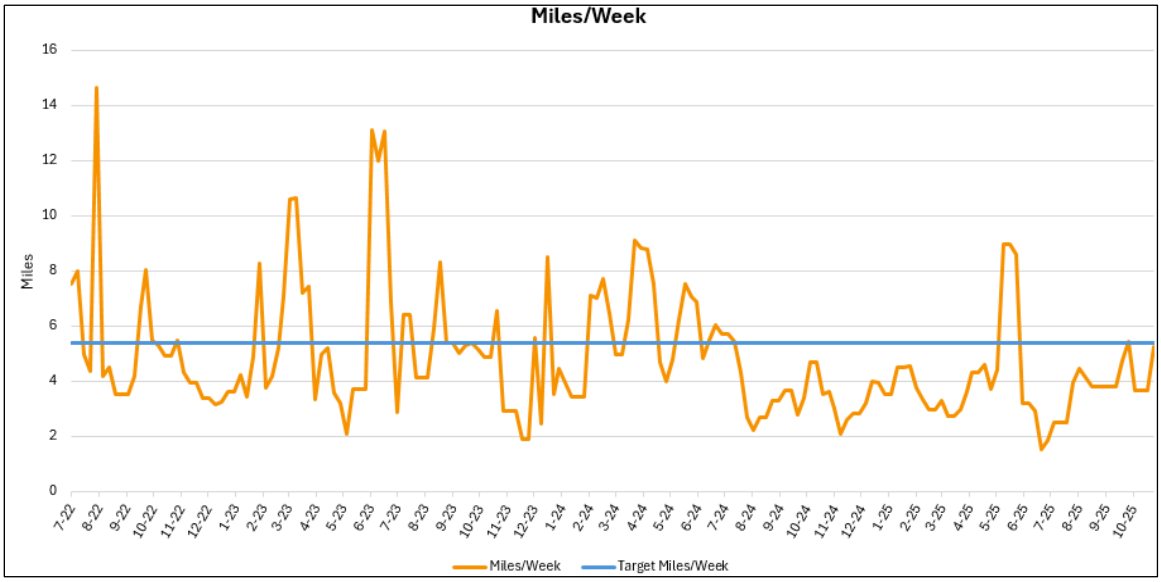
Figure 14 - Vegetation Management: Units/Week



It can be seen that the crews per week stayed steady until a contract change in early 2025, however the units per week were increased substantially between October 2022 and April 2023. This is related to EWEB supervisory and forestry oversight driving work through the contractor at a faster pace to make up the backlog.

In the bottom graph an effect of increased miles per week can be seen coincident to units per week. This is not necessarily a 1:1 comparison as some circuits have thick tree canopies and some thinner, however the relative effect shows miles per week increasing for spans of time, which is then reflected in the top graph's decline in backlog.

Figure 15 - Vegetation Management: Miles/Week



Overall, the top graphs show that EWEB has been consistent in targeting the decline of the overall workflow's backlog. Staff monitor the supporting metrics which drive this success on a weekly basis through reports from the contractor, and adjustments are made when the contractor performance sustains below target of units, crews or miles per week. EWEB is continuing to maintain this oversight, as due to the 2020-2022 bubble of backlog work, this is coming back on the 4-year cycle. This can be seen in the span of backlog between October 2024 and October 2025. The data is currently showing that the backlog is climbing even though contractor crews have increased, and units per week and miles per week have remained steady. This is related to the previous backlog during COVID times and will be managed appropriately. Staff are currently monitoring this trend and will do so for the next two quarters before taking action to determine if the resulting "bubble" of work can be completed on time with existing resources with some use of overtime, or if additional resources are needed. Additionally, staff are monitoring this workflow for effects from removal of the upriver territory as this will decrease both the annual, 2.5-year and 4-year cycle requirements. The 2.5-year backlog has been steadily decreasing as emphasis has been put on maintaining clearance for quick growing trees across the territory. Keeping this metric approaching zero allows for the 4-year cycle trim to be more efficient, decreases risk of outage, and increases safety margin for tree contact.

Electric Monitoring & Compliance

Monitoring the electric grid is essential to ensuring safe and reliable service to EWEB's customers. 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.

North American 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 R2 –2019, VAR-002-4.1 R2 PNC under draft review
- PRC-002 – 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 has developed a PNC Mitigation Tracker in SharePoint. 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.

Public Utility Commission (PUC)

The OPUC requires bi-annual high level safety patrol inspections on overhead electric distribution and transmission lines. 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 used Osmose Utilities Inc to perform detailed inspections on facilities serving the Hawkins, Danebo, and River Road substations. These inspections will begin in May 2025 and were completed in 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 performed these inspections. Due to repeated year over year inspections per the requirement, findings have decreased substantially in the last few years (126 corrections the first year compared to 12 needed this year).

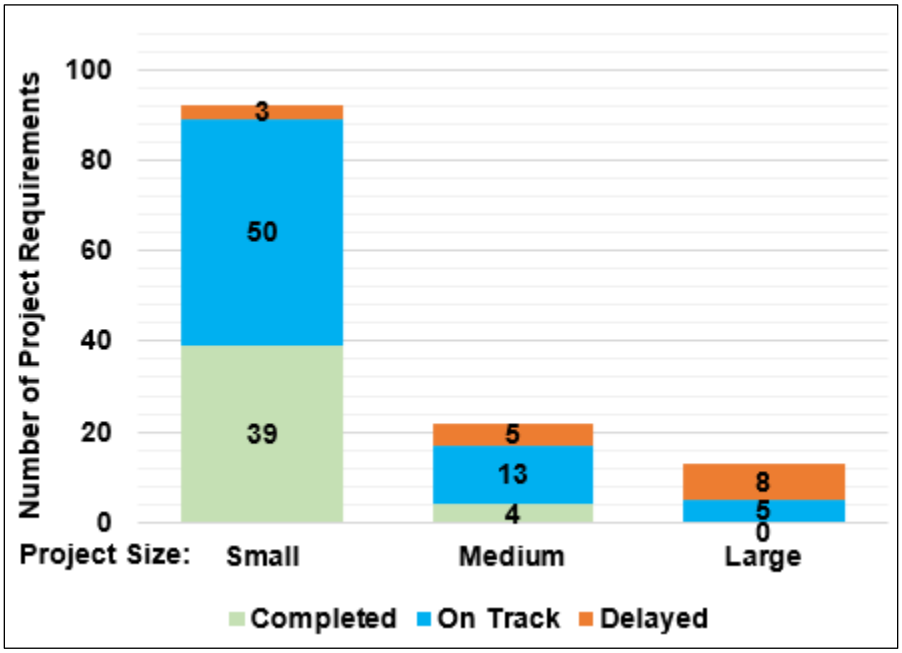
Designs are currently being drafted for findings that require corrections as called for during the inspection cycle. 2025 design progress is currently on track to meet correction turn around requirements (correction to occur 2 years from time of inspection). These designs are then completed in the field. 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 and are currently back down to one crew while final PUC corrections are made by year end. EWEB staff are closely monitoring inspection, design, and correction progress with a goal of having most of the next year's design work ready by year end.

In the third quarter, EWEB received a mid-cycle audit from the PUC as a standard timed performance check. The PUC audited the overall system through spot checks and found nine corrections to be made, with seven of them various grounds stolen from the same substation fence. The other two were found to be a non-issue, with one a customer related infraction, and the other work in progress that was mistaken for idle equipment. This result was excellent in terms of findings of infractions and exhibited that EWEB processes and procedures for oversight of this program are remaining high quality, detail oriented, and timely.

Federal Energy Regulatory Commission (FERC)

For 2025, EWEB is tracking 127 requirements associated with the fulfillment of the current Carmen-Smith operating license. Of these requirements, forty-three (43) are completed, sixty-eight (68) are on track, and sixteen (16) are delayed mostly due to dam safety issues and FERC approval time. Delayed projects are primarily large, complex multi-year efforts, such as permanent fish passage at Trail Bridge Dam. Large projects typically have multiple compliance deadlines. For example, upstream fish passage has three (3) separate requirements (Plan and Schedule, Design, Construction) that are tracked as unique obligations.

Figure 16 - Q3 2025 - Status of Carmen Smith License Requirements



Small Projects: Duration of 12 months or less. Not complex and relatively low cost.
Medium Projects: Duration of 12-36 months. Increased complexity and cost, with greater environmental benefit once complete.
Large Projects: Duration of greater than 36 months. Typically, highly complex and costly, with significant environmental benefit once complete.

Electric 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 Generation Comprehensive (Master) Plan and Electric 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.

The graph below shows capital spending performance through Q3 and as projected to end of the year. Some project delays have been experienced resulting in anticipated underspend. Contributing factors include:

- Delay of Danebo Substation rebuild due to supplier lead time delays for switchgear
- Pausing upriver AMI deployment due to upriver transfer
- Delay of EES season 3 work to allow for further system stabilization and planning

Figure 17 - 2025 Overall Electric Capital Spending Trend

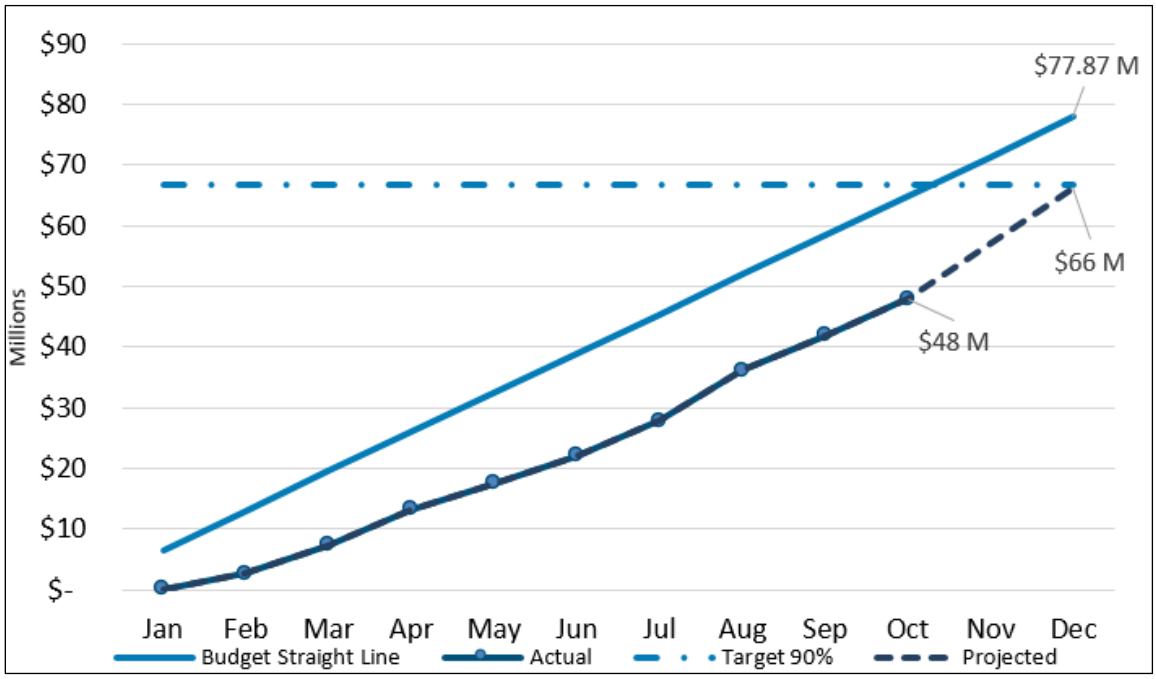
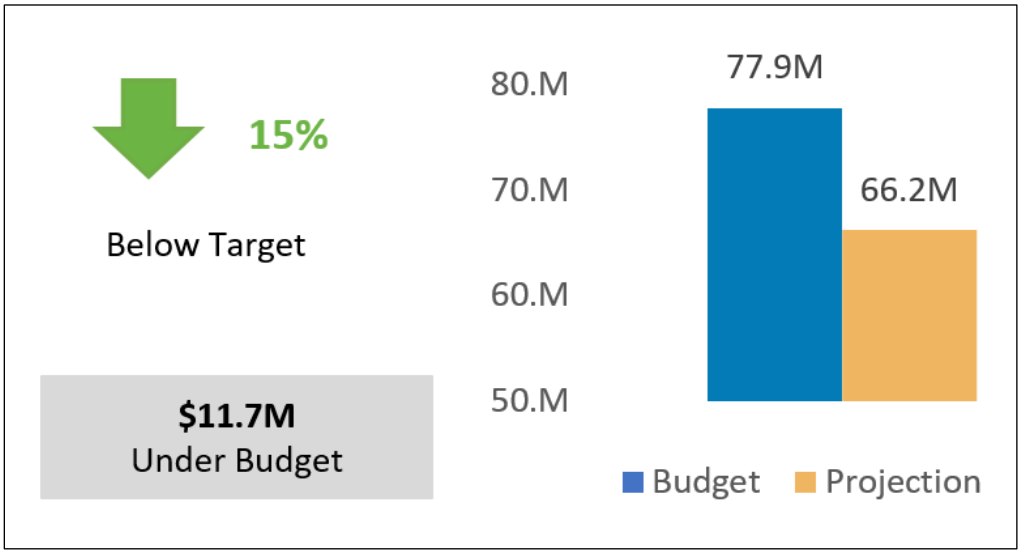


Figure 18 - 2025 Electric CIP Grand Total Spending Graph



Electric Support Services

To ensure the smooth delivery of reliable electricity 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, environmental, facilities, design and mapping, and AMI services. See Water Support Services for additional details.

Switch (Customer)

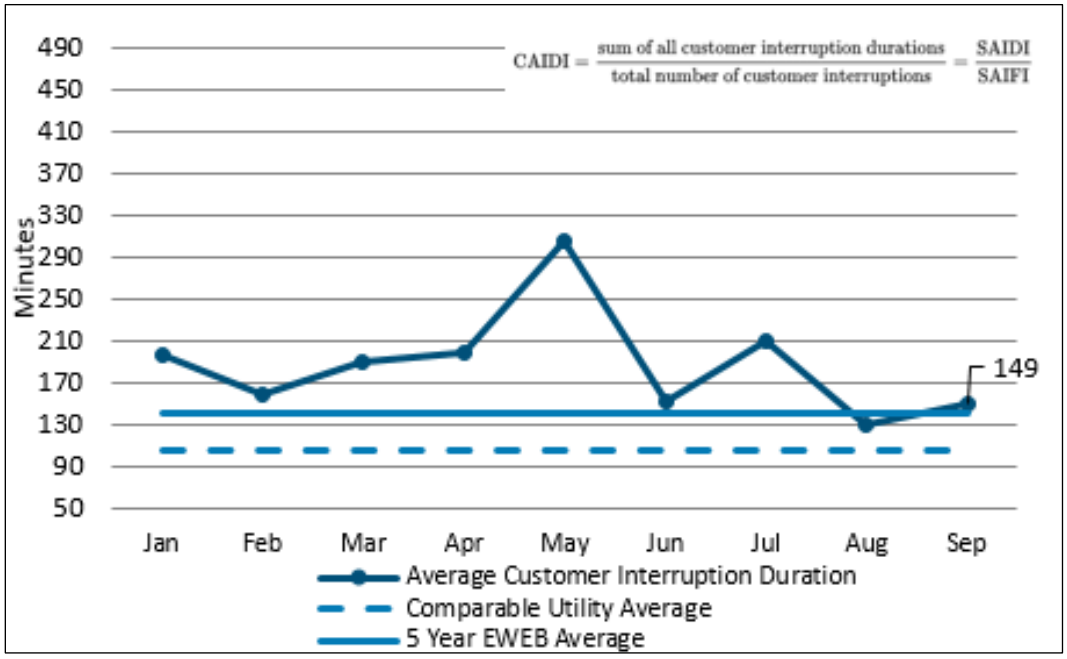
The Electric Division's mission is to provide safe, reliable electricity to our customers while serving as stewards of utility assets and infrastructure using the Source to Switch approach. This section includes data and information that points to the customer's experience with the Electric Division.

Customer Average Interruption Duration Index (CAIDI) (Sum of customer interruption time/Total number of customer interruptions)

The figure below represents EWEB's restoration performance in terms of the industry standard reliability index, CAIDI. This index is defined by the international electronics and electrical engineering society as a standard for utility performance. EWEB collects data throughout the year on this metric via outage management systems that are collated to produce this data. This index normalizes system wide data to the average single outage restoration performance. The utilities used in the comparison for benchmarking data include those available publicly and are the same compared for financial rate benchmarking. It should be noted this graph does not segregate upriver and urban territories, and is a normalized set of data, where there may be individual outages that lasted longer or shorter than represented.

The CAIDI is not a cumulative ongoing trend, but rather a snapshot of performance on a month-by-month basis. In Q3, performance of the CAIDI was very close to EWEB's 5-year outage, with July an increased excursion. Factors contributing to this would be outage complexity and restoration timing, staff after-hour availability or weather impacts causing several outages coincidently. There were no major storm events, however July typically sees an increase in cable failures which are time consuming to repair due to underground conduit condition, switching needs, and additional time for locating. That along with lower staff availability, generally for summer months, has likely contributed to a higher restoration time.

Figure 19 - 2025 CAIDI: Average Electrical Outage Restoration Time

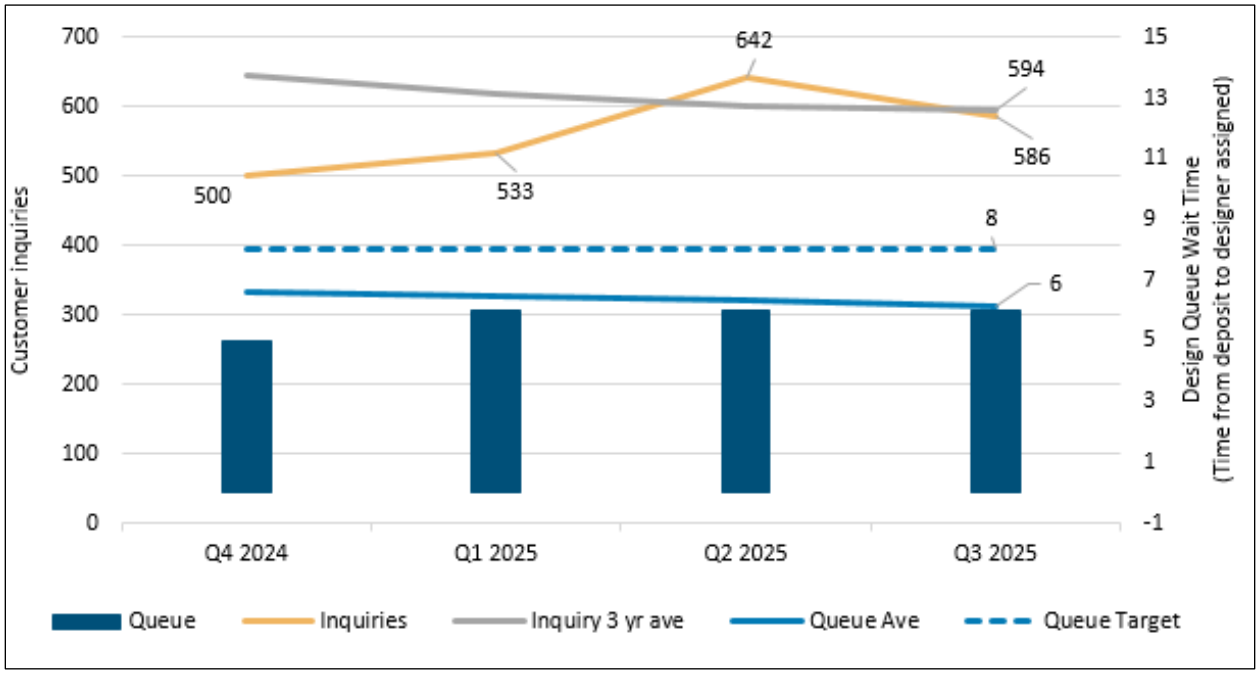


Rely on us.

Staff conclusion after analyzing this performance metric, is that there is no intervention required as performance is within bounds considering EWEB's own historical data. Staff will investigate the benchmark and customer experience closer to determine if system, staffing or process changes are required to lower the overall performance to meet the benchmark.

The graph below shows a trend of customer inquiries received by distribution engineering. These include several workflows of varying design complexity including rewires, renovations and upgrades, and new construction both large and small. Overall, EWEB saw a peak in inquiries in Q2 with a decline to more average levels in Q3. Distribution engineering has focused on increasing staff levels and added three technicians earlier in the year. This along with a focus on development has resulted in the team achieving managing queue lead time on average below the target of 8 weeks (from when a deposit is paid to when a technician is assigned).

Figure 20 - Quarterly Design Queue Wait Time vs. Customer Inquiries



Rely on us.

Water Utility: “Source-to-Tap”

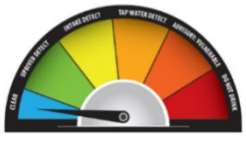
The Water Utility uses the Multiple Barrier Approach to Safe Drinking Water, an integrated system of procedures, processes and tools that collectively prevent or reduce the contamination of drinking water from source to tap. The purpose of this approach is to provide safe, reliable drinking water to 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.

The Source to Tap model is shown in the graphic below.

Figure 21 - EWEB Source-to-Tap: Drinking Water Lifecycle Quick Facts

Drinking Water Source

The McKenzie River is EWEB’s sole source of drinking water. To protect this vital resource, EWEB has a Source Water Protection Program to minimize adverse impacts. 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.



A total of 12 source protection monitoring events were completed in Q3, which included 6 harmful algal bloom (HAB) events, 4 urban ambient events, 1 urban storm event and 1 baseline event. Cyanobacteria activity peaked in Blue River Reservoir in July with a non-toxic bloom of Gloeotrichia (>200,000 cells/ml), and then in Cougar Reservoir in August with a similar non-toxic Gloeotrichia bloom (>150,000 cells/ml). By September, both reservoirs were relatively clear with low cyanobacteria levels. Cyanotoxins and associated toxigenic genes were not detected anywhere in the McKenzie Watershed during Q3. Urban ambient bacteria monitoring efforts in August and September

yielded mixed E. coli results, with some sites reporting elevated levels, but nowhere near peak values observed in 2024. Additional urban bacteria monitoring is planned for Q4 and beyond.

EWEB staff were notified of a box truck crash that occurred the morning of Sunday, September 14th, along Highway 126 near milepost 45 (just west of Cougar Dam Rd). Although some light sheening was observed in the water immediately along the bank, vehicular fluids, including diesel fuel, were primarily released upslope in soil. Fortunately, the driver was okay, and the truck did not fully enter the river. EWEB staff were onsite observing the initial response and truck removal efforts. Contaminated soil was removed and disposed of by the spill contractor in coordination with ODOT and DEQ.

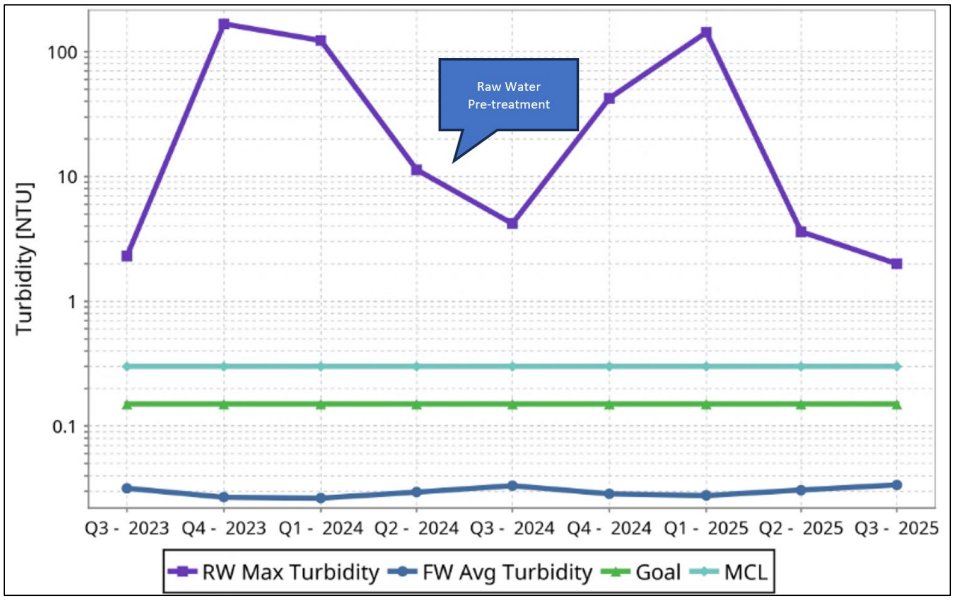
Pure Water Partner Program wrapped up two Oregon Watershed Enhancement Grants on June 30, 2025, and marked the end of official post-fire work. Since the fire, the PWP has planted almost 1 million native trees and shrubs across 560 acres on private and non-federal properties within the Holiday Farm Fire perimeter. In addition, there has been significant vegetation regeneration since the fire. PWP has been working to redesign internal processes as we shift away from post-fire work. The project partners are planning for outreach this fall and winter and are seeking additional funding for restoration work.

Drinking Water 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.

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.

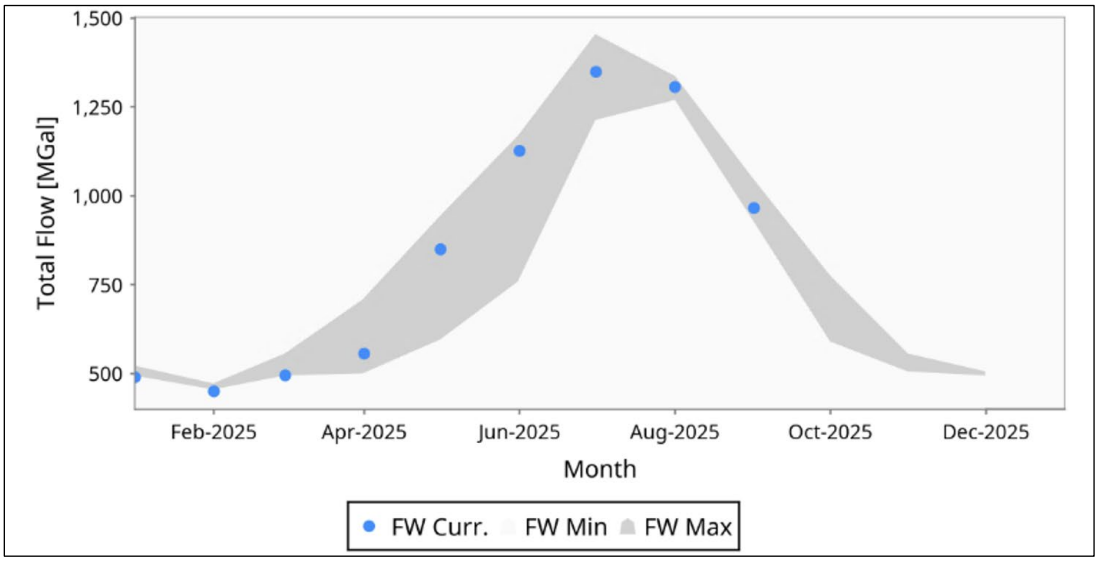
Figure 22 - Quarterly Filtration Performance



Rely on us.

Production levels for Q3 of 2025 were slightly lower across all three months of the quarter versus that of the previous year. Possibly related to not having excessive heat for an extended period and milder temperatures coming a bit earlier than what is typical for this time of year.

Figure 23 - Finished Water Production



Drinking Water 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.

The “Unplanned Outages Duration Data” chart (see next page) shows how outage times for 2025 compared to the two-year and five-year averages. Overall, the outage durations for 2025 stay steady and consistently below the annual benchmark. **The AWWA benchmark is 1,120 minutes** - much higher than EWEB’s numbers—showing that EWEB continues to perform well compared to industry standards.

No Boil Water Notices issued in Q3.

Figure 24 - Unplanned Outages Duration Data

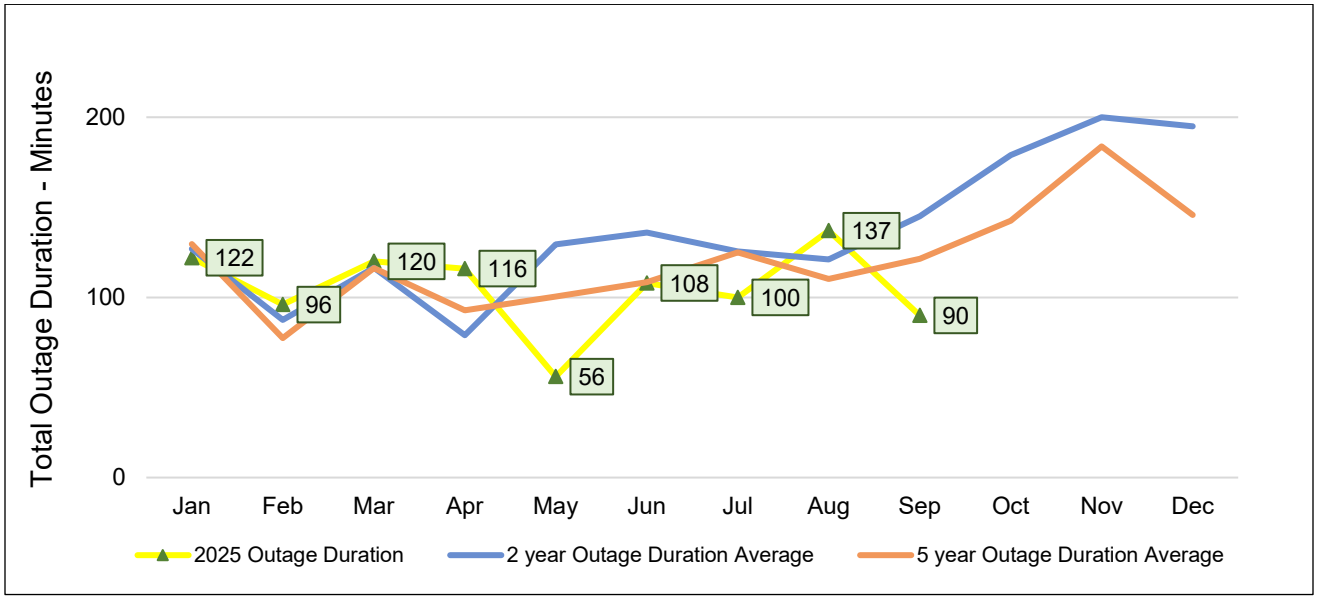
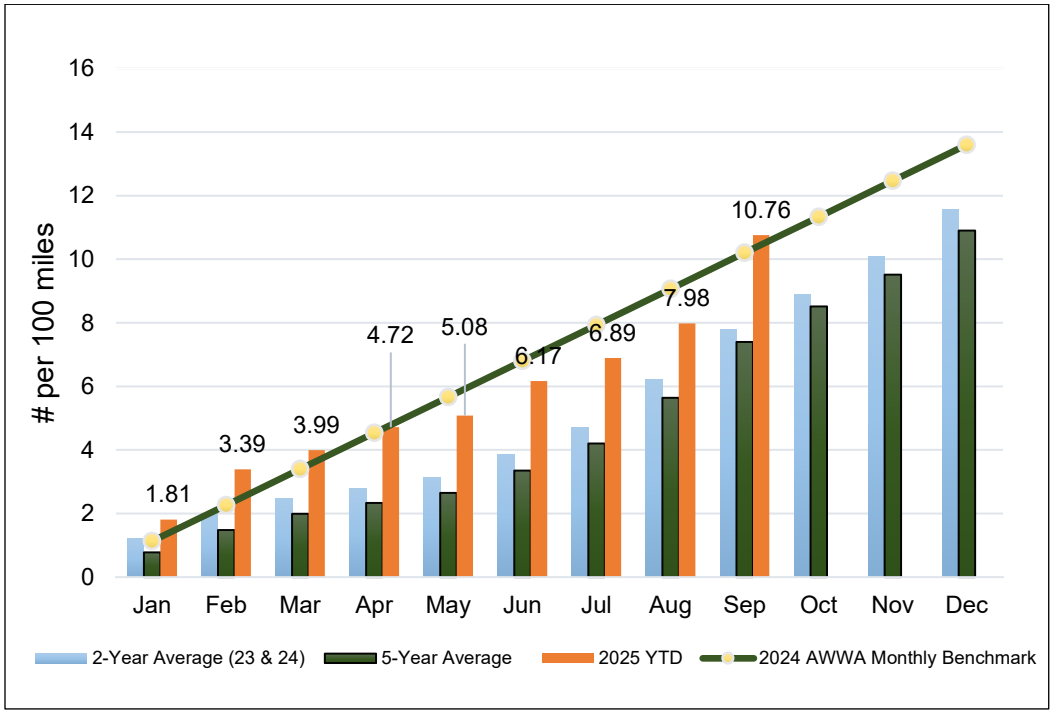


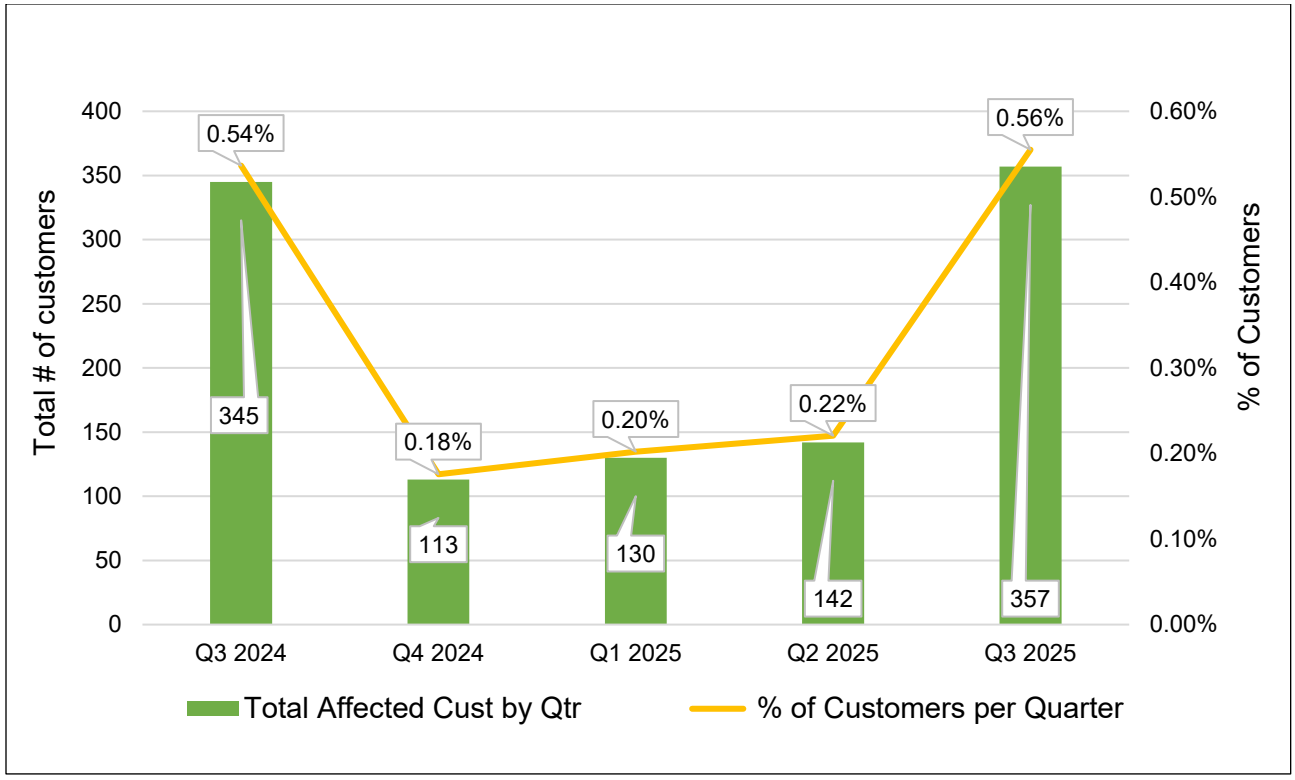
Figure 25 - Leaks/Breaks per 100 miles of pipe



The “Leaks/Breaks per 100 Miles of Pipe” chart shows how 2025 compares to the past two-year and five-year averages, along with the AWWA benchmark. The number of leaks and breaks slowly goes up over the year, as this is a cumulative look at the numbers. This chart provides a window into how our main replacement program is keeping up. The 2025 numbers stay close to or below the **AWWA benchmark of 13.6**, showing that the system continues to perform reliably per to industry standards.

The “Percentage of Customers Experiencing Planned or Unplanned Outages” chart shows how many customers were affected by outages each quarter in 2024 and 2025. The number of customers affected rises in what we call “shoulder months”, when we experience more breaks due to change in temperatures, so the biggest impacts are seen in the 3rd quarter.

Figure 26 - Percentage of Customer Experienced Planned or Unplanned Outages



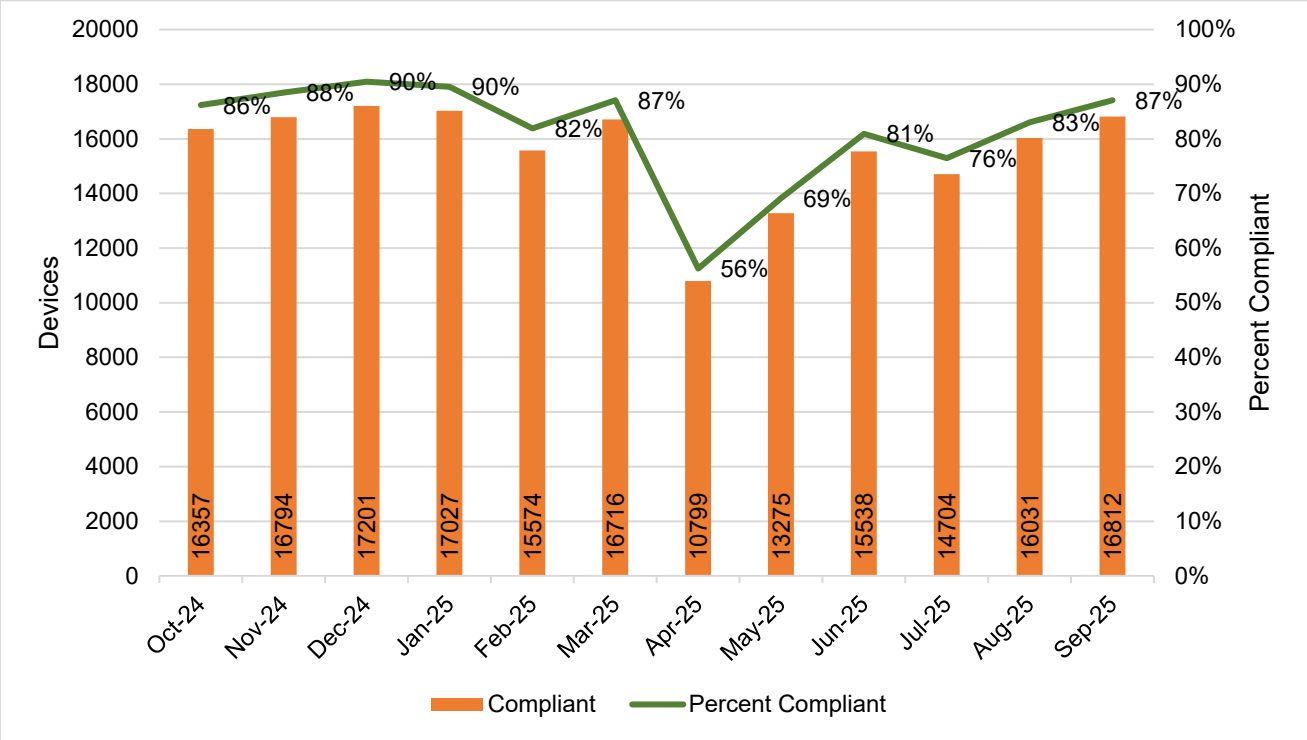
Drinking Water Monitoring & Compliance

Monitoring the quality of our raw, treated and distributed drinking water is essential to ensure 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.

EWEB has maintained regulatory compliance since the Safe Drinking Water Act was established in 1974, including Q3 2025.

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. This dip is seen every year. Currently 87% of the 19310 devices in our system are compliant, with an annual goal of 95% compliance. EWEB is on target and planning to meet this 95% goal throughout Q4 of 2025.

Figure 27 - Backflow Devices Compliant Testing



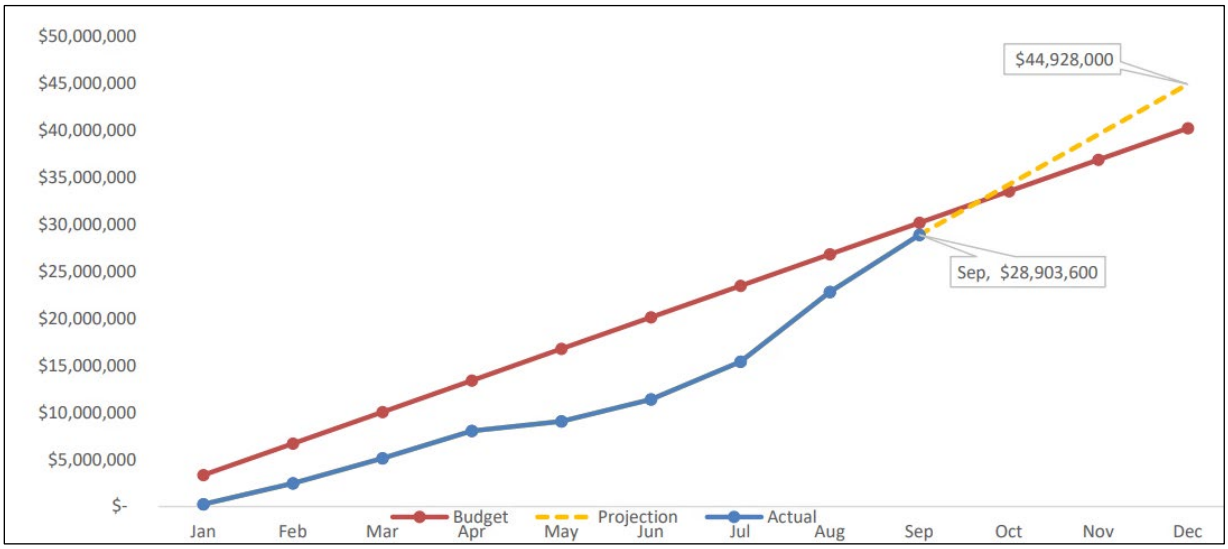
Drinking Water Resiliency, Planning & Emergency Preparedness

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

The Water Division completed a 5-year update of their Emergency Response Plan (ERP) in 2025 and certified it with EPA in Q3. The WSMP is currently undergoing updates to the 2015 plan.

Overall, water capital expenditures for 2025 are projected to exceed capital budget. The main driver of this is that construction of College Hill Reservoirs is significantly ahead of schedule. In 2025, four major capital projects were cancelled or delayed from the 2025 capital plan in an effort to control year-end costs. Cost drivers for 2025 include multiple contracted main replacement projects that needed to be constructed ahead of City of Eugene Street projects, higher than anticipated College Hill Tank Construction bids, and work on the Hilyard Street Transmission Main and Shasta 975 Reservoirs that was originally budgeted for 2024 but pushed into 2025.

Figure 28 - 2025 Overall Capital Spending - Water



Type 1 General Capital is budgeted year-by-year for routine capital expenditures totaling less than $3 million and is funded with rates and customer contributions. Typical examples include “main replacements” as part of Distribution & Pipe Services.

Type 1 projects are currently on track for a slight overspend for Q2 and two larger contracts to replace water mains on East Broadway and Pierce Street ahead of City of Eugene paving projects are mostly complete with minimal change orders. Costs were reduced over earlier projections by deferring some strategic projects and by reducing some contracted scope. A large pump replacement for the intake was ordered in 2024 and is expected to be delivered and installed in Q4 2025 but may be delayed to 2026. Hayden Bridge required several emergent projects this year to replace aging and obsolete electrical equipment, replacing wear items on the disinfection system, as well as rebuilding a critical backwash pump in order to ensure plant reliability. Ongoing escalation of routine contracts and materials, above average customer driven service requests, and above average needed work ahead of City of Eugene paving projects are driving type Type 1 costs up this year. The City View 1150 pump station replacement and lower pond improvements at Hayden Bridge were delayed and pushed out to 2026 in the capital plan in an effort to maintain Type 1 budget for 2025.

Type 2 capital projects are discrete, with a defined completion period, and lifetime expenditures over $3 million. Depending on the project, this work may be funded with rates, customer contributions, or bond funds.

Overall water Type 2 Capital Expenditures are at about 68% of 2025 budget. The Hilyard Street Transmission Main was completed in early 2025 but restoration work is being completed by the City of Eugene; this project was budgeted for 2024 but delayed to 2025 due to permitting and some costs will push into 2026 as the city project is delayed. Additionally, work on College Hill tanks is significantly ahead of schedule despite building permit delays and has resulted in project costs approximately double what was budgeted for in 2025. Willamette Treatment Plant design contract was awarded in October 2025 and is expected to come in significantly lower than 2025 budgeted amount due to delays. Two major transmission main projects were bid, awarded, and subsequently cancelled to reduce 2025 Type 2 costs and have been deferred in the capital plan.

Figure 29 - Type 1 Quarterly Budget Numbers

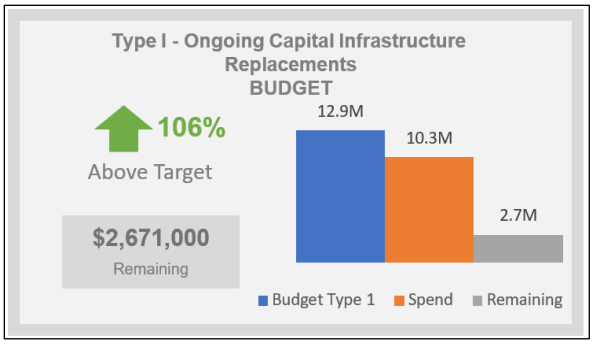
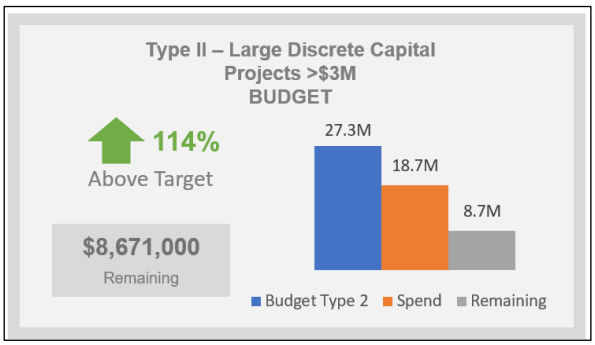
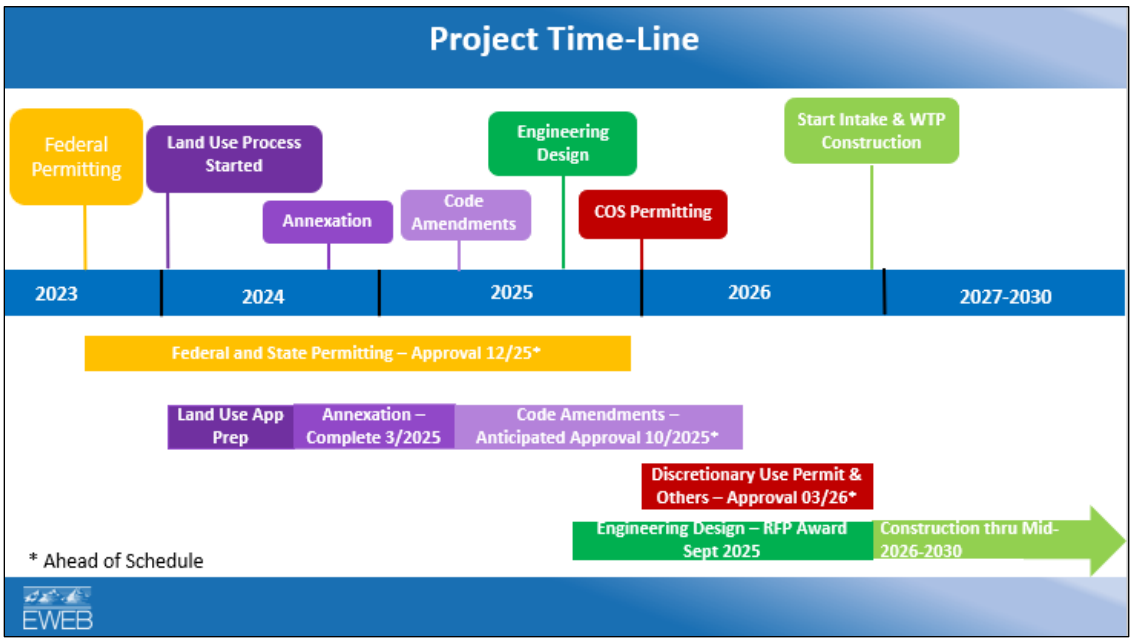


Figure 30 - Type 2 Quarterly Budget Numbers



The Willamette Water Treatment Plant Project timeline shows steady progress from 2023 through 2030. It begins with federal permitting, then moves into land use, annexation, and code updates through 2024 and 2025. Federal and state approvals are expected by late 2025, followed by local permits in early 2026. Engineering design starts in fall 2025 and leads into construction of the intake and water treatment plant, which is planned to continue through mid-2030.

Figure 31 - Willamette Water Treatment Plant Project Time-Line



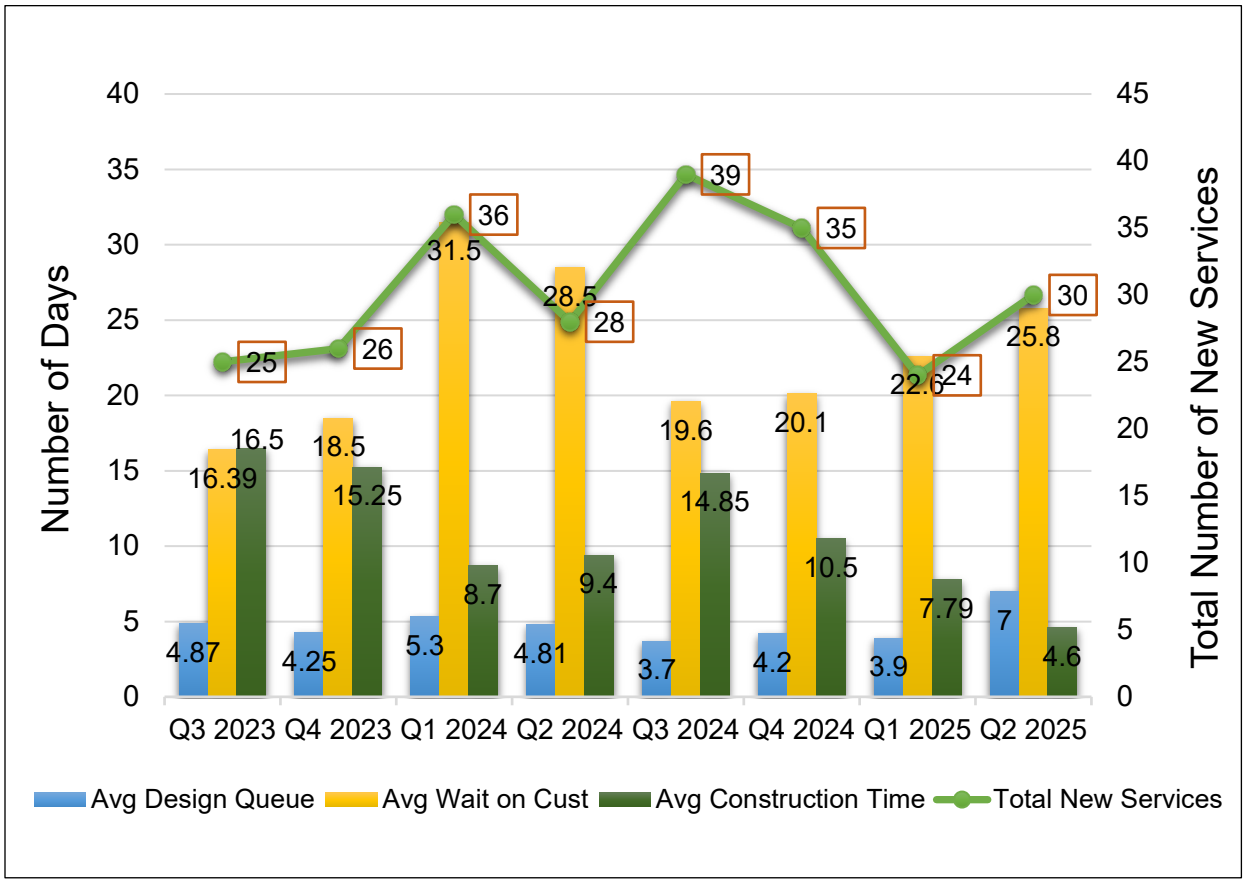
Tap (Customer)

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.

The graph illustrates two-year average project wait, design, and construction times, along with the total number of new services by quarter. Average design queue times remain relatively consistent,

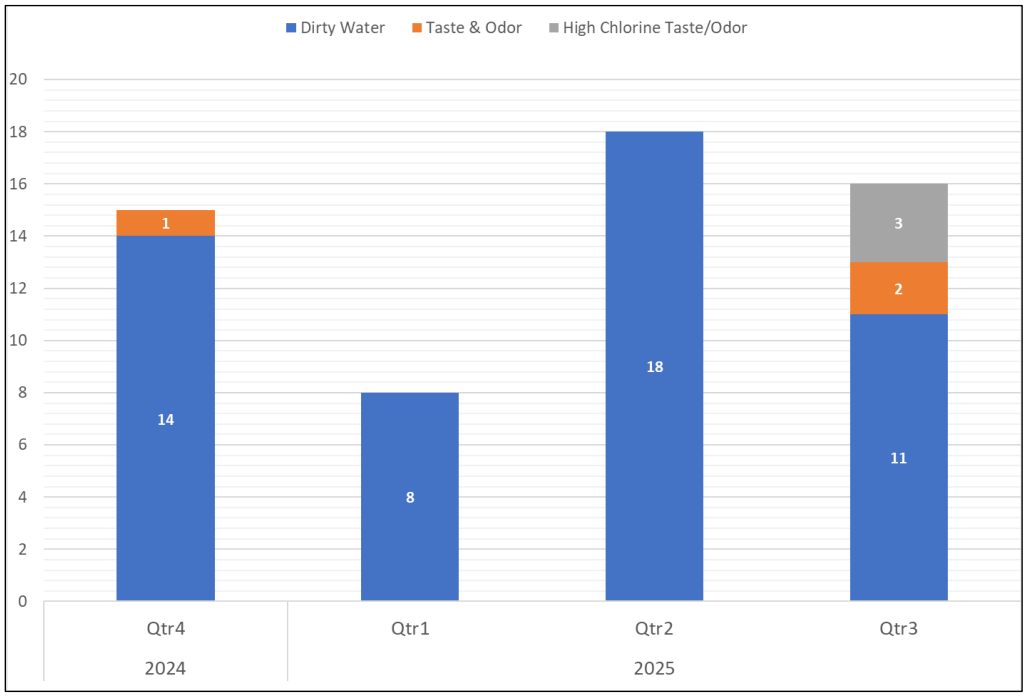
ranging from about 3 to 8 days. Waiting on Customer times shows more variation, peaking at an average of up as high as 31 days to a low of 16 days. Construction time reached its highest point in Q2 2024 at roughly 30 days before trending downward through early 2025. The total number of new services also fluctuates, with the highest count (39) in Q2 2024 and a smaller rebound to 31 in Q2 2025. **Q3 2025 data will not be finalized before Q4**.

Figure 32 - Two Year Average of Project Wait, Design, and Construction Times



The number of customer complaints is standard for what we normally see in Q3. During late summer/early fall, we start to see demand decrease but water temperatures stay high which results in some taste and odor concerns. For Q3 we had a total of 16 water quality complaints of which 11 were for dirty water and 5 were taste and odor related. Of the 5 taste and odor calls, 3 were for chlorine taste and odor.

Figure 33 - Quarterly Number of Customer Complaints



Water Support Services

To ensure the smooth delivery of 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, environmental, facilities, design and mapping, and AMI services for both the Water and Electric Utilities. The dial represents performance across all of the services provided by the sections within Support Services Operations.

Reliability

Support Services Operations provides services necessary to the work of other departments throughout the utility. We track reliability in providing those services with on time performance and accuracy being key measures. The graphs below show on time performance and accuracy for the services provided by Utility Support and Design and Document Services, which impact safety, reliability, and outage response metrics for both utilities. Another area where we measure accuracy on on-time performance is in advanced meter data collected by AMI Operations. Advanced meter reads are consistently performing at 98.9% for interval reads and 99.9% for register reads which is well within industry standards. Signal to noise ratio (SNR) is also a key measure of the quality of information being collected by our meters. 94.5% of our meters are performing above the benchmark of 16 SNR. This is also well within industry standard.

Figure 34 - Q3 Utility Support Traffic Control Plan Requests

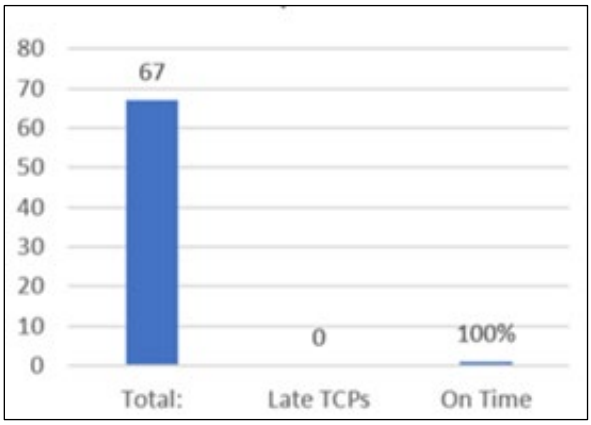


Figure 35 - Q3 Saw Cutting Requests: On-Time/Late

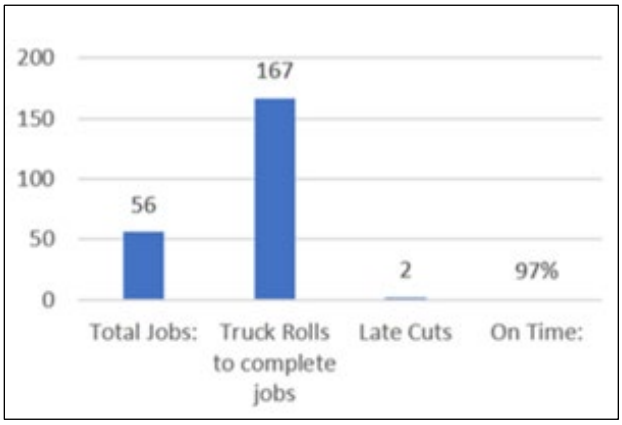


Figure 36 - Q3 Utility Support Services Locating Results: On Time, Completion, Accuracy

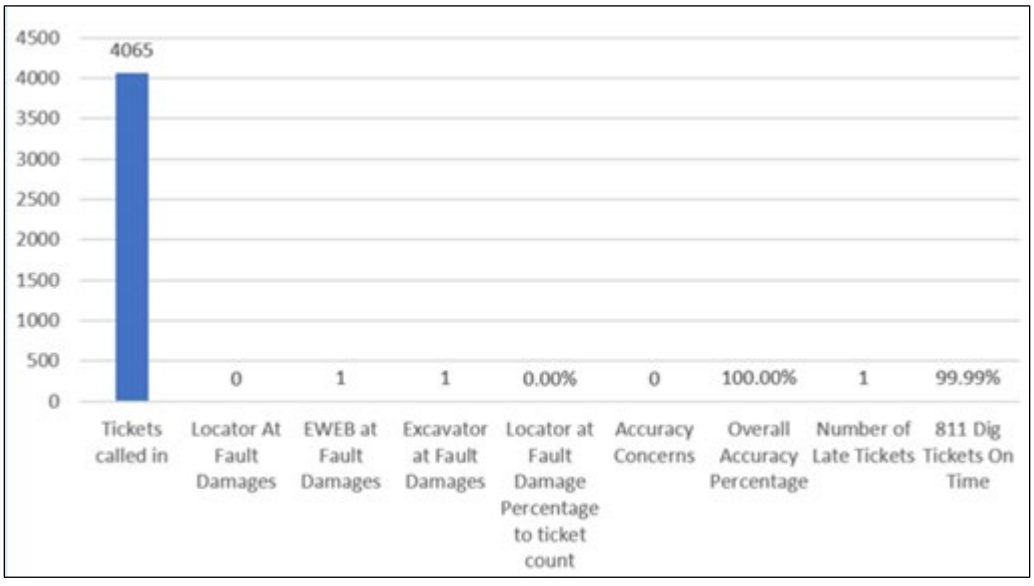
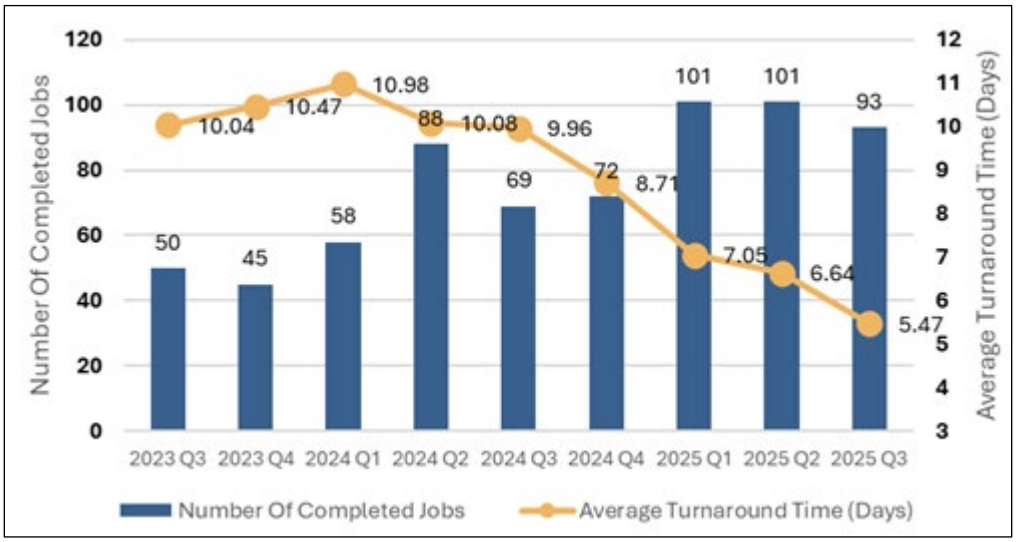


Figure 37 - CAD Job Completion Rate



Preventative Maintenance

Support Services manages assets in Fleet, Facilities and Communications. These assets are essential to the performance of other workgroups throughout the utility. To ensure that the assets we are responsible for are reliable we track the performance of our preventative maintenance programs. Fleet Services, Facilities Maintenance and Communications and Controls are performing on target completing preventative maintenance.

Figure 38 - Fleet Services - Vehicle / Equipment Inspection and Preventative Maintenance Work Orders

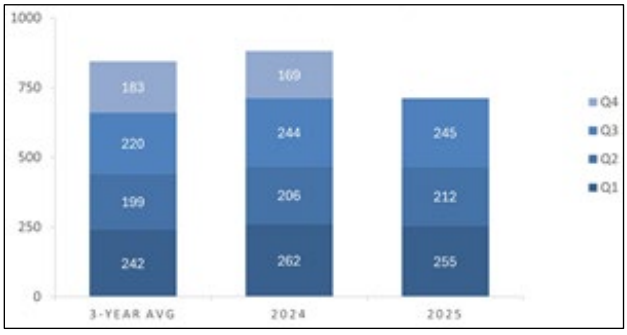


Figure 39 - Q3 2025 Communications and Control O&M Preventative Maintenance Completion

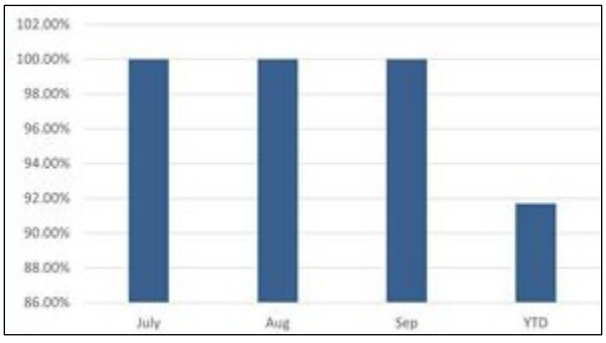
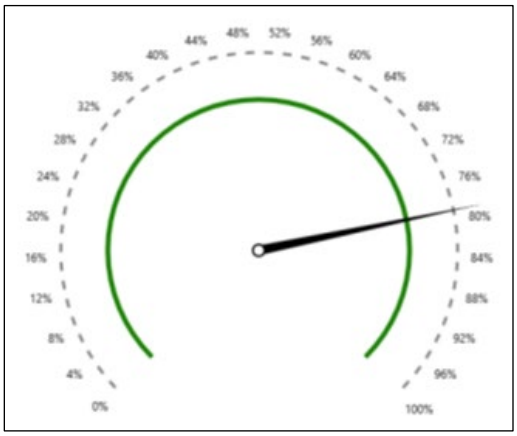


Figure 40 - Facilities Maintenance – Work Order Percent Completed on Time Last Quarter



Compliance

Support Services provides regulatory support for compliance issues related to EWEB's properties and permitted activities. This work is the responsibility of the Property and Environmental team. In Q3, this work includes easements, land use compliance reviews, environmental project reviews, and permitting activities with the City of Eugene, Oregon DEQ and the US Army Corps of Engineers. The volume of this work was comparable to the last two previous quarters. The team also performed two spill responses and addressed multiple property nuisance issues.

Capital Spending Summary | Q3 2025

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) and are shown in the Finance section of this report.

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 below.

Electric Utility and Shared Services Capital Spending Summary: TYPE 2 – Rehabilitation & Expansion (Electric and Shared Services)

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:	$730,000
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 are underway 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:	$3,183,000
Projected Completion:	Dec - 2029	Total Final Cost Projection:	$29,400,000

*Initial 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

Final cost projection for Carmen-Smith License Deployment has increased from $199 million to $218 million. The projected increase is driven by new information including construction costs for work performed during the summer of 2025, increased construction cost projections for the upcoming load bank station and Smith Dam spillway expansion/flow release structure, design revisions for downstream passage at Trail Bridge Dam, and unanticipated legal costs. There are still several cost risk factors that are expected to be resolved in early 2026 when EWEB and State and Federal fish agencies finalize the approach for upstream fish passage at Trail Bridge. Staff will then update the budget to reflect any scope and schedule changes for fish passage.

Project Initiation*:	Nov - 2016	Initial Scope Budget:	$139,000,000
Initial Planned Completion:	Dec - 2027	Actual Project Costs To-Date:	$122,969,000
Projected Completion:	Dec - 2030	Total Final Cost Projection:	$218,000,000

*Difference between initial budget and final cost projection is primarily due to additional regulatory requirements, and significant escalation in material pricing.

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.

Water Meter AMI

AMI meter exchanges resumed in September 2025. In addition to this milestone, the AMI deployment process is tracked by financial and installation metrics completed monthly. Approximately 56,000 water meters have been upgraded to AMI. All activities are on track for the transfer of ownership to the Water Division in December 2025.

Project Initiation:	2018	Initial Scope Budget:	$17,564,000
Initial Planned Completion:	2021	Actual Project Costs To-Date:	$23,137,000
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 substantially complete by year end.

Project Initiation:	2022	Initial Scope Budget:	$2,500,000
Initial Planned Completion:	Dec 2024	Actual Project Costs To-Date:	$1,750,000
Projected Completion:	Dec 2025	Total Final Cost Projection:	$2,750,000

College Hill Storage Tanks and Connecting Pipelines

Tank construction is well underway and ahead of schedule. Connecting pipelines scheduled to begin in 2026 with tanks anticipated to be put in service in late 2026. Closeout and restoration work to continue into 2027.

Project Initiation*:	2023	Initial Scope Budget:	$34,000,000
Initial Planned Completion:	Dec 2026	Actual Project Costs To-Date:	$14,952,000
Projected Completion:	Dec 2026	Total Final Cost Projection:	$36,000,000

*Difference between initial scope budget and final cost 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

Pipeline was completed in Q2 2025. Final road restoration will be done under IGA with city of Eugene paving project which has been delayed to 2026.

Project Initiation*:	2018	Initial Scope Budget:	$4,600,000
Initial Planned Completion:	2021	Actual Project Costs To-Date:	$11,487,000
Projected Completion:	2025**	Total Final Cost Projection:	$12,000,000

*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 to be completed by City in 2025.

East 23rd Street Transmission Main

Bids were received in 2025 but contract was cancelled, and construction has been delayed to 2027 in the 10-year CIP. Project is to complete 42-inch transmission main to improve water flow from College Hill and East 40th tanks to EWEB distribution system, improve water quality, and to reduce pressure swings in distribution system.

Project Initiation:	2018	Initial Scope Budget:	$4,200,000
Initial Planned Completion:	2025	Actual Project Costs To-Date:	$245,000
Projected Completion:	2027**	Total Final Cost Projection:	$6,800,000**

** Project is shown tentatively moved to 2027. Costs have been inflated from $5.6M to 2027 dollars.

Emergency Water Supply

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

Project Initiation:	2018	Initial Scope Budget:	$4,000,000

Initial Planned Completion:	2028	Actual Project Costs To-Date:	$3,200,000
Projected Completion:	2025	Total Final Cost Projection:	$3,200,000

Willamette Treatment Plant

For the purposes of this report, 2015 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 4 years of construction.

Project Initiation:	2015	Initial Scope Budget:	$90,000,000
Initial Planned Completion:	2027	Actual Project Costs To-Date:	$4,800,000
Projected Completion:	2030	Total Final Cost Projection:	$160,000,000*

*Cost projection updated for cost escalation in April 2025 but full updated cost estimate anticipated in Q2 2026 with 30% design.

Bertelsen Annex Phase 1

Phase 1 design included land use and environmental permitting for the entire project and initial construction of paving, fencing, stormwater infrastructure, lighting and security for laydown/storage area. Phase 1 is substantially complete and remaining work on site is internal to EWEB.

Project Initiation:	2022	Initial Scope Budget:	$4,400,000
Initial Planned Completion:	2024	Actual Project Costs To-Date:	$3,986,789
Projected Completion:	2025	Total Final Cost Projection:	$4,000,000

Bertelsen Annex Phase 2

Phase 2 continues paving, fencing, lighting and security for laydown/storage area and constructs the access road to Bertelsen Ave. Construction on site is nearing completion. The connection to Bertelsen Ave. is in place. Landscaping and fencing are the most significant outstanding items. Completion is on schedule and anticipated by the end of the year.

Project Initiation:	2024	Initial Scope Budget:	$5,000,000
Initial Planned Completion:	2025	Actual Project Costs To-Date:	$2,292,873
Projected Completion:	2025	Total Final Cost Projection:	$3,500,000

Business Continuity

Cyber Security

Event or Achievement	Timeframe	Comments
Vulnerability Management Program Improvements	July-September 2025 (ongoing)	Partnership with IS yielding significant progress, including credentialed scan improvements, and enhanced vulnerability and remediation reporting to inform tracking.
Development & Delivery of Instructor-led Security Training	August-September 2025	Provided Personal Cybersecurity and “Think Like a Hacker” training sessions to dozens of staff across multiple divisions.

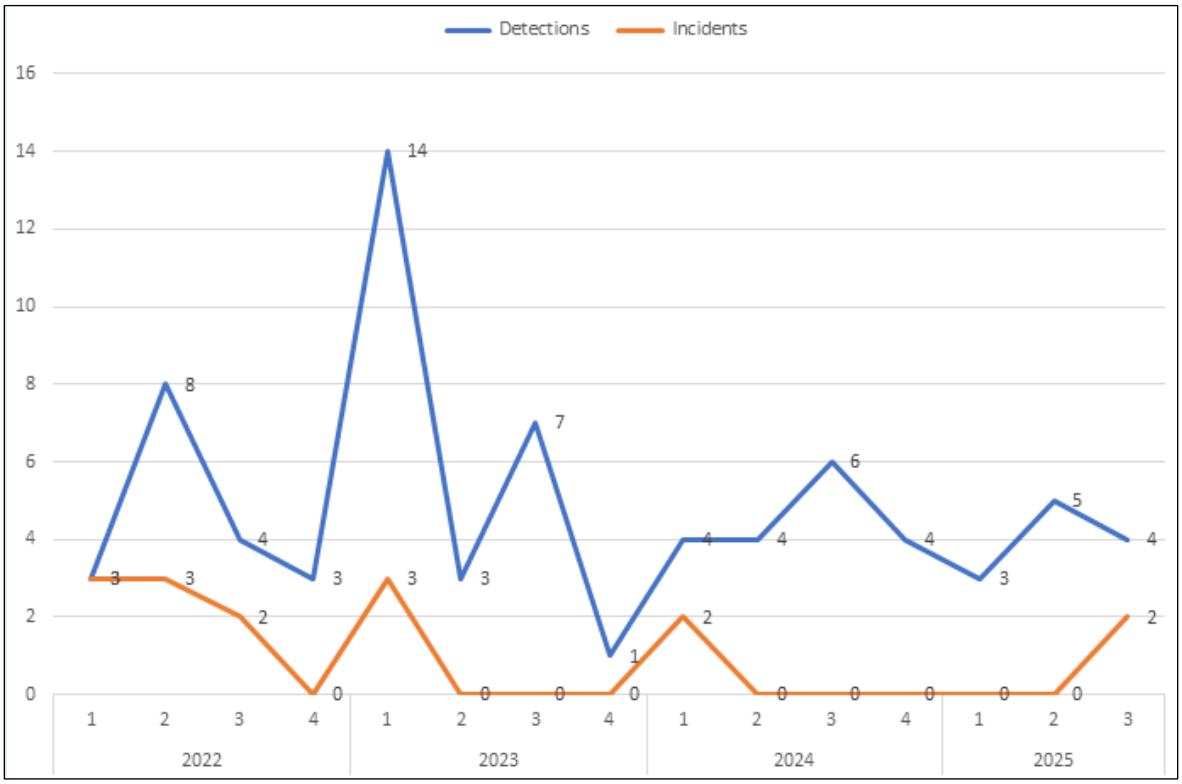
Incident: Suspected Credential Compromise & International Access Attempts	August 2025	International account access attempts generated alerts, triggering incident response. Further analysis showed they were legitimate.
Incident: Suspected Credential Dumping	September 2025	Credential dumping alerts were investigated as indicators of compromise but were confirmed false positives due to a vendor product defect.
Incident: Teams Social Engineering Attack	September 2025	Social engineering attacks via Microsoft Teams calls impersonating IS staff targeted multiple employees. No unauthorized access occurred.

Proactive Management of Technology Systems

Cyber Security uses both proactive and reactive tools to assess the security of our technology systems. The table indicates how initiatives are meeting performance goals. The graphs indicate performance over the last quarter.

Tool	Metric	Percentage	On Target Range	Meets Performance Goal
Updates to and modernization of systems	% of identified system resources patched within identified cadence	94%	99% or above	**No**. Validation for some systems and devices is also limited by access constraints.
Architecture design	% of critical systems protected by firewalls or other protective devices	100%	99% or above	**Yes**. However, some internet-exposed sites are not completely protected.
SaaS solution security assessments	% of SaaS solutions for which application security assessments are compliant	100%	100%	**Yes**. Monitoring of high inherent risk solutions is ongoing.
Deployment of technology tools that detect intrusions	% of systems with Extended Detection and Response or Antivirus controls in place	94%	99% or above	**No**. Additionally, some device classes such as Workspace ONE devices and Linux servers do not have AV/XDR installed.

Figure 41 - Q3 Virus Detections and Incidents



Detections and Incidents are defined as follows:

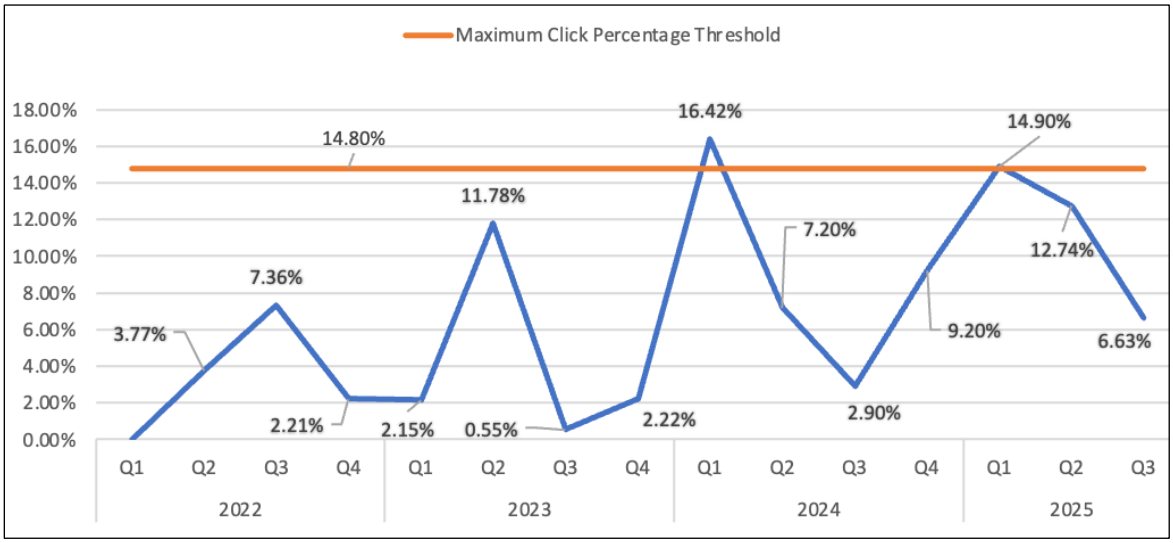
Detection: Alerts from corresponding Extended Detection and Response (XDR) or Antivirus (AV) systems. These alerts can result from false positives as well as malicious activity.

Incident: An occurrence that (a) actually or imminently jeopardizes the confidentiality, integrity, or availability of EWEB Digital Resources, or constitutes a violation or imminent threat of violation of law, EWEB security policies, or security procedures; and (b) has the potential to meet or exceed one or more threshold criteria: $50,000 or more in financial losses, exposure of 50 or more Personally Identifiable Information (PII) records, or significant operational impact.

In the third quarter of 2025, EWEB observed a 20% decrease in virus detections compared to Q2, reflecting improved visibility and a stronger security posture through behavior-based monitoring. The Q3 virus alerts were unique but shared a common detection method — all were triggered by behavior monitoring. Three of the alerts were flagged as PowerShell command executions, originating from a Microsoft-provided troubleshooting script used to resolve an operating system issue. The fourth alert involved a credential-dumping detection, which was later confirmed to be a false positive report by Trend Micro. These detections demonstrate the effectiveness of our security tools in identifying potentially suspicious activity. EWEB continues to focus on expanding the deployment of Trend Micro Vision One to further strengthen our defenses and proactively address emerging cyber threats.

Phishing Tests and Results

Figure 42 - Q3 Phishing Campaign Clicks



Phishing test campaigns measure EWEB employees' ability to recognize emails with potential security threats. Globally, 91% of all cyberattacks since 2022 have originated from phishing emails. The phishing campaign email templates EWEB has used for phishing tests since 2024 have been based on modified copies of real phishing emails reported to the Cyber Security department each quarter.

Click rate refers to the percentage of recipients who click on one or more elements in these phishing test emails, which can help gauge staff vulnerability to actual phishing threats. As of Q3 2025, the average click rate for the US energy sector is 14.8%. EWEB's click rate in the previous quarter was 12.74%, below the industry average, and our click rate for Q3 2025 decreased further to 6.63%, or 55.2% below the industry average. Since some industry sources estimate the 90-day training click rate for the Energy & Utility sectors as high as 19.5%, EWEB compares favorably based on the results of these metrics. However, we believe there is substantial room to enhance the value of the metrics obtained from our simulated phishing campaigns.

The variability in click rates may be due to ease of detection. We believed the phishing email templates used for our Q3 tests were easy to detect as phishing, and the data appears to confirm this suspicion. The correlation coefficient of click rates indicates that EWEB could benefit from a more personalized, user-context-specific approach to phishing simulations that align with each individual's skill level, training, and job function. There is an ongoing need for increased measurability in our phishing difficulty, further training to strengthen staff awareness, and technical controls to reduce the volume of phishing emails we receive as an organization. An email security project with IS to deploy technical controls is in progress. Additionally, Cyber is integrating a new phishing test platform, KnowBe4, which provides enhanced testing functionality, measurement tools, and workflow automation.

Phishing Report Activity

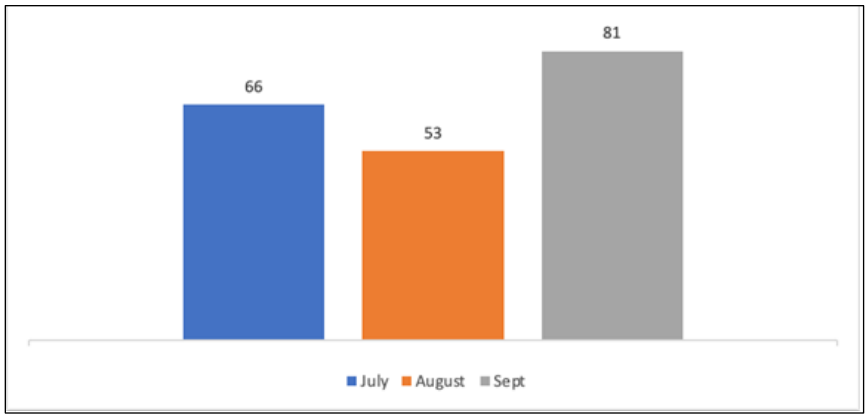
The Phishing Report Distribution graph below shows the number of phishing emails reported to phishing@eweb.org each month of the previous quarter and may be an indicator of threat actor activity targeting EWEB. Cyber Security has seen a continuing decline in the prevalence of Dropbox and

Google Drive file hosting platforms as a medium for sending malicious files to bypass email security filters compared to last quarter.

The use of malicious SVG file attachments is a continuation of trends identified in the previous quarter. HTML and SVG attachments continue to pose a serious security risk to EWEB, as they often contain malicious links or computer instructions, and are a primary threat vector that bypasses our current email security filters. Considering the volume of HTML and SVG attachments, we believe this is a serious risk requiring mitigation across the organization. Cyber Security continues to track novel threats posed to our environment, and is working with IS to improve email controls, including blocking messages with malicious attachments and using link-rewriting functionality to mitigate risks associated with malicious links.

All reporting from users is voluntary, and our ability to track the scope of phishing campaigns targeting EWEB is limited, so data presented is not considered a quantifiably accurate measure of the volume of malicious email targeting EWEB. However, planning and comparisons between different phishing simulation vendors has proved promising in providing insight into potential solutions to these gaps in threat data.

Figure 43 - Q3 Phishing Report Distribution



Enterprise Risk Management

Legal and Regulatory Compliance Matters

Holiday Farm Fire Lawsuits: At the end of Q2 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 not expected to convene until the end of 2026 or 2027.

Claims

Figure 44 - Claims Payments by Quarter - 3 Year Breakdown

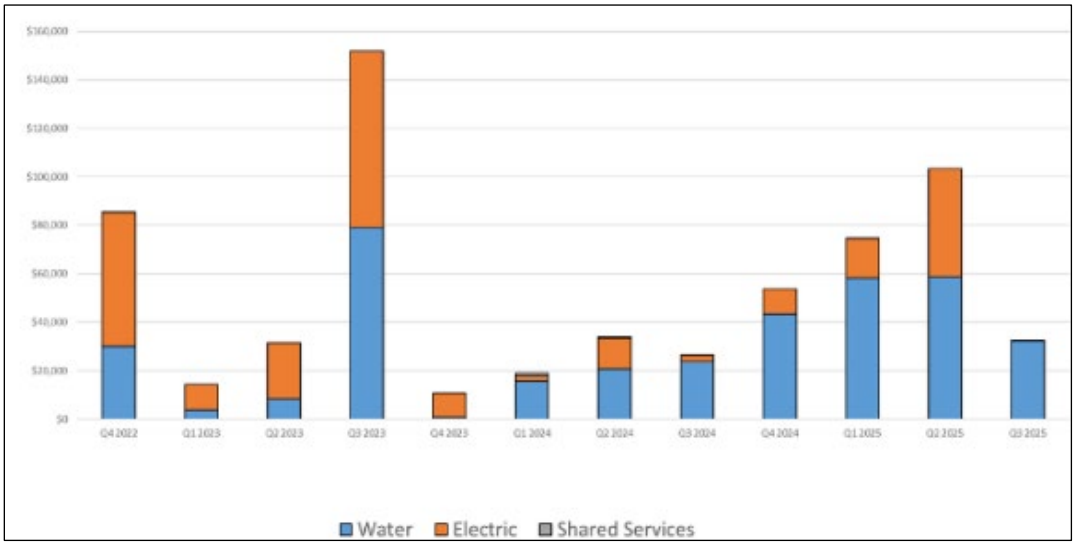
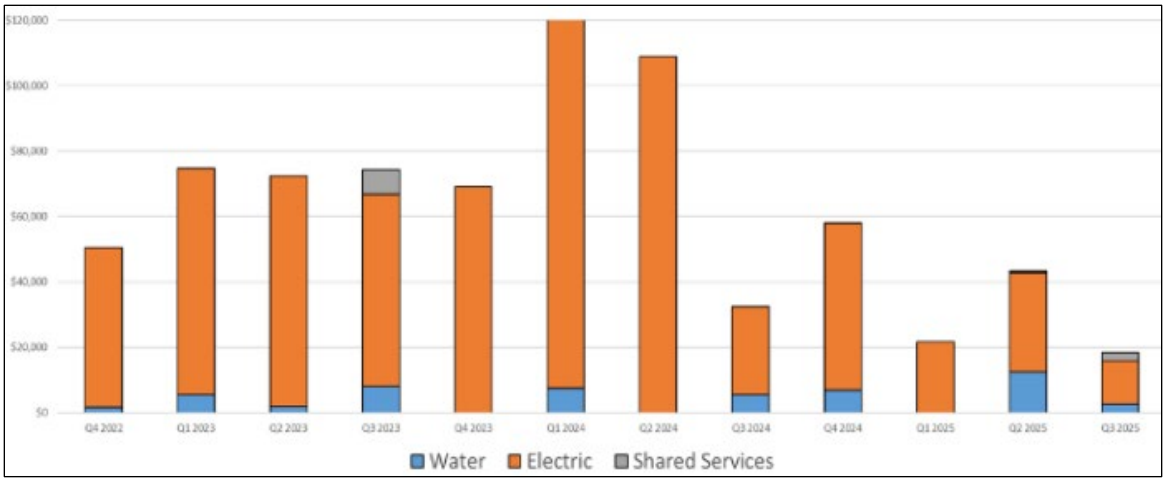


Figure 45 - Claims Recoveries by Quarter - 3 Year Breakdown



Liability Claims: There were 23 new liability claims filed in Q3 totaling $288,940. 16 claims (including older claims) closed during Q3 had an asked amount of $275,126 with **$32,316** paid out on nine of the closed claims. Risk Analysts investigated, disputed, and negotiated settlements on many of those claims, and we denied the remaining seven claims totaling **$242,810**. Water Division claims continue to make up the bulk of claims paid, largely due to aging water distribution infrastructure, however the Water Division is continuing to rehabilitate or replace aging facilities under their capital improvement schedule.

Recovery Claims: In Q3 2025, there were 10 new recovery claims which align with the prior three years for mid-winter claims. Risk Analysts recovered **$18,319** from ten claims across all business lines however, there remain approximately **$140,000** in outstanding recovery claims we anticipate closing by year's end. We currently have 24 claims assigned to our third-party collection agency, and eight claims in court ordered restitution.

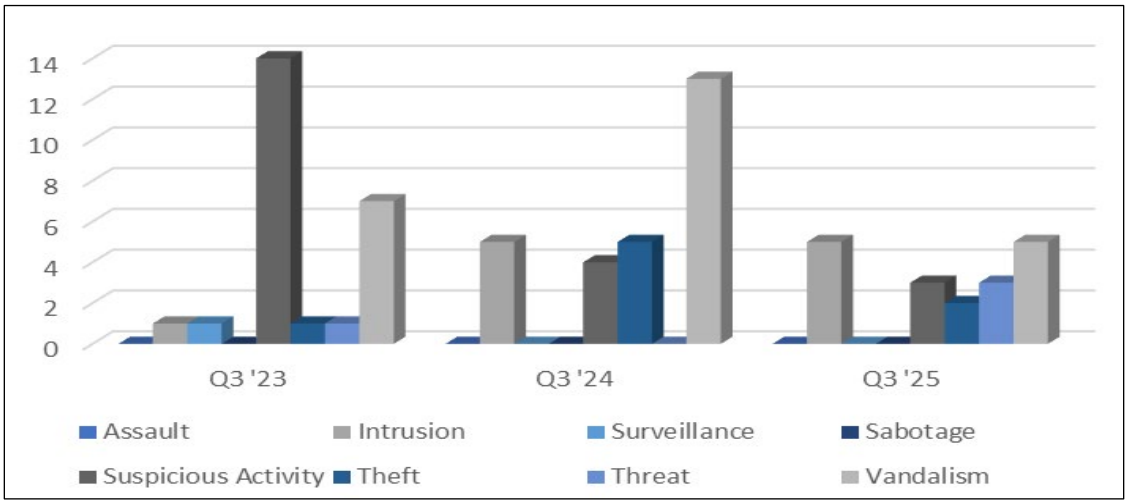
Analysis and Key Drivers: Risk Analysts found that several high-value liability claims were unfounded, and denials were respectfully issued to the claimants. Water division claims have seen increasing costs year over year due to inflation and higher water damage mitigation expenses by emergency water cleanup companies. Analysts have successfully negotiated or settled large liability claims for far less than asked damages. Analysts continue to see increased success recovering from insurance companies by presenting solid cases for damage recovery claims. Setting aside three large, disputed liability claims made totaling nearly $275,000, the average liability claims across all business lines average about $1,120 with an average of $851 paid out for seven claims. This is evidence of the diligent investigations and negotiations our ERM Risk Analysts perform on behalf of the organization.

At year end, Enterprise Risk Management will report on risk register coverage, residual risk, and will provide an update on the mid-year risk report.

Physical Security

The Physical Security Department continues to see a decline in incidents impacting the Utility when compared to the same time in Q3 ’23 and Q3 ’24. Continued revisions to how the team responds to and anticipates security incidents has quickly and consistently led to a decline in their frequency and impact. We’re also exploring new technology solutions developed in-house to increase our awareness at our assets.

Figure 46 - Incident Types



Response times: The average response time to calls for service in Q3 was 7 minutes and 24 seconds.

Security camera system status: Currently, 92% of our approximately 160 cameras are operational, with plans to increase that number to 95% by the end of the year.

Resiliency and Emergency Management

The three main areas of emphasis in the table below are derived from EWEB’s strategic direction and ensuing 2025 REM team goals. Our team has primary responsibility for developing and tracking implementation for two mitigation plans and supports other divisions with development and updates of their operational response and emergency plan documents. This past quarter, focus has been in supporting the Water

Division update its Risk and Resiliency and Water Emergency Action Plans as required by EPA/OHA. Significant effort to develop and obtain managerial review and approval of procedural documentation for Emergency Water Station (EWS) activation and overall site maintenance was achieved. The final EWS at Kennedy Middle School was introduced to the community and training curricula for both EWEB employees and community members to activate these sites will be provided in Q4.

In addition, an enterprise-wide Emergency Communications Plan is in draft and will be finalized following decisions regarding EWEB's use of the statewide Everbridge Emergency Notification system. Updates to the SIREN Job Aid have also been a collaborative effort across numerous departments. A new metric involving tracking improvements cited during both exercises and ICS activations has been added to this quarter's reporting for the PSPS TTX.

Q3 is peak wildfire season, and the REM team actively supports situational awareness through a variety of tools including daily weather forecasts from our meteorological services, and alerts via wildfire cameras and Watch Duty. The team strives to ensure that key stakeholders are aware of active wildfire or weather alerts that elevate fire danger so that preventative measures can be taken and participate in regional/inter-agency meetings related to these topics. Following permit approval, construction began on a grid hardening project along Dillard 4734 in South Eugene. Restoration activities include requests for FEMA reimbursement for the project that will happen next quarter.

Field checks of about four dozen locations that were identified as potential high fire risk circuits continue as part of our validation of the Pyrologix risk analysis and High-Risk Fire Zone (HFRZ) update process. And planning work to re-submit the ODOE resiliency grant application to transfer work from upriver to in-town circuits is underway. A charter for a Wildfire Mitigation Governance Committee was developed and remains under managerial review while an informal RFP for the wildfire road map is awaiting responses from three vendors.

No ICS/EOC activations occurred although there were two 'warm' standups for wildfire situational awareness purposes.

Table 6 - Resiliency and Emergency Management Team 2025 Goals

1. Maintain 100% Compliance with Mitigation Plan Requirements	
Submit Wildfire Mitigation Plan for Annual Board Review	WMP approved April 1, and emphasis has been on maintaining wildfire situational awareness and protective measures.
Develop EWEB Annex to Metro-Area Natural Hazard Mitigation Plan	Board adopted NHMP in May and FEMA approval received in June.
2. Promote Employee Resiliency and Operational Readiness	
Annual Training & Exercise Participation Rate (%) (REM goal to achieve 90% compliance with ICS 100/300/400 training requirements by Q4 2025)	ICS 100 - 78% ICS 300 - 62% ICS 400 – 55%

Annual Training & Exercise Participation Rate (REM goal to Plan/execute at least 2 tabletop and/or functional exercises annually)	PSPS TTX held on 7/15 with 3; planning is underway for Santa Clara Dam Safety exercise in November.
Employee/stakeholder engagement in emergency preparedness (# engagements/year)	• 4 ENL articles published • 30 people took ICS refresher course in Q3 (210 employees total). • REM team collaborated with Marketing & Communications on Pledge to Prepare outreach and Kennedy EWS grand opening (about 150 attendees).
Time to Activate ICS/EOC for Emergency Incidents	None this quarter
3. Develop/Update Emergency Action Plans and Procedures	
Business Continuity Plan Coverage (% of critical functions with plans)-perhaps define to 5 workgroups with BIA's	BIAs in development for five critical business lines; 0% complete.
Develop formal After-Action Reports and Track Improvement Implementation Rate (%)	83% of improvements from 2024 PSPS TTX implemented prior to 2025 PSPS (5 out of 6).
Emergency Water Station (EWS) Activation Guide, Emergency Alert and Communication Policy (new), Siren Job Aid.	EWS Activation Guides drafted; Siren Job Aid complete and Emergency Alerts & Communication Plan in final draft.

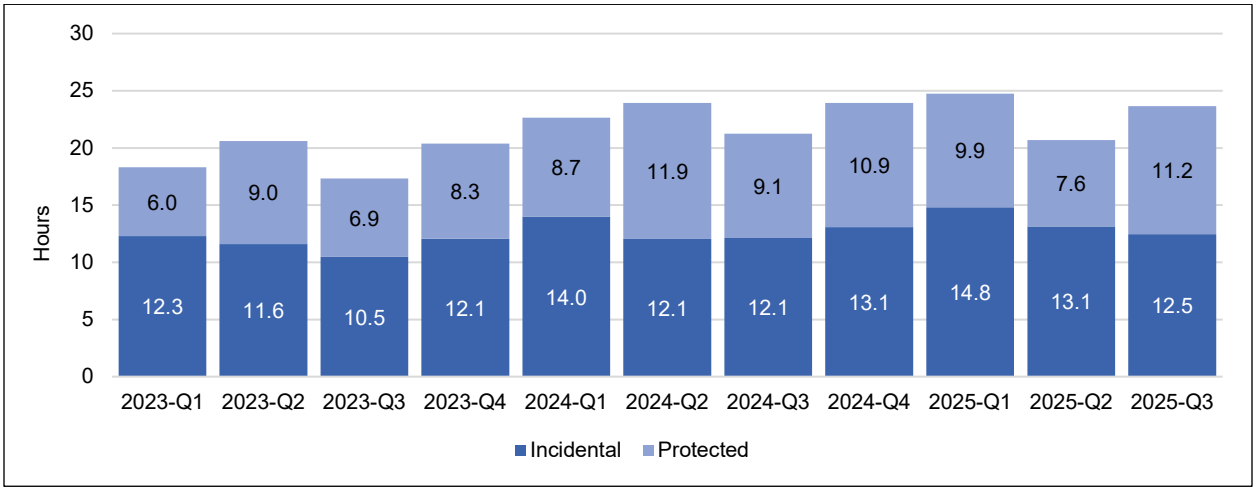
Human Resources

Workforce programs are on track. Protected leave usage has increased as employees make greater use of Oregon Paid Family Leave. Recruitment activity and hiring timelines remain consistent with prior years and previously delayed or hard-to-fill positions have successfully been filled or closed. Internal mobility and career advancement remain strong, and attrition is trending below 2024 levels, reflecting a stable and resilient workforce.

Leave Program Management

Protected leave usage has increased significantly- up 47% from Q2 2025 and 62% compared to Q3 2024—while incidental leave usage has declined by 4.5% and 23.8% over those same periods, respectively. The rise in protected leave appears to be largely driven by greater use of Paid Family Leave, particularly among fathers taking bonding leave.

Figure 47: Average Incidental & Protected Sick Leave Hours



Hiring, Advancement & Turnover

Year to date, the number of recruitments posted are nearly equal to the total for all of 2024. Applications received are 31% higher year-to-date, likely the result of increased regional workforce movement and broader labor market adjustments. Several 2024 postings were deferred to 2025 due to the EES rollout and budget constraints. Average Time to Fill and Average Time to Start remain consistent with prior-year results.

Figure 48: 2025 YTD New Recruitments by Quarter

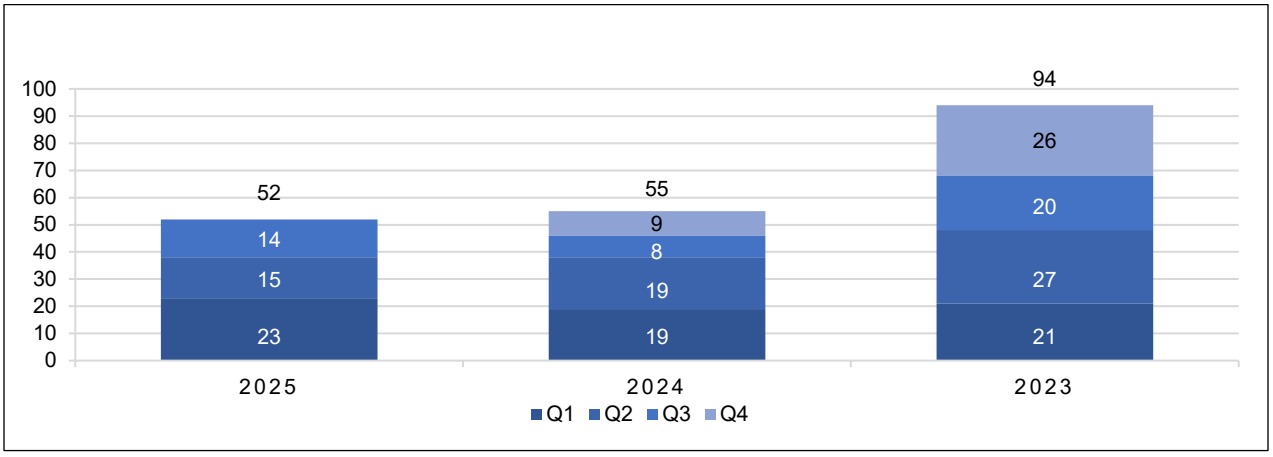


Figure 39: 2025 YTD Applications by Quarter

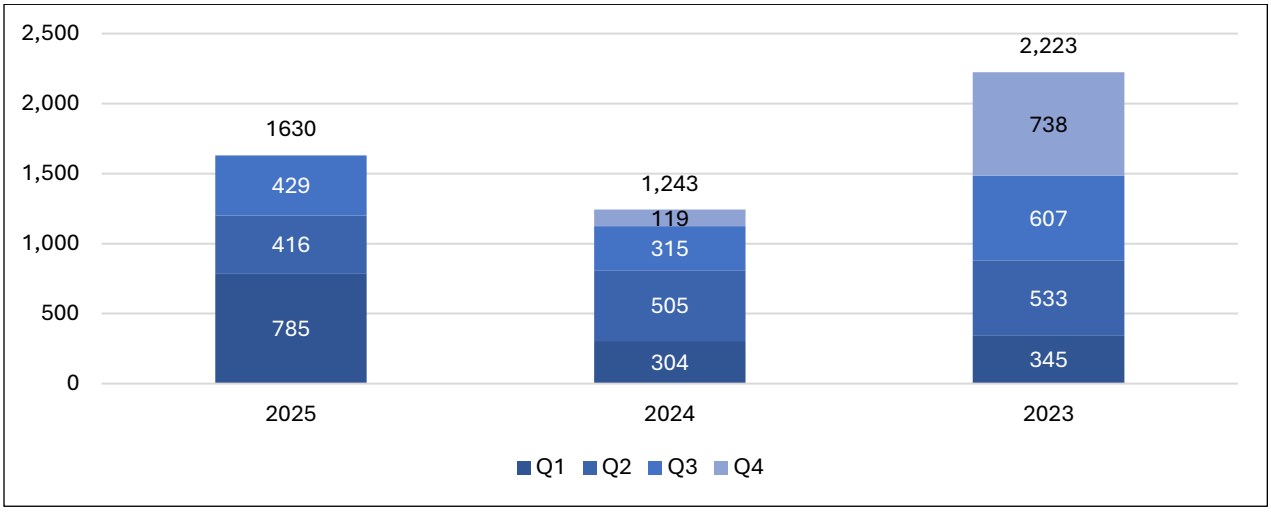


Figure 40: 2025 YTD vs Full Year Time to Fill and Time to Start

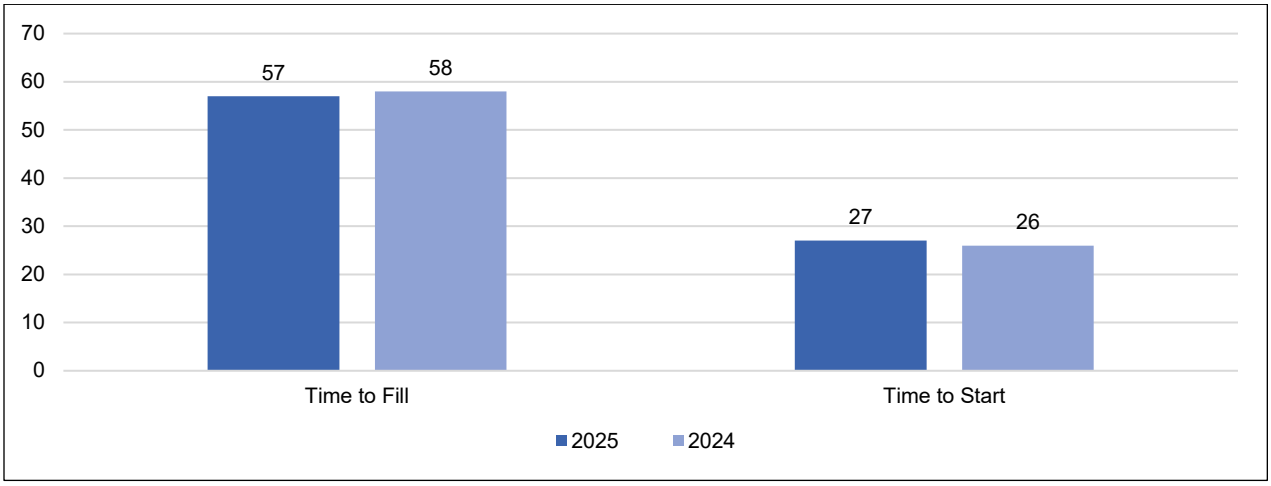
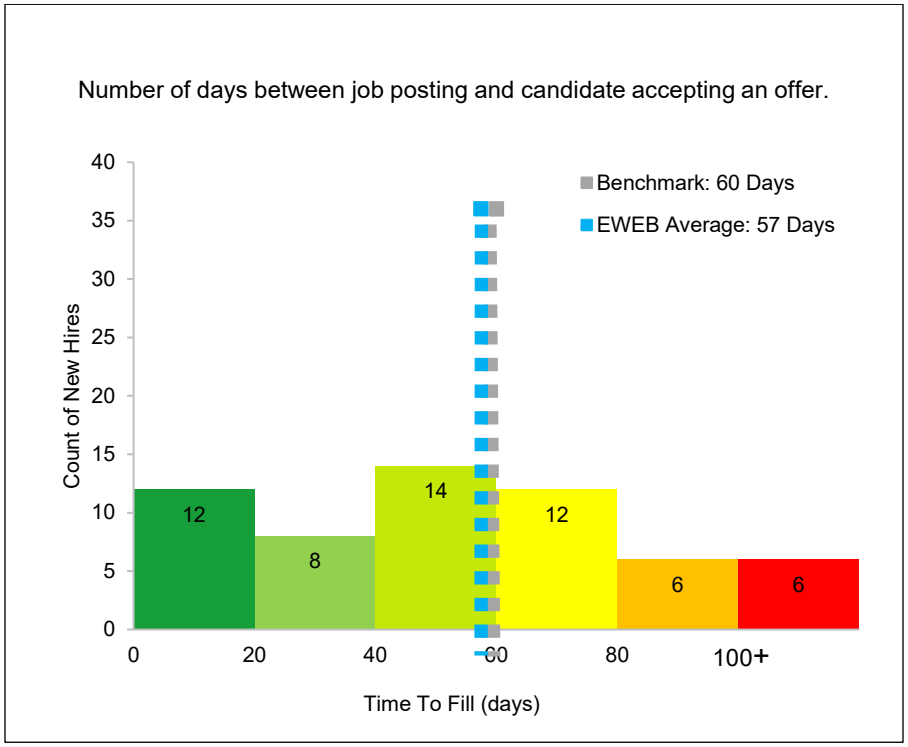
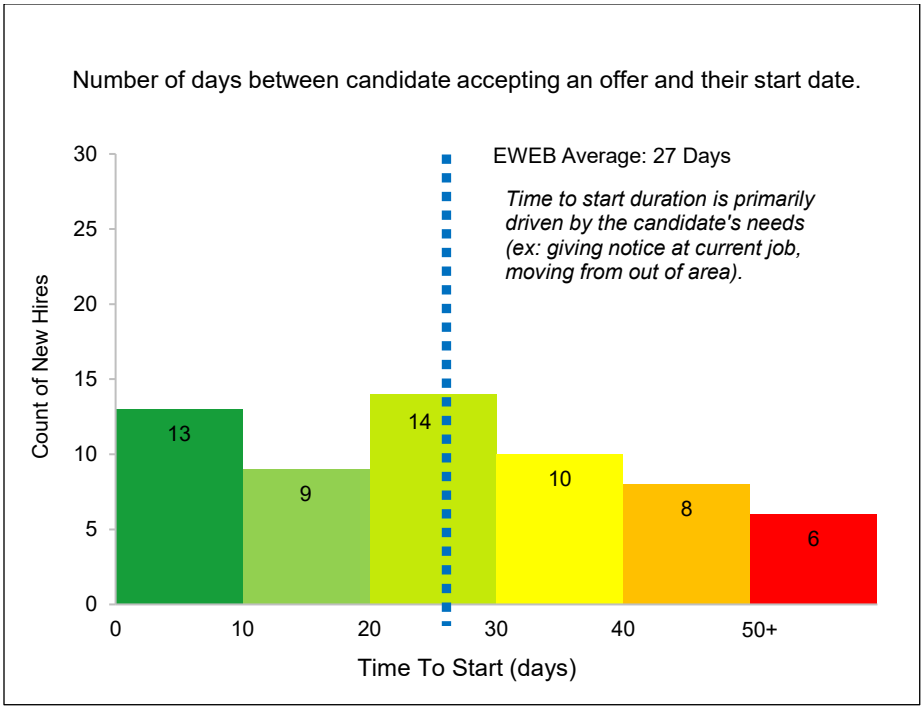


Figure 49: 2025 YTD Time to Fill Requisitions in Days



*A 2022 report from the Society of Human Resource Management (SHRM) provides a 60-day Time to Fill benchmark for west coast employers EWEB's size.

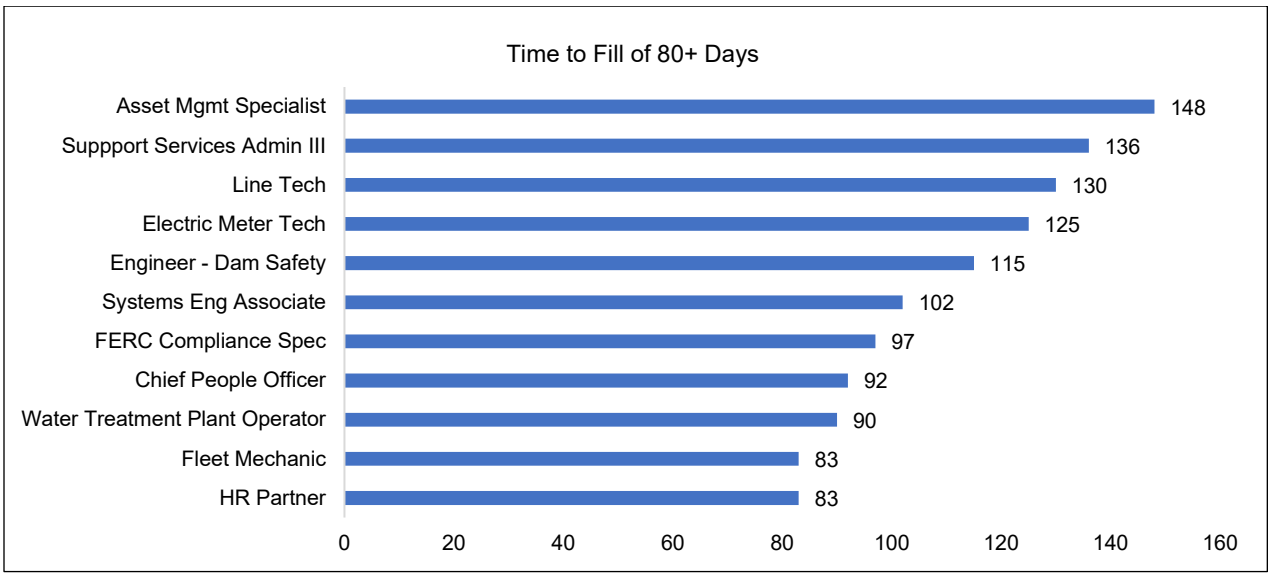
Figure 50: 2025 YTD Average Time to Start in Days



Outlier/Hard to Fill Recruitments

Many of the “outlier” recruitments (those that take 80+ days before an offer is accepted), were delayed primarily due to internal scheduling challenges during the screening and interview stages. Attracting qualified Line Technician, Electric Meter Technician, and Engineering candidates continue to be challenging, leading to longer time to fill and in some cases failed recruitment. As of the end of Q3, we have no positions that have been open for more than 80 days; all “outlier” recruitments have been filled or closed.

Figure 51: 2025 YTD Outlier Recruitments



Job Postings & Offers

The percentage of internal-only recruitments continues to rise, increasing opportunities for internal career advancement. YTD, close to half of open positions were filled with internal candidates, reflecting support for career advancement opportunities. YTD, 15% of EWEB employees have experienced some form of career advancement. Full-year totals are expected to come in lower than in 2023 and 2024*, when recruitment activity was elevated in preparation for the first phase of the EES implementation.

*Note: 2023 and 2024 numbers have been updated from previous reports to include Step Increases, which reflect job and career advancement within IBEW positions.

Figure 52: 2025 YTD External vs Internal Job Postings

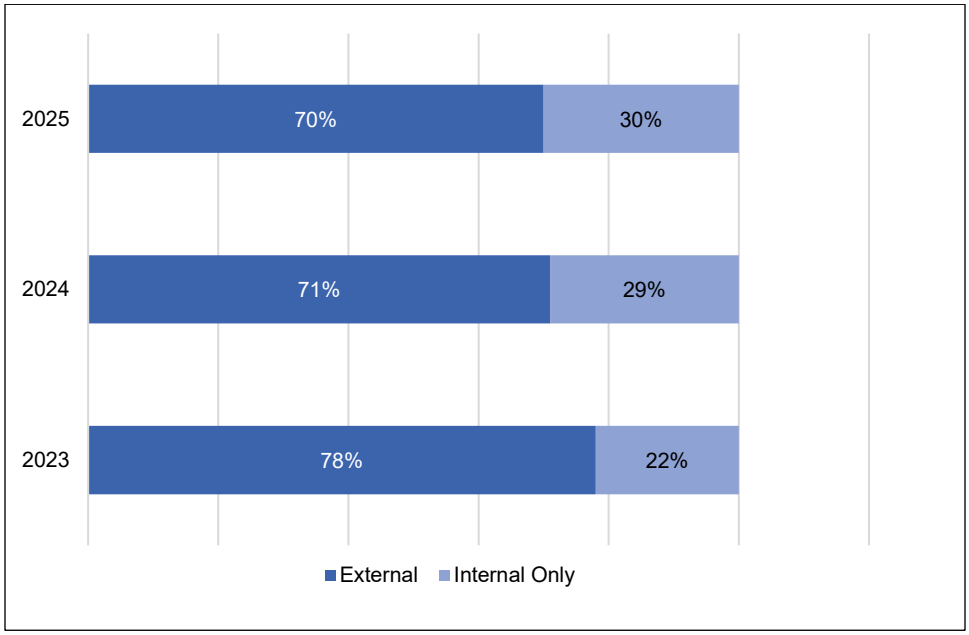


Figure 53: 2025 YTD Accepted Offers by Candidate Type

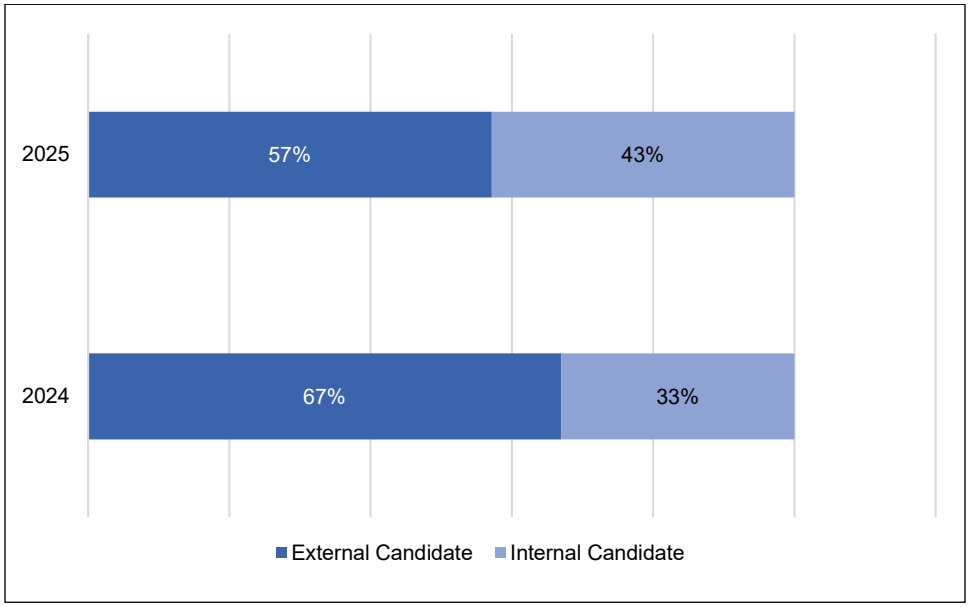
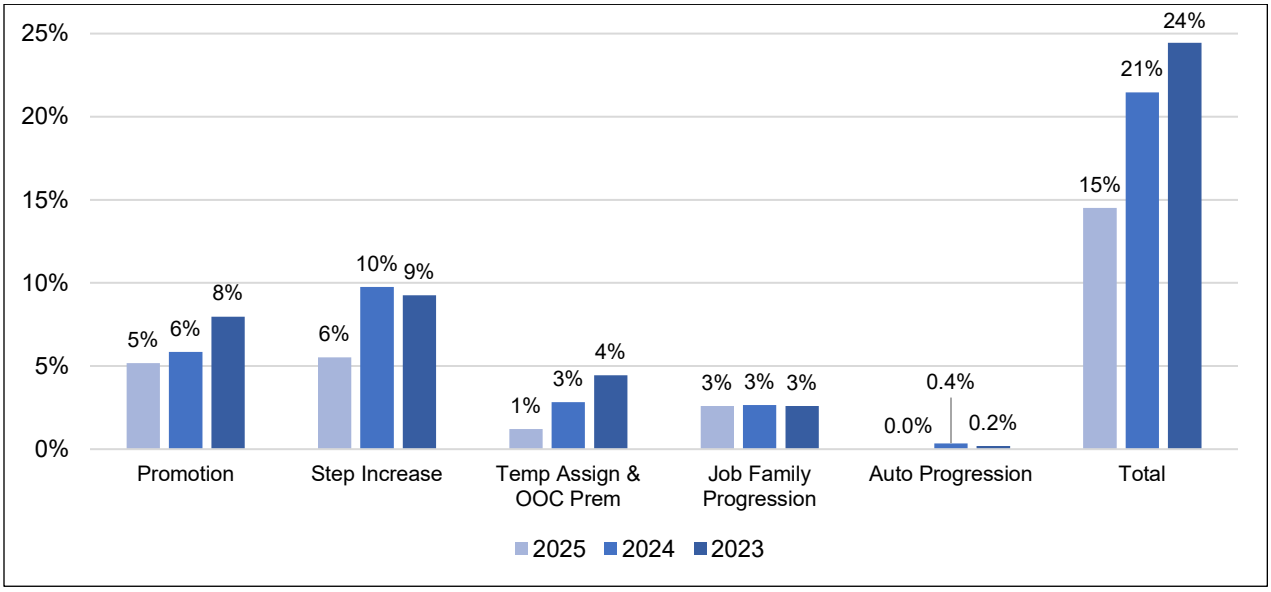


Figure 54: 2025 YTD Career Progression as a % of Average Headcount



Attrition

Year to date, 23 employees have left the utility. Overall attrition is on track to be lower than 2024, with Voluntary, Non-Retirement attrition is expected to be much lower than the 5% baseline. Please note that in the Q2 report, 2023 and 2025 metrics were mistakenly reversed on the graph; this has been corrected for Q3. Employees who had been with the utility less than four years continued to leave at a higher rate than those with longer tenure.

Figure 55: 2025 YTD Attrition

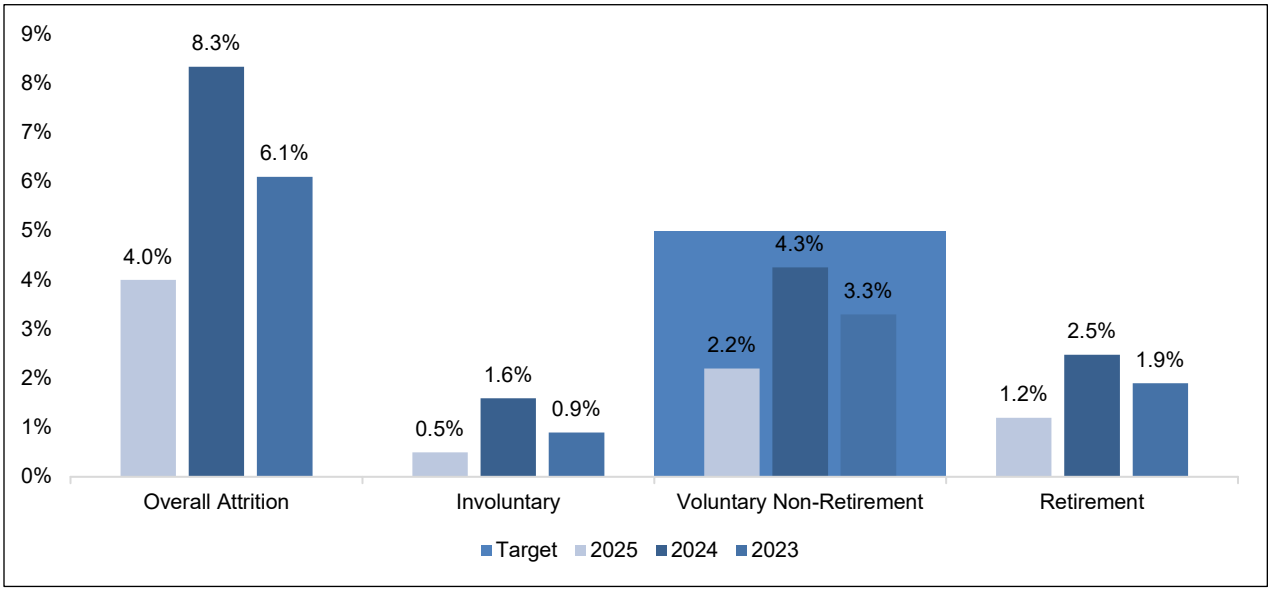
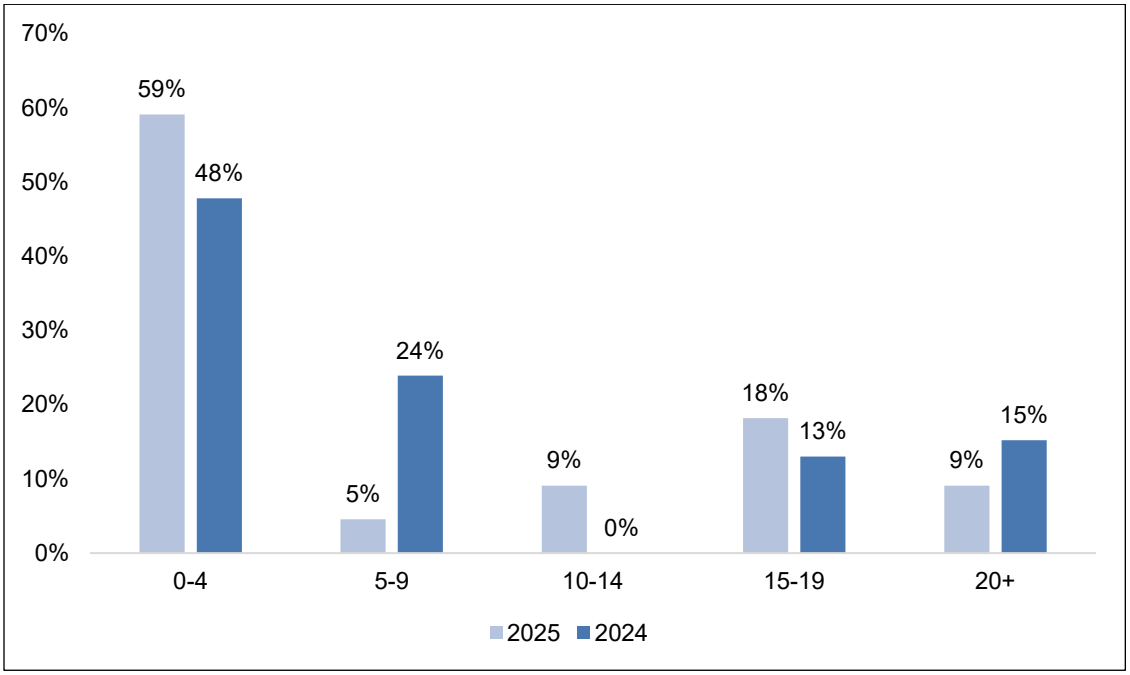


Figure 56: 2025 YTD % of Departures by Tenure



Enterprise Safety

Key performance indicators for Q3 are tracking on target, with year-to-date safety metrics showing improvement over the three-year average. Safety is focusing on updates and improvements to accident and incident reporting. Progress toward achieving 100% completion of OSHA-required trainings remains on track, with 93% completion at the end of the third quarter.

Table 7 - Enterprise Safety – Injury, Time Loss, and Good Catch Reporting

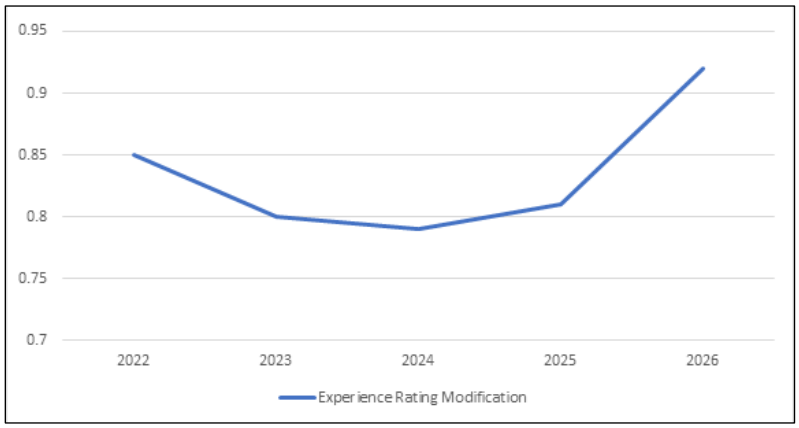
Performance Measure	Result	Result	3-Year Average	Vs. 3-Year Average
	Quarter 3	Year-To-Date		
Exposure Hours (EH) in Hours	245,828.79	787,499.84	757,320.27	30,179.57
OSHA Cases per 100K (EH)	.81	1.52	2.38	(.86)
OHSA Time Loss Days	0	5	117	(112)
"Good Catch" Reports	71	243	141	102

Workers Compensation Program

There were two new workers compensation claims in Q3, bringing the total to 13 for 2025 (three of which are held over from 2024). Year to date, all claimants have successfully returned to work. The average return-to-work timeframe remained at 3-5 days, with all being placed into light duty status. This requires an increase in light duty work, time lost, and overall time-lost payments. Analysis shows a higher volume of repeated claims by previous claimants and claims are trending toward disabling or higher value claims. Staff will continue trend analysis for any insight we can provide for mitigating repetitive injuries. In 2024, there was a total of $194,100 paid out, and thus far in 2025 there is only $69,027 paid (a 35.57% decrease in WC payments.) There was a claim dollars/per employee average of $113.16 based upon 610 total employee count, or $5,309 per based upon 13 claimants. EWEB

received a $25,070 dividend check from SAIF which is based upon safety performance both individually as the employer and state-wide when compared to other members of SAIF. Our final Experience Rating Modification (MOD) Rate for SAIF has increased to 0.92 for 2026, the MOD rate is an indicator of risk in comparison to other businesses, the average is 1 and our cost for workers compensation insurance coverage is based on this rate.

Figure 57 - Experience Rating Modification



Information Services

In the past, Information Services developed and measured KPI based on uptime, availability and reliability of individual systems. As technology has evolved, so has the approach to measuring reliability and availability. IS is now measuring "service delivery" with a goal of maintaining modern services (described below). As an example, in the past IS would measure the uptime of an email server, whereas today IS is looking at the end-to-end usability of the service, Microsoft 365. This includes networking, firewalls, and desktop clients. With the shift to focus on maintaining modern services, IS Operations measures the status of the services in our portfolio, tracking the inventory in three distinct categories:

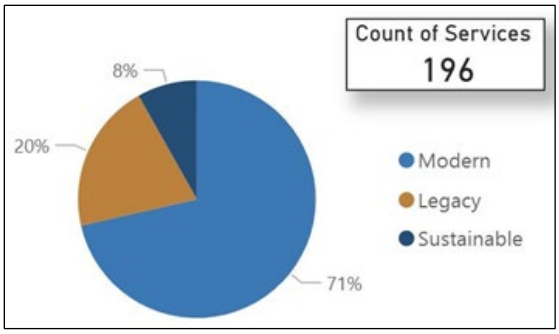
Modern: Combination of vendor supported systems and software, well documented and adhered to maintenance routines, integrations, and strategic and supportable business uses

Sustainable: Supportable systems and software that may not have a tie into a strategic business need. Documented but data integrations may not utilize modern methods. Maintenance routines are followed but may not be aligned with modern practices. Business uses are fragmented but still provide value to individual areas.

Legacy: Combination of inconsistent or no longer supported systems and software, out of date or no longer feasible maintenance routines and data integrations, and isolated or fragmented business uses.

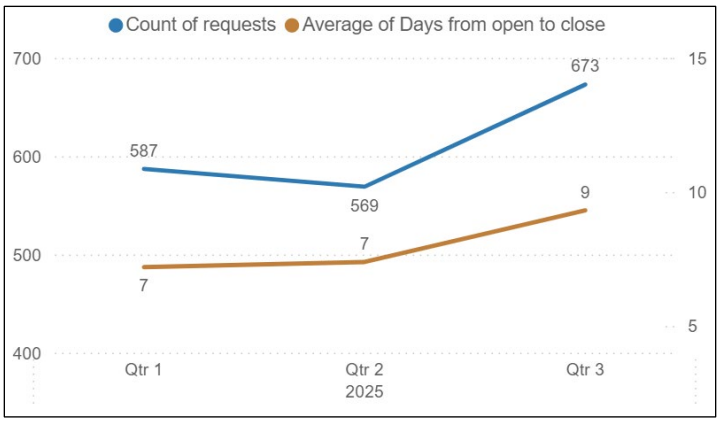
Knowing all services are not created equal, IS has developed a baseline of where we feel as a utility we should be: 70% Modern, 20% Sustainable and no more than 10% Legacy. Currently, Legacy is a larger percentage of our portfolio than the baseline. One large contributor to this is the inability to fully decommission legacy systems that were replaced during EES Season 1.

Figure 58 - Service Lifecycle Status



These include GIS, CIS, and SmartStream. A major contributing factor is the lack of a Data Warehousing solution providing necessary access to data in the legacy systems. This gap is beginning to be addressed within the 2025 goals that include the implementation of a Data Warehouse. Once the Data Warehouse is available IS can then start moving data out of the Legacy Systems allowing for the decommissioning of those systems and their removal from the portfolio. It will also help eliminate the need for maintaining legacy systems as they're modernized, which we'll see again in EES Season 3.

Figure 59 - Helpdesk Service Requests: Number and Time to Close



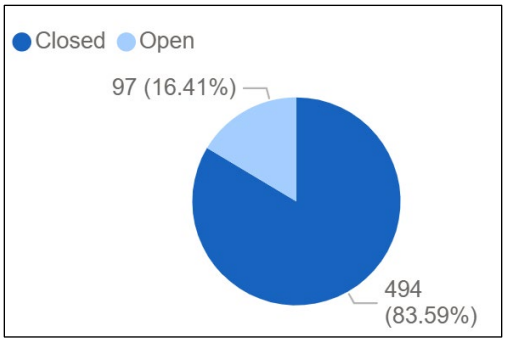
Helpdesk services are measured with time to close requests. The median number of days from an open request to closing stays on target with 1 day, while the average of 9 days this quarter represents that there is a small volume of requests that take significantly longer. Overall response and volume are within expectations.

25-10 EES Season 2: SAP & SEW Enhancement & Bug Fixes

Following the successful implementation of SAP, the organization transitioned from project delivery through hyper-care, stabilization, and normal business (continuous improvement) operational phases. During these phases, our primary focus has been on defect resolution, and business-driven enhancements to ensure system stability, operational efficiency, and fit-to-purpose business outcomes.

Defect Management

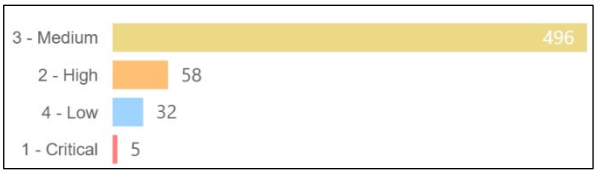
Figure 60 - YTD Defect Count of Closed vs. Currently Open



Post EES Season 1 go-live (Q1,2025), hyper-care focused on ensuring business continuity and resolving post-deployment defects. The transition from hyper-care to stabilization (Q1 to Q2, 2025) continued its focus on business stability with an orchestrated emphasis on functional and technical knowledge transfer between the SI and EWEB Information Services. EWEB Information Services established primary operational ownership/leadership through the stabilization phase into normal business operations (Q2 to Q3, 2025).

Defect tracking and triage: All issues were logged in a centralized defect management tool, categorized by severity (critical, high, medium, low), and prioritized for resolution.

Figure 61 - Count of Defects Closed by Severity Level



Root-cause analysis: The SAP functional and technical teams analyzed recurring issues to identify process gaps, data inconsistencies, or configuration adjustments required.

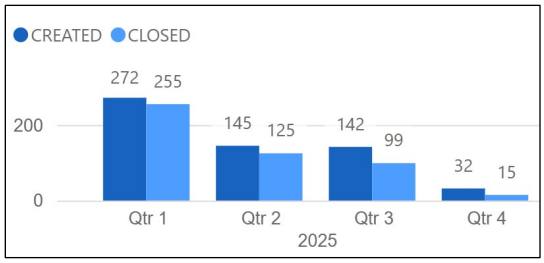
Resolution progress: Critical defects were addressed within service-level targets to maintain business operations.

Figure 62 - Average Days to Close Defects

SEVERITY	AVG. DAYS TO CLOSE
1 - Critical	2
2 - High	23
3 - Medium	28
4 - Low	44

The overall defect backlog has trended downward, demonstrating increasing system stability and progressively maturing knowledge and skills within the support teams to efficiently and effectively resolve defects.

Figure 63 - YTD Defects Created vs. Close by FY Qtr.



Overall Status: The system has reached a stable operating state, with all business-critical defects closed or mitigated, facilitating the transition to normal business operation. As defects continue to be identified during normal application lifecycle, the Information Services teams are well positioned to resolve these defects.

Transition from Defect Resolution to Enhancements

The focus shifted from reactive defect resolution to proactive enhancement and operational optimization (Q3, 2025). Enhancements are now managed through a structured Change and Release Management process, ensuring alignment with business priorities and maintaining system integrity.

- Implementation of functional 'improvement feature' enhancements based on business process optimization opportunities aligned to business/customer value.
- Automation of service management tools and reporting metric developed to increase productivity in service delivery.
- Align business process logic-design/re-design to SAP Clean Core and governance standards to preserve platform supportability, upgradeability, and compliance.

Status: Enhancements continue to deliver measurable business benefits, improving process efficiency, data accuracy, and user experience.

Figure 64 - Enhancements: Active (In Progress) Count / Closed by Quarter

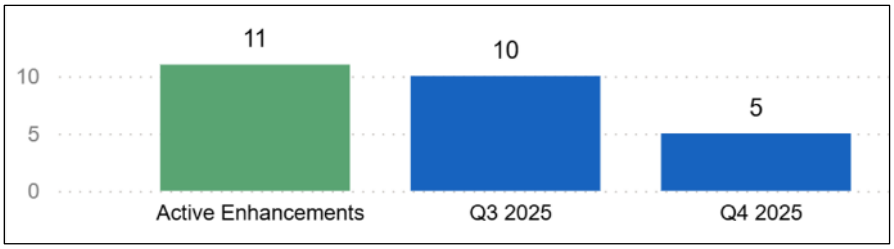


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Figure 65 - Enhancements Closed in Q3 2025

ID	Priority	Workstream	Title	Closed
4063	1	FICA	30 day disconnect due to vacancy after dunning disconnection	Q3 2025
3602	1	FICA	Account not Dunning - Account on Auto Pay	Q3 2025
4430	1	BL & Rates	CoE August 2025 Rate Updates	Q3 2025
4180	1	BL & Rates	COE/Santa Clara July 2025 Rate Updates	Q3 2025
4546	2	FICA	Create new sub transactions to charge UofO Settlement	Q3 2025
4672	1	FICA	Main/Sub request for Claims charges being sent to Collections	Q3 2025
4838	3	FI	SAP Functionality (Enter Accrual/ Deferral Doc) tile - operational change to G/L item fast entry screen variant	Q3 2025
4511	2	BL & Rates	Traffic Light Fee Rate Update	Q3 2025
4551	2	FICA	Update Customer Deposit Interest Rate for Q3 2025	Q3 2025
4699	1	DM	Upgrade RNI to v4.15	Q3 2025

Summary

The SAP environment is stable, defect volumes have significantly decreased, and the organization is transitioning from reactive defect management support to proactive enhancements and strategic growth opportunities. Our focus for the next period includes:

- Aligning business opportunities (new feature enhancements) to business value.
- Reducing manual processes through process automation and optimization (operational enhancements).
- Establishing a sustainable enhancement governance model that balances innovation with system stability.
- Ongoing preparation to scale resource knowledge and skills to support project efforts, including X-Matrix and EES Season 2-3 strategic initiatives.

SECTION 2: EWEB's Strategic Compass

Introduction to EWEB's Strategic Compass

The Strategic Compass includes the process and tools used to prioritize our strategic work and drive transformational change in alignment with EWEB's 2018-2028 Strategic Plan. It includes Strategic Business Priorities that drive 5-Year Themes that drive Annual Goals.

Strategic Business Priorities

Using EWEB's Strategic Compass we have identified three equally important high-level strategic business priorities.

Business Priority One (BP-1): Maintain/Improve Business Operations - achieve and sustain the ongoing efficient and effective delivery of our products and services in a volatile operating environment.

Business Priority Two (BP-2): Optimize Energy Delivery - effectively and efficiently align the supply, delivery, and consumption of energy in order to create long-term value for customers.

Business Priority Three (BP-3): Improve Resiliency - reduce the likelihood, magnitude, and duration of sudden or gradual disruptive events through risk mitigation, emergency preparedness and response, and recovery strategies on our business operations and on the delivery of our products and services.

Strategic Business Priorities inform the development of 5-Year Themes.

5-Year Themes

1. Implement a system to prioritize and align the allocation of limited resources across the organization based on intentional "core", risk-based, and strategic outcomes. (BP-1)
2. Based on customer feedback, focus Continuous Improvement (CI) efforts on areas that improve customer trust and satisfaction, initially focused on affordability and outage management. (BP-1, BP-3)
3. Modernize enterprise systems & strategic use of data to improve business insights on customer attributions and utilization of our assets. (BP-1, BP-2, BP-3)
4. Ensure EWEB has power supply resources that meet anticipated demand and regional grid obligations. (BP-2, BP-3)
5. Drive customer participation in products/programs that optimize the use and delivery of energy. (BP-2)
6. Mitigate drinking water single-source vulnerability. (BP-3)
7. Focus business continuity and resiliency efforts on mitigating highest probability most consequential risks (potential disruptions). (BP-1, BP-3)

Annual Strategic Goals support the progress of one or several of our 5-Year Themes.

EWEB's 2025 Annual Strategic Goals

1	As part of an overarching Business Management System, implement EWEB's Strategic Compass (X-Matrix) to engage staff and prioritize and align work based on 1-5 year priorities.	1 2
2	Evaluate and manage budgets and spending based on prioritized outcome(s) with rate impacts near levels of inflation.	1 2
3	Enhance outage prevention, response and communication.	2 3
4	Execute EWEB's Enterprise Solutions (EES) "Season 2", with focus on foundational finance & budgeting functionality, and stabilize and improve basic customer experience.	3 5 7
5	Prepare the organization for EWEB Enterprise Solution (EES) "Season 3", with a focus on asset utilization, field service management, and workforce experience.	3 7
6	Implement 2023 Energy Resource Action Plan. Complete and begin implementing 2025 Energy Resource Plan (Energy Resource Study + Action Plan).	4 5 7
7	Execute "Provider of Choice" (post-2028) energy supply contract with BPA.	4 5
8	Continue AMI deployment within urban service territory.	2 3 5
9	Assess and enhance the impact of EWEB's existing programs supporting limited income and tenant customer segments.	2 5
10	Evaluate and prepare for opportunities to influence consumption behavior.	4 5
11	Begin implementation of EWEB's 5-year Rate Design Plan.	4 5
12	Second Drinking Water Source: Progress towards 2026 completion of compliance and regulatory design prerequisites and re-evaluate and establish the criteria and conditions for ongoing pursuit of a water treatment plant on the Willamette River.	2 6 7
13	Focus infrastructure resiliency work on major projects identified in existing 2015 Water Master Plan and Electric Capital Plan.	2 7
14	Begin Business Impact Analysis on the resiliency of five EWEB business functions to prioritize future mitigation efforts.	2 7
15	Improve workforce resiliency and effectiveness through delivery of updated Human Resources and Business Continuity programs.	1 2 7
16	Implement EWEB's Wildfire Mitigation Plan.	2 7
17	Refine EWEB's approach to a formalized Cyber Security program.	2 7
18	Determine the future of the McKenzie Valley service territory.	7

Rely on us.

Goal 1: As part of an overarching Business Management System, implement EWEB's Strategic Compass (X-Matrix) to engage staff and prioritize and align work based on 1–5-year priorities.

Executive Sponsor: Frank Lawson, CEO & General Manager

Work under this goal includes:
Under Goal 1, EWEB has launched the EWEB Business Management System (EBMS) focused on both core work (the daily work of the utility to fulfill our mission and deliver our services) and strategic work to position the utility for optimal success to meet the long-term objectives in the strategic plan. This work was launched with 2025 goals and will continue with a second planning cycle to develop goals for 2026. The prioritization work of EBMS supports efforts that keep our budgets for 2026 in line with inflation and supports employee engagement and follow-up on feedback received in the last employee survey. This will also support the organization through the General Manager transition in 2026 through both a deeper and wider organizational understanding of how EWEB's long-term strategic vision translates into annual projects and near-term actions.

Q3 Progress Comments: The dial within this goal represents that there are four Annual Deliverables contributing to this work for 2025 and all are progressing on target. Through Q3, EWEB has introduced the organization to the EBMS and Strategic Compass showing Business Priorities, 5-Year Themes, and updated Annual Goals for 2025. The new system has tracking and accountability tools with each goal having an identified set of Deliverables with milestones, timelines, and leadership responsibility that are transparent throughout the organization. Progress on all Deliverable milestones is communicated to the Executive Team quarterly to inform this report to the Board.

Starting in September 2025, EWEB has begun the annual cycle of strategic planning activities for 2026 and is on track to bring updated 2026 Annual Strategic Goals to the Board for approval at the January 2026 regular Board meeting.

Goal 2: Evaluate & manage budgets and spending based on prioritized outcome(s) with rates impacts to near levels of inflation.

Executive Sponsor: Deborah Hart, Assistant General Manager & Chief Financial Officer

Work under this goal includes: The utility is required to develop an annual budget and rate proposals to support the level of investment outlined in the budgets and capital plans. The integrated capital and long-term financial plans are brought to the board for feedback each July and prioritize and align the allocation of resources for the coming year. Inflation in the Water and Electric sector has remained persistently high and the utility has targeted an average rate increase of under 4% for the Electric utility and 6% for the Water utility. Based on board direction, work continues throughout the Fall to deliver a budget for final consideration in December.

Q3 Progress Comments: The dial within this goal represents progress towards the development of budgets that support 2026 average rate increases of less than 4% for the Electric utility and 6% for the Water utility. 2026 Budgets have been developed that result in a 3.9% average rate increase for

the Electric utility and 6.0% for the Water utility and staff will be requesting approval at the December board meeting.

Goal 3: Enhance outage prevention, response, and communication.

Executive Sponsor: Julie McGaughey, Chief Customer Officer

Work under this goal includes:
Use a continuous improvement approach to improve public-facing outage communications, internal processes, and technology during blue sky and ICS conditions.

Initiate improvements to the GIS system that went live in December 2024, completing the functionality that will facilitate full adoption of the new system.

Complete deployment of the remaining in-town AMI electric meters.

Assessment and stabilization of the phone system for use by Dispatch.

Q3 Progress Comments: A cross-departmental Outage Management & Communication workgroup was created, and training was held on EWEB's new outage management system, EGO. Planning is underway to hold a Winter Storm ICS drill in November, leveraging the updated processes.

Improvements to the GIS systems are in progress and some training has been completed. Work continues with the vendors, and additional staff training is planned.

Staff are actively working through the remaining in-town legacy electric meter replacements. As many cases involve access issues and necessary customer coordination, they are being replaced at a rate of ~20/week, with 550 completed this year. It is anticipated that a total of 750 meters will be replaced in 2025, with the remaining 750 meters scheduled in 2026.

Dispatch staff have identified key use cases for the phone system and are working with the Continuous Improvement team to complete a gap analysis.

Goal 4: Execute EWEB Enterprise Solutions (EES) "Season 2", with a focus on foundational finance & budgeting functionality, and stabilizing & improving basic customer experience.

Executive Sponsor: Travis Knabe, Chief Information Officer

Work under this goal includes: New finance and budget dashboards with real-time data from SAP. Eliminating substantial manual processes and the need for complex excel files. Additionally, the IS team is working with the utility to eliminate bugs from the go-live of SAP and implement enhancements.

Q3 Progress Comments: Finance and Budgeting dashboards went live in September. This new functionality provides financial statements at the click of the mouse and provides a streamlined

mechanism to perform ad-hoc analysis seamlessly and easily. The Financial Planning & Analysis team are creating process documents on budget monitoring to begin training end users.
All high and critical bugs have been closed, and the teams are working through medium and low bugs. In parallel, development work on enhancements is being implemented. The enhancement work is being done methodically as SAP is a brand-new technology and the learning curve for the IS Division is steep. As planned, we are leaning into consultants where appropriate.

The Data Warehouse is on track for delivery by the end of 2025. This component will be critical in providing a more comprehensive view of EWEB's customers.

New capabilities added to the Customer Portal include move-in / move-out / transfer of services. Highlight coming in Q4 is customer access to interval data and usage comparison.

SEW Program Manager releases include a more intuitive interface and program search capabilities for customers and a more streamlined backend interface, allowing the Customer Solutions team to be more efficient managing EWEB programs.

Goal 5: Prepare the organization for EWEB Enterprise Solutions (EES) "Season 3", with a focus on asset utilization, field service management, and workforce experience.

Executive Sponsor: Travis Knabe, Chief Information Officer

Work under this goal includes: Finalizing the overarching scope of work for Season 3 and begin organizational change management.

Complete the Operational Asset Management Plan (OAMP) for Electric T&D and initiate the development of the water OAMP.

Q3 Progress Comments: Electric OAMP is under development and on-track to be completed by the end of 2025. Water OAMP development has been initiated and will be prioritized in 2026. Information Services has completed a workshop and the development of their OAMP.

Change management roadmap has been developed and will move to execution in Q4.

Goal 6: Implement 2023 Energy Resource Action Plan. Complete and begin implementing 2025 Energy Resource Plan (Energy Resource Study + Action Plan).

Executive Sponsor: Brian Booth, Chief Energy Resource Officer

Work under this goal includes:

This goal advances EWEB's 2023 Energy Resource Plan (ERP) Action Plan, guides completion of the 2025 ERP, and supports implementation of the 2025 Action Plan. Collectively, these efforts align with EWEB's five-year strategic themes to:

- Ensure our power supply portfolio meets future demand and regional grid obligations.

- Encourage customer participation in programs that optimize energy use and delivery. Strengthen business continuity and resilience by mitigating the most consequential operational risks.

EWEB has been methodically preparing for upcoming power portfolio decisions. Following completion of the 2021 Electrification Study, we established a standardized two-year integrated resource planning cycle.

The 2023 Energy Resource Study (ERS) and Action Plan set the strategic direction for aligning load and resource needs. Key efforts focused on advancing model sophistication, addressing expiring contracts while exploring new resource opportunities, developing a long-term resource framework, and expanding understanding of conservation and demand response potential within EWEB's service territory.

Building on that foundation, the 2025 ERS and Action Plan focused on EWEB's post-2028 BPA product choice and continued implementation of the 2023 objectives. The 2025 Action Plan also emphasizes development of a Resource Evaluation Framework (REF) to guide future portfolio decisions.

Q3 Progress Comments: To date, most deliverables remain on track. Notable accomplishments include evaluating the Western Resource Adequacy Program (WRAP) binding obligation—resulting in a decision to withdraw until BPA participates in a day-ahead market—and providing the Executive Team with analysis of organized wholesale market timing, participation options, and potential client-service opportunities.

The only item slightly behind schedule is completion of the REF. The Executive Team is finalizing the charter, and the project is expected to return to schedule in early 2026.

Goal 7: Execute "Provider of Choice" (post-2028) Energy Supply Contract with BPA.

Executive Sponsor: Brian Booth, Chief Energy Resource Officer

Work under this goal includes: BPA power sales contract is signed and executed by year end 2025. This work includes analyzing BPA "Provider of Choice" product options, selecting a final product with clear rationale, and engaging the Board and public throughout the decision process. It also includes securing Board authority for contract execution, validating all EWEB-specific resource and contract provisions, and aligning related BPA agreements. The effort will conclude with final stakeholder review, contract signature, and coordinated communications announcing the 19-year power sale agreement.

Q3 Progress Comments: The dial for this goal represents the final signing of the BPA Provider of Choice contract and the ongoing communication announcing the final agreement.

Goal 8: Continue AMI deployment within urban service territory.

Executive Sponsor: Karen Kelley, Chief Operations Officer

Work under this goal includes: Complete 50% (750) of remaining Electric in-town AMI meter installations and resume Water AMI meter installations with a goal of 2000 by 2025-year end.

Q3 Progress Comments:
Electric: staff are actively replacing remaining in town legacy meters. Many involve access issues and customer engagement to coordinate and install. These are currently being completed at a pace of 20 per week with 557 completed this year to date. EOY projection is expected to be 717 meters replaced. Staff will investigate if it is feasible to increase pace in the last two months of the year to achieve the 750 target.

Water: the team has stayed within budget, completed over 1,300 AMI installations and is on track to meet the 2,000 goal by end of year.

Goal 9: Assess and enhance the impact of EWEB's existing programs supporting limited income and tenant customer segments.

Executive Sponsor: Julie McGaughey, Chief Customer Officer

Work under this goal includes:
Assess the current state of EWEB's limited income offerings focused on reducing points of friction, optimizing customer experience, and enhancing the overall ease of doing business with EWEB. The review will include research into peer utility products, customer outreach and engagement, a technology functionality assessment, financial impact assessment, and EWEB policy alignment.

Assess the energy consumption, EWEB bill amounts, prior energy efficiency and bill assistance participation, and energy savings potential of limited income, residential customers living in rentals, relative to other segments of EWEB's residential customer base.

Implement a data warehouse and analytics platform, enabling EWEB to store, manage, and analyze large volumes of structured data from multiple sources.

Partner with Good Works Consulting to assess baseline performance for equitable access to products and services.

Q3 Progress Comments:
Staff have completed analysis of available customer data related to bill assistance, late fees, disconnections, and customer service touch points. A customer survey was sent to solicit feedback from customers who may have applied for EWEB Customer Care in the past but ultimately did not receive assistance. The intent is to learn more about any barriers these customers encountered to inform the process and improve customer experience.

Staff have collected all available data for energy consumption by dwelling type, statistical class, rental/owner status, and income using available EWEB, City of Eugene, and census data. Program

participation and potential data have been collected, and teams are working to match all building-level projects with their respective premises.

Good Works Consulting met with the Customer Programs and Communications teams to perform a baseline assessment of EWEB customer program accessibility. Work is underway to identify improvements that would have the greatest impact.

Goal 10: Evaluate and prepare for opportunities to influence consumption behavior.

Executive Sponsor: Julie McGaughey, Chief Customer Officer

Work under this goal includes:
Completion of the Energy Resource Study and launch of near-term actions. The 2023 Energy Resource Study (ERS) and Action Plan set the strategic direction for aligning load and resource needs. One of the key efforts focuses on expanding understanding of conservation and demand response potential within EWEB's service territory.

Conduct a Demand-Side Potential Assessment (DSPA) that provides the achievable potential across energy conservation, demand response, rooftop solar, and electrification for the periods of 2024-2045. Develop a Cost-Effectiveness Calculator (CEC) to analyze the cost-effectiveness of measures and programs under the four DSPA areas.

Implement a data warehouse and analytics platform, enabling EWEB to store, manage, and analyze large volumes of structured data from multiple sources.

Complete the SEW customer portal release enabling interval data visibility and usage.

Pilot Revenue-Neutral Time-of-Day Rates to University of Oregon (UO).

Q3 Progress Comments:
The Energy Resource Study (ERS) is complete and items in the action plan are on target for completion in 2025.

Both phases of the DSPA are complete, enabling direct cost-effectiveness comparisons between demand-side options (energy conservation and demand response) and supply-side options (wind, solar, utility-scale batteries, etc.).

A proposed Time of Day rate structure was delivered to UO for their analysis and review. An EWEB project manager has been assigned, and metering and billing requirements are being gathered.

Goal 11: Begin implementation of EWEB's 5-year Rate Design Plan.

Executive Sponsor: Deborah Hart, Assistant General Manager and Chief Financial Officer

Work under this goal includes: The advancement of the five-year rate plan, which was developed in 2024. The primary deliverables under this goal include aligning the rate structure with the cost-of-

service results and delivery of a time-of-day rate to the University of Oregon. The implementation of a Data Analytics platform, Financial dashboards, enhancements to the customer portal, completion of the 2025 Energy Resource Study, and establishing a baseline and KPIs for equity and inclusion in our customer products and services will support the ongoing implementation of the 5-year rate plan.

Q3 Progress Comments: In December management will deliver to the board for consideration and approval a rate proposal that includes a basic charge which aligns with EWEB's fixed costs. Additionally, a proposed Time of Day rate structure was delivered to UO for their analysis and review. Work on the data analytics platform is underway although behind target and the mobile application for the customer portal will not be completed before the end of the year. Work on equitable program and rate design is on target and will continue in 2026.

Goal 12: Second Drinking Water Source: Progress towards 2026 completion of compliance and regulatory design prerequisites and re-evaluate and establish the criteria and conditions for ongoing pursuit of a water treatment plant on the Willamette River.

Executive Sponsor: Karen Kelley, Chief Operations Officer

Work under this goal includes: Obtain required land use approvals, award contract and initiate project design by year end to produce a 30% design in Q2 2026. Begin exploring partnerships, grant funding, and financing options for the project.

Q3 Progress Comments: Land Use work is dependent on the City of Springfield and Lane County scheduling joint Planning Commission and Joint Council/Commissioner meetings. Those meetings have not been scheduled yet. Anticipated approval is now March 2026. The Board of Commissioners approved the design contract in October 2025. The contract was awarded to Carollo Engineers, and the design kick off meeting was held on October 28th.

Staff researched funding opportunities including the Water Infrastructure Finance and Innovation Act, Drinking Water State Revolving Fund, and Special Public Works Fund. In addition, staff identified four new federal bills that may provide new funding opportunities. The most promising are the Water Resource and Development Bill and the FEMA/Disaster Assistance Bipartisan Bill. Staff will continue this research as the project progresses.

Goal 13: Focus infrastructure resiliency work on major projects identified in existing 2015 Water Comprehensive (Master) Plan and Electric Capital Plan.

Executive Sponsor: Karen Kelley, Chief Operations Officer

Work under this goal includes: For 2025, there are two areas of focus: 1) College Hill Reservoir demolition, site development and initial construction of two new 7.5 million-gallon concrete reservoirs for compliance with Oregon Health Authority requirements; and 2) initiating the development of a formal, maintainable and repeatable Electric Comprehensive (Master) Plan to provide a 20-year view of the Capital project needs.

Q3 Progress Comments:
College Hill site prep work is complete, and construction of the tanks is underway. Transmission pipeline design is also underway but delayed due to required additional potholing and additional coordination to prepare the required drawings for the City of Eugene storm drain. Anticipated advertising for construction bids will be at the end of 2025/early 2026.

Electric Comprehensive Plan: the high-level project plan has been drafted, recruitment for a Long-Term Planner is underway, and the scope of work for the third-party engineering firm to develop the first draft is planned for Q4.

Goal 14: Begin Business Impact Analysis on the resiliency of five EWEB business functions to prioritize future mitigation efforts.

Executive Sponsor: Diedre Williams, Chief People Officer

Work under this goal includes: Identify critical processes for key business lines (Water from intake to Base Level Reservoirs; Electric from Substation to Meter; Power Resources; Fleet/Facilities; Finance including Payroll, Treasury, Purchasing and Warehouse, and Accounts Payable). Evaluate each step in these critical processes to determine opportunities to address and improve our continuity of operations during disruptive events.

Q3 Progress Comments: The dial within this goal reflects progress toward completing key deliverables, including identifying critical business lines, developing a management framework, mapping processes, and determining maximum tolerable downtime and return-to-operations timelines. Key risks and recommendations to mitigate exposures have been drafted and will be reviewed and evaluated by the business units. The goal remains on track for completion by year-end.

Goal 15: Improve workforce resiliency and effectiveness through delivery of updated Human Resources and Business Continuity programs.

Executive Sponsor: Diedre Williams, Chief People Officer

Work under this goal includes: Initiation or refresh of core human capital and business continuity programs, to include compensation program revitalization, diversity program implementation (SD23), developing a standardized training program for managers and leaders, implementation of a utility-wide engagement program, and associated succession planning for critical positions identified through the Business Impact Analysis (BIA).

Q3 Progress Comments: Progress on all key initiatives is proceeding on schedule or is anticipated to be completed by end of year. Compensation analyses, including market adjustments and compression reviews, remain on schedule, with final recommendations completed by year-end for wage updates slated for January 2026. The DEI SD23 assessment has been completed, and the associated work plan and KPI framework are on track for timely development. The management training framework has been finalized, and an initial pilot program is slated to begin in Q4 2025, while engagement initiatives are aligned with the planned 2026 survey strategy and associated metrics. Succession planning and related workforce policies continue to be actively monitored and updated,

ensuring that all deliverables are positioned for successful completion and alignment with 2026 organizational priorities.

Goal 16: Implement EWEB's Wildfire Mitigation Plan.

Executive Sponsor: Diedre Williams, Chief People Officer

Work under this goal includes: The utility is launching a comprehensive Wildfire Mitigation Investment/Management Road Map which is location agnostic and will proactively identify, prioritize, and plan for capital and operational investments that reduce the potential for utility infrastructure to contribute to wildfire ignition.

Q3 Progress Comments: The dial within this goal reflects completion of the charter and establishment of the governance committee. A formal Wildfire Mitigation Strategy and Investment Framework has been drafted; however, internal subject matter expert review and alignment on the tools and approach is still needed. A third-party consultant contract is currently under negotiation and depending on both their availability and internal competing priorities, this work may extend into 2026.

Goal 17: Refine EWEB's approach to a formalized Cyber Security program.

Executive Sponsor: Diedre Williams, Chief People Officer

Work under this goal includes:
This effort focuses on maturing the Cyber Security Program by developing cyber policies and assessing existing tools and programs for compliance through a risk-based review. The work will also identify, prioritize, and document cyber program tactics for 2026, in collaboration with Cyber, Information Services, and Corporate and Operational Technology Managers.

Q3 Progress Comments: Progress has been made, including establishing the Steering Committee, nearly completing the Tactical Committee, and initiating regular policy review cadences. However, committee formation, alignment on resourcing, and a mid-year shift in program direction have extended timelines. Executive review and approval of key policies, along with ongoing discussions on long-term cybersecurity strategy may result in restatement of the 2025 objectives and associated tactics to align with new overall strategy.

Goal 18: Determine the future of the McKenzie Valley Service Territory.

Executive Sponsor: Frank Lawson, CEO & General Manager

Work under this goal includes: Complete a study which investigates the feasibility and evaluates the outcomes of a potential McKenzie Valley service territory realignment that transfers EWEB's electric distribution assets and rights to operate in the lower McKenzie Valley to Lane Electric Cooperative. Upon completion of the valuation, and draft terms and conditions of the potential territory transfer, provide results to EWEB Board of Commissioners by November 2025, followed by potential Board action in December 2025.

Q3 Progress Comments: All deliverables are on track. A draft framework of an offer, as well as a draft Asset Purchase and Sale Agreement, and draft Territory Allocation Agreement were provided to

Lane Electric in September. The General Managers of the utilities are in ongoing dialog which has guided iterative refinements to the offer framework. Staff will continue to refine the Agreements based on direction from leadership and the governing bodies of the utilities.

This endeavor has been a cross organizational effort involving representative staff from nearly every division who contributed to the above Agreements. Key investigations and planning activities include, but are not limited to: an asset valuation, McKenzie Valley Cost of Service Analysis and rate class, assessment of potential reconfigurations to the electric distribution system, consideration of requirements to transfer customer accounts, research related to regulatory requirements, provision of mapping, responses to data requests, and coordination with Bonneville Power Administration and the Oregon Public Utility Commission.

EWEB and Lane Electric provided regular updates to their respective customers including direct mail to affected customers, postings on targeted social media channels, dedicated websites, and joint press releases. On September 18, a joint meeting was held for McKenzie Valley residents. The General Managers of both Utilities presented information and answered questions from the community. About 20 people attended in person; the meeting was also livestreamed.

In late October, the Lane Electric Board of Directors granted their General Manager authority to pursue negotiations within certain guidance parameters; any contracts are subject to final approval by the Lane Electric Board. The EWEB Board of Commissioners discussed the matter at their November 4 meeting and expressed general support.

On November 12, the EWEB Steering Committee made a recommendation to advance the question of a service territory realignment to EWEB's Power Risk Management Committee (RMC). On November 18, the RMC provided approval, therefore the matter will be submitted for consideration by the EWEB Board on December 2, 2025.

Additional information about this goal can be found in the November 2025 board memorandum. LINK: https://www.eweb.org/documents/board-meetings/2025/11-04-25/m14_mckenzie_valley_territory_realignment_recommendation.pdf