



2026 Adopted Budget



Rely on us.

Board of Commissioners

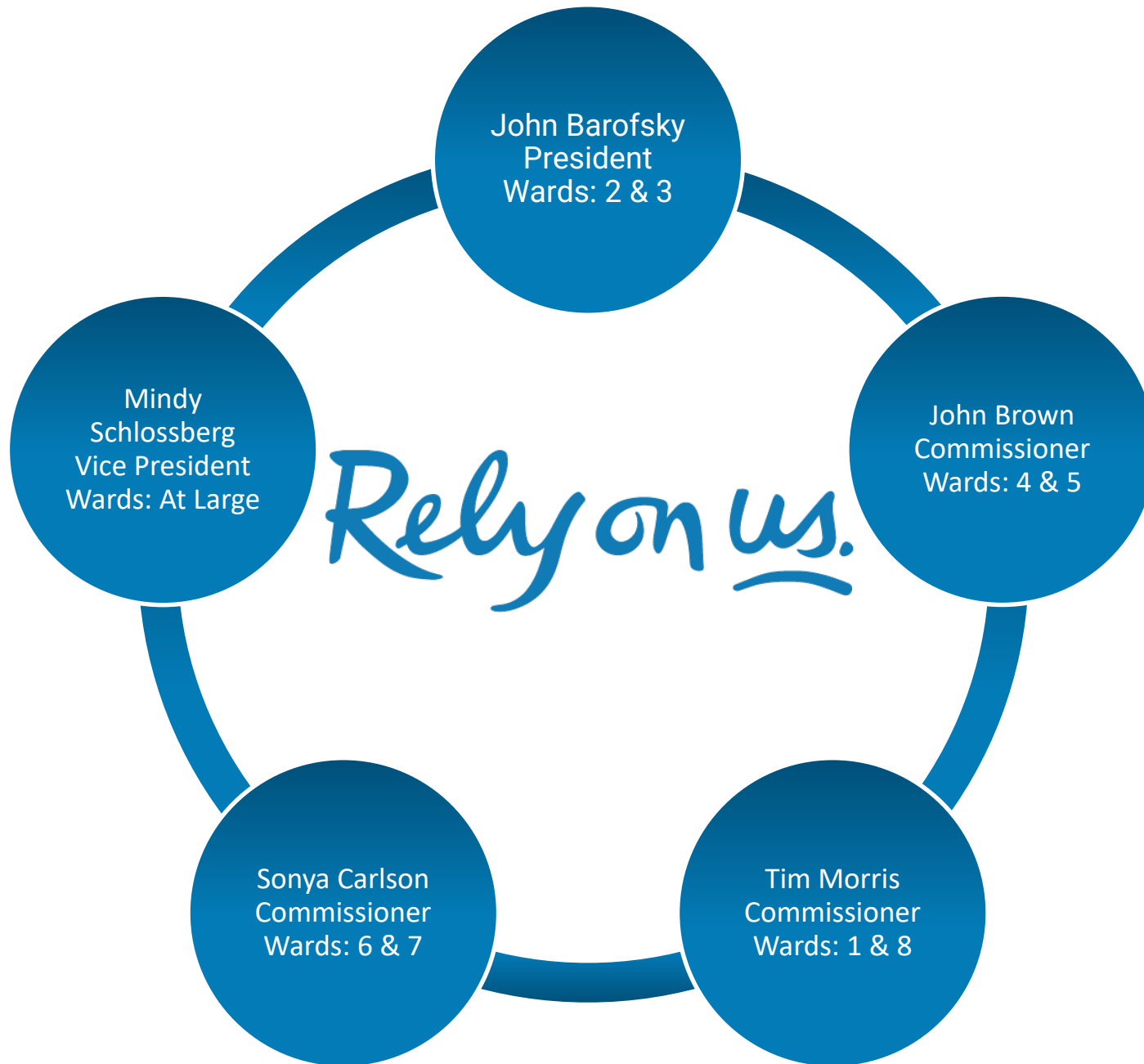


TABLE OF CONTENTS

Letter to the Board of Commissioners1

Attachment 1

2026 Adopted Budgets7

Attachment 2

Division Operations & Maintenance Budgets12

Attachment 3

Labor and Employee Benefit Costs24

Attachment 4

Projected Reserves26

Attachment 5

Projected Financial Ratios and Statistics.....28

LETTER TO THE BOARD OF COMMISSIONERS

Board of Commissioners,

The 2026 Eugene Water & Electric Board Operations & Maintenance (O&M) and Capital & Debt Service budgets are submitted for your consideration and approval. The combined total for both Utilities is \$487.3 million, representing a decrease of 0.5% compared to the 2025 budget. Individual utility budgets are \$400.7 million for the Electric Utility and \$86.6 million for the Water Utility. Both Utilities' have increases in the overall revenue requirement and, accordingly, price increases are proposed among customer classes.

The cost of delivering essential water and electric services continues to rise due to inflation, new regulatory requirements, and the need to replace or modernize aging infrastructure. These investments are not optional; they are essential to protecting public health, ensuring community safety, and supporting a resilient local economy. Financial planning helps us make these investments in a measured, responsible way, balancing near-term affordability with long-term sustainability.

The 2026 budget focuses on three strategic priorities: *Fostering Customer Confidence*, *Positioning for Flexibility*, and *Actualizing Resilient Delivery*. Organizational values are also modeled through the allocation of resources in the adopted budgets for 2026.

Safe — We invest in clean, healthy water, a safe workplace, and emergency preparedness to protect our community.

Reliable — We maintain and strengthen our electric and water systems to perform under both normal operating conditions and disruptive events.

Affordable — We manage costs carefully, operate efficiently, and plan necessary rate adjustments in a way that minimizes impacts on customers.

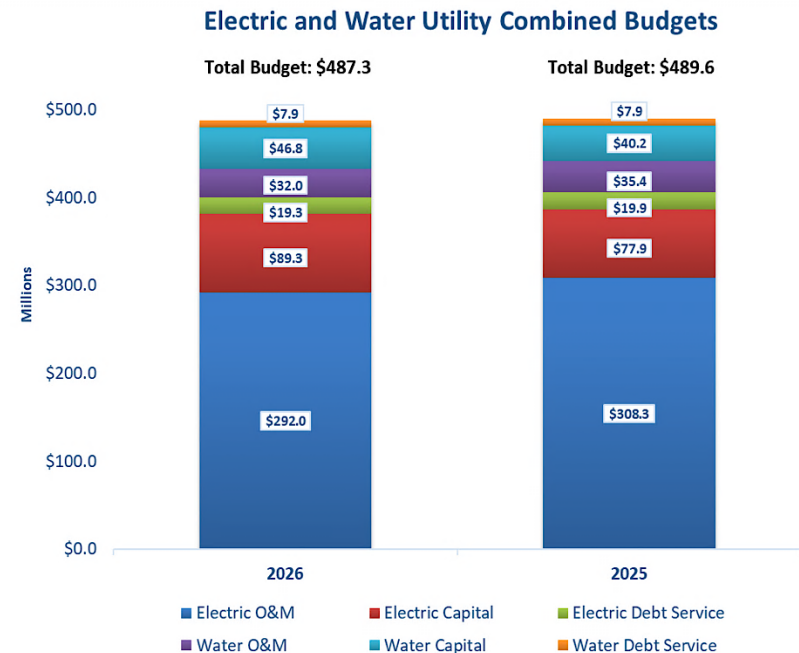
Environmental — We continue to lead in sustainability by providing clean electricity, protecting local watersheds, and offering programs that support energy and water efficiency and greenhouse gas reductions.

Community — We contribute to local schools, programs to support limited-income customers, and the Cities of Eugene and Springfield General Funds to help pay for services such as police, fire, and parks.

The coming year will bring continued investments in critical capital projects. We will advance substation and electric infrastructure upgrades, progress toward implementing the Carmen-Smith Hydroelectric Project license and decommissioning the Leaburg facility, replace the College Hill Reservoir with seismically resilient tanks, upgrade targeted water pipelines, and plan for a second source of drinking water.

At the same time, we are actively seeking savings to control near-term costs. While some projects have been deferred to ease financial pressure, we recognize that these decisions carry trade-offs, including increased risks of service disruption and higher long-term costs. We will continue to evaluate these impacts carefully as we plan for the future.

The following chart depicts the combined Electric and Water budgets for 2026 and 2025.



ELECTRIC UTILITY

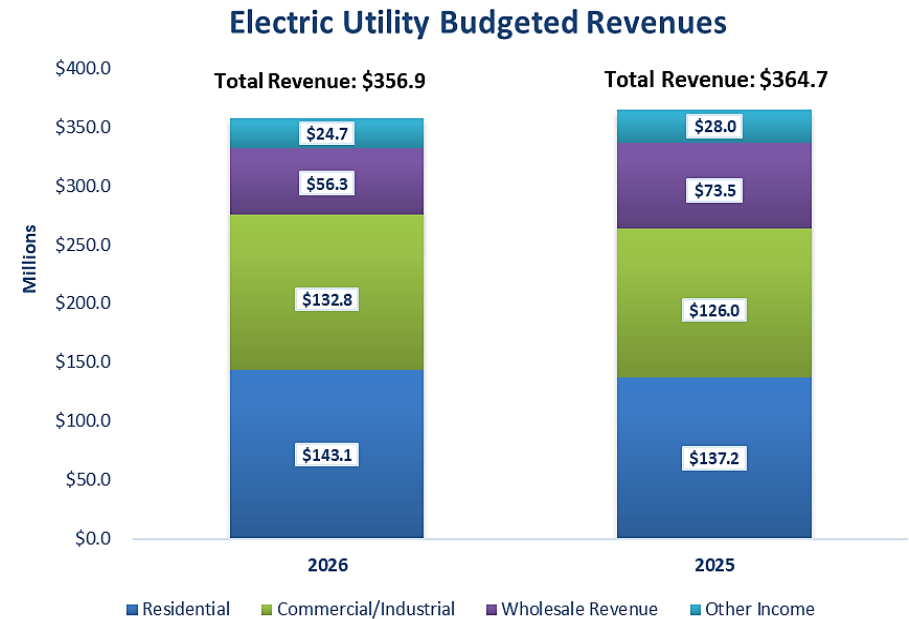
Overview and Revenue

The Electric Utility faces challenges related to evolving retail demand patterns, infrastructure investment and replacement needs, and volatile power markets in which it buys and sells energy. To navigate these challenges EWEB has invested in energy efficiency and electrification incentive programs, employed conservative demand and hydro assumptions, increased capital budgets for aging infrastructure replacement, and continued an active hedging and risk management program to mitigate market risk.

For the 2026 Budget, electric retail load decreased 2.6% relative to 2025. The 2026 Budget also assumes a contribution margin risk tolerance of \$9.0 million, which mitigates risk the Utility will experience if revenue declines beyond its control. Given its surplus power position, EWEB has a strong hedging program designed to protect the Utility from falling wholesale prices and budget impacts. In recent years, extreme weather events have led to fluctuations in demand for electricity. Summer temperatures have consistently exceeded historical conditions, and cooling loads from air conditioning have approached winter peaks. These weather patterns also affect hydroelectric generation. Wholesale sales revenue decreased by \$17.2 million between 2025 and 2026. The decrease is due to lower wholesale market price and volume assumptions year-over-year. Other income decreased by \$3.3 million between 2025 and 2026 primarily due to lower Renewable Energy Credit sales.

In the future, as EWEB continues to assist customers with achieving their greenhouse gas (GHG) emission reduction goals as directed by EWEB's Climate Change Policy, there will likely be impacts on retail demand for electricity. Long-term conservation, energy efficiency, and demand-response goals are established as part of the Utility's Energy Resource Plan process, and EWEB will continue to monitor the impacts on peak demand and energy sales.

The following chart presents the Electric 2026 and 2025 revenue budgets.

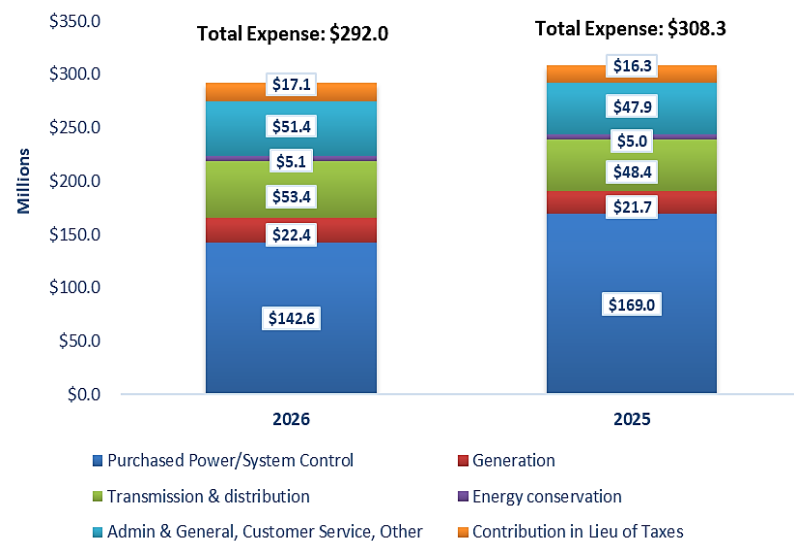


Operations & Maintenance Budget

The 2026 Electric O&M budget is \$292.0 million compared to the 2025 O&M budget of \$308.3 million. The budget for purchased power expense represents the majority of costs and decreased by \$26.4 million year-over-year, reflecting lower wholesale electricity prices and expected reduced power purchases. Increases in other operational areas are driven by inflationary pressures and the need to support transmission and distribution services. The O&M budget projects a \$8.4 million deposit to reserves.

The following chart presents the Electric 2026 and 2025 O&M expense budgets.

Electric Utility Budgeted Operations & Maintenance Expenses



Capital and Debt Service Budget

The Electric Utility installed significant distribution infrastructure in the 1960s and 1970s. The service life of these assets is ending, and therefore, EWEB needs to manage the replacement of these aging assets while maintaining reliability and increasing resiliency during disruptive events. The electric system investments will be prioritized by managing high customer-impact assets and systems that increase resiliency to critical locations. The Capital budget anticipates a \$49.2 million draw on reserves including use of bond proceeds.

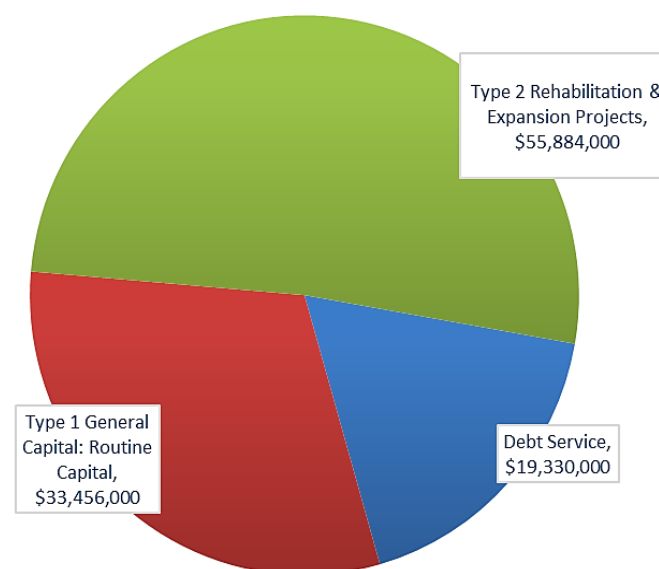
The 2026 Electric Capital and Debt Service budget of \$108.7 million is \$10.9 million higher than the 2025 budget, aimed at addressing near-term regulatory requirements and risk mitigation efforts. \$37.3 million of the 2026 capital work is funded with electric retail revenue, which is a \$3.7 million increase year-over-year. Additional detail on the capital budget is included in Attachment 1.

The 2026 budget includes \$19.3 million to service existing debt and a bond issuance of \$113 million. The total debt amount will be approximately \$334 million in principal at the end of 2026.

The following chart presents the Electric Capital and Debt Service budget by type of cost.

Electric Capital and Debt Service Budget

Total Capital and Debt Service: \$108,670,000



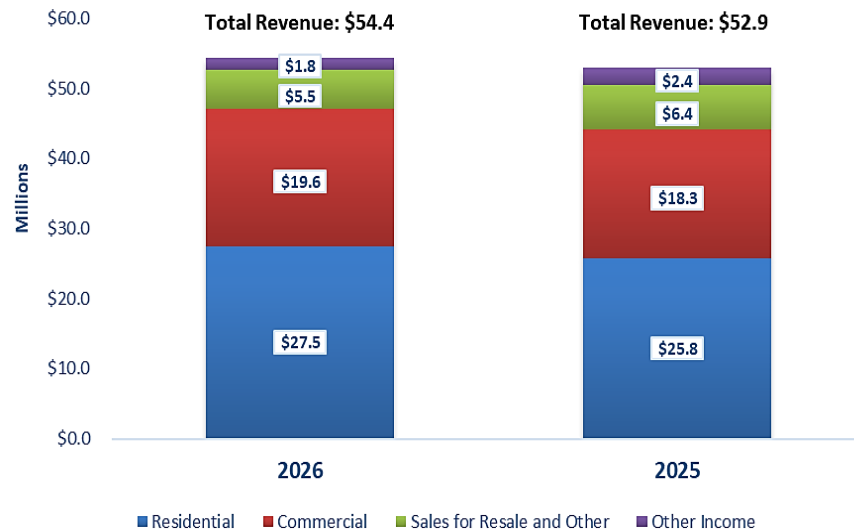
WATER UTILITY

Overview and Revenue

The Water Utility faces challenges such as replacement of aging infrastructure, water source protection, and developing a second source water treatment facility.

The budgeted sales for 2026 are 7.8 billion gallons, remaining flat to sales budgeted in 2025. The long-term financial plan sales forecast assumes 95% of historical 5-year average water consumption for the first five years, resulting in a contribution margin risk tolerance of approximately \$1.4 million. Residential revenue makes up 52% of the Water Utility's total revenues, while 48% is from commercial, sales for resale and other operating revenue.

Water Utility Budgeted Revenues



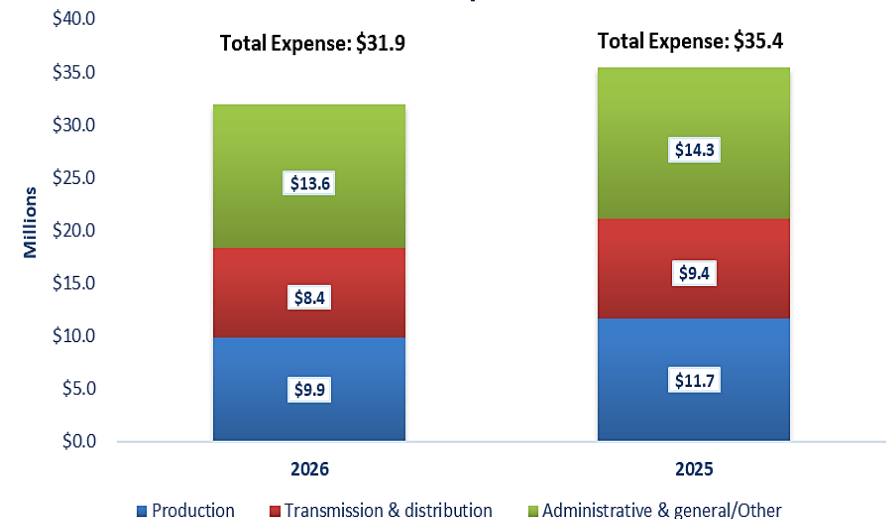
Operations & Maintenance Budget

The 2026 Water Utility O&M budget is \$31.9 million compared to \$35.4 million in 2025. The budget assumes \$1.2 million for Watershed Recovery work, to be funded by Watershed Restoration Fee revenues that will conclude in 2026 as the fee sunsets mid-year.

The O&M budget projects a \$1.2 million deposit to reserves. The 2026 budget does not include potential funding from grants not yet awarded to support watershed restoration projects. Year-over-year decreases are driven by less Watershed recovery and restoration work as the program concludes as well as refinement of shared service clearing allocations.

The following chart compares the 2026 and 2025 Water Utility Operations & Maintenance budgets.

Water Utility Budgeted Operations & Maintenance Expenses



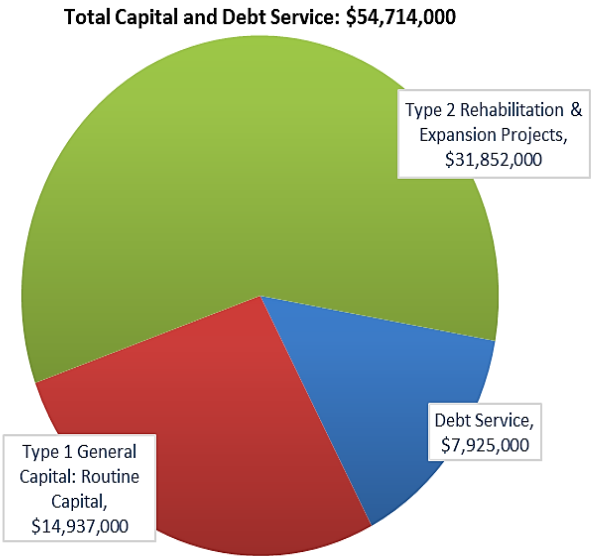
Capital and Debt Service Budget

The Water Utility prioritizes investments in base-level storage and in-town transmission infrastructure. Tank and pipeline construction of College Hill Reservoir as well as construction of 23rd (Willamette to College Hill) and Riverfront transmission main replacement/improvements are planned in 2026. In addition, 2026 budgets incorporate plans for EWEB to continue design and permitting efforts for construction of a treatment plant on the Willamette River. The Capital budget projects a draw of \$31.1 million on reserves including the use of bond proceeds.

The Water Capital and Debt Service budget of \$54.7 million reflects a \$6.5 million increase from the 2025 budget. Depending on the type of project, funding is through water retail prices, customer contributions, or bonds. The 2026 budget includes \$7.9 million to service existing debt and a bond issuance of \$56.8 million. The total debt amount will be approximately \$148 million in principal at the end of 2026.

The following chart presents the Water Capital and Debt Service budget by type of cost.

Water Capital and Debt Service Budget



The 2026 budgets position the Electric and Water Utilities to maintain financial resilience and flexibility to meet the community's changing needs. We continue to face challenging conditions, from inflationary pressures and changing markets to evolving regulations and increasing risks from natural disasters. These realities require us to make difficult choices about how and when to invest. We have more work ahead than our customers can afford to take on all at once, so we must prioritize carefully and weigh the trade-offs including the risks of potential higher service disruption and long-term costs from deferred projects. Through responsible management of our power resources, strategic capital planning, cost-control measures, and programs that help customers lower their bills, we continue to keep rates as stable and affordable as possible. I'm proud of how our employees, management team, and Commissioners have embraced this disciplined approach, demonstrating their commitment to fiscal responsibility and transparent management of public funds.

Respectfully submitted,

Frank Lawson, General Manager

ATTACHMENT 1

2026 ADOPTED BUDGET



**DID YOU
KNOW?**

Headwaters Trail Electric Reliability Upgrade

EWEB is replacing old wooden poles with stronger metal ones and burying nearly 1,000 feet of power lines underground near Frank Kinney Park. The South Eugene area is particularly prone to power outages due to its steep terrain and dense tree cover.

EWEB officials said these factors make emergency repairs challenging, especially during the winter months.

EUGENE WATER & ELECTRIC BOARD

ELECTRIC UTILITY OPERATIONS & MAINTENANCE BUDGET AND REVENUE REQUIREMENTS

2026 ADOPTED BUDGET COMPARED WITH PRIOR YEARS

	2026 Adopted Budget		2025 Adopted Budget		2024 Actual	
	MWH	Revenue and Expense	MWH	Revenue and Expense	MWH	Revenue and Expense
Residential	936,000	\$ 143,053,000	981,000	\$ 137,209,000	947,000	\$ 123,746,000
Commercial	849,000	103,449,000	868,000	99,334,000	843,000	88,724,000
Industrial	498,000	29,379,000	494,000	26,685,000	483,000	24,363,000
Retail sales	2,283,000	275,881,000	2,343,000	263,228,000	2,273,000	236,833,000
Wholesale sales	1,059,000	56,338,000	1,165,000	73,468,000	922,000	54,279,000
Other Operating Revenues		16,055,000		19,094,000		15,573,000
Operating revenues	3,342,000	348,274,000	3,508,000	355,790,000	3,195,000	306,685,000
Other revenue		2,051,000		1,935,000		3,778,000
Interest earnings		6,608,000		7,010,000		7,100,000
Non-operating revenues		8,659,000		8,945,000		10,878,000
Total revenues		356,933,000		364,735,000		317,563,000
Purchased Power		135,963,000		162,768,000		135,820,000
System control		6,634,000		6,224,000		5,408,000
Generation		22,404,000		21,675,000		17,525,000
Wheeling		16,606,000		15,062,000		15,491,000
Transmission & distribution		36,793,000		33,331,000		38,062,000
Customer accounting		11,239,000		10,756,000		10,659,000
Energy conservation		7,143,000		6,821,000		6,230,000
Administrative & general		41,022,000		38,109,000		29,823,000
Operating expenses		277,804,000		294,746,000		259,018,000
Contributions in lieu of taxes		17,123,000		16,315,000		14,383,000
Change in balance sheet accounts/ other expenses		(2,944,000)		(2,816,000)		38,578,000 ¹
Non-operating expenses		14,179,000		13,499,000		52,961,000
Total operations and maintenance expenses		291,983,000		308,245,000		311,979,000
Rate funded capital		37,255,000		33,529,000		
Rate funded debt service		19,330,000		19,870,000		
Total rate funded capital related expenses		56,585,000		53,399,000		
Total rate funded expenses		348,568,000		361,644,000		
Revenues over/(under) expenses		\$ 8,365,000		\$ 3,091,000		
Deposit to Leaburg Reserve		979,000		2,160,000		
Deposit to / (Draw from) Unrestricted Reserves		7,386,000 ³		931,000		
Net change in reserves from operations		\$ 8,365,000		\$ 3,091,000		
Change in Net Position						\$ 5,584,000 ²

¹ Includes depreciation, other revenue deductions, interest and amortization expense, contribution in aid, and contributed plant assets

² Actual results are not directly comparable to budget due to a difference in accounting treatment

³ Board will allocate working cash above target to specific designated funds after annual audit providing the opportunity to replenish the Power Operating Reserve to target
Dollars rounded to nearest thousand.

EUGENE WATER & ELECTRIC BOARD

ELECTRIC UTILITY CAPITAL AND DEBT SERVICE BUDGET

2026 ADOPTED BUDGET COMPARED WITH 2025 ADOPTED BUDGET

	2026 Adopted Budget	2025 Adopted Budget
Funding Source by Type		
<u>Source of Funds</u>		
Retail Revenue	\$ 37,255,000	\$ 33,529,000
Draw on Rate Stabilization Reserves	4,167,000	7,166,000
Bond Proceeds	44,988,000	33,854,000
Customer Contributions in Aid	2,930,000	2,276,000
Grant Funding	-	1,040,000
Total Source of Funds	89,340,000	77,865,000
Expenditures by Type		
<u>Type 1- General Capital</u> ¹		
Electric Infrastructure - Generation	2,867,000	1,307,000
Electric Infrastructure - Substations	6,888,000	4,016,000
Electric Infrastructure - Transmission & Distribution	14,678,000	9,641,000
Distribution Network	1,045,000	1,092,000
Telecommunications	569,000	1,106,000
General Plant - Information Technology	4,228,000	6,632,000
General Plant - Buildings & Land	978,000	430,000
General Plant - Fleet	2,203,000	3,127,000
Total Type 1	33,456,000	27,351,000
<u>Type 2- Rehabilitation & Expansion Projects</u> ²		
Carmen-Smith License Implementation	20,470,000	22,617,000
Electric Infrastructure - Generation	10,111,000	10,490,000
Electric Infrastructure - Resiliency & Reliability Projects	19,162,000	2,205,000
Electric Meters	-	2,471,000
General Plant - Information Technology	6,141,000	8,187,000
General Plant - Buildings & Land	-	4,544,000
Total Type 2	55,884,000	50,514,000
Total Electric Capital Budget	89,340,000	77,865,000
Rate Funded Debt Service	19,330,000	19,870,000
Total Electric Capital and Debt Service Budget	\$ 108,670,000	\$ 97,735,000

¹ Type 1 projects include discrete projects to maintain or improve system reliability, or are customer driven, that generally cost less than \$3 million per year.

² Type 2 capital projects include multi-year strategic projects that are projected to cost over \$3 million for the life of the project. Depending on the project, this work may be funded with rates, customer contributions, or bond funds.

Dollars rounded to the nearest thousand

EUGENE WATER & ELECTRIC BOARD

WATER UTILITY OPERATIONS & MAINTENANCE BUDGET AND REVENUE REQUIREMENTS

2026 ADOPTED BUDGET COMPARED WITH PRIOR YEARS

	2026 Adopted Budget		2025 Adopted Budget		2024 Actual	
	Gal (000)	Revenue and Expense	Gal (000)	Revenue and Expense	Gal (000)	Revenue and Expense
Residential	3,840,000	\$ 27,546,000	3,830,000	\$ 25,778,000	3,926,000	\$ 24,238,000
Commercial	3,331,000	19,640,000	3,304,000	18,331,000	3,642,000	18,572,000
Sales for Resale and Other	639,000	5,505,000	642,000	6,370,000	652,000	6,779,000
Operating revenues	<u>7,810,000</u>	<u>52,691,000</u>	<u>7,776,000</u>	<u>50,479,000</u>	<u>8,220,000</u>	<u>49,589,000</u>
Other revenue		350,000		515,000		3,116,000
Interest earnings		<u>1,444,000</u>		<u>1,914,000</u>		<u>2,658,000</u>
Non-operating revenues		<u>1,794,000</u>		<u>2,429,000</u>		<u>5,774,000</u>
Total revenues		<u>54,485,000</u>		<u>52,908,000</u>		<u>55,363,000</u>
Production		9,924,000		11,677,000		12,604,000
Transmission & distribution		8,415,000		9,402,000		10,106,000
Customer accounting		3,276,000		2,934,000		2,939,000
Conservation		996,000		1,075,000		853,000
Administrative & general		<u>9,797,000</u>		<u>10,688,000</u>		<u>8,817,000</u>
Operating expenses		<u>32,408,000</u>		<u>35,776,000</u>		<u>35,319,000</u>
Change in balance sheet accounts/ other expenses		<u>(490,000)</u>		<u>(419,000)</u>		<u>11,584,000</u> ¹
Non-operating expenses		<u>(490,000)</u>		<u>(419,000)</u>		<u>11,584,000</u>
Total operations and maintenance expenses		<u>31,918,000</u>		<u>35,357,000</u>		<u>46,903,000</u>
Rate funded capital		13,955,000		15,991,000		
Rate funded debt service		<u>7,425,000</u>		<u>7,329,000</u>		
Total rate funded capital related expenses		<u>21,380,000</u>		<u>23,320,000</u>		
Total rate funded expenses		<u>53,298,000</u>		<u>58,677,000</u>		
Revenues over expenses		<u>\$ 1,187,000</u>		<u>\$ (5,769,000)</u>		
Deposit to / (Draw from) Unrestricted Reserves		1,187,000		(5,669,000)		
Deposit to / (Draw from) Rate Stabilization Fund		<u>-</u>		<u>(100,000)</u>		
Net change in reserves from operations		<u>\$ 1,187,000</u>		<u>\$ (5,769,000)</u>		
Change in Net Position						<u>\$ 8,460,000</u> ²

¹ Includes depreciation, other revenue deductions, interest and amortization expense, contribution in aid, and contributed plant assets

² Actual results are not directly comparable to budget due to a difference in accounting treatment
Dollars rounded to nearest thousand.

EUGENE WATER & ELECTRIC BOARD

WATER UTILITY CAPITAL AND DEBT SERVICE BUDGET

2026 ADOPTED BUDGET COMPARED WITH 2025 ADOPTED BUDGET

	2026 Adopted Budget	2025 Adopted Budget
Funding Source by Type		
<u>Source of Funds</u>		
Retail Revenue	\$ 13,955,000	\$ 15,991,000
Alternative Water Supply Reserves	340,000	1,752,000
Capital Reserve	-	380,000
Rate Stabilization Reserves	2,480,000	-
Bond Proceeds	28,309,000	20,541,000
Customer Contributions in Aid	1,285,000	1,166,000
System Development Charges, Improvements	420,000	416,000
Total Source of Funds	46,789,000	40,246,000
Expenditures by Type		
<u>Type 1 - General Capital ¹</u>		
Source - Water Intakes & Filtration Plant	2,135,000	1,443,000
Water Infrastructure - Distribution & Pipe Services	7,932,000	7,855,000
Water Infrastructure - Distribution Facilities	2,462,000	1,197,000
General Plant - Information Technology	1,093,000	1,562,000
General Plant - Buildings, Land & Fleet	1,315,000	841,000
Total Type 1	14,937,000	12,898,000
<u>Type 2- Rehabilitation & Expansion Projects ²</u>		
Willamette Water Treatment Plant	4,848,000	5,250,000
Water Infrastructure - Distribution	21,532,000	15,750,000
Water Meters	3,533,000	2,327,000
General Plant - Information Technology	1,939,000	2,586,000
General Plant - Buildings, Land & Fleet	-	1,435,000
Total Type 2	31,852,000	27,348,000
Total Water Capital Budget	46,789,000	40,246,000
Rate Funded Debt Service	7,425,000	7,329,000
SDC Reimbursement Funded Debt Service	500,000	600,000
Total Water Capital and Debt Service Budget	\$ 54,714,000	\$ 48,175,000

¹ Type 1 projects include discrete projects to maintain or improve system reliability, or are customer driven, that generally cost less than \$3 million per year.

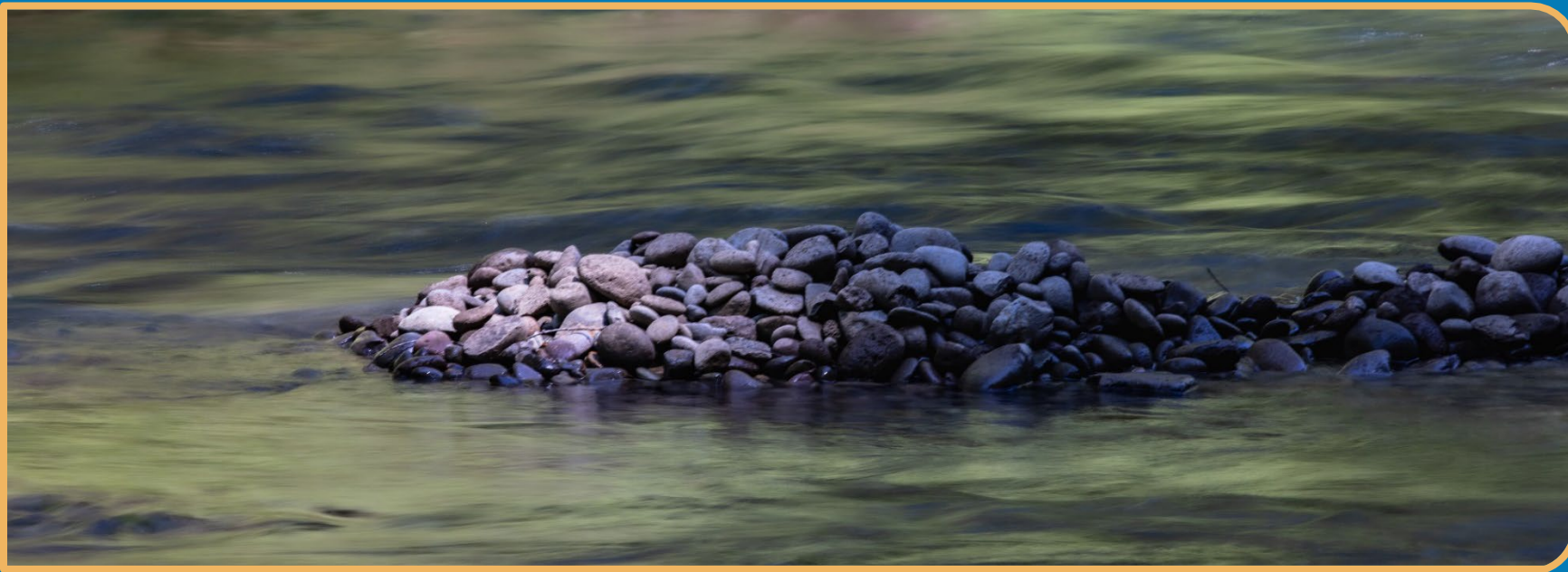
² Type 2 capital projects include multi-year strategic projects that are projected to cost over \$3 million for the life of the project.

Depending on the project, this work may be funded with rates, customer contributions, or bond funds.

Dollars rounded to the nearest thousand

ATTACHMENT 2

DIVISION OPERATIONS & MAINTENANCE BUDGETS



**DID YOU
KNOW?**

Carmen-Smith Salmon Habitat

EWEB Generation successfully completed another major habitat improvement project on the upper McKenzie River at the Carmen-Smith Hydroelectric Project. Working below Blue Pool in a portion of the McKenzie River designated as a National Wild and Scenic River 2,000 tons of gravel and 20 brushy bundles of treetops were put in place with the help from heavy-lift helicopters.

Eugene Water & Electric Board – Division Operations & Maintenance Budget Summary

	2026 Adopted Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Business Continuity	\$9,575,000	\$8,609,000	\$7,613,000
Customer Service	23,130,000	22,373,000	20,197,000
Electric	33,560,000	31,316,000	36,652,000
Energy	180,868,000	204,920,000	173,110,000
Finance	8,235,000	7,490,000	6,657,000
General Manager	1,597,000	1,827,000	1,842,000
Human Resources	3,931,000	3,506,000	2,840,000
Information Services	26,215,000	24,335,000	15,797,000
Support Services	20,745,000	19,034,000	18,684,000
Water	18,979,000	20,510,000	22,978,000
Total Operations and Maintenance Budget	\$326,835,000	\$343,920,000	\$306,370,000

Note: Due to re-organization, prior year numbers have been restated for comparability.

Business Continuity Operations & Maintenance Budget

	2026 Adopted Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	\$4,981,000	\$4,865,000	\$4,231,000
<u>Purchases</u>			
Stores Materials and Supplies	2,000	2,000	1,000
EWEB Equipment	138,000	110,000	94,000
Materials and Supplies	107,000	113,000	87,000
Technology / Office Equipment	101,000	93,000	73,000
Total Purchases	\$348,000	\$318,000	\$255,000
<u>Services</u>			
Contract Labor	10,000	5,000	8,000
Miscellaneous Services	175,000	178,000	78,000
Professional and Technical Services	825,000 ¹	428,000	280,000
Software/Hardware Maintenance and Services	19,000	19,000	13,000
Legal Services	120,000	120,000	103,000
Insurance	2,987,000 ²	2,561,000	2,575,000
Training and Travel	110,000	115,000	70,000
Total Services	\$4,246,000	\$3,426,000	\$3,127,000
Total	\$9,575,000	\$8,609,000	\$7,613,000

¹ North American Electric Reliability Corporation (NERC), Critical Infrastructure Protection gap analysis and program development included for 2026

² Insurance premium for property, liability, and cyber security coverages

Customer Service Operations & Maintenance Budget

	2026 Adopted Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	\$12,638,000	\$12,248,000	\$10,334,000
<u>Purchases</u>			
EWEB Equipment	24,000	22,000	16,000
Materials and Supplies	20,000	16,000	84,000
Technology / Office Equipment	37,000	37,000	2,000
Total Purchases	\$81,000	\$75,000	\$102,000
<u>Services</u>			
Contract Labor	12,000	12,000	3,000
Conservation Measures and Incentives ¹	3,650,000	3,650,000	3,363,000
Electrification Incentive ²	1,285,000	1,110,000	818,000
Miscellaneous Services	48,000	44,000	28,000
Professional and Technical Services	1,790,000 ³	2,095,000	2,070,000
Property Rent	16,000	10,000	-
Printing and Postage	47,000	47,000	14,000
Training and Travel	130,000	129,000	76,000
Grants, Contributions, & Sponsorships	958,000	978,000	1,521,000 ⁴
Uncollectable Accounts	400,000	400,000	406,000
Limited Income Services	2,075,000 ⁵	1,575,000	1,462,000
Total Services	\$10,411,000	\$10,050,000	\$9,761,000
Total	\$23,130,000	\$22,373,000	\$20,197,000

¹ Conservation measures eligible for reimbursement from Bonneville Power Administration (BPA)

² Load Growth Incentives for Transportation and Building Electrification programs are supplemented by Clean Fuel Credit revenue

³ Merchant processing and collection services fees and lower consultation services for IRP initiative, Demand-Side Potential Assessment (DSPA)

⁴ Includes Holiday Farm Fire recovery work, reimbursable by grants from Lane County and the Department of Environmental Quality (DEQ)

⁵ Increased Customer Care payments, supplemented by customer donations

Electric Operations & Maintenance Budget

	2026 Adopted Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	\$23,470,000	\$21,962,000	\$22,380,000
<u>Purchases</u>			
Stores Materials and Supplies	770,000	741,000	1,443,000 ¹
EWEB Equipment	2,048,000	2,024,000	2,100,000
Maintenance and Repairs	26,000	25,000	36,000
Equipment	9,000	10,000	5,000
Materials and Supplies	615,000	547,000	775,000
Technology / Office Equipment	40,000	43,000	7,000
Total Purchases	\$3,508,000	\$3,390,000	\$4,366,000
<u>Services</u>			
Contract Labor	-	-	177,000 ¹
Construction Agreements	4,925,000 ²	4,380,000	7,851,000 ¹
Miscellaneous Services	178,000	178,000	194,000
Professional and Technical Services	793,000	767,000	662,000
Property Rent	24,000	16,000	19,000
Legal Services	2,000	2,000	483,000 ³
Fees and Licenses	237,000	255,000	256,000
Training and Travel	423,000	366,000	264,000
Total Services	\$6,582,000	\$5,964,000	\$9,906,000
Total	\$33,560,000	\$31,316,000	\$36,652,000

¹ Unanticipated cost related to January ice storm event

² Increase in scale of services to address vegetation management work

³ Legal service expenses related to the Holiday Farm Fire now covered by insurance

Energy Operations & Maintenance Budget

	2026 Adopted Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	\$14,153,000	\$13,046,000	\$11,805,000
<u>Purchases</u>			
Stores Materials and Supplies	5,000	5,000	4,000
EWEB Equipment	767,000	765,000	690,000
Maintenance and Repairs	85,000	85,000	37,000
Equipment	29,000	34,000	1,000
Energy	136,184,000 ¹	162,989,000	135,962,000
Fuels ²	2,130,000	2,272,000	1,431,000
Materials and Supplies	262,000	265,000	235,000
Total Purchases	\$139,462,000	\$166,415,000	\$138,360,000
<u>Services</u>			
Contract Labor	170,000	170,000	189,000
Wheeling	16,606,000 ³	15,062,000	15,491,000
Construction Agreements	3,399,000 ⁴	3,347,000	2,895,000
Miscellaneous Services	125,000	104,000	127,000
Professional and Technical Services	3,364,000 ⁵	3,609,000	1,925,000
Software/Hardware Maintenance and Services	813,000	779,000	587,000
Memberships and Dues	664,000	752,000	570,000
Legal Services	1,216,000 ⁶	895,000	294,000
Fees and Licenses	571,000	446,000	659,000
Training and Travel	325,000	295,000	208,000
Total Services	\$27,253,000	\$25,459,000	22,945,000
Total	\$180,868,000	\$204,920,000	\$173,110,000

¹ Lower wholesale market prices and volumes

² Fuel cost for shared co-generation facility; year-over-year changes driven by fluctuations in fuel prices and generation schedules

³ Increased transmission costs due to BPA rate increases

⁴ Contracted costs for wind and co-generation facilities and Trail Bridge sinkhole remediation

⁵ BPA product implementation, organized market readiness, and Leaburg decommissioning engineering

⁶ Increased Leaburg decommissioning and Carmen-Smith license implementation support

Finance Operations & Maintenance Budget

	2026 Adopted Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	\$7,413,000	\$6,628,000	\$6,024,000
<u>Purchases</u>			
Stores Materials and Supplies	4,000	4,000	4,000
EWEB Equipment	38,000	40,000	27,000
Materials and Supplies	27,000	31,000	10,000
Technology / Office Equipment	28,000	28,000	122,000
Total Purchases	\$97,000	\$103,000	\$163,000
<u>Services</u>			
Contract Labor	25,000	75,000	27,000
Miscellaneous Services	26,000	26,000	14,000
Professional and Technical Services	403,000	387,000	343,000
Software/Hardware Maintenance and Services	10,000	10,000	7,000
Legal Services	35,000	35,000	5,000
Fees and Licenses	75,000	75,000	35,000
Training and Travel	151,000	151,000	39,000
Total Services	\$725,000	\$759,000	\$470,000
Total	\$8,235,000	\$7,490,000	\$6,657,000

Note: Budgets may not be comparable to prior budget documents due to re-organization and reallocation of budgets from General Manager Division

General Manager Operations & Maintenance Budget

	2026 Adopted Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	\$1,483,000	\$1,702,000	\$1,716,000
<u>Purchases</u>			
Materials and Supplies	12,000	14,000	7,000
Technology / Office Equipment	6,000	6,000	1,000
Total Purchases	\$18,000	\$20,000	\$8,000
<u>Services</u>			
Miscellaneous Services	42,000	47,000	50,000
Professional and Technical Services	8,000	8,000	6,000
Training and Travel	46,000	40,000	61,000
Grants, Contributions, & Sponsorships	-	10,000	1,000
Total Services	\$96,000	\$105,000	\$118,000
Total	\$1,597,000	\$1,827,000	\$1,842,000

Note: Budgets may not be comparable to prior budget documents due to re-organization and reallocation of budgets to Finance Division

Human Resources Operations & Maintenance Budget

	2026 Adopted Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	\$2,936,000	\$2,907,000	\$2,423,000
<u>Purchases</u>			
Materials and Supplies	38,000	37,000	8,000
Technology / Office Equipment	2,000	3,000	-
Total Purchases	\$40,000	\$40,000	\$8,000
<u>Services</u>			
Contract Labor	10,000	10,000	-
Miscellaneous Services	68,000	64,000	58,000
Professional and Technical Services	516,000 ¹	259,000	258,000
Software/Hardware Maintenance and Services	9,000	9,000	1,000
Legal Services	195,000	130,000	49,000
Training and Travel	157,000	87,000	43,000
Total Services	\$955,000	559,000	\$409,000
Total	\$3,931,000	\$3,506,000	\$2,840,000

Note: Budgets may not be comparable to prior budget documents due to re-organization and reallocation of budgets to Information Services Division

¹ Increase due to Diversity, Equity & Inclusion (DEI) Consulting work and Specialty Consulting Services

Information Services Operations & Maintenance Budget

	2026 Adopted Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	\$13,269,000	\$14,023,000 ¹	\$9,639,000
<u>Purchases</u>			
Stores Materials and Supplies	405,000	405,000	352,000
Technology / Office Equipment	163,000	186,000	85,000
Total Purchases	\$568,000	\$591,000	\$437,000
<u>Services</u>			
Contract Labor	25,000	25,000	3,000
Miscellaneous Services	490,000	464,000	330,000
Professional and Technical Services	1,788,000 ²	1,108,000	1,027,000
Software/Hardware Maintenance and Services	1,975,000	2,200,000	1,903,000
SBITA Services	7,343,000 ²	5,243,000	1,872,000
Printing and Postage	480,000	414,000	483,000
Fees and Licenses	13,000	11,000	10,000
Training and Travel	264,000	256,000	93,000
Total Services	\$12,378,000	\$9,721,000	\$5,721,000
Total	\$26,215,000	\$24,335,000	\$15,797,000

Note: Budgets may not be comparable to prior budget documents due to re-organization and reallocation of budgets from Human Resources Division

¹ Transfers from other divisions and increases in staffing with specialized technical expertise to provide ongoing infrastructure support for modernizing technology

² Includes reclassification of Software as a Service (SaaS) contracts previously budgeted to capital, and a new service maintenance contract

Support Services Operations & Maintenance Budget

	2026 Adopted Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	\$14,130,000	\$11,843,000	\$13,039,000
<u>Purchases</u>			
Stores Materials and Supplies	57,000	59,000	6,000
EWEB Equipment	1,896,000	1,733,000	1,825,000
Maintenance and Repairs	18,000	18,000	17,000
Energy	392,000	392,000	280,000
Water	164,000	164,000	122,000
Fuels	100,000	100,000	45,000
Vehicle Fuel and Oil	684,000	732,000	566,000
Materials and Supplies	499,000	521,000	587,000
Technology / Office Equipment	58,000	70,000	1,000
Total Purchases	\$3,868,000	\$3,789,000	\$3,449,000
<u>Services</u>			
Construction Agreements	1,168,000 ¹	1,848,000	1,020,000
Miscellaneous Services	226,000	216,000	171,000
Professional and Technical Services	497,000	525,000	554,000
Software/Hardware Maintenance and Services	138,000	111,000	85,000
Property Rent	150,000	146,000	59,000
Legal Services	90,000	90,000	25,000
Printing and Postage	20,000	20,000	13,000
Fees and Licenses	214,000	214,000	201,000
Training and Travel	244,000	232,000	68,000
Total Services	\$2,747,000	\$3,402,000	\$2,196,000
Total	\$20,745,000	\$19,034,000	\$18,684,000

¹ Reduced budget due to deferral of maintenance projects

Water Operations & Maintenance Budget

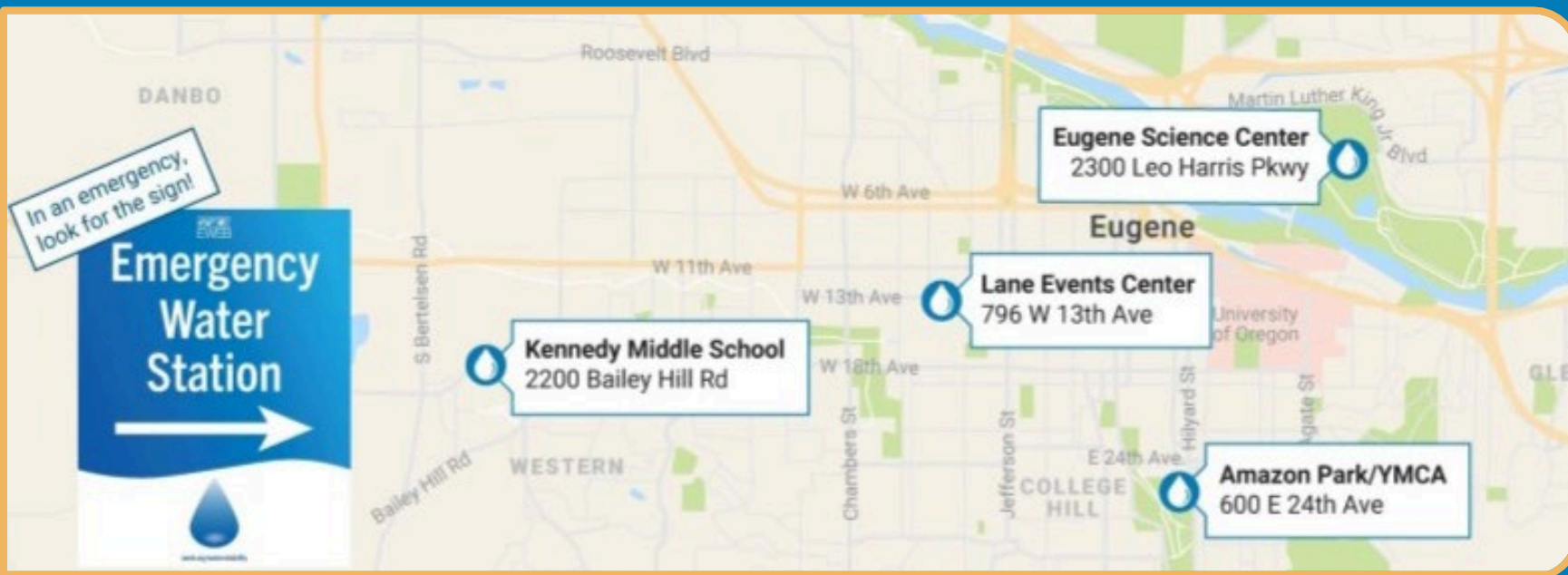
	2026 Adopted Budget Dollars	2025 Adopted Budget Dollars	2024 Actual Dollars
Wages / Benefits	\$10,877,000	\$11,360,000	\$12,802,000
<u>Purchases</u>			
Stores Materials and Supplies	326,000	326,000	493,000
EWEB Equipment	1,295,000	1,161,000	1,151,000
Maintenance and Repairs	71,000	71,000	56,000
Equipment	19,000	19,000	31,000
Energy	1,321,000	1,321,000	1,305,000
Water	31,000	31,000	31,000
Materials and Supplies	1,019,000	976,000	970,000
Technology / Office Equipment	29,000	29,000	22,000
Total Purchases	\$4,111,000	\$3,934,000	4,059,000
<u>Services</u>			
Contract Labor	62,000	47,000	79,000
Conservation Measures and Incentives	55,000	35,000	278,000
Construction Agreements	1,556,000 ¹	2,291,000	1,830,000
Miscellaneous Services	158,000	158,000	200,000
Professional and Technical Services	1,711,000 ¹	2,253,000	2,807,000
Software/Hardware Maintenance and Services	155,000	152,000	69,000
Printing and Postage	24,000	22,000	19,000
Fees and Licenses	121,000	116,000	120,000
Training and Travel	131,000	124,000	60,000
Grants, Contributions & Sponsorships	18,000	18,000	655,000 ²
Total Services	\$3,991,000	\$5,216,000	\$6,117,000
Total	\$18,979,000	\$20,510,000	\$22,978,000

¹ Watershed Restoration projects related to the Holiday Farm Fire winding down. Fee revenue sunsets mid-year 2026

² Acquisition of Finn Rock Reach Conservation area

ATTACHMENT 3

LABOR AND EMPLOYEE BENEFIT COSTS



**DID YOU
KNOW?**

Emergency Water Stations

Completed in 2025, EWEB celebrated the seventh and final emergency water station at Kennedy Middle School. The stations are designed to provide emergency water to residents if a disaster such as a major Cascadia earthquake takes the water distribution system offline. Together, these stations have the capacity to provide immediate and reliable access to two gallons of water per person per day to everyone in Eugene.

**EUGENE WATER & ELECTRIC BOARD
LABOR AND EMPLOYEE BENEFIT COSTS
2026 ADOPTED BUDGET COMPARED WITH PRIOR YEARS**

	2026 Adopted Budget		2025 Adopted Budget		2024 Actual	
	Budget	% of Total wages	Budget	% of Total wages	Actual	% of Total wages
Wages & benefits						
Regular wages	\$ 73,778,000	98.1%	\$ 71,321,000	98.0%	\$ 66,525,000	88.7%
Premium wages	1,427,000	1.9%	1,420,000	2.0%	8,434,000 ³	11.3%
Total wages	75,205,000	100.0%	72,741,000	100.0%	74,959,000	100.0%
Public employees retirement fund	20,848,000	27.7%	18,434,000	25.3%	15,729,000	21.0%
Other benefits – employer contribution ¹	7,295,000	9.7%	6,963,000	9.6%	5,529,000	7.4%
Health insurance ²	17,434,000	23.2%	16,258,000	22.4%	14,240,000	19.0%
Post-retirement medical	154,000	0.2%	154,000	0.2%	279,000	0.4%
Long-term disability	388,000	0.5%	383,000	0.5%	375,000	0.5%
Life insurance	357,000	0.5%	547,000	0.8%	529,000	0.7%
Total benefits	46,476,000	61.8%	42,739,000	58.8%	36,681,000	49.0%
Total wages & benefits	\$ 121,681,000		\$ 115,480,000		\$ 111,640,000	

¹ Includes Social Security/Medicare tax, Unemployment Insurance, Workers' Compensation Insurance

² Includes Voluntary Employees' Beneficiary Association (VEBA) expense

³ Overtime costs surged significantly as a result of January 2024 ice storm

ATTACHMENT 4

PROJECTED RESERVES



DID YOU
KNOW?

Hayden Bridge Preparation and Resilience

EWEB's water system was put to the test in January 2024 when a severe ice storm knocked out power to its sole water filtration plant and stressed pump stations and other equipment. Recent resiliency upgrades – like a new generator at the plant – and quick thinking by staff made it possible for EWEB to keep water flowing.

EUGENE WATER & ELECTRIC BOARD
PROJECTED RESTRICTED, DESIGNATED, AND UNRESTRICTED RESERVES
(\$000s omitted)

	Electric Utility			Water Utility		
	Target	12/31/25 Projected ¹	12/31/26 Projected ¹	Target	12/31/25 Projected ¹	12/31/26 Projected ¹
Legally Restricted						
Bond Funds – Capital ²		\$ 11,900	\$ 79,900		\$ -	\$ 27,200
Reserves for Debt Service		5,500	5,500		1,100	1,100
Customer Care/Customer Deposit		2,400	2,400			
Harvest Wind Reserve		500	400			
System Development Charge Reserves ³					200	200
Total Restricted Funds		\$ 20,300	\$ 88,200		\$ 1,300	\$ 28,500
Board Designated Reserves						
Capital Improvement	\$ 27,000	\$ 21,500	\$ 27,000	\$ 9,000	\$ 9,000	\$ 9,000
Rate Stabilization Fund	6,000	10,200	6,000	1,000	3,500	1,000
Operating and Self-Insurance	5,720	5,720	5,720	1,280	1,280	1,280
Pension and Medical Funds		1,600	1,600		1,000	1,000
Power Operating ⁴	24,000	20,900	24,000			
Leaburg Decommissioning		10,500	11,500			
Emergent Regulatory Mitigation Fund		5,000	6,000			
Alternative Water Supply					300	-
Water Stewardship Fund – Septic Repairs					100	100
Total Designated Funds	62,720	75,420	81,820	11,280	15,180	12,380
Working Cash ^{5,6}	45,000	53,520	51,320	3,400	7,900	10,400
Total Unrestricted Funds	\$ 107,720	\$ 128,940	\$ 133,140	\$ 14,680	\$ 23,080	\$ 22,780

* After completion of the annual audit, the Board of Commissioners review cash balances and may make transfers between funds

¹ Projections as of November 2025

² Bond issuances of \$113 million for the Electric Utility and \$56.8 million for the Water Utility expected in 2026

³ SDC Reimbursement Reserve is funding \$500 thousand of debt service payments in 2026

⁴ Power Operating reserves projection for 2025 includes partial replenishment, and it is anticipated that Power Operating reserves will be replenished in 2026

⁵ 2025 changes to unrestricted reserves are included in working cash. The Board will officially transfer funds in the second quarter of 2026

⁶ FEMA reimbursements from the 2024 ice storm are included in the 2025 working cash projection

ATTACHMENT 5

PROJECTED FINANCIAL RATIOS & STATISTICS



DID YOU KNOW?

Fleet Enhancements: Matte Black Hood

EWEB has added matte black hoods to some of the fleet vehicles to reduce glare from both sunlight and snow that can reflect off light-colored paint. This non-reflective surface also enhances safety at job sites by preventing distracting reflections that could affect workers or other drivers.

EUGENE WATER & ELECTRIC BOARD

PROJECTED FINANCIAL RATIOS

December 31, 2026

	Electric Utility	Water Utility
Financial Ratios		
Debt Service Coverage Ratio ¹	3.42	2.98
Days Cash ²	177	246
Target		
Debt Service Coverage Ratio	1.75 to 2.00	2.00 to 2.50
Days Cash	> 150 days	> 150 days

NOTE: A higher number for Debt Service Coverage Ratio and Days Cash reflects a stronger financial position.

¹ Ratio of net revenues available for debt service to total long-term debt service costs for the year. This ratio measures the utility's ability to meet its annual long-term debt obligation.

² Ratio of total available cash to adjusted average daily cash requirements for operating and other non-capital expenses. This measures the length of time the utility can carry projected non-capital related operations with readily available cash. Calculations include rate stabilization funds. Management will recommend options for the Board to consider for reserves above Board target in the second quarter of 2026.



EWEB