Strategic & Operational Quarterly Report

Eugene Water & Electric Board

August 3, 2021

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EXECUTIVE SUMMARY

The Management of Eugene Water & Electric Board (EWEB) is pleased to provide this quarterly report, including preliminary unaudited financial results, operational performance measures, and the status of strategic initiatives and annual goals. Most metrics are presented through the previous quarter, with noteworthy, milestones, and qualitative information updated as to the publication date of this report.

Both the Electric and Water utilities have favorable performance year-to-date, with net income $2.9 million and $3.9 million favorable to budget, respectively. Operating expenses for both utilities were favorable by $1.8 million and $1.9 million, respectively. Both utilities are projecting year-end deposits to reserves (positive net income).

While the net revenue is strong through the first half of 2021, there are several issues that may impact the utilities finances and goal adherence going forward, including the following.

Sinkholes at Trail Bridge Reservoir

Sinkholes have been discovered in Trail Bridge Reservoir as part of routine monitoring efforts, which has the potential to shut down generation at Carmen-Smith, significantly impacting the production and financial contribution of the project. EWEB staff are working diligently to manage the safety risk, while actively investigating sinkhole conditions and cause, and are working closely with the Dam Safety Division of the Federal Energy Regulatory Commission and expert consults to address the issue and develop a risk mitigation plan.

Supply Chain Issues

Recently, EWEB has experienced significant supply chain issues impacting availability, lead times, and prices. Price escalation for some materials has significantly exceeded the typical inflationary rates of 2-4% over the past 10 years, including tree trimming (9%), ductile iron fittings (27-60%), brass fittings (10-15%), submersible transformers (45%) as examples. Net impacts of the price increases are $150,000 between both utilities, with minimal impact to budget, while the more significant concern is availability for projects.

Smart Meter Deployment

The supply chain issues mentioned above are mostly impacting water construction and smart meter deployment. On June 30th, meter supplier, Sensus, informed EWEB that they will not be able to supply residential meters for the months of August and September. EWEB's meter installer, UPA, reduced their deployment to 50% as of July 19th to retain staff. If residential meter deliveries resume in October as anticipated, then the potential impact to the overall schedule will be approximately six weeks.

Except for the potential impacts of aforementioned issues, most annual goals are on track to be completed in 2021.

For the second consecutive year, the Water Utility received the top national safety award (WENDELL LADUE SAFETY AWARD) from the American Water Works Association (AWWA). Because EWEB had the foresight to install on-site hypochlorite generation at the Hayden Bridge Water Treatment Plant in late 2019, we were not impacted by the chlorine shortage that effected utilities across the country at the end of Q2.

At the end of the second quarter, EWEB launched a new customer portal, including bill redesign, payment processing, and customer self-service functions. At the end of Q2, 18,500 customers had registered with the portal and nearly 4,700 enrolled in autopay. The target is to reach pre-cutover registration and enrollment levels within the first 90 days following launch.

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

Frank Lawson, General Manager

BOARD ACTIVITY

During the months of April, May, June and July, the Board of Commissioners took significant actions and held meaningful discussions including, but not limited to, the following:

- Endorsement of a Record of Decision designating the final design report (siting) for the E. 40th Water Storage Project.
- Review and Discussion of EWEB's 2020 Year-end Audited Financial Statements and Management Letter with internal auditor, Moss Adams.
- Approval of up to $1.5M for grants to facilitate acquisition and management of floodway properties affected by the Holiday Farm Fire.
- Commissioners held a work session focused on opportunities and challenges of decarbonization, and EWEB's role.
- Commissioners conducted a work session to discuss wildfire mitigation planning, and to assess the Utility's strategic plan.
- The Board received updates on Electric and Water capital projects and discussed the Capital Plan's assumptions and principles.
- Commissioners endorsed Management's strategy to modernize critical business applications using an Enterprise Resource Planning (ERP) approach.
- The Board provided guidance for EWEB's Headquarters buildings and associated real property.
- Reviewed annual update of EWEB's Integrated Resource Plan
- Commissioners reengaged with the McKenzie valley community, holding their first in-person public meeting since the beginning of the pandemic.
- The Board received updates and held a hearty discussion around Financial Planning, including Capital Improvement Plans, the Long-Term Financial Plan, and 2022 Budget Assumptions.

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

Required Reporting Per Board Policy
Appendix A: Electric Utility Financial Statement (EL1)
Appendix B: Water Utility Financial Statement (EL1)
Appendix C: Electric Utility EL1 Capital Report
Appendix D: Water Utility EL1 Capital Report
Appendix E: Capital Spending Summary (Supplement to EL1 Reports)
Appendix F: Contracts Awarded Report (EL2)
Appendix G: Community Investment Report (EL3)

Additional Appendices
Appendix H: Electric Division Metrics Scorecard
Appendix I: Water Division Details
Appendix J: Workforce Composition
Appendix K: Fleet Sustainability Report

EWEB STRATEGY & ANNUAL GOALS

The *EUGENE WATER & ELECTRIC BOARD STRATEGIC PLAN (2017-2020)* was approved August 2, 2017, revised July 10, 2018, and provides the basis for policies, decisions, and the annual goals established for the organization. This Quarterly Report is organized to provide status and progress information based on those annual goals. On January 5, 2021 the EWEB Commissioners approved the following annual goals for the organization.

Goal #1 – Maintain or improve our **"day-to-day" performance** consistent with Board direction, policies, and organizational values, with an emphasis on increasing workforce resiliency

Goal #2 – Effectively execute and operationalize a multi-divisional information system program by successfully scaling-up **advanced metering** for revenue management purposes

Goal #3 – **Revise and update the strategic plan** in order to identify and prioritize the most impactful 3-5-year strategic issues, decisions, and projects

Goal #4 – Collaborate and align with the Board to **develop directional guidelines and decision criteria** on issues having long-term strategic and policy-setting impacts, including development and approval of:

a) revised/updated **Watershed Recovery & Protection Program**, including appropriate 2021 budget amendments and future revenue mechanisms, and
b) TBL-based **plan for the lower McKenzie River Hydroelectric Projects** in compliance with FERC, and collaboration with the McKenzie Valley community, and
c) multi-year **Information System/Technology Investment Plan**, in support of both business continuity and strategic priorities, including 10-year annual spending projections for incorporation into EWEB's Long-Term Financial Plan and 2022 Annual Budget, and
d) Initial risk-based **Wildfire Mitigation Plan,** for likely filing with Oregon Public Utility Commission, and
e) first **multi-year COSA**, including revised ratemaking principles.

Goal #5 – Continue **electrification impact assessment**, specifically analyzing the future decarbonizing trends of electricity and natural gas, and the division of costs/benefits between participants, utilities, and society at-large -- a.k.a. who benefits and who pays?

GOAL 1 – UTILITY OPERATIONS

Goal #1 – Maintain or improve our "day-to-day" performance consistent with Board direction, policies, and organizational values, with an emphasis on increasing workforce resiliency.

Electric Utility Financial Report

SEE APPENDIX A – ELECTRIC UTILITY FINANCIAL STATEMENT

OVERALL STATUS: **ON TARGET**

Deborah Hart

Status Summary

The Electric Utility is forecasting a year-end deposit to reserves of $4.1 million with key rating agency metrics related to debt service coverage and days cash above target.

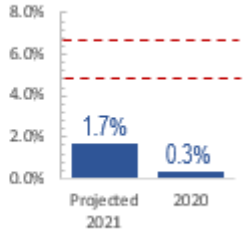
Item of Interest

As of June, retail consumption was 4.2% better than budget. 2021 budgets were reduced to account for lingering COVID economic conditions.

FINANCIAL METRICS

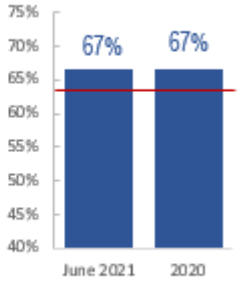
The Rate of Return projection was well below target as of June. 2021 revenue assumptions were more conservative to account for continuing COVID economic impacts and lowered the metric for the current year. Net operating income was down in 2020 due to reduced generation from EWEB hydro plants and reduced customer demand. Delays in capital spending reduced the associated overhead transfers from O&M. Repair costs in response to the Holiday Farm fire also contributed to lower net operating income.

Rate of return
Target: 5 - 7%.
Measures the utility's ability to pay current and future infrastructure costs.



FERC ordered EWEB to cease operation of the Leaburg project due to increased canal seepage and public safety concerns. The future of the project is uncertain and Board discussion will determine if the project returns to service. The net book value of the project was moved from plant in service to property held for future use. Reclassification of Leaburg plant and a 2020 bond issuance increased the Debt as a Percent of Net Book Value ratio above target in 2020. This ratio moved 3% closer to the target range in March 2021 with large additions to plant and has been steady since.

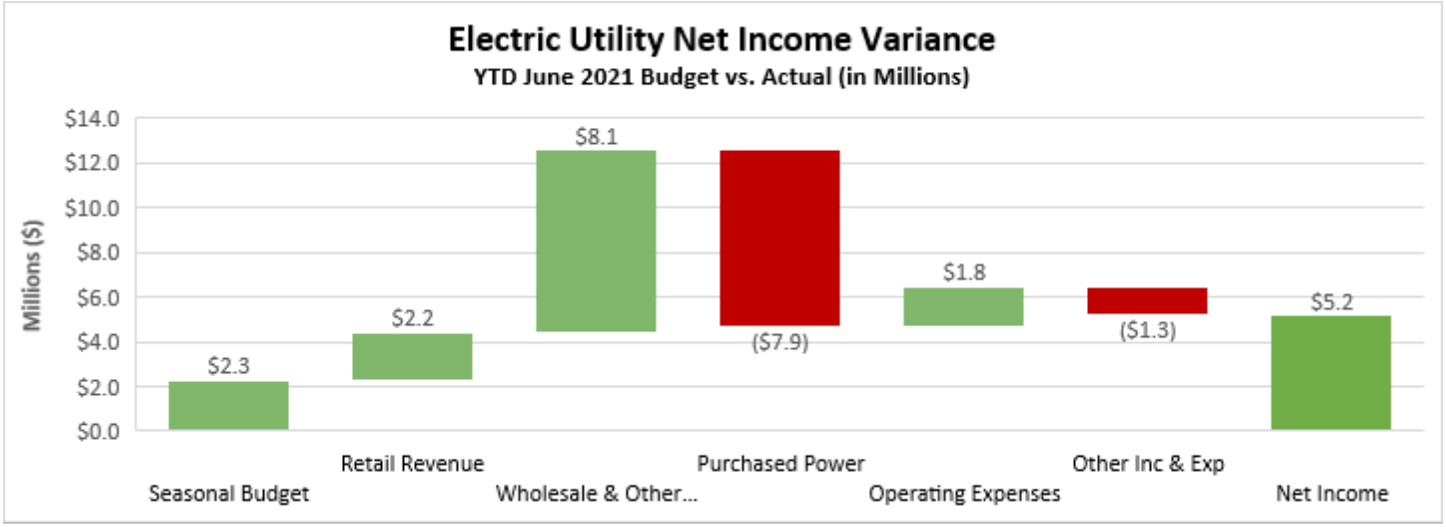
Debt as a % of NBV
Target: Less than or equal to 60
Measures overall leverage of the system by aligning debt service with the useful lives of assets.



Remaining metrics conform to Board targets.

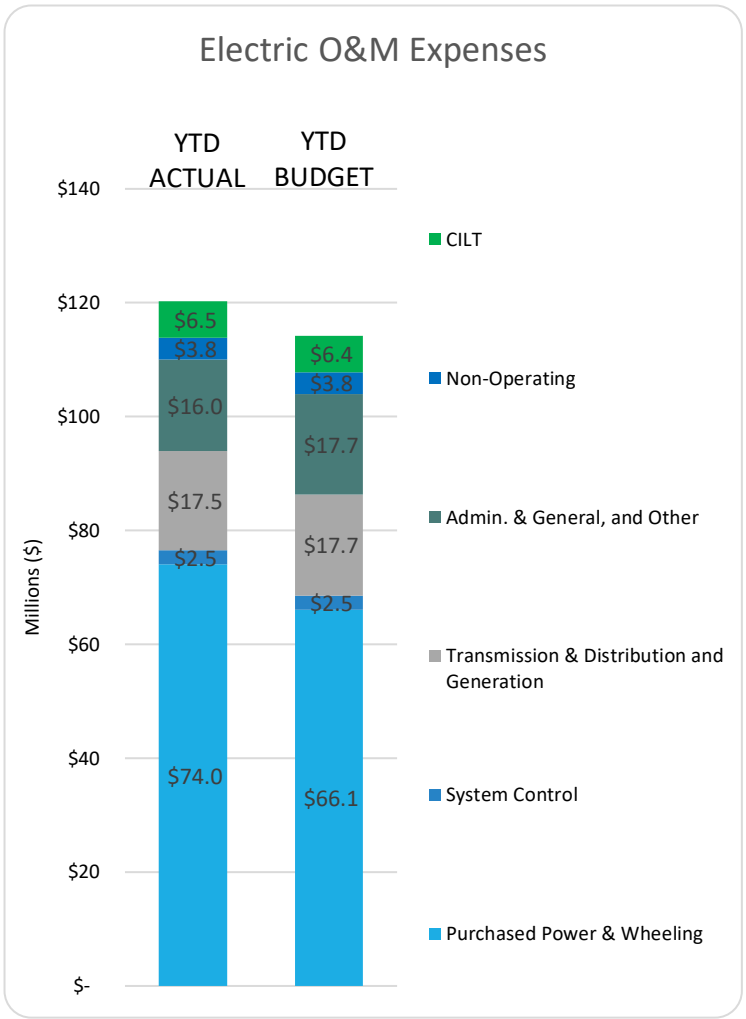
NET INCOME

For the six months ended June 30, 2021, net income for the Electric Utility was $5.2 million.



BUDGET CONTROLS

The year-end forecast for the O&M budget is $9.3 million unfavorable primarily due to purchased power costs which are offset by wholesale revenue.



Water Utility Financial Report

SEE APPENDIX B – ELECTRIC UTILITY FINANCIAL STATEMENT

OVERALL STATUS: **ON TARGET**

Deborah Hart

Status Summary

Financial metrics conformed to Board targets through June. Following a nearly $4 million budget amendment for watershed recovery, the anticipated 2021 year-end deposits to reserves are $1.6 million.

Item of Interest

Year-to-date water consumption was 36% above budget. Regional drought conditions persist, and water revenue budgets were reduced in 2021 to allow for COVID impacts.

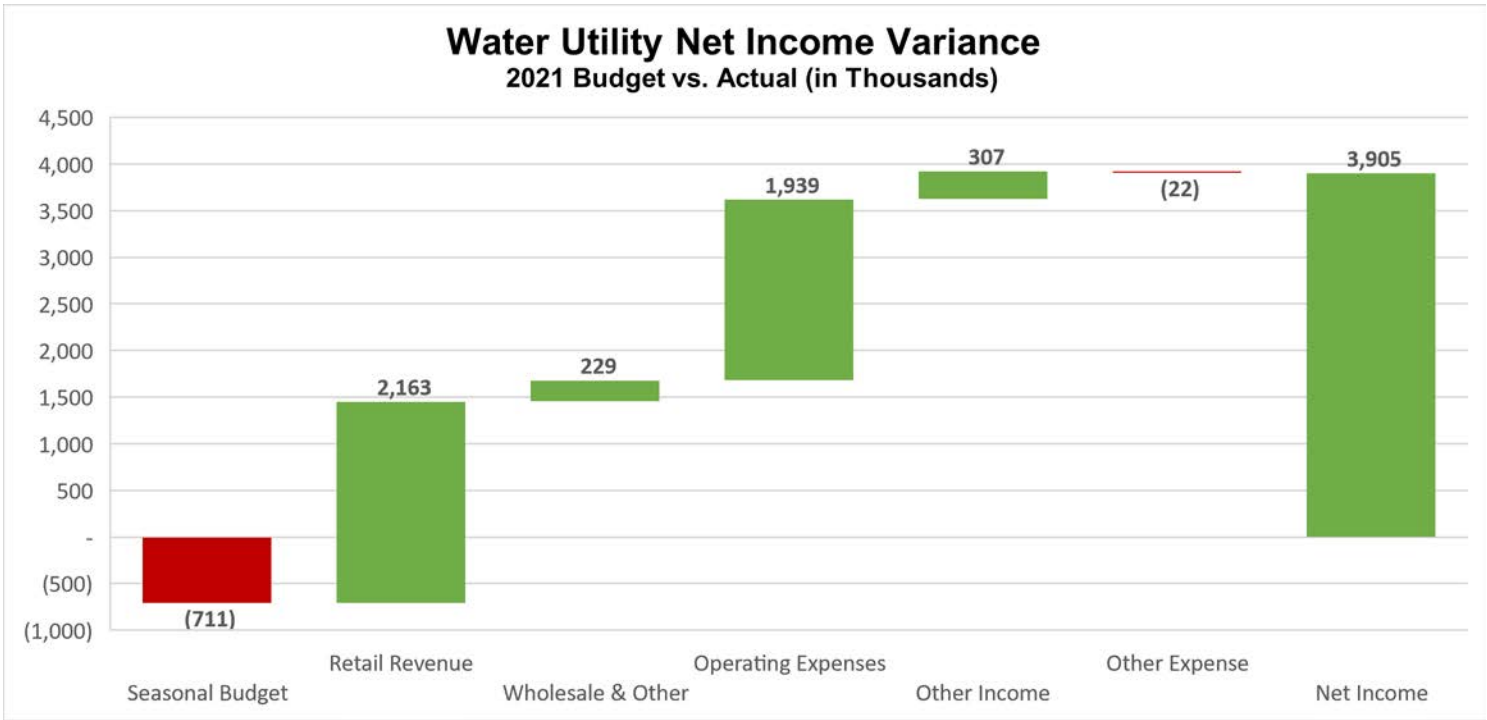
FINANCIAL METRICS

Financial ratios are presented alongside the condensed financial statements in Appendix B. All metrics conformed to Board targets.

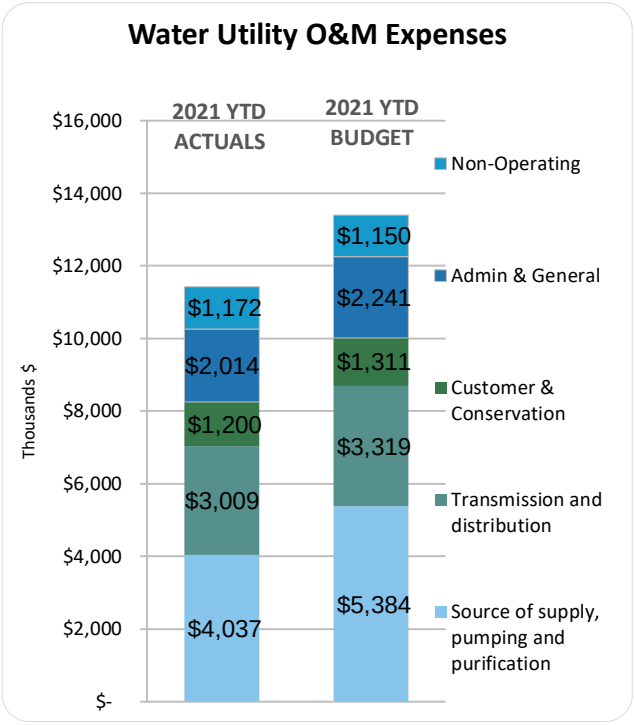
NET INCOME

For the six months ended June 30, 2021, net income for the Water Utility was $3.9 million.

BUDGET CONTROLS



Source of supply, pumping and purification expense was under budget by $1.3 million. A $3.95 million budget amendment approved in March for watershed recovery drove the favorable variance in operating expenses, and watershed recovery costs will be spent as the year progresses.



Customer Programs & Services Report

OVERALL STATUS: **ON TARGET**

Julie McGaughey

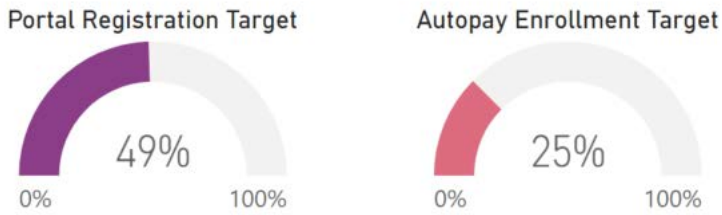
Status Summary

Successful launch of the Customer Portal. All financial and response metrics are on target.

Item of Interest

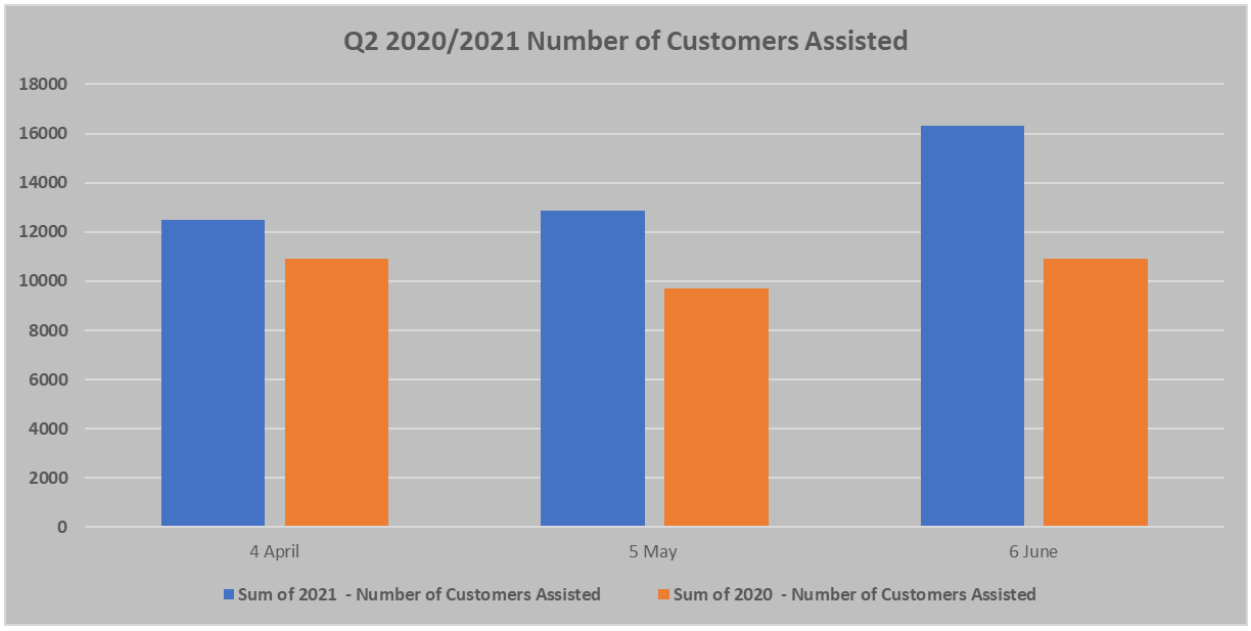
EWEB launched the new online customer portal and redesigned bill to customers on June 14 following a "soft launch" to 26 customers in April.

At the end of Q2, 18,500 customers had registered with the portal and nearly 4,700 enrolled in autopay. The target is to reach pre-cutover registration and enrollment levels within the first 90 days following launch.



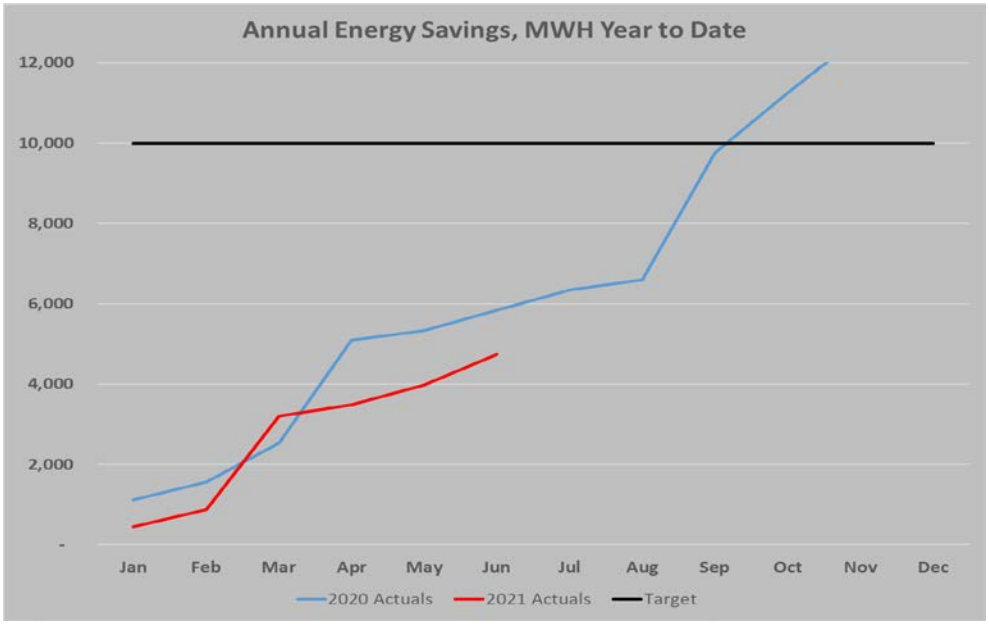
CUSTOMER OPERATIONS RESPONSE & EFFECTIVENESS

In Q2, Customer Service assisted 41,644 customers, up 32% from Q2 2020. Much of the June 2021 uptick is attributable to assisting customers to sign up for the new portal.

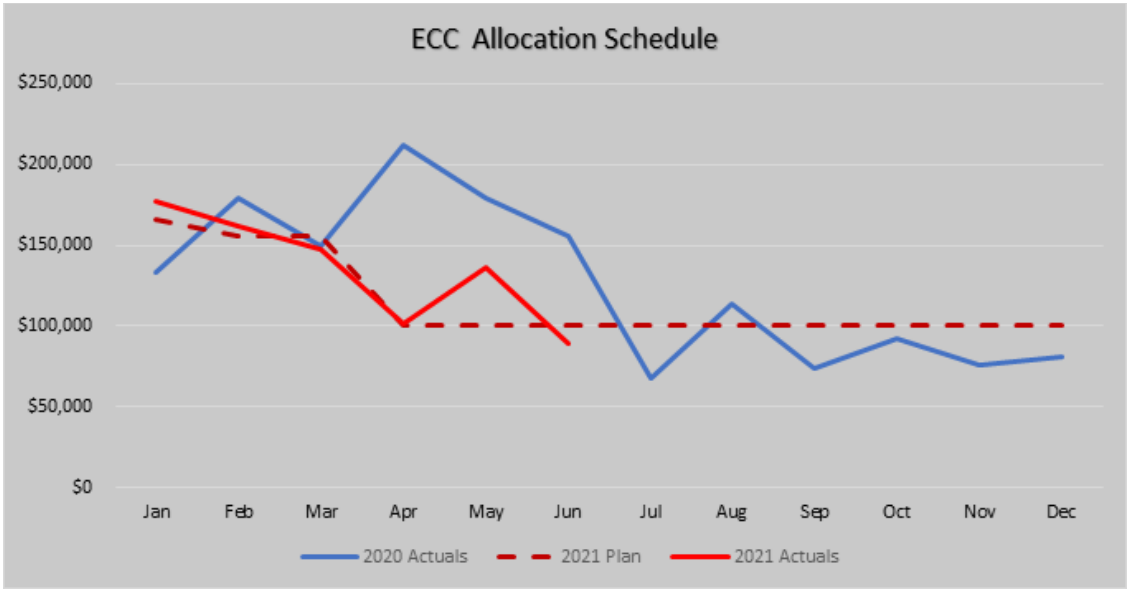


ENERGY & WATER CONSERVATION AND BILL ASSISTANCE PROGRAMS

Energy efficiency activity is steady and on track at 47% of target and 44% of budget, and the solar PV incentive budget is 100% committed for the year.



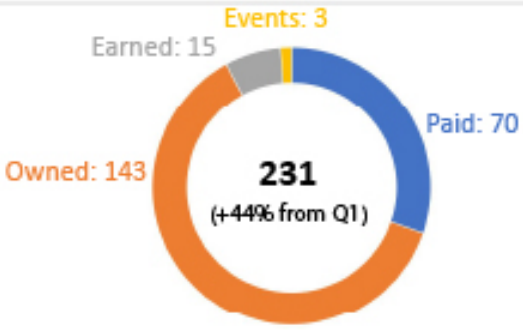
EWEB is on track to deliver $1.5M in EWEB Customer Care (ECC) bill assistance in the 2021 program year, with $1.2M rate funded and further overages supported by surplus customer donations. ECC was increased to $280 per customer/year in May, and a retroactive adjustment was made for all customers year to date. Year over year, there is a notable Q2 decline in assistance provided due to additional funding provided in 2020 to support customers through the pandemic.



Interest in Holiday Farm Fire programs such as the Home Site Relocation Program and the Underground Electric Service project have been slow to materialize due to changes in state statutes, Lane County permit requirements and construction timelines. An uptick in program inquiries points to potential spending in the third quarter.

COMMUNICATIONS EFFECTIVENESS

COMMUNICATIONS & MARKETING Q2 2021

PRIORITY TOPICS	TOTAL COMMUNICATION PIECES DELIVERED	SHOWPIECES
1. Watershed restoration/fee 2. E. 40th water storage 3. Greenpower Grant 4. Drinking water quality 5. Emergency prep 6. Drought/extreme heat 7. Energy & Earth Day	 **Paid** includes 70 underwriting spots on KLCC **Owned** includes email, social, print/digital collateral, internal, and direct mail **Earned** includes TV, print, radio	 

VIEW THE DRINKING WATER QUALITY/CONSUMER CONFIDENCE REPORT.
VIEW PURE WATER PARTNERS MCKENZIE FLOAT VIDEO.

SEE APPENDIX G – COMMUNITY INVESTMENT REPORT for a list of community investment contributions through Q2 2021 categorized by type of investment: Sponsorships, Donations, Grants and Mutual Aid; Customer Solutions Products and Services; System Development Charge (SDC) Waivers; Contributions in Lieu of Taxes (CILT); EWEB Ambassador Efforts and Events (Paid).

Energy Operations Report

Energy Production & Planning

OVERALL STATUS – ENERGY PRODUCTION & PLANNING: **BELOW TARGET**

Megan Capper, Lisa Krentz

Status Summary

EWEB-Owned hydroelectric production was significantly below target as several generators experienced both planned and unplanned outages. Trading operations were within compliance, and Power Planning continued supply-chain management activities with Bonneville Power Administration (BPA), particularly the 2022 Rate Case.

Item of Interest

Sinkholes have been discovered at Trail Bridge Reservoir, with more information on Page 35.

EWEB POWER SUPPLY PERFORMANCE

Q2 2021 Generation Reliability by Fuel Type

Generation Type	Availability Factor (AF)	Forced Outage Factor (FOF)	Notes
Target	**>90%**	**<3.00%**	
Wind	95.20%	N/A	The Harvest Wind Project turbines were available and operating during the quarter.
Hydro	74.63%	15.47%	All Carmen Units were offline for two weeks in May during the transmission line relocation. Trail Bridge Unit was down for bearing repair in April. Walterville unit was down for annual outage in June. All other hydro resources were available and operating at the end of Q2 except for Leaburg.
Thermal	86.28%	0.00%	IP Unit was offline the first week of April for annual maintenance. It was available and operating for the remainder of the quarter. Wauna steam turbine generator sale was final April 6th.

AF: Availability Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were available for operation.
FOF: Forced Outage Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were forced offline due to an unplanned event.

POWER TRADING PERFORMANCE & COMPLIANCE

Financial and position limits are monitored and reported to the Risk Management Committee regularly. The last short term compliance report is presented below in slightly redacted form.

Both Short Term and Mid Term trade activities were within compliance limits throughout the second quarter of 2021.

Compliance Summary as of June 2021			
All compliance metrics below are within the limits set in the Power Risk Management Procedures.			
Compliance Metric:	**Limit**	**In Compliance?**	**Notes:**
Short-Term Market Position (Individual Months):	±100 aMW	✓	throughout Q2
Short-Term Market Position (Compliance Period):	±75 aMW	✓	throughout Q2
Short-Term Financial Pos. (VaR) (Compliance Period):	$2,000,000	✓	throughout Q2
Mid-Term Firm Market Position (Months 3-60):	±25 MW	✓	throughout Q2

POWER PLANNING ACTIVITIES

Northwest Power Pool Regional Resource Adequacy Program

- Participants have completed Phase 2B of the design process, providing a detailed program structure and the creation of an initial non-binding period to promote further regional engagement and problem solving. Staff expect to better understand the operational and financial impacts of program participation through engagement during the non-binding period.
- With the retirement of our Chief Energy Officer, Susan Ackerman, Matt Schroettnig, EWEB's Power Resources Counsel has taken Susan's seat on the Steering Committee.
- The launch of Phase 3 of the program, as well as the proposed NWPP Governance structure will soon be available. The upcoming August 3 NWPP RA SYMPOSIUM will provide additional details, and will include Frank Lawson as an executive panelist at the symposium.

BP-22 Power and Transmission Rate Cases

- BPA's Draft Records of Decision indicate an effective Power rate increase of between 0-3%, and an effective Transmission rate increase of no greater than 8%.
- BPA's Final Record of Decision is expected by the end of July, and the precise rates and rate impacts will be made available shortly thereafter. The new rates will be effective October 1, 2021.

OVERALL STATUS – ELECTRIC DISTRIBUTION: **ON TARGET**

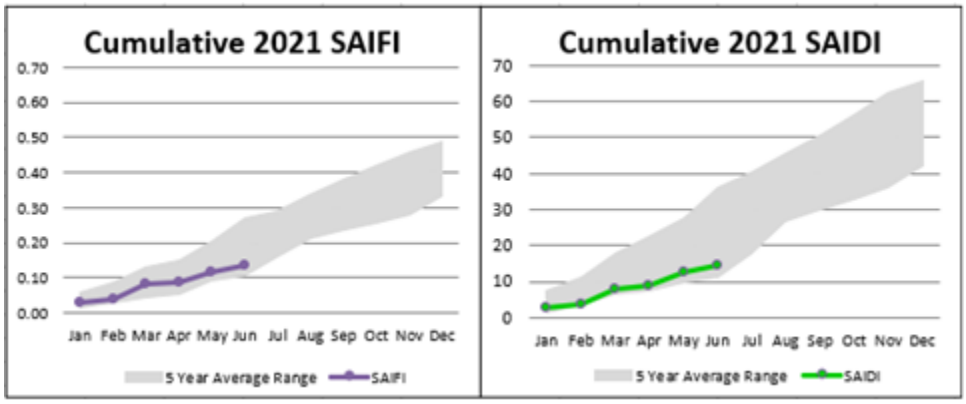
Tyler Nice, Lisa Krentz

Status Summary

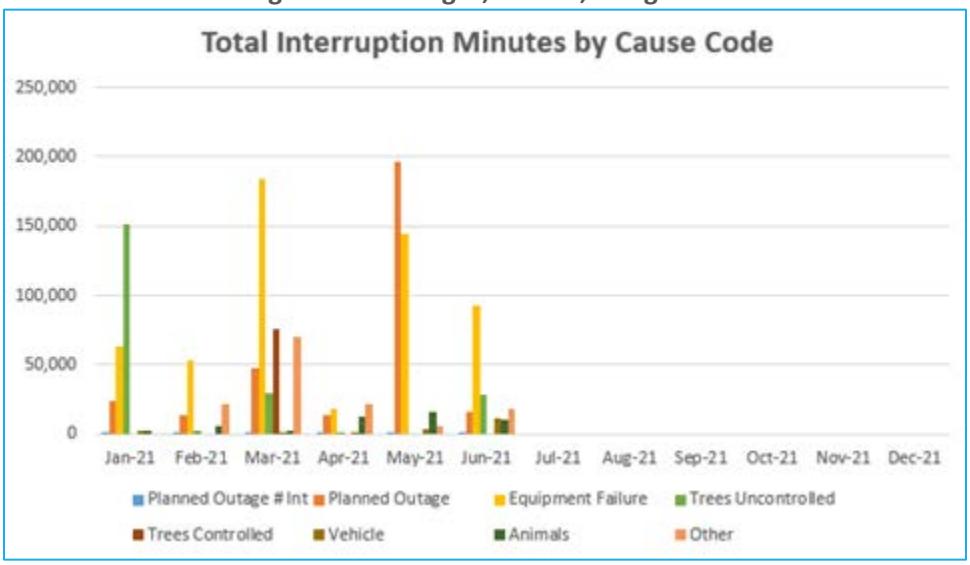
The Electric Power System is currently operating within the 5-year reliability indexes due to a mild winter and spring with few large-scale outages. No major contingencies are present which would affect long term reliability. Staffing continues to be an issue within the division effecting some strategic and customer facing operational metrics. However, improvement is expected to occur over the next quarter as multiple vacancies have been filled, which will decrease backlogs and increase throughput as these individuals are onboarded. Capital work is generally on track with a projected spend approaching close to 100% expected, and compliance related work can be managed within cycle requirements even with some current backlog experienced.

ELECTRIC SYSTEM RELIABILITY

Outage Frequency & Duration vs. 5-Year Averages



Significant Outages, Causes, Mitigation



Major Disruptions

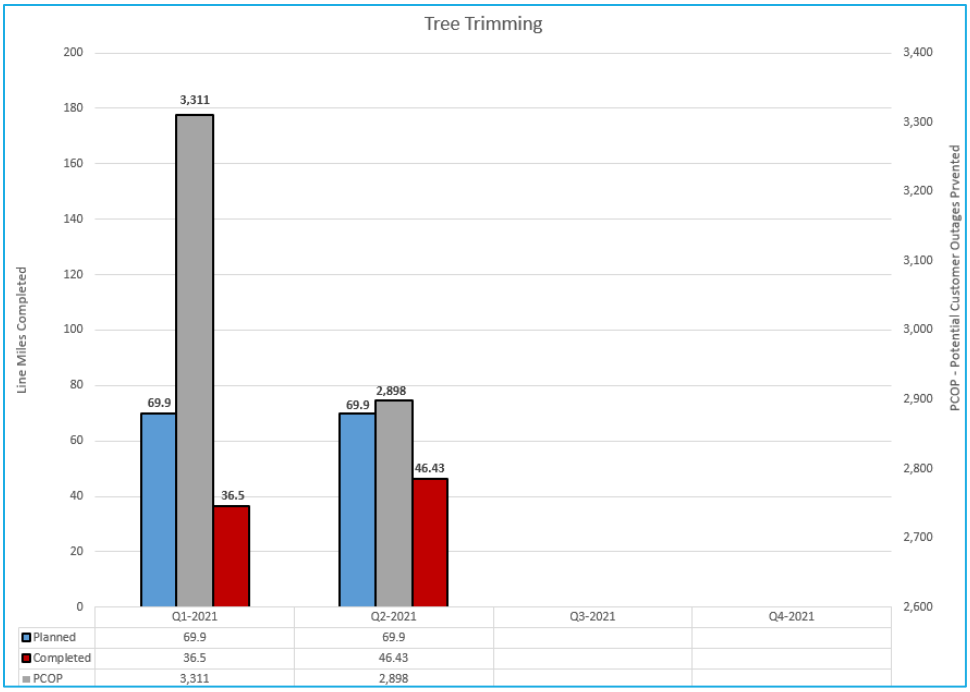
- In May, a feeder cable connection failed which tripped off a River Road neighborhood resulting in an outage for 1,158 customers for a little more than an hour (Classified: Equipment Failure).
- In May, a primary cable failed which blew a fuse in a pad mount switch resulting in an outage for 193 customers for almost 3 hours (Classified: Equipment Failure).

Preventative Operations & Maintenance

The Electric Utility has established a division wide 'Metrics Scorecard' for tracking key performance indicators associated with "Goal #1" operational metrics such as turnaround time, customer response, and compliance activities. SEE APPENDIX H - ELECTRIC DIVISION SCORECARD.

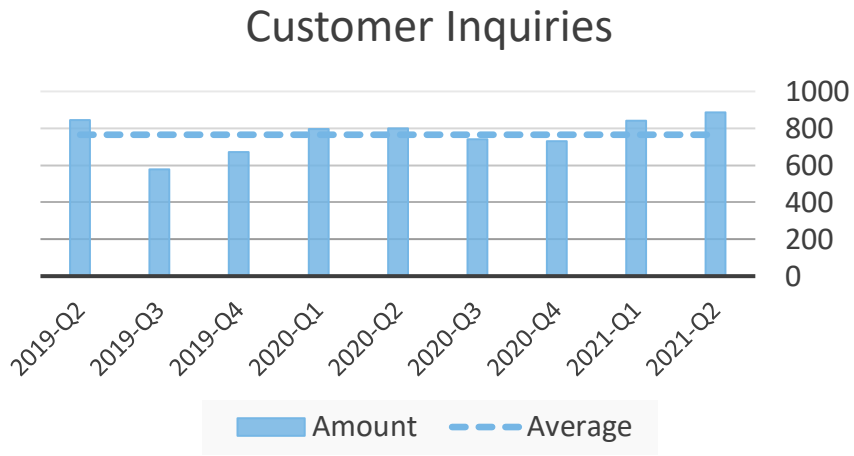
Departmental Metrics of Risk:

- Distribution Engineering: Customer related design work backlog is increasing due to sustained demand and continued staff shortage. Target metrics are for 3-week turnarounds from contact to design assigned, and to return high level estimates within 3 days of request. Present wait times for a design assignment is 8 weeks, and high-level design turn arounds are also currently delayed. The following mitigations to limit impact to customer wait time are being worked:
    - EWEB driven capital work is on hold to shift resources to Customer facing work.
        - This is resulting in a corresponding unfavorable downstream metric in the Line Department due to delayed PUC work. Over the course of the PUC cycle it is expected this backlog can be recovered once the Distribution Engineering Department Staffing is fulfilled.
    - Increasing use of consultants to complete design work for PUC related designs
    - Have filled one open vacancy with an entry level design tech.
    - Launching third party recruiter to fill an additional technician position.
    - Evaluating position description and recruiting options for revision to make better competitive in labor marketplace.
- Electric Meter Shop: Increasing backlogs in Connect/Disconnect and Move in/Move Out workflows. Due to staffing vacancies (vacancies for experienced meter techs have been open over a year). Mitigation efforts include:
    - Assessing shop organization structure, efficiencies, and process.
    - Launching third party recruiter to fill an additional technician position.
- Systems Engineering: Increasing backlog of design projects and Operations and Maintenance Support projects due to multiple engineering vacancies.
- Two positions are in the process of being filled which will result in additional bandwidth and ability to gain on unfavorable metrics.
- Vegetation Program: The Forestry team is approximately 6 months behind schedule in the 5-year program. The main contributor is resources diverted to Holiday Farm Fire related tree removal and the early season focus on high fire risk circuits. Contract tree crews are in high demand on the west coast due to wildfire concerns and availability continues to suffer. An additional Forester resource is being added to the department to decrease backlog and staff are actively working with the Tree Contractor to increase resourcing in the field.



CUSTOMER CONNECTIONS

- Q2 2021 cumulative customer inquiries have seen a 18% increase over Q2 2020. Trending suggests a sustained rise through the last 7 quarters over the average inquiry amount.
- Distribution Engineering is completing a Continuous Improvement Effort for the customer inquiry process to reduce resource efforts.



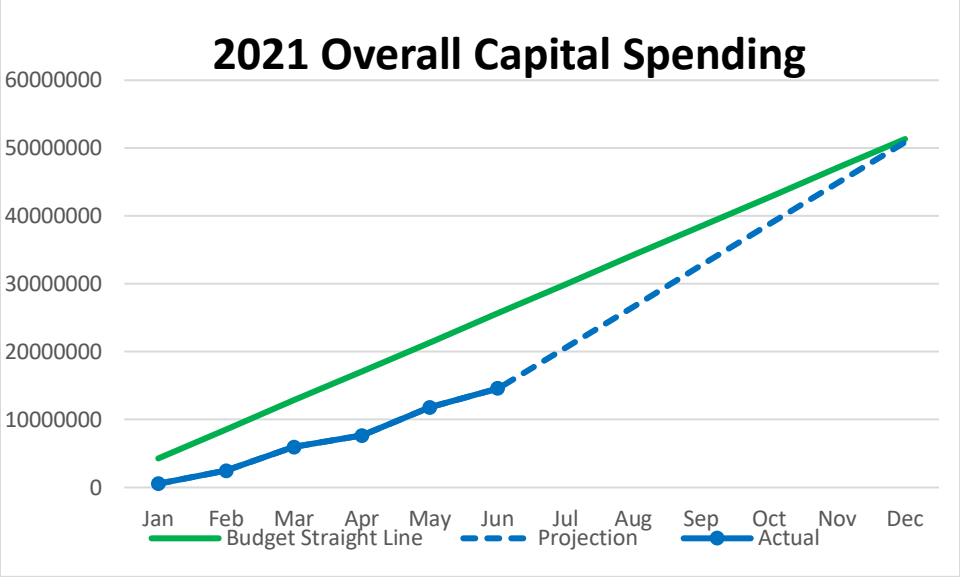
Distribution Engineering Customer Performance Metrics

Performance Categories (Customer-Driven)	Year to date Q2 2020	Year to date Q2 2021	Percentage (+/-)
Customer Inquiries	738	872	+18.2%
Projects Release for Construction	137	149	+8.76%
Projects Waiting for Customer Information	33	61	+84.8%
Design Queue Wait Time (time from customer inquiry to start)	5 weeks	8 weeks	+60.0%

CAPITAL INVESTMENTS & PROJECTS

Electric Utility and Shared Services Capital Spending Summary & Project Updates

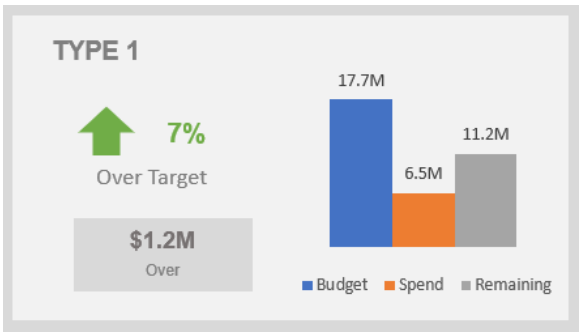
The Electric capital plan is projected to approach 100% of budget.



SEE APPENDIX C – ELECTRIC UTILITY EL-1 CAPITAL REPORT - Shared Services project updates are provided within the Electric Utility Capital section, but the project budget and costs are split between Electric and Water in the appendices.

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

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

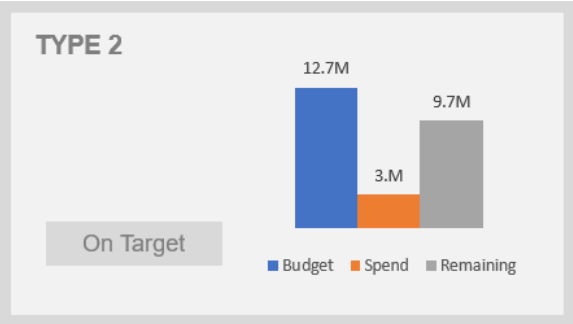


Projected Year end: Over Budget

- Bertelsen Operations Expansion property purchase
- Customer driven work increase
- Generation infrastructure replacements

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

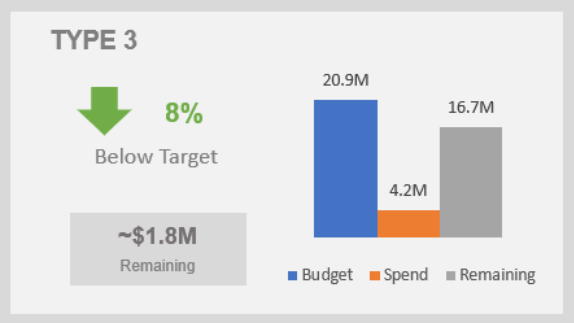
Type 2 capital projects are discrete, with a defined completion period, and lifetime expenditures over $1 million. Depending on the project, this work may be funded with rates, customer contributions, or bond funds.



Projected Year End: On Target

TYPE 3 – Carmen-Smith License Deployment (Electric and Shared Services)

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



OVERALL STATUS – CARMEN-SMITH LICENSE DEPLOYMENT: **BELOW TARGET**

Lisa Krentz

Second quarter 2021 activity included completion of fish passage design, which is now under review by regulatory agencies, and substantial relocation of the transmission line from Deer Creek. Initiating the turbine generator unit rehabilitation and rebuilding the Chinook Salmon Spawning Channel are anticipated in Q3 2021.

Project Schedule

- Majority of license deployment activities are on track for compliance, although eleven depend on approved extension requests to remain in compliance.
- Several projects are currently behind schedule, as identified in the FERC operating license, primarily due to staffing limitations.
- Delays to construction of upstream and downstream fish passage projects are expected for several reasons, including unanticipated review and actions to satisfy FERC dam safety requirements and the emergent sinkholes in Trail Bride Reservoir.
- Four Settlement Parties initiated Dispute Resolution in 2020 due to delay of fish passage projects. EWEB is working with these Parties on mitigation actions to resolve the dispute.

Status	Number of Projects	Proportion of Tracked Projects
Out of compliance[1]	8	7%
On track for compliance[2]	87	75%
Completed	7	6%
On hold, no fault[3]	14	12%

[1] Proposed plan and schedule for fish passage has not been approved and we will not meet deadline for fish passage construction. Does not include Extension of Time Requests (EOT) awaiting FERC approval.

[2] Projects that are scheduled/in progress and expect to be completed on time. Assumes FERC approval of EOT.

[3] Awaiting Agency comments or submitted on time and awaiting FERC approval.

Water Division

OVERALL STATUS: **ON TARGET**

Karen Kelley

Status Summary

The Water Operations Division uses the Multiple Barrier Approach to Safe Drinking Water, an integrated system of procedures, processes and tools that collectively prevent or reduce the contamination of drinking water from source to tap. The purpose of this approach is to provide safe, reliable drinking water to customers 24/7/365 and to reduce the operational risks to public health while being good stewards of our customer/owner's infrastructure and funding resources. At the end of Q2, most areas are on target and the few that are not are well understood and being managed with available resources.

Item of Interest

Considerable time and effort has been put into the E. 40th Reservoir Project from staff in both the Water Division and the Customer Programs and Services Section. Progress has been made in planning and design while addressing significant public interest in the project. See the Customer Programs and Services Report and APPENDIX E Water Utility Spending Summary and Project Updates for more information.

A chlorine shortage at the end of Q2 caused serious concern for water and wastewater utilities throughout Oregon and across the country in some cases. The shortage was brought on by a series of events impacting the largest chlorine producers in the U.S. We were very fortunate that EWEB had the foresight to address the supply chain risks by installing an on-site hypochlorite generation system at Hayden Bridge Water Filtration Plant in late 2019. However, not all utilities were as prepared for this shortage, and we were approached by several asking us for help. We were able to assist by providing additional water to the City of Veneta. We also learned the plant is capable of producing and filling storage containers for use in other utilities if/when needed. Fortunately, the primary producer of chlorine repaired equipment and was able to resume the supply before our neighboring utilities ending up needing extra chlorine.

EWEB is the Class III WENDELL LADUE SAFETY AWARD winner for the second year in a row. This is a national award from the American Water Works Association for water providers employing between 100-500 employees. It is given in recognition of distinguished water utility safety programs. Our statistics show that in approximately 152,000 hours worked, we had 1 case with time loss (10 days), and 2 cases needing medical treatment for an overall incident rate of 3.94 (water employees only). It is an honor to win this award and shows a commitment to safety by all in the Division.

CUSTOMER CONNECTIONS

Metric	2020 Quarterly Average	Q1 2021
Number of New Service Requests	22	19
Design Time (Avg)	7 Days	6 Days
Time Waiting on Customer (Avg)	19 Days	28 Days
Construction Time (Avg)	15 Days	9 Days

WATER QUALITY & RELIABILITY (SOURCE TO TAP)

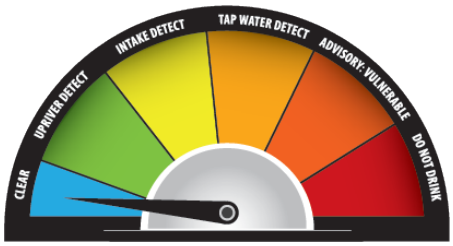
Watershed Monitoring

OVERALL STATUS: **ON TARGET**

Monitoring runoff associated with the Holiday Farm Fire and from urban sources continued throughout the winter and targeted storm events. EWEB staff are maintaining 14 real-time water quality instruments in the field that help us track changing water quality conditions in our source water and prepare for any necessary treatment adjustments.

Cyanotoxins

EWEB began monitoring for harmful algal blooms (HABs) and cyanotoxins in mid-March 2021. Both Cougar and Blue River Reservoir had some HABs in Q2, but no reportable levels of cyanotoxins have been measured. For more information visit our CYANOBACTERIAL HARMFUL ALGAE BLOOMS website.



Drinking Water Source Protection

OVERALL STATUS: **BELOW TARGET**

Pure Water Partners Program

The Pure Water Partners (PWP) program is an incentive-based strategy that aims to protect existing healthy riparian and floodplain areas and restore degraded riparian forests along the McKenzie River through voluntary actions with landowners. During Q2, we worked with our partners to restructure the program. We integrated Holiday Farm Fire restoration efforts with the original intent of the PWP Program by drafting a new, more comprehensive 7-year Watershed Stewardship Agreement for landowners. This agreement will encompass riparian restoration and protection, erosion control, invasive species management, fuels reduction, and Firewise/naturescaping principles. We are finalizing the new Watershed Stewardship Agreement and we expect to start enrolling landowners in Q3 and reporting on metrics in Q4. – see Goal 4a.

Water Treatment Effectiveness

OVERALL STATUS: **ON TARGET**

Water Treatment

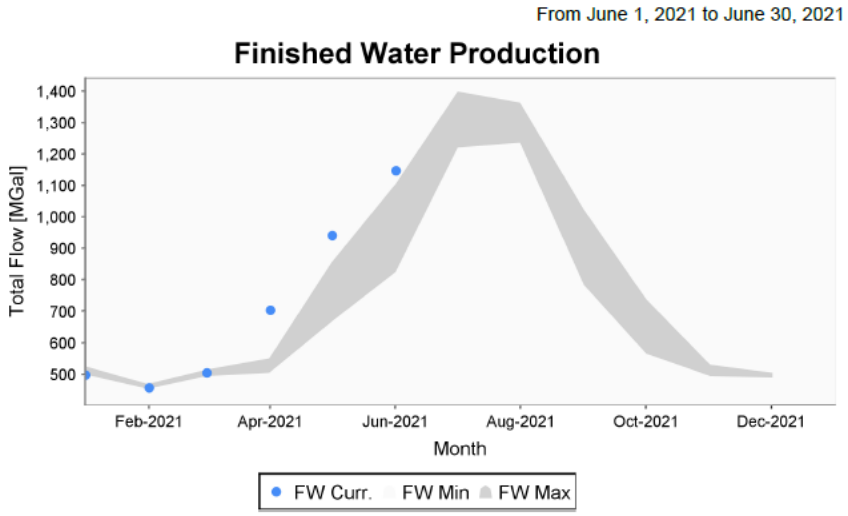
McKenzie River water is treated to drinking water standards using conventional treatment trains that include redundancy to protect from treatment failures. The treatment process is closely monitored and constantly adjusted to ensure production of safe drinking water prior to delivery to customers.

Q2 Project Updates

Granular Activated Carbon (GAC) was used in our pilot testing partnership with the University of Toronto beginning in Q2. The GAC is a third filter media referred to as a filter cap. Testing indicates stratification during backwash was acceptable and the process is viable. With this early success the group immediately moved forward with algae toxin testing to estimate removal by using a surrogate dye. Initial testing indicates the GAC can provide an added barrier to Cylindrospermopsin which is a toxin commonly found in our watershed. Early results show a 35% removal efficiency can be attained. Additional benefits that are seen in test results are decreased chlorine demand, decreased disinfection byproducts, and increased organics removal. Testing for other common toxins will resume in Q3.

Production

Production levels for the second quarter were above the five-year maximum with the highest production recorded for the month of April. Increased organics load from fire impacts as well as diatom growth in the early warm water season has increased chemical usage and sludge waste. In response to the increased load, operations has amended the sludge hauling and excavation contract and engaged in a continuous improvement effort to reduce residuals.



Delivery/System Reliability

OVERALL STATUS: **ON TARGET**

There were no significant outages or EWEB caused boil notices during Q2.

Reliability Metrics		Unit	AWWA Median Benchmark*	EWEB 2-Year Average	YTD Results	On Target?
Water Operations: System Integrity	Leaks and Breaks per 100 Miles of Pipe	#	9.6	11.1	3.6	
Customer Relations: Water Service Disruptions	Minimize Frequency of Unplanned Outages	#	61.1	101	35	
	Average Duration of Unplanned Outages	Minutes	222	118.5	118	
	Percentage of Customers who Experience a Planned or Unplanned Water Outage	%	N/A	3.91%	0.64%	

Water Operations: Regulatory Compliance	Boil Water Notices caused by EWEB	# of Notices	N/A	1.5	1	

* AWWA Median Benchmark from 2019 data.

Preventative Operations & Maintenance

OVERALL STATUS: **BELOW TARGET**

Exercising valves is important preventative maintenance because easily identifiable and properly functioning valves can help reduce the size and duration of outages. Due to higher priority work, very little valve exercising has taken place in 2020 and 2021. Exercising distribution system valves (2-12") is currently below target but the crews are actively working on them. All critical distribution valves (16-20") have been inspected and operated for the year. Arterial transmission valves (30"+) are currently ahead of schedule, while system pressure separation valves, along with reservoir and pump station valves, are currently right on schedule. Residential backflow testing is critical to ensuring backflow devices properly protect our system from contamination. Testing increased in Q2 as irrigation season began.

Reliability Metrics		Unit	Goal	EWEB 2-Year Average	YTD Results	On Target?
Customer Relations: Water Service Disruptions	Exercise distribution system valves (2-12")	18,522	20% Annually	650	284	
	Exercise critical distribution valves (16-20")	292	Annually	163	292	
	Exercise arterial transmission valves (30"+)	43	Annually	9.5	33	
	Exercise system pressure separation valves	84	Semi-annually	42	84	
	Exercise reservoir and pump station valves	339	Semi-annually	127.1	339	
Water Operations: Regulatory Compliance	Testing compliance on residential backflow devices	%	95%	93.3%	70%	

Drinking Water Quality & Complaints

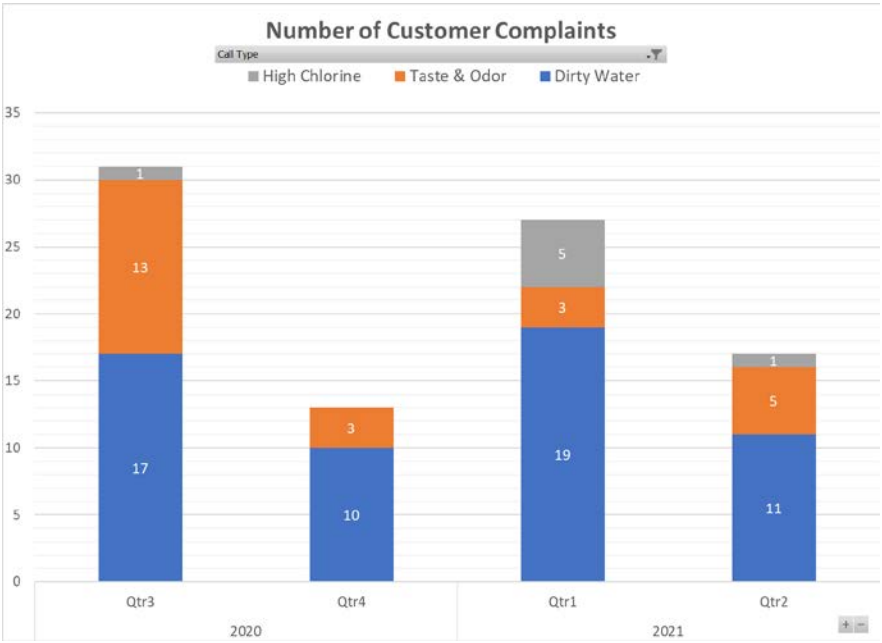
OVERALL STATUS: **ON TARGET**

From the Holiday Farm Fire, total metals remained relatively low across tributaries for Q2. For nutrients, we did see a slight temporary increase in nitrate levels in several tributaries while mainstem concentrations remain low. Our treatment plant has been able to reduce nutrient levels in the finished drinking water and maintain compliance with all state and federal requirements for public health.

We initiated the triennial Lead and Copper monitoring during Q2, and it will be finalized during Q3. 50 samples are collected from kitchen or bathroom faucets in Eugene's highest risk homes containing copper pipe with a lead solder that were installed prior to the federal lead ban. We currently have 46 sample results reported by the laboratory and all results are within EPA and OHA requirements.

For more information on the water quality impacts from the Holiday Farm Fire and on finished drinking water quality generally, including the 2020 Water Quality Report published in May, visit our WATER QUALITY REPORTS website.

Safe Drinking Water Act	
Quarter	In Compliance?
Q2	



Emergency Preparedness Activities

OVERALL STATUS: **BELOW TARGET**

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. Our enhanced Emergency Response Plan is in the final review stage and will be followed by plan testing and training. The COVID 19 Pandemic has hampered our ability to conduct the multi-agency intertie drill and emergency well drills, which are now scheduled for Q3 & Q4. The McKenzie Watershed Spill Drill normally takes place in Q3 and is on track.

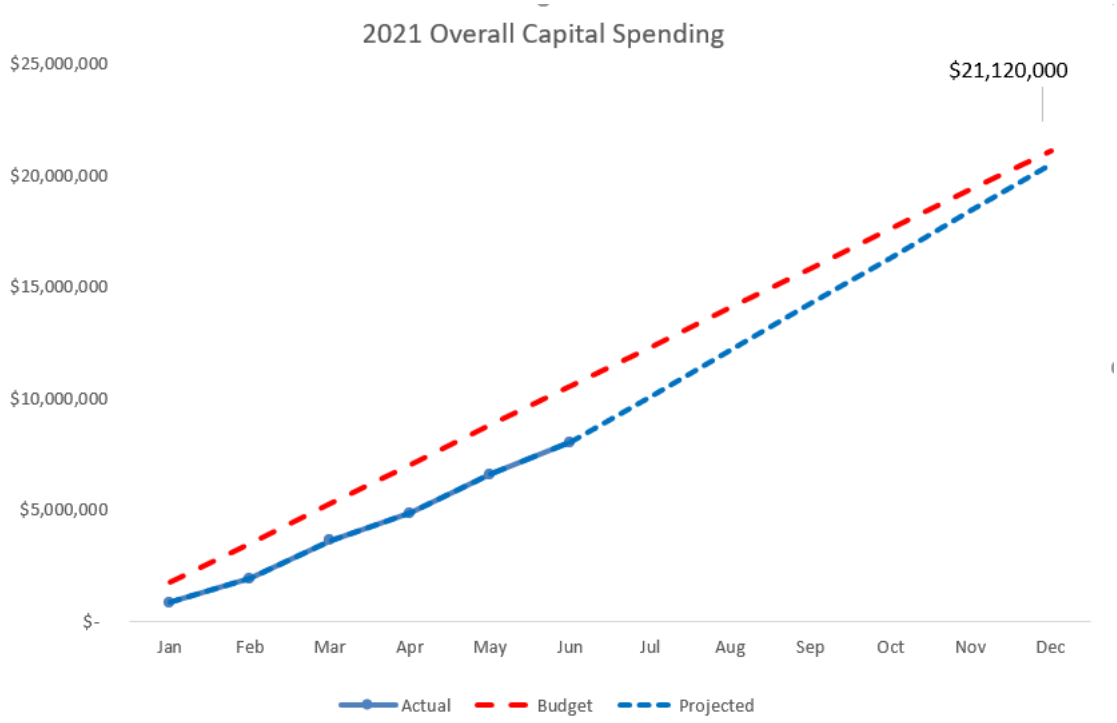
Metric	2021 Goal	YTD Status	On Target?
Finalize Enhanced Emergency Response Plan	Q2	In Process	
McKenzie Watershed Spill Drill	Annual	Incomplete (Q3)	
Emergency Well Drill (2 sites)	Annual	Incomplete (Q4)	
Exercise Emergency Intertie (EWEB, SUB, Rainbow)	Annual	Incomplete (Q3)	
Emergency Water Treatment Trailer Exercise	Quarterly	Completed Q1	
Emergency Water Distribution Trailer Exercise	Semi-Annual	Completed Q1	
Emergency Response Plan Testing & Exercise	Annual	Incomplete (Q3)	

SEE APPENDIX E – CAPITAL SPENDING SUMMARY - Refer also to Emergency Water Supply in the Water Utility Capital Spending Summary and Project Updates.

CAPITAL INVESTMENTS & PROJECTS

Water Utility Capital Spending Summary & Project Updates

Overall, water capital expenditures are projected to match budget in 2021. Bids received later this year on the E. 40th Reservoir project and the timing of construction could affect this projection. The Q3 quarterly report will reflect this.



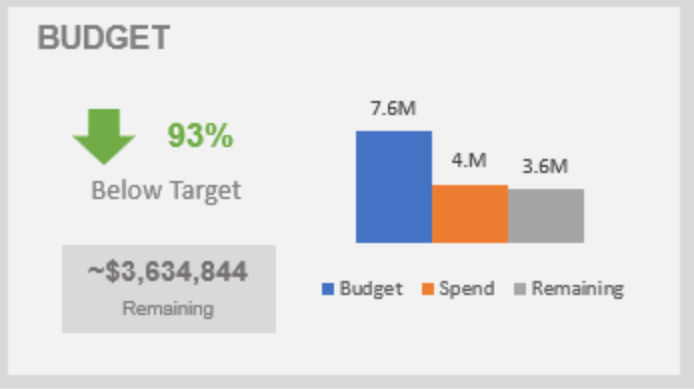
SEE APPENDIX D – WATER UTILITY EL-1 CAPITAL REPORT - Shared Services project updates are provided within the Electric Utility Capital section, but the project budget and costs are split between Electric and Water in the appendices.

TYPE 1 – General Capital Projects (Water)

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

OVERALL STATUS: **BELOW TARGET**

Water Type 1 capital expenditures are projected to be slightly below budget driven largely by an underspend in pump station work due to project delays and in main replacements/improvements. The main replacement work is our largest Type 1 area of work and is one we will be paying close attention to in the next several quarters due to possible supply chain impacts. Delays in material procurement could delay several of our large, planned projects. Service work expenditures are anticipated to be slightly above budget.

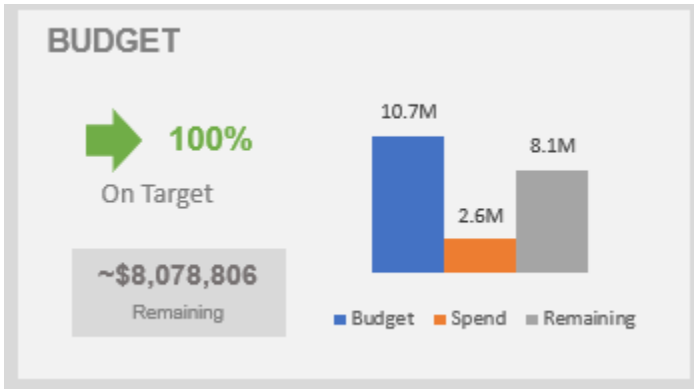


TYPE 2 – Rehabilitation & Expansion (Water and Shared Services)

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

OVERALL STATUS: **ON TARGET**

Although water Type 2 Capital Expenditures are projected to match budget, there are several large changes. In 2021 water is constructing the second phase of a large transmission main project extending from the EWEB headquarters site across University of Oregon property. This was originally planned for construction in 2022 however it was brought forward a year to coordinate its construction with a City bike path improvement in the same area. The overage caused by this is offset by a change in the timing of construction expenditures of the E. 40th Reservoir Project. The total Type 2 projected expenditures could be affected by the bids received and the timing of the earthwork for the E. 40th Reservoir project.

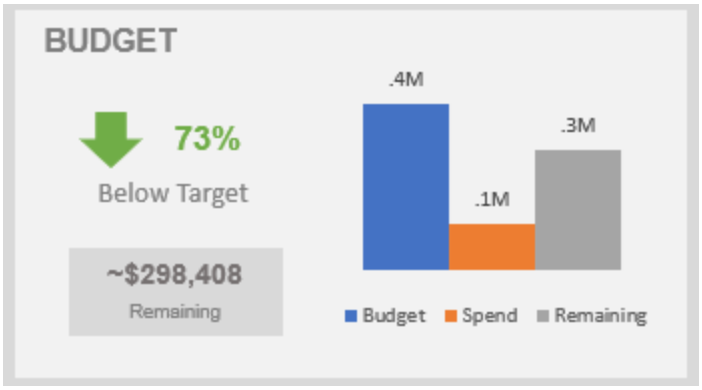


TYPE 3 STRATEGIC - Emergency Water Supply

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

OVERALL STATUS: **BELOW TARGET**

2021 water capital work in this area is focused on continued efforts to construct emergency water distribution sites. This year, this effort will largely be focused on the South Eugene site. Expenditures are anticipated to be below budget.


BUDGET
73%
Below Target
~$298,408
Remaining
.4M
.1M
.3M
Budget
Spend
Remaining

Workforce Report

OVERALL STATUS: **ON TARGET**

Lena Kostopulos

Status Summary

Workforce Services Operations

Workforce Services programs are performing as expected and meeting established targets.

Mid-year information pertaining health and other insurance plan utilization rates does not indicate any reason to anticipate premium rate increases outside those which are standard for administrative costs. Worker's Compensation experience remains within 3-year averages, also suggesting no significant premium increase.

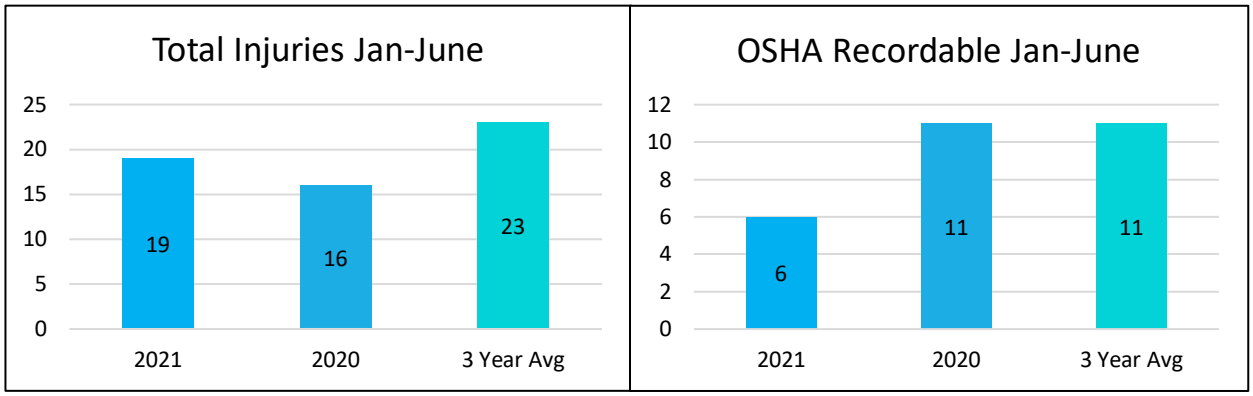
The Mobile Work Initiative is underway to implement some full-time and hybrid telecommuting schedules on an on-going basis. Leaders recognize mobile work as a lasting change in the employment landscape and as a means to improve operations through efficiencies, and to enable broader and more diverse candidate pools for EWEB positions. Greater workforce flexibility will also be an important aspect of ensuring EWEB remains an attractive regional employer.

HEALTH & SAFETY

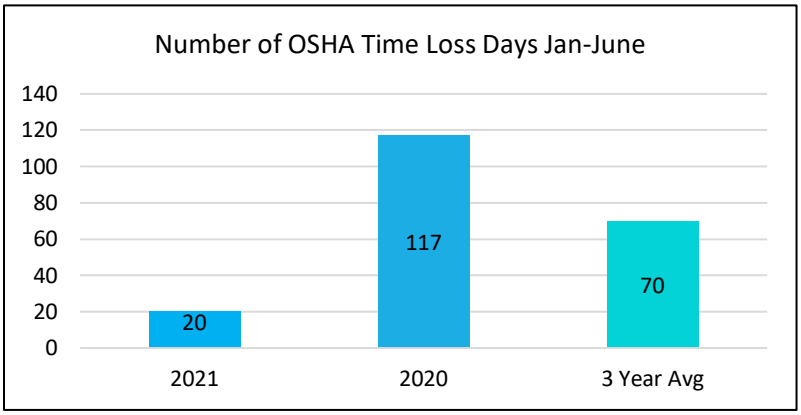
EWEB received two safety awards, first place in the AWWA and second place in the NWPPA Annual contests.

Over 50% of EWEB employees have self-reported as fully vaccinated against Covid-19.

Injury Reporting



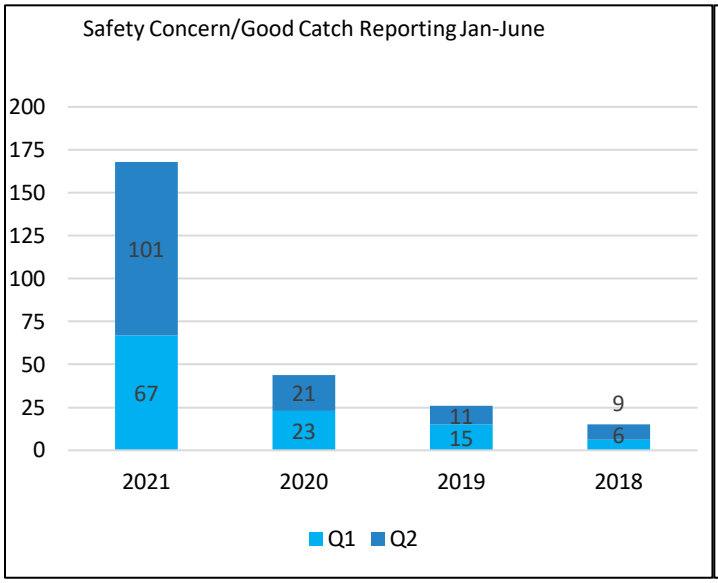
*OSHA Recordable Injury: Death, any injury resulting in days away from work "OSHA time loss days," any injury resulting in restricted duty or job transfer, or any injury requiring medical treatment beyond first aid.

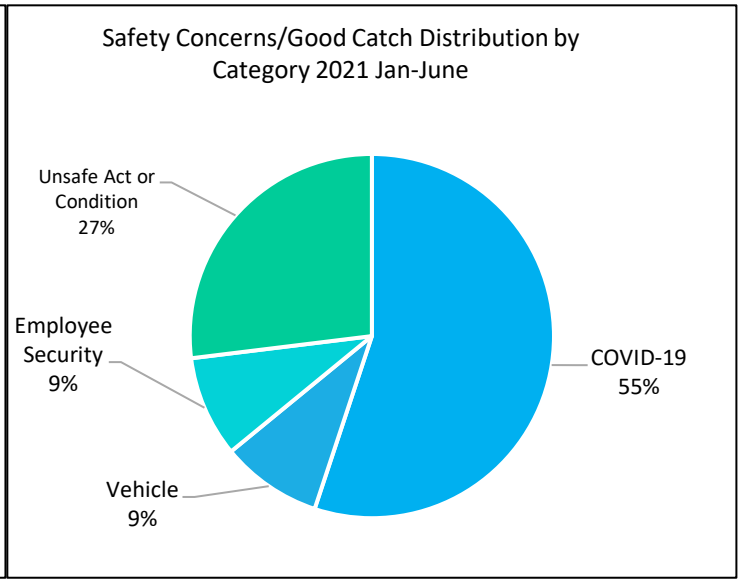


* OSHA Time Loss Days: Number of full days of work missed because of a recordable injury or illness.

Safety Concerns/Good Catch Reporting

Good catch reporting continues to improve; Safety concerns continue to be largely Covid-driven.





WORKFORCE MANAGEMENT

Workforce Resiliency

Capacity and resiliency studies continue in each division, with some groups having completed initial analysis and planning, and beginning execution. For example, Generation is implementing plans to ensure staffing resources align with the requirements of emerging work on Carmen-Smith, Leaburg/Walterville and canal projects.

Filling electric and generation skilled craft, and other utility-specific engineering and technical jobs remains a challenge. The available pool of workers in these occupational categories is shrinking. Examples of efforts to reach and hire qualified candidates include contracting with utility-specific hiring agencies, expansion and continuing evaluation of advertising outlets, recrafted posting language emphasizing positive features of EWEB employment, offering “signing incentives,” and revisiting relocation assistance practices.

The number of out-of-area candidates continues to diminish, presumably due to the high cost and limited availability of both purchased and rental housing. The adoption of a mobile workforce philosophy may be helpful in overcoming this obstacle for some occupations, but telecommuting strategies will not affect fieldwork and other jobs which cannot operate remotely.

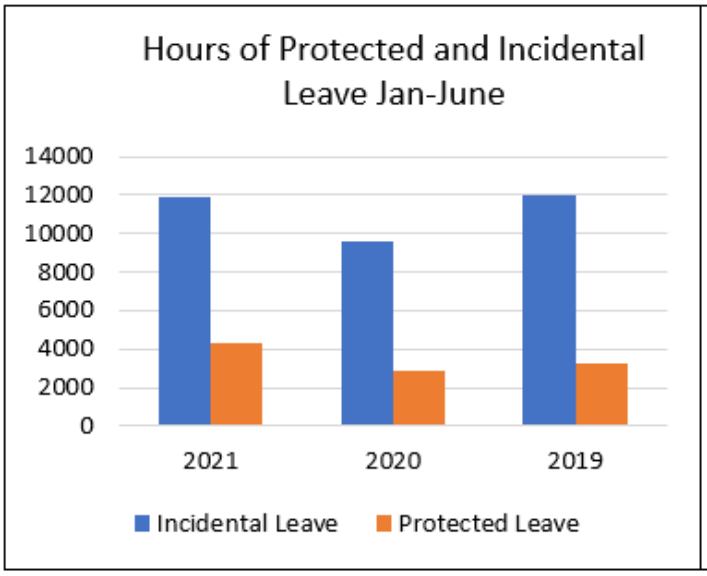
EWEB continues to build internal candidate pools through BOLI-endorsed apprenticeships, other internal training programs, and career progression strategies. While these are good long-term approaches, they can take years to complete. For example, craft apprenticeships take approximately 4 years.

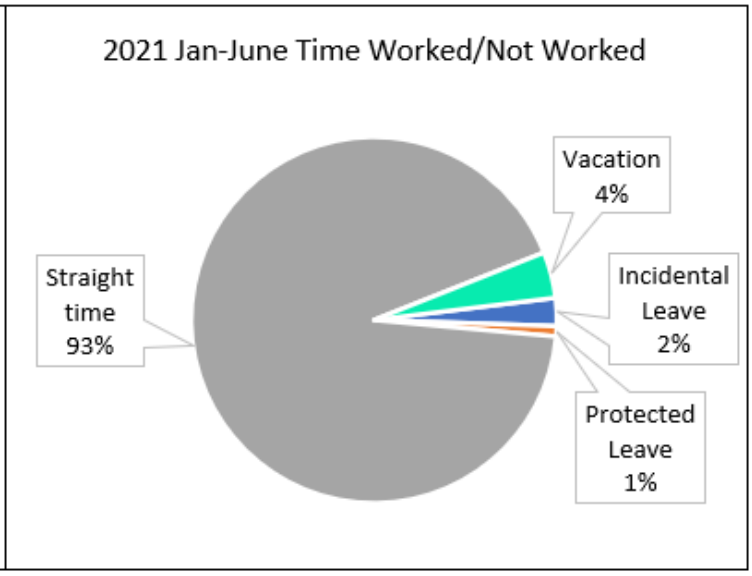
Specifically, regarding electric craft workers, regional utilities have dramatically increased wages, making competition for an already limited pool of workers even tighter. A study of wages among comparators revealed that EWEB electric craft wages have fallen notably below the average for the region. This is a big concern since EWEB's union agreement will not be renegotiated until late 2022 for a 2023 renewal. If left unaddressed, the gap between EWEB wages and those of other regional employers would continue to grow. To that end, EWEB Management proposed a mid-term increase of 3% for electric job classifications only, to which IBEW leadership agreed. Other non-electric IBEW-represented jobs are excluded, as wages for those jobs presently meet or exceed their comparator averages.

Capacity & Resiliency Indicators/Disruption Risk

Protected leave usage and incidental absence rates are lower than in 2020 but nearly identical to 2019 pre-Covid levels for the same period. This may be due to increasing opportunities to see medical providers and to undergo medical procedures which were suspended during pandemic-related closures. More post-Covid experience is required to establish a trend or to draw more precise conclusions.

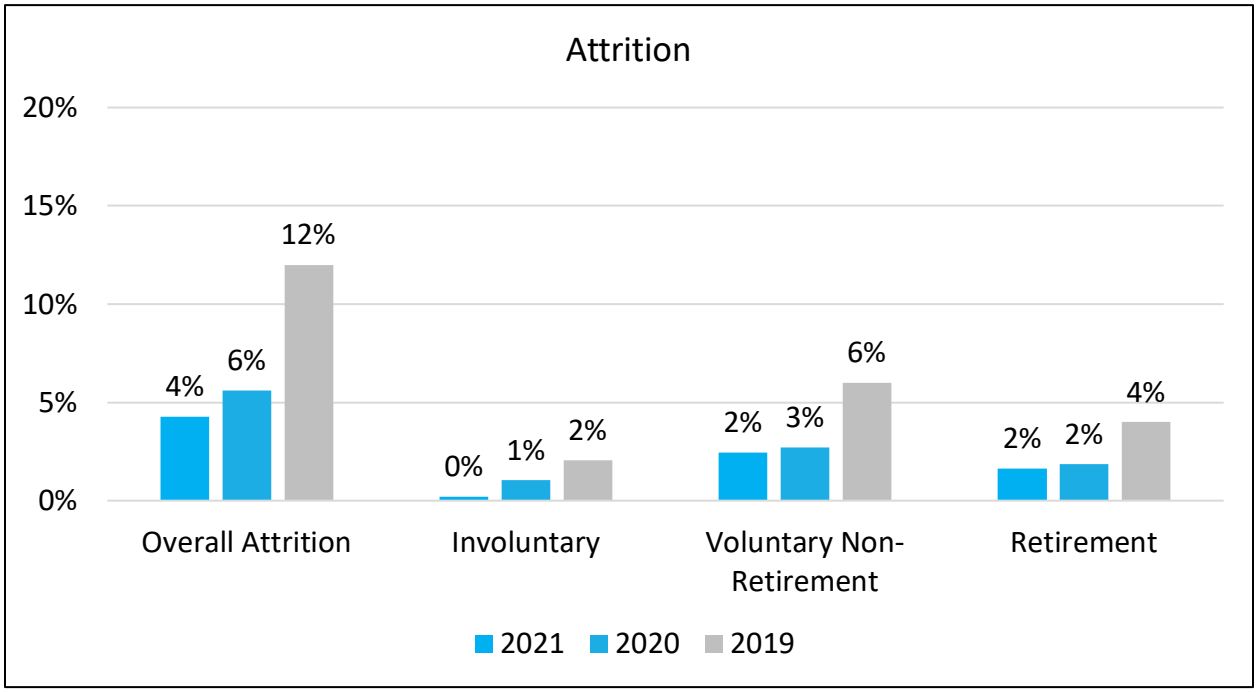
Absence due to leave utilization, including vacation and comp time, represents only a fraction of available work time and therefore, does not indicate much disruption risk.





While nearly 20% of EWEB's workforce meets minimum retirement-eligibility thresholds, the number of probable retirements, 29, represents just over 5%. Probable retirements are considered those which are likely within 2 years, generally providing ample time for proper succession planning, knowledge transfer, or the repurposing of roles.

Attrition rates remain low across all categories, again not representing a disruption risk.



Shared & Strategic Operational Updates

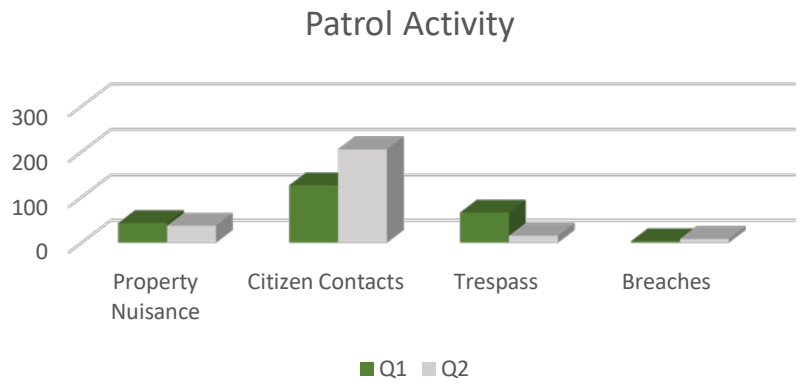
PHYSICAL SECURITY

OVERALL STATUS: ON TARGET

Nate Wahto

With the decrease of civil unrest in the area, the patrol team was able to shift focus to providing more proactive patrols of EWEB sites. With that, total field contacts rose to 205. An increase of 62% over Q1. This is likely due to a combination of warmer temperatures and the increase in movement from the unhoused population.

Reportable property nuisances due to politically motivated graffiti or other issues have decreased from 43 in Q1, to 37 in Q2. However, breaches into secure areas increased to 8, a record high for the Utility in that time span. One of note was at Adams substation where an individual cut through the chain link fencing on the north side and gained access to the substation yard.



Calls for service, or patrol responses, were also at an all-time high with more than 130. These requests include escorting employees or contractors due to unsafe conditions, investigating reports of suspicious or criminal activity, and other requests. External political, economic, and other societal factors increase these responses.

For Security Systems, 12 new cameras are now operational. Most notably, several cameras have been added at Water Distribution sites that enable duty operators to remotely view and investigate concerns that could impact critical assets. Additional cameras plan to be added at remote sites to enhance EWEB's ability to monitor critical infrastructure.

CYBER SECURITY

OVERALL STATUS: ON TARGET

Rod Price/Ed Penn

The Cyber Security Department Updated Mission & Vision

Mission: *Managing cybersecurity risks that could adversely affect the sensitive data entrusted to us by our customer-owners and those that impact the ability to deliver water and electricity safely and reliably.*

Vision: *To be a trusted counselor that ensures the Utility meets the cyber security standards and behaviors necessary to securely deliver water and electricity.*

ISMS Status

The table below contains a high-level overview of the status of the Information Management System (ISMS) Programs. "Complexity" refers to the difficulty to implement and document, which also includes the degree to which it is outside the control of cyber. "Functionality" expresses the degree to which the program is working, regardless of how well it is documented, and is based on our current understanding of the environment and EWEB's processes. "Current step" refers to the where the program is in terms of the work that Cyber is doing on the ISMS itself, and ranges from analysis, documentation, implementation, through maturing.

Status of the ISMS Programs

Program	Complexity	Functionality	Current step
Asset Management	High	Functional	Analysis
Cyber Security Operations	Low	Functional	Maturing
Data Protection	Moderate	Needs Work	Documentation
Disaster Recovery and Business Continuity	High	unknown	Analysis
Communication and Operations	Moderate	Functional	Analysis
Employee Security	Moderate	Functional	Analysis
Identity and Access Management	Moderate	Functional	Documentation
Incident Response	Moderate	Functional	Implementation
Security Awareness	Low	Functional	Maturing
Third Party Vendor Risk Management-Supply Chain Risk Management	Low	Documented	Implementation
Threat and Vulnerability Management	Moderate	Functional	Maturing

ESA Updates

To better understand the security needs of the Utility, Cyber, Physical Security, and Enterprise Risk performed a combined Enterprise Security Assessment in 2020, focused on the ROC. This assessment resulted in several recommendations, which both Cyber and Physical Security are working with our partners on this year. The Enterprise Security Assessment was a significant step toward fulfilling our vision of becoming a trusted counselor to the Utility.

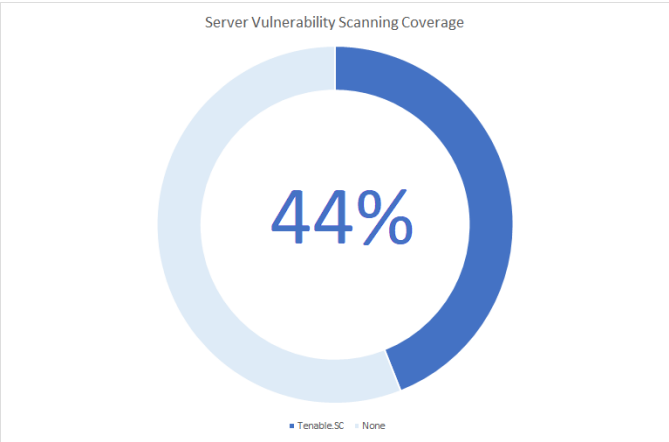
Status of the Cyber Recommendations

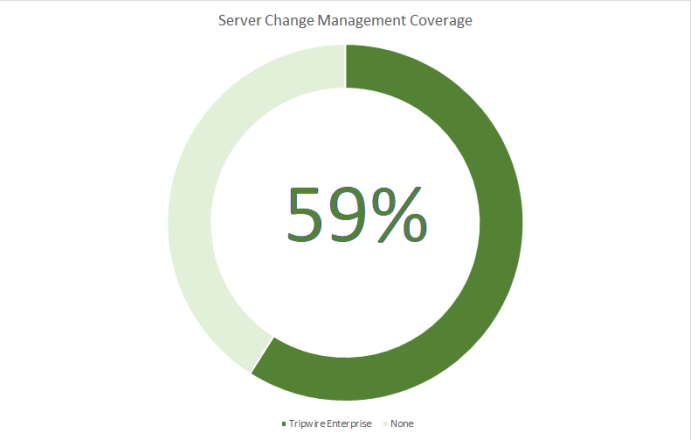
Recommendation	Complexity	Effort	Status
Retain IR Vendor	Low	Moderate	On Track
Organizational Cyber IR Team	Moderate	Low	Complete
Multifactor Authentication (MFA) Implementation Expansion	Moderate	Moderate	On Track
Role Based Access Control Implementation	High	High	On Track
SIEM Completed	Low	Moderate	On Track
Maturing Security Assessments	Low	Moderate	On Track
Improved Endpoint Detection	Moderate	Moderate	On Track
Baseline Security Improvements	Moderate	High	Delayed
Improved Security Awareness	Low	High	On Track
Modernize Critical Software	High	High	TBD

Threat and Vulnerability Program Status

We are currently building out our visibility and response tools with a goal of covering all critical assets within one year. We use Tenable.SC as our Vulnerability management tool. Approximately **44%** of our Windows servers are scanned by this tool. We leverage Tripwire Enterprise to monitor changes in our environment and to look for signs of intrusion by an

attacker. Around **60%** of our Windows server are monitored by Tripwire Enterprise. Coverage from our Vulnerability management tool and Change Monitoring tools is shown below.

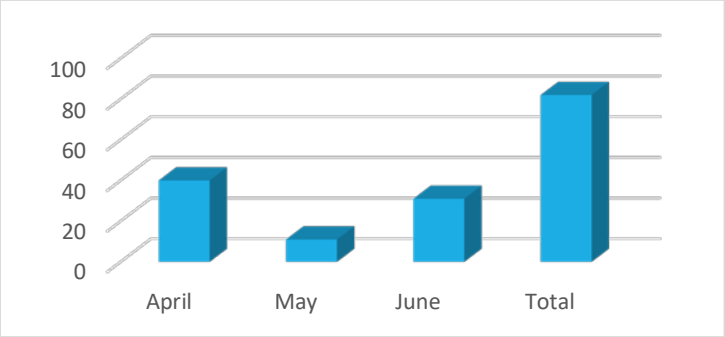




Cyber Security Awareness Training

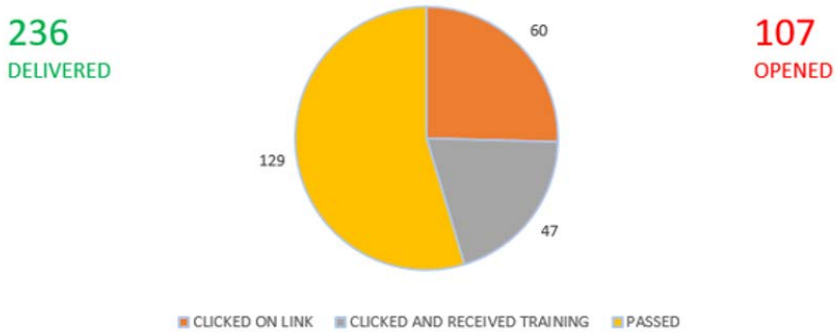
We regularly reinforce email security best practices for employees as we interact with people on phishing samples that they send in.

Phishing emails forwarded to the Cyber Security Department



We do quarterly simulated phishing attacks on EWEB employees. This helps minimize the threat of phishing attacks at EWEB by sharpening the cyber skills of all employees.

Results of Q2 2021 Simulated Phishing Campaign



Dam Safety

OVERALL STATUS: **BELOW TARGET**

Lisa Krentz

Item of Note

Trail Bridge Reservoir Sinkholes

Two sinkholes were discovered in Trail Bridge Reservoir as part of routine monitoring efforts. EWEB staff are working diligently to manage the safety risk to the public downstream of the dam while actively investigating sinkhole conditions and cause and are working closely with the Dam Safety Division of the Federal Energy Regulatory Commission and expert consults to address the issue and develop a risk mitigation plan.

We have implemented several risk-reduction measures to date, including voluntarily lowering the Trail Bridge Reservoir level approximately 7 feet below normal operation elevation on June 21, increasing monitoring and surveillance at the dam and downstream, and ensuring effective notification and communication with Emergency Action Plan (EAP) partners. EWEB met with EAP partners on July 15 to discuss the findings and risk management for public safety and the environment moving forward.

Engineering investigations are underway to better understand historical construction conditions, evaluate monitoring data and the potential failure modes, and identify risks and investigation methods.

Additional Dam Safety Program

Key Performance Areas	Status and Progress
Implement Owner's Dam Safety Program (ODSP) elements in the Board Policy	• 5 areas are successfully executed. 4 in progress. • Staff have prioritizing engineering issues at Trail Bridge Reservoir and Walterville Canal.
FERC dam safety regulatory compliance	• 20 technical submittals were e-filed with FERC for the quarter.
Dam Safety Surveillance and Monitoring (DSSM)	• Specially focused DSSM procedures were set up for Trail Bridge sinkholes and Walterville forebay embankment.
Dam safety assessment, evaluation, and improvement activities	Major updates: • Staff actively evaluating and investigating Trail Bridge sinkholes. • Staff continues work on major projects that impact dams and require extensive FERC reviews: o Carmen Diversion flow release structures o Smith reservoir flood mitigation and flow release control structures o Trail Bridge fish up/downstream passage improvements o Leaburg Canal semi qualitative risk assessment • Consultant for Walterville Canal safety evaluations is on board now. Work will begin this month. • Retaining a Board of Consultants for the Smith Dam mitigation project required by FERC.

NERC Compliance

OVERALL STATUS: **ON TARGET**

Tyler Nice

During the second quarter, the following compliance violations were self-reported, or outstanding.

- PRC-025 - The relay settings deployed in November 2019 for the Carmen Substation and Generator protection did not meet standard requirements. Two relay settings, the Unit voltage-controlled phase time overcurrent (51V-C) and 115kV Line phase distance (21) protection settings did not meet the requirements of PRC-025. The new relay settings were developed using calculations that were assumed to meet the requirements of PRC-025 and were put into service before formal verification of PRC-025 compliance was performed. EWEB has mitigated this violation and will submit full documentation along with preventative measures by July 22, 2021.

- PRC-019 - EWEB did not perform coordination as required by PRC-019 R2 for Carmen Units 1 & 2 within the 90-day timeframe required under the standard when protection system components and the generator step-up transformers associated with these Units changed. EWEB has mitigated this violation and will submit full documentation along with preventative measures by July 22, 2021.

FERC Compliance

OVERALL STATUS: **ON TARGET**

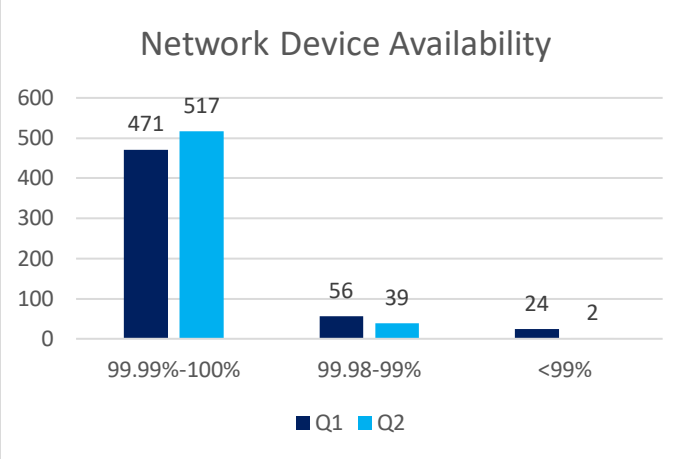
Lisa Krentz

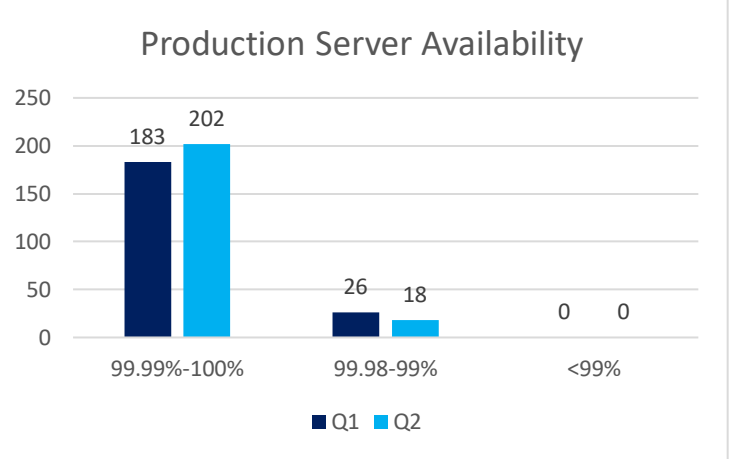
The Federal Energy Regulatory Commission (FERC) did not issue any violations of EWEB's FERC licenses during Q2.

INFORMATION SERVICES OPERATIONS

OVERALL STATUS: **ON TARGET**

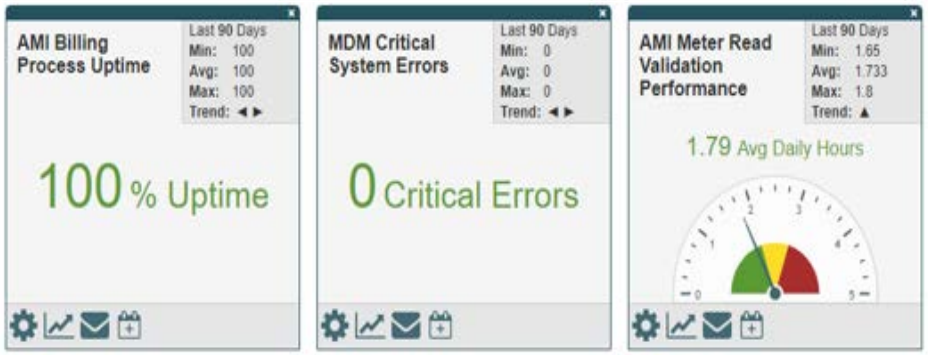
Daniele McCallum / Bruce Debysingh





MDM Performance Metric

MDM Q2 Benchmark KPIs



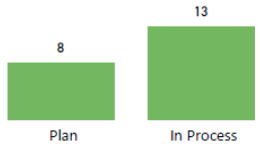
MDM Critical system errors is a sum, *AMI Billing Process Uptime* is a proportion, and *AMI Read Validation Performance* is an average. All KPIs within vendor recommendations

Q2 Incident Management

Severity Level	Date	Status	Service Affected	Customers Affected	Est. Uses Impacted	Impact Category	Resolve Time (Hours)
Major	14-Apr	Resolved	Okta / O365	All EWEB (Internal)	500	Change	1
Major	6-May	Resolved	CIS & CSS Portal (QUA)	EWEB Customers (External)	1100	Change	1.5
Major	11-May	Resolved	Outlook	All EWEB (Internal)	500	Vendor Incident	36
Critical	21-May	Resolved	RNI- AMI	AMS, Meter Shop, Dispatch, Electric, Water	30-50	Vendor Incident	3
Major	31-May	Resolved	GIS - Designer	Distribution Engineering	20	Change	24
Major	31-May	Resolved	GIS - Designer, ArcFM	Distribution Engineering, CAD & Mapping (mappers)	25	Change	24
Major	11-Jun	Resolved	Teams	All EWEB (Internal)	500	Vendor Incident	24
Minor	16-Jun	Resolved	Phone System	All EWEB (Internal)	500	Vendor Incident	7

IS Project Status Report

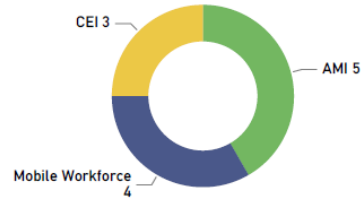
Active Programs - Projects



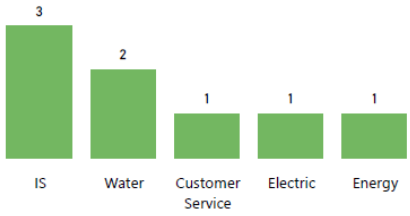
Programs / Projects - In Process

AMI
MDM - Biztalk Upgrade
MDM - Rules Engine & VEE Configuration & Scheduling
MDM Upgrade - DB Migration from 12 to 19c EE
MDM Upgrade - New Platform/Servers
MDM Upgrade - SmartWorks v5
CEI
Bill Print & Redesign-Utilitec
Customer Self-Service Portal-Milestone Utilities
Electronic Bill Payment & Presentment-Paymentus and Elavon
Mobile Workforce
Conference Room Enhancement for Remote Access
MFA Mass Deployment
Microsoft 365 Optimization
Mobile Device Management and Azure Integration
Sharepoint On-Prem migrate to Sharepoint Online
Project
Allegro Upgrade (Power)
Backflow Upgrade/Update
Energy Insite Replacement
Firewall upgrade
ION Server Replacement
Move out of HQ, making Hayden Bridge the DR site
SQL upgrade Phase II (2012 to 2019+)
Water SCADA upgrade / Network DMZ Redesign

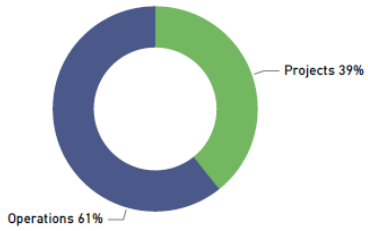
Active Programs



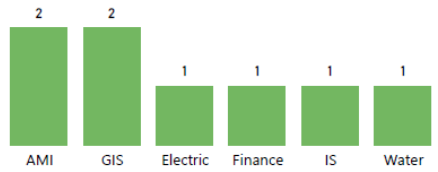
Division - Active Projects



YTD % of Resource time

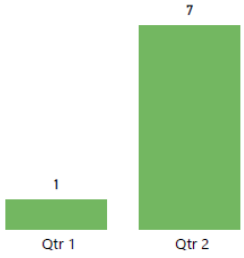


Division - Closed Projects



Projects - Closed	Qtr.
Golden Gate Upgrade	1
GIS Desktop ESRI 10.6 Upgrade	2
GIS Server Optimization	2
MCHG order Close out Development for Mass Rollout	2
Pumpstation Network Installs	2
RFgen Barcoding (WAM)	2
UPA File Processing (Mass Rollout)	2
WAN Upgrade (Substations)	2

Projects Closed - Quarter



LEGISLATIVE UPDATES

OVERALL STATUS: **ON TARGET**

Anne Kah/Jason Heuser

At the August 3, 2021, Regular Board Meeting, Government Affairs Manager, Jason Heuser will present the State Legislative Session Update to Commissioners, including the following:

State:

- 100 Percent Clean Energy Standard: The 2021 Oregon Legislature passed legislation that requires Oregon's largest investor-owned utilities to reduce greenhouse gas emissions by 100 percent below baseline levels by 2040. Interim goals are 80 percent emissions reduction by 2030 and 90 percent reduction by 2035. Consumer-Owned Utilities (COUs), including EWEB, are not subject to the standard but will continue to adhere to the standards for COUs in the existing Renewable Portfolio Standard. Utilities will be allowed temporary exemptions from emission reduction targets if compliance with the policy violates a cost cap or undermines the reliability of the electric grid. the Oregon Energy Facilities Siting Council would be prohibited from allowing new or expanded natural gas power plants.

- McKenzie Watershed Recovery Investment: The legislature allocated funds for Post-Fire McKenzie Watershed Recovery including: 1) A $4 million grant to EWEB for riparian/floodplain acquisition and restoration; 2) $325,000 for the Finn Rock Reach restoration project; and $15 million for water and wastewater infrastructure, including septic system repair/replacement and a community wastewater project at Blue River.

- Utility Wildfire Mitigation Plans: legislation was approved requiring that IOU plans will be submitted by December 31st, 2021 and approved by the Oregon Public Utilities Commission. COU plans must be completed by June 30th, 2022 and submitted to the PUC (to be compiled only for statewide planning purposes), but COU plans will be approved by their governing bodies (i.e., EWEB Commissioners).

LEGAL MATTERS

Deborah Hart/Sarah Creighton

- Central Lincoln PUD v. Oregon Department of Energy et al.: EWEB has joined with other utilities, including cooperatives and people's utility districts, to challenge aspects of the Energy Supplier Assessments (ESA) imposed by the Oregon Department of Energy (ODOE). ODOE appealed the trial court's decision favoring the plaintiffs. The Court of Appeals issued their written decision on October 7, 2020, substantially ruling against the Petitioners, reversing refunds of past assessments, and remanding the case for further action by the trial court. However, the ruling in the lower court that the ESA is a tax was upheld, as a result future ESA increases must be approved by the legislature -- by a 3/5ths majority in both the House and the Senate. This higher threshold for the approval of any future ESA rate increase may result containing future growth of the ESA. The matter is pending reactivation at the Marion County Circuit Court.

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

for discovery and trial will be dependent upon the timing and scope of the court's decisions on the pending motions.

- Jody Anderson, et. al. v. Eugene Water & Electric Board and Lane Electric Cooperative, Inc.: Complaint was filed in Lane County Circuit Court on April 16, 2021 (amended May 17, 2021) by 175 plaintiffs claiming damages alleged on theories of statutory wildfire liability, negligence, gross negligence, trespass, nuisance, and inverse condemnation arising from the Holiday Farm Fire which began on September 7, 2020. Pre-trial discovery has yet to commence, pending the filing and resolution of motions contesting the legal sufficiency of the allegations in the amended complaint.

- Karen Anderson, Devine Restorations Investment Trust, et al. v. Lane Electric Cooperative, Inc., and Eugene Water & Electric Board: On May 24, 2021, Complaint was filed by 76 plaintiffs claiming damages on theories of wildfire liability, negligence, trespass, and nuisance arising from the Holiday Farm Fire. As on July 19, 2021, EWEB has yet to be formally served with a Summons and Complaint.

PURCHASING – SUPPLY CHAIN

Deborah Hart/Sarah Gorsegner

What is going well

EWEB has a well-stocked inventory for the majority of routinely used materials required to provide water and electric service including poles, pipe, transformers, conductor, and repair materials for both the electric and water materials.

Where we are challenged

For materials that have raw materials in limited supply EWEB is experiencing long lead times, high prices, and in some cases limited availability. Price escalation for some materials has significantly exceeded the inflationary rates of 2-4% we have experienced over the past 10 years. Net impacts are $150,000, minimal impact to budget, with more significant concern of material availability for projects.

2021 Price Escalation

Tree Trimming-9% Price Escalation

Ductile Iron Fittings-27-60% Price Escalation

Brass Fittings-10-15% Price Escalation

Submersible Transformers-45% Price Escalation

Budget impacts from the increased pricing is estimated at $150,000, with around $120,000 due to tree trimming labor increases.

Some materials have a pause in availability or very long lead times. Purchasing is working with project teams and contractors to consider alternative options and to place orders early. Some work has been impacted by limited availability, primarily Water Construction and AMI Electric Smart Meter Deployment projects.

GOAL 2 – ADVANCED METERING

Goal #2 – Effectively execute and operationalize a multi-divisional information system program by successfully scaling-up advanced metering for revenue management purposes.

OVERALL STATUS: **BELOW TARGET**

Rod Price

Status Summary

Water meter deployment is on track to complete installations the end of 2023. Electric meter installations are planned for completion in early 2022. Recent supply chain issues are impacting the schedule but may not change the early 2022 target.

Successful meter reads remain consistently within targets at 98-99% for the last six months indicating overall health of systems from meter to billing.

Item of Interest

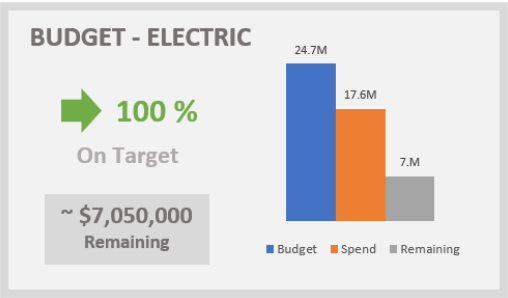
Facilities

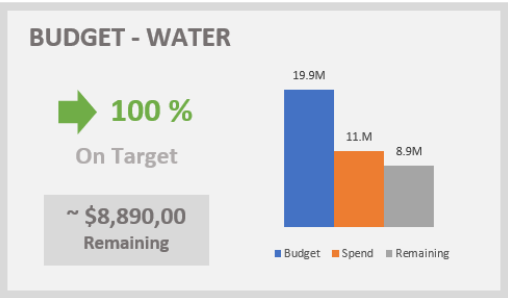
In the latter half of 2019 the AMI Program team began work on the AMI Facilities upgrades. The scope of the work included system hardware for new and existing facilities, three upgraded poles and four completely new facilities. As of 7/9/2021 all sites are completed with some tuning still in process.

Supply Chain Issues

On 6/30/2021 Sensus informed EWEB that they will not be able to supply 2S residential meters for the months of August and September. UPA is reducing their deployment to 50% as of 7/19/2021 in order to retain staff. We anticipate 2S meter deliveries to resume in October. The potential impact to the overall schedule may push the UPA completion by six weeks.

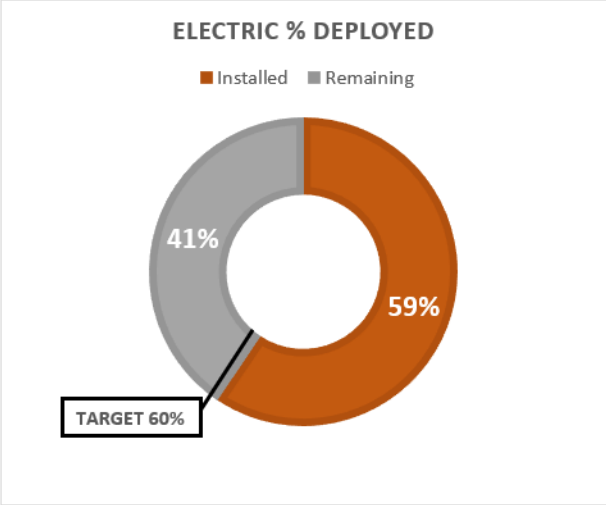
BUDGET



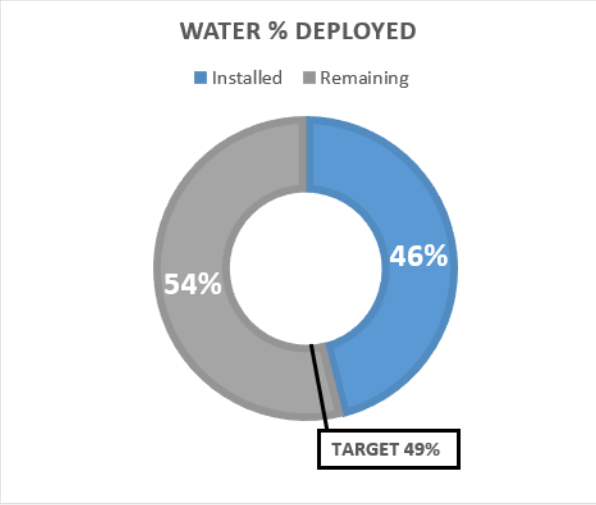


SEE APPENDIX C – ELECTRIC UTILITY EL-1 CAPITAL REPORT - Shared Services project updates are provided in the Advanced Metering Report, but the project budget and costs are split between Electric and Water in the appendices.

METER INSTALLATIONS (as of 6/30/2021)

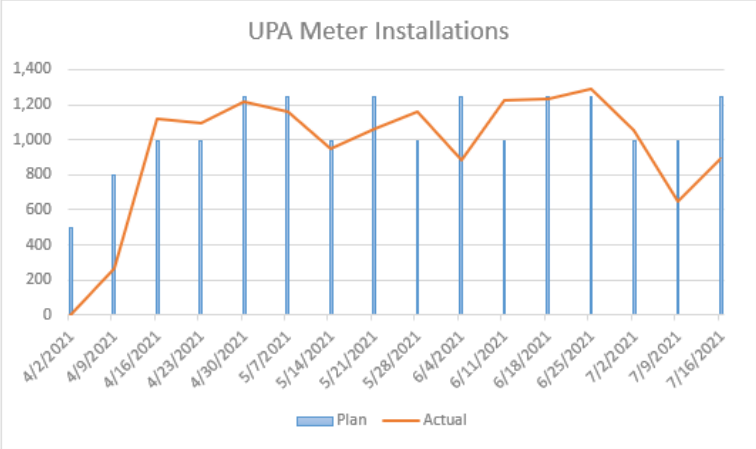


Electric mass deployment is projected to be completed in early 2022.



Water deployment is projected to be completed by end of year 2023.

UPA VENDOR PERFORMANCE (as of 7/16/2021)



	Total to Date	% of Total
Meters Installed	**15,248**	**32%**
RTU's (Return to Utility as unable to install)	**221**	**1.45%**
Claims	**4**	**0.03%**
Appointments (contract limit 2%)	**218**	**1.28%**

GOAL 3 – REVISE & UPDATE STRATEGIC PLAN

Goal #3 Revise and update the strategic plan in order to identify and prioritize the most impactful 3-5-year strategic issues, decisions, and projects.

OVERALL STATUS: **ON TARGET**

Frank Lawson

Status Summary

Two public meetings have been held to discuss revisions to the strategic plan. As presented, the most impactful 3-5-year strategic issues, decisions, and projects include:

a. Advanced Metering & Analytics – *e.g., Meter Data Management (MDM) System, Customer Experience System, Financial System & Customer Information System (CIS)*
b. Integrated (Electric) Resource Plan – *informs electricity supply contracts, new energy services, and EWEB-owned asset decisions*
c. Rate Design –*pricing agnostic to customer/product choices (prerequisite to new energy services)*
d. Resiliency (Electric) – *e.g., disruptive-event mitigation plans, fortify/automate system controls (including telecommunications), replace aging high-impact underground conductors, prioritize links between local generation and essential services (resilient spine)*
e. Resiliency (Water) – *e.g., watershed recovery, base-level reservoirs and transmission, Willamette water treatment plant design*

Item of Interest

A work session is scheduled for September 21, 2021 to finalize revisions to the strategic plan prior to proposed approval on October 5th.

PROJECT MILESTONES

- Multiple Work Sessions — Q1/Q2 2021
- Final Revision Work Session — Sept. 21, 2021
- Plan Revision Approval — Oct. 2021

COMPLETED

Board Work Sessions were held on February 16 and April 20th to discuss a strategic review and carbon and energy, respectively.

IN PROGRESS

Preparing for Policy Proposals/Discussions – September 21, 2021

GOAL 4 – COLLABORATE & ALIGN WITH THE BOARD

*Goal #4 – Collaborate and align with the Board to **develop directional guidelines and decision criteria** on issues having long-term strategic and policy-setting impacts, including development and approval of:*

*a) Revised/updated **Watershed Recovery & Protection Program**, including appropriate 2021 budget amendments and future revenue mechanisms.*

OVERALL STATUS: **ON TARGET**

Karl Morgenstern

Status Summary

The initial emergency response phase or risk-based actions were 95% completed in Q1, with the final revegetation sites being completed in Q2 for a total of 89 properties being replanted. The main accomplishments in Q2 are as follows:

- Completed fire fuels treatments on 25 properties to meet Oregon Department of Forestry (ODF) funding deadline of 6/30/21.
- Upgraded, redeveloped, and field-tested property assessment tools to include revegetation needs, invasive weed problems, need for fuels treatment, and potential erosion issues.
- Develop Pure Water Partners (PWP) process for re-assessing all properties previously worked on during the emergency response phase (over 300 properties) where the landowner signs a new access agreement (assessment activities scheduled for Q3).
- Worked closely with State agencies, legislature committee chairs, federal congressional delegation, Lane County, and others to promote funding needs and secure outside funding to support HFF recovery efforts.
- Planning and design efforts continue to move forward to support large-scale floodplain restoration projects (resiliency actions). The McKenzie River Trust Finn Rock Reach Phase 1 floodplain restoration project implementation will occur in Q3.

PROGRAM MONITORS

The Holiday Farm Fire (HFF) watershed recovery and restoration efforts were in transition in Q2 from emergency response to developing a comprehensive property assessment process that includes identifying revegetation needs for winter 2021/22 planting, excessive fire fuels in need of treatment, invasive weed outbreaks to be treated, and erosion issues that need to be addressed ahead of fall rains (risk-based actions). Metrics associated with these assessment and work activities will be reflected in the Q3 reporting. The following summaries provide an overview of the landowner incentive programs, land acquisition efforts, budget and outside investments, and water quality impacts from the Holiday Farm Fire.

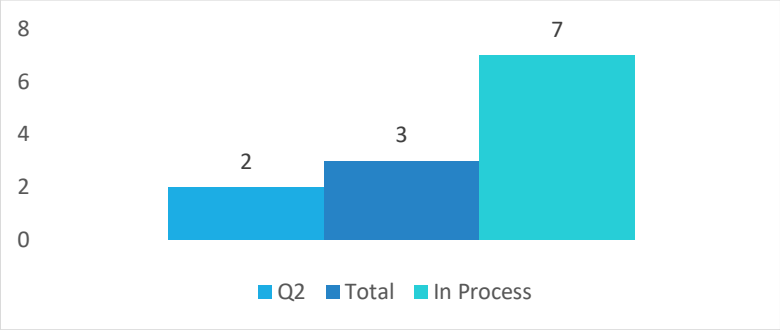
HFF Landowner Incentive Programs

EWEB established a set of programs to provide landowners impacted by the HFF with grant funds and/or 0% interest loans as incentives for septic system repair/replacement, septic system upgrades, and rebuilding homes and structures out of riparian setback or special hazard areas (floodway or floodplain). These efforts are coordinated with Lane County and have been slow to gain traction to date as summarized below:

- Issued four (4) 0% interest loans for septic system replacement or repair
- Five landowners have expressed interest in rebuilding farther back from the river and are assessing what is possible.

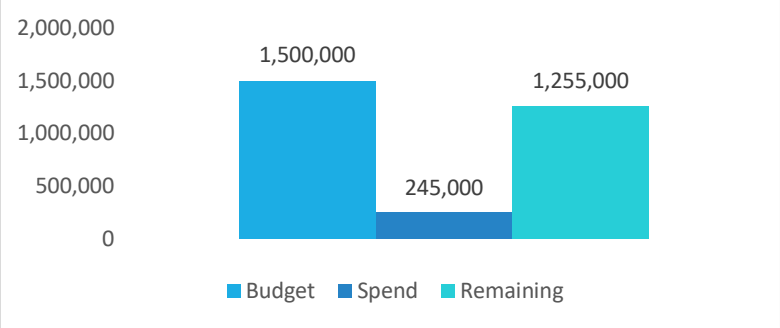
Floodway/Riparian Land Acquisitions

FLOODWAY PARCELS ACQUIRED



The goal is to acquire 30 parcels that have destroyed structures from the HFF in the floodway/riparian area by 2023. The three parcels acquired to date total approximately *5 acres.*

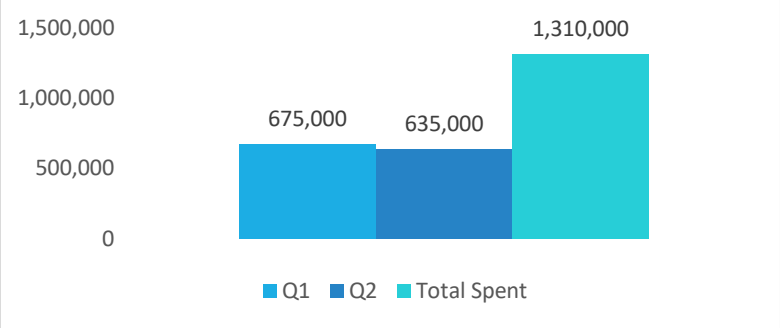
2021 LAND ACQUISITION BUDGET



Funding and Budget Tracking (2021 Budget Amendment)

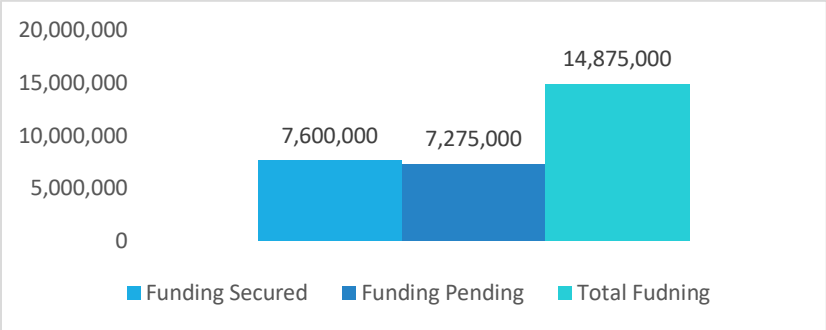
In March 2021, the Board approved a $3.9 million Water budget amendment to fund watershed recovery and restoration efforts (including carry over of $500,000 from 2020) over this year.

2021 BUDGET EXPENDITURES



This level of investment will be sufficient to support this ongoing work and is being leveraged by other funding as indicated below.

NON-EWEB WATERSHED RECOVERY FUNDING



Holiday Farm Fire Water Quality Impacts

Water quality monitoring through Q2 indicates that impacts from the HFF continue to be muted and are mainly tied to storm events, which have been less frequent and significant in 2021. Drought conditions have significantly impacted river flows in Q2 and will continue to be a challenge through the summer.

WATER QUALITY TRENDS

Parameter(s)	Observations	Q2 Status
Water Quantity	McKenzie River flow at Vida and at Hayden Bridge was below the 25 pctl (2007-2021) for more than 50% of the time during Q2. Flows will likely remain very low until fall. Drought conditions persist.	
Water Quality - Continuous	Turbidity and fDOM stayed relatively low in the mainstem, although upward trends are evident in some tributaries. Temperature and conductivity saw upward trends across most sites. Diurnal pH swings increased and were greater than 1 standard unit by the end of Q2 at several mainstem sites. DO is trending downward across lower sites.	
Nutrients	Nitrate levels in several tributaries saw slight increase, but mainstem concentrations remain low. Other nutrient parameters were within normal ranges.	
Metals	Total metals remain relatively low across most sites. Several dissolved metals are showing slight increasing trends, although given low water levels and more groundwater inputs, not too surprising.	
Organics	Storm events during Q2 were not all that significant and runoff responses were fairly muted. No significant organics were detected in the Holiday Farm Fire area, but several pesticides and other organics were detected in stormwater outfalls during the May storm event.	
Solids	Total solids and total suspended solids remained low across most sites. Dissolved solids will likely increase as water levels drop.	
Bacteria	Bacteria levels generally remained within normal ranges across most site. Gate Creek reported elevated numbers, as well as the 42nd stormwater channel.	

*Goal #4 – Collaborate and align with the Board to **develop directional guidelines and decision criteria** on issues having long-term strategic and policy-setting impacts, including development and approval of:*

*b) TBL-based **plan for the lower McKenzie River Hydroelectric Projects** in compliance with FERC, and collaboration with the McKenzie Valley community.*

OVERALL STATUS: **ON TARGET**

Lisa Krentz

Status Summary

During Q2, staff made significant progress on gathering some of the additional information needed for the Board to ultimately make an informed decision on the operation of Leaburg Canal.

COMPLETED

- Preliminary Triple Bottom Line analysis for stormwater conveyance vs. return to service (current license period)
- Regulatory options legal analysis
- Water Rights research
- Roadmap for decision making process of current license term options
- Contract awarded for near term risk mitigation actions (design of safety measures for current operating conditions)

IN PROGRESS

- Communication and stakeholder engagement strategy development
- Water quality impact analysis for stormwater conveyance vs. return to service
- Roadmap for comprehensive TBL (prioritization list for items requiring further investigation)
- Near term risk mitigation action implementation plan development

*Goal #4 – Collaborate and align with the Board to **develop directional guidelines and decision criteria** on issues having long-term strategic and policy-setting impacts, including development and approval of:*

*c) Multi-year **Information System/Technology Investment Plan**, in support of both business continuity and strategic priorities, including 10-year annual spending projections for incorporation into EWEB's Long-Term Financial Plan and 2022 Annual Budget.*

OVERALL STATUS: **ON TARGET**

Travis Knabe

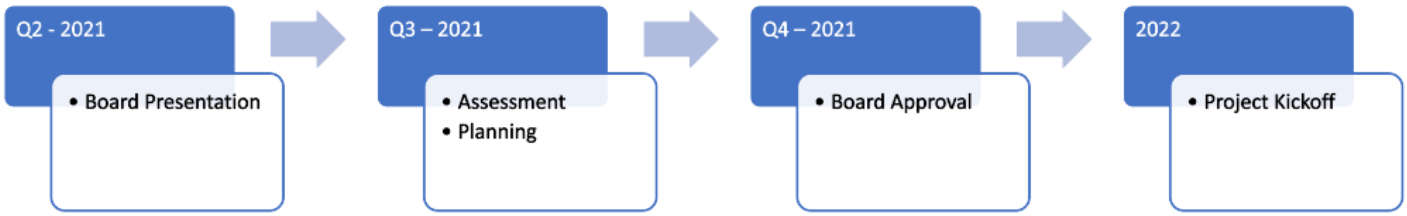
Status Summary

- ET/Board Approval Secured
- Scoping for Assessment & Implementation Planning
- Board Presentation - targeting Q4

Item of Interest

Requested Assessment Proposal from Milestone on existing approved contract

PROJECT MILESTONES



COMPLETED

- Developed introductory plan and presentation for business continuity and strategic priorities
- Presentation and review of draft plan by Executive Team
- Draft approved by ET
- Draft ROD Completed
- Present to Board

IN PROGRESS

- 10-year budget and Long-Term Financial Plan impacts
- Proposal for Assessment & Planning
- Program Development

*Goal #4 – Collaborate and align with the Board to **develop directional guidelines and decision criteria** on issues having long-term strategic and policy-setting impacts, including development and approval of:*

*d) Initial risk-based **Wildfire Mitigation Plan,** for likely filing with Oregon Public Utility Commission.*

OVERALL STATUS: **ON TARGET**

Tyler Nice

Status Summary

Oregon State PUC will require EWEB to create and submit a board adopted plan by June 2022. Procurement of a consultant experienced with Wildfire Plan Development contract is in final negotiations and a contract is expected to be executed the last week of July. Phase 1 development of the plan will be focused on operational and communication tactics as well as analysis of EWEB's high risk fire circuits and applicability of PSPS and development of criteria. Target draft plan for Board review is planned for Q4 2021. Internal staff resources have been dedicated as well to complete interagency and community communication and coordination.

PROJECT MILESTONES

Board Update – Completed at May Work Session 2021
Develop Communication Plan – Complete July 2021
Dedicate Internal Resources – Complete July 2021
Procure Consultant – Est. July 2021
Fire Risk Analysis – Est. Q3 2021
PSPS Applicability Study and Criteria – Est. Q3 2021
Internal Response and Protocol Gap Analysis – Est. Q3 2021
Internal Response and Protocol Enhancements – Est. Q3 2021
Draft Plan for Review – Est. Q4 2021
Final Plan Approval – Est. Q1 2022

COMPLETED

Operational/Tactical Plan Development

- As-Is procedure/process/criteria documentation assembled. (Vegetation program, red flag responses, etc.)
- Internal resources assigned as subject matter experts for various plan aspects

Community/Agency Communication

- Draft communication plan developed
- Updated of website information
- Initial contact with local partners has been initiated

Consultant Procurement

- Proposal finalized and negotiated
- Final terms and conditions negotiations
- Mobilization – est. end of July 2021

IN PROGRESS

- Scheduling of kickoff of consultant activities
- Preparation of data and documentation for submission for review
- Finalization of communication plan
- Ongoing attendance to interagency emergency management partners
- Ongoing attendance to PUC workgroups

*Goal #4 – Collaborate and align with the Board to **develop directional guidelines and decision criteria** on issues having long-term strategic and policy-setting impacts, including development and approval of:*

*e) First **multi-year COSA**, including revised ratemaking principles.*

OVERALL STATUS: **ON TARGET**

Deborah Hart

Status Summary

The multi-year COSA is a long-term strategic objective to support future rate design efforts. The completion of the multi-year COSA will inform the 2022 rate proposal in the fall to be included in November and December Budget/Rates Board Agenda items.

PROJECT MILESTONES

Multi-Year COSA/Pricing Recommendations	Fall 2021 Board Meetings

COMPLETED

- April Board presentation and discussion of ratemaking principles
- Executed contract with consultant and commenced data gathering and validation

IN PROGRESS

- Board COSA 101 Presentation, scheduled for September Board meeting
- Board COSA Rates Presentation (Budget Rates Process) for November Board meeting

GOAL 5 – CONTINUE ELECTRIFICATION IMPACT ASSESSMENT

Goal #5 – Continue electrification impact assessment, specifically analyzing the future decarbonizing trends of electricity and natural gas, and the division of costs/benefits between participants, utilities, and society at-large -- a.k.a. who benefits and who pays?

OVERALL STATUS: **ON TARGET**

Megan Capper

Status Summary

The Electrification Study is on schedule to report preliminary results of our cost/benefit results and corresponding adoption rates of EVs and water & space heat conversion at the August 2021 Board meeting. As proof of concept, we will also look at creating virtual transformers with hourly loading by combining AMI/GIS information.

Preliminary results will focus on findings under the base case. In our base case we use reasonable escalation assumptions in both electric and gas rates and extend trends we see today into the outyears. The final report due out in November will include scenarios of different gas/electricity blends and costs.

PROJECT MILESTONES

Initial Results/Report – Board Presentation	August 2021
Final Report	November 2021

GLOSSARY

AF: Availability Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were available for operation.
BLM: Business Line Manager
CI: Continuous Improvement
CIA: Contributions in Aid of Construction
CIS: Customer Information System
CIP: Capital Improvement Plan
CIP: Critical Infrastructure Protection
CRM: Customer Relationship Manager
CSU1 and CSU2: Carmen-Smith turbine units 1 & 2
FERC: Federal Energy Regulatory Commission
FCRPS: Federal Columbia River Power System
FOF: Forced Outage Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were forced offline due to an unplanned event.
GCF: Gross Capacity Factor. Multiplied by 100, this factor indicates the percentage of megawatt hours generated relative to the maximum number of megawatt hours that could have been generated if the generating unit had been operating continuously at full capacity.
GIS: Geographical Information System
GOF: Gross Output Factor. Multiplied by 100, this factor indicates the percentage of megawatt hours generated relative to the maximum number of megawatt hours that could have been generated if the generating unit had been operating at full capacity when available to generate.
HW - Harvest Wind
ICS: Incident Command System
IP: International Paper
KGAL: 1,000 gallons
KPI: Key Performance Indicator
LBU1 and LBU2 - Leaburg turbine units 1 & 2
NERC: North American Electric Reliability Corporation
PERS: Public Employees Retirement System
PPE: Personal Protective Equipment
PSPS: Public Safety Power Shutoff
PUC: Public Utility Commission
RCP: Retail Cash Payment
RMC: Risk Management Committee
SAIDI: System Average Interruption Duration Index
SAIFI: System Average Interruption Frequency Index
STC - Stone Creek
TB - Trail Bridge
WGA: Western Generation Agency (WGA) is the name of the intergovernmental entity formed by EWEB and Clatskanie People's Utility District (CPUD). The WGA steam turbine generator is located at the Georgia Pacific paper mill named Wauna.
WV – Walterville

APPENDICES

Appendix A: Electric Utility Financial Statement
Appendix B: Water Utility Financial Statement
Appendix C: Electric Utility EL-1 Capital Report
Appendix D: Water Utility EL-1 Capital Report
Appendix E: Capital Spending Summary
Appendix F: Contracts Awarded Report
Appendix G: Community Investment Report
Appendix H: Electric Division Metrics Scorecard
Appendix I: Water Division Details
Appendix J: Workforce Composition
Appendix K: Fleet Services Sustainability Report

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

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APPENDIX A

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

(In millions)	Six Months Ended June 30,		YTD Budget Comparison	
	2021	2020	Budget $	Variance
Operating revenues	$ 129.1	$ 122.3	$ 118.8	$ 10.3
Operating expenses	121.8	118.2	115.7	(6.1)
Net operating income (loss)	7.3	4.1	3.1	4.2
Non-operating revenues	1.6	4.2	3.0	(1.4)
Non-operating expenses	3.8	3.9	3.8	0.0
Income before capital contributions	5.2	4.4	2.3	2.9
Capital contributions	5.3	4.1	1.1	4.2
Increase/(Decrease) in net position	$ 10.5	$ 8.5	$ 3.4	$ 7.1

ELECTRIC CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)	June 30,		December 31,
	2021	2020	2020
Current assets	$ 224.3	$ 229.4	$ 147.5
Net utility plant	425.1	407.7	429.2
Other assets	58.8	59.9	126.0
Total assets	708.2	697.0	702.7
Deferred outflows of resources	43.2	52.3	43.9
Total assets and deferred outflows	$ 751.4	$ 749.3	$ 746.6
Current liabilities	$ 31.4	$ 32.1	$ 36.5
Long-term debt	227.2	236.3	228.4
Other liabilities	70.1	73.0	70.2
Total liabilities	328.7	341.4	335.1
Deferred inflows of resources	24.6	21.0	24.0
Total net position	398.1	386.9	387.5
Total liabilities, deferred inflows, and net position	$ 751.4	$ 749.3	$ 746.6

ELECTRIC CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In millions)	YTD	Annual Working Budget	
	6/30/2021	Budget $	% of Budget
Type 1 - General capital	$ 7.2	$ 17.7	40.7%
Type 2 - Rehabilitation and expansion	4.1	12.7	32.3%
Type 3 - Strategic projects	4.2	20.9	20.1%
Total capital	$ 15.5	$ 51.3	30.2%

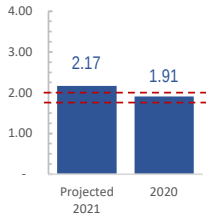
FINANCIAL STRENGTH MEASUREMENTS

Target line

Debt service coverage

Target: 1.75 to 2.0x

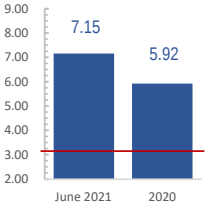
Measures the utility's ability to meet its annual long-term debt obligation.



Current ratio

Target: Minimum of 3.250x

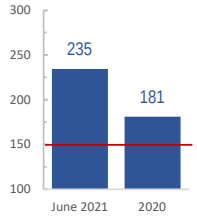
Measures the utility's short-term liquidity (ability to pay bills).



Working capital days cash

Target: Greater than 150 days

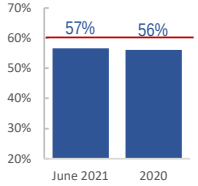
Estimates the number of days the utility can pay its daily O&M before running out of cash.



Age of system

Target: Less than 60 percent

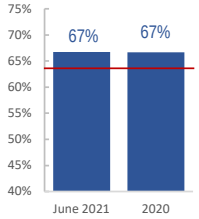
Measures age of system compared to how much has been depreciated.



Debt as a % of NBV

Target: Less than or equal to 60 percent.

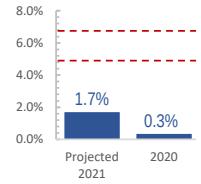
Measures overall leverage of the system by aligning debt service with the useful lives of assets.



Rate of return

Target: 5 - 7%.

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



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

(In thousands)	Six Months Ended June 30,		Budget Comparison	
	2021	2020	Budget $	Variance
Operating revenues	$ 18,525	$ 16,947	$ 16,133	$ 2,392
Operating expenses	13,788	14,028	15,727	1,939
Net operating income (loss)	4,737	2,919	406	4,331
Non-operating revenues	340	515	33	307
Non-operating expenses	1,172	1,078	1,150	(22)
Income before capital contributions	3,905	2,356	(711)	4,616
Capital contributions	1,378	1,117	800	578
Increase/(Decrease) in net position	$ 5,283	$ 3,473	$ 89	$ 5,194

WATER CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)	June 30,		December 31,
	2021	2020	2020
Current assets	$ 63.6	$ 67.0	$ 63.6
Net utility plant	200.8	187.8	196.3
Other assets	13.0	10.5	13.1
Total assets	277.4	265.3	273.0
Deferred outflows of resources	13.1	15.8	13.2
Total assets and deferred outflows	$ 290.5	$ 281.1	$ 286.2
Current liabilities	$ 5.9	$ 5.4	$ 6.6
Long-term debt	75.0	78.4	75.4
Other liabilities	21.8	22.7	21.7
Total liabilities	102.7	106.5	103.7
Deferred inflows of resources	7.3	6.4	7.3
Total net position	180.5	168.2	175.2
Total liabilities, deferred inflows, and net position	$ 290.5	$ 281.1	$ 286.2

WATER CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In thousands)	YTD	Annual Working Budget	
	6/30/2021	Budget $	% of Budget
Type 1 - General capital	$ 4,634	$ 9,133	50.7%
Type 2 - Rehabilitation and expansion	$ 3,236	11,575	28.0%
Type 3 - Strategic projects	$ 114	412	27.7%
Total capital	$ 7,984	$ 21,120	37.8%

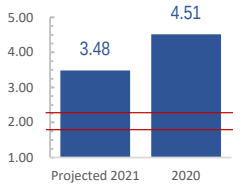
FINANCIAL STRENGTH MEASUREMENTS

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

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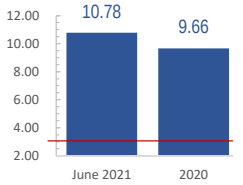
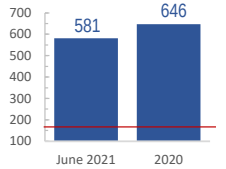


Working capital days cash

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

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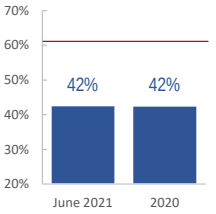

Debt as a % of NBV

Target: Less than or equal to 60 percent.

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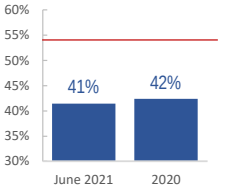
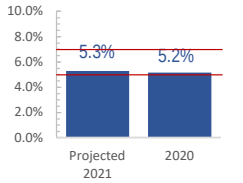


Rate of return

Target: 5 - 7%.

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



EUGENE WATER & ELECTRIC BOARD
ELECTRIC UTILITY EL-1 CAPITAL REPORT
Q2 2021

	ANNUAL BUDGET		2021	% OF	YEAR-END
	APPROVED	WORKING	ACTUAL	BUDGET	PROJECTION
TYPE 1 - GENERAL CAPITAL					
Generation Infrastructure	$ 1,440,000	$ 1,440,000	$ 252,300	18%	$ 1,755,000.00
Substation Infrastructure	2,000,000	2,000,000	613,900	31%	2,000,000
Transmission & Distribution Infrastructure	7,211,000	7,211,000	3,576,500	50%	6,975,000
Telecommunications	1,319,000	1,319,000	533,300	40%	954,000
Information Technology	4,667,000	4,667,000	612,200	13%	3,867,000
Buildings, Land, & Fleet	1,074,000	1,073,950	1,657,000	154%	3,167,000
TOTAL TYPE 1 PROJECTS	**$ 17,711,000**	**$ 17,710,950**	**$ 7,245,200**	**41%**	**$ 18,718,000.00**
TYPE 2 - REHABILITATION & EXPANSION PROJECTS					
Downtown Network	$ 1,070,000	$ 1,070,000	$ 210,200	20%	$ 1,329,000.00
Consolidation of Operations	-	-	57,100	0%	57,100
Electric T&D - Master Plan	-	760,000	24,400	3%	760,000
Distribution Resiliency Upgrades	2,235,000	1,475,000	406,100	28%	702,000
Upriver Reconfiguration/Holden Creek	-	-	500	0%	500
Electric Meter Upgrade	6,900,000	7,630,000	2,656,500	35%	6,600,000
Telecommunications	-	-	300	0%	-
Information Technology	2,524,000	1,794,000	568,100	32%	1,794,000
Hayden-Bridge Lab & Backup Services Building	-	-	121,300	0%	135,000
TOTAL TYPE 2 PROJECTS	**$ 12,729,000**	**$ 12,729,000**	**$ 4,044,500**	**32%**	**$ 11,377,600.00**
TYPE 3 - STRATEGIC PROJECTS & PROGRAMS					
Carmen-Smith Relicensing	**$ 20,900,000**	**$ 20,900,000**	**$ 4,173,800**	**20%**	$ 19,110,000.00
TOTAL ELECTRIC CAPITAL PROJECTS	**$ 51,340,000**	**$ 51,339,950**	**$ 15,463,500**	**30%**	**$ 49,205,600.00**

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

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

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

EUGENE WATER & ELECTRIC BOARD
WATER UTILITY EL-1 CAPITAL REPORT
Q2 2021

	ANNUAL BUDGET		2021	% OF	YEAR-END
	APPROVED	WORKING	ACTUAL	BUDGET	PROJECTION
TYPE 1 - GENERAL CAPITAL					
Source - Water Intakes & Filtration Plant	$ 463,000	$ 464,004	$ 644,600	139%	$ 1,010,000
Distribution & Pipe Services	5,769,000	5,767,999	3,052,000	53%	5,500,000
Distribution Facilities	1,401,000	1,401,004	167,200	12%	600,000
Information Technology	690,000	690,180	164,100	24%	690,000
Buildings, Land, & Fleet	810,000	810,000	606,600	75%	1,200,000
TOTAL TYPE 1 PROJECTS	**$ 9,133,000**	**$ 9,133,187**	**$ 4,634,500**	**51%**	**$ 9,000,000**
TYPE 2 - REHABILITATION & EXPANSION PROJECTS					
Source - Water Intakes & Filtration Plant	$ 100,000	$ 100,000	$ 257,700	258%	$ 450,000
Distribution Facilities	7,416,000	6,694,999	346,000	5%	3,700,000
Distribution & Pipe Services	-	721,002	436,100	60%	3,500,000
Water Meter Upgrade	3,200,000	3,480,206	2,049,000	59%	3,200,000
Information Technology	859,000	578,327	142,000	25%	400,000
Consolidation of Operations	-	-	14,300	0%	15,000
TOTAL TYPE 2 PROJECTS	**$ 11,575,000**	**$ 11,574,535**	**$ 3,245,100**	**28%**	**$ 11,265,000**
TYPE 3 - STRATEGIC PROJECTS & PROGRAMS					
Emergency Water Supply	**$ 412,000**	**$ 412,000**	**$ 113,600**	**28%**	**$ 300,000**
TOTAL WATER CAPITAL PROJECTS	**$ 21,120,000**	**$ 21,119,721**	**$ 7,993,200**	**38%**	**$ 20,565,000**

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

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

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

Capital Spending Summary

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

General Capital Renewal and Replacement projects (Type 1) will be reported by category (e.g., substations, shared IT infrastructure, transmission & distribution mains).

Infrastructure Rehabilitation & Expansion (Type II) and Strategic Projects (Type III) will be reported individually. Type II and III projects are further defined as those that are projected to be greater than $1 million for the life of the project.

Electric Utility and Shared Services Capital Spending Summary

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

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

Downtown Network

Project Initiation:	Sep - 2010	Initial Scope Budget:	$ 15,000,000
Initial Planned Completion:	Dec - 2015	Actual Project Costs To-Date:	$ 10,378,000
Projected Completion:	Dec - 2028	Total Final Cost Projection:	$ 20,000,000

Consolidation of Operations

No significant activity occurred in Q2 2021.

Electric T&D – Master Plan

No significant activity occurred in Q2 2021.

Distribution Resiliency Upgrades

Project Initiation:	Jan – 2019	Initial Scope Budget:	$ 1,862,000
Initial Planned Completion:	Dec – 2020	Actual Project Costs To-Date:	$ 1,829,000
Projected Completion:	Mar - 2021	Total Final Cost Projection:	$1,973,000

Electric Metering Upgrade

Project Initiation:	Feb - 2018	Initial Scope Budget:	$ 13,695,000
Initial Planned Completion:	Dec - 2021	Actual Project Costs To-Date:	$ 17,597,000
Projected Completion:	May - 2022	Total Final Cost Projection:	$ 24,675,305

Leaburg Canal Risk Mitigation Improvements - Generation

EWEB has hired a consulting engineering team to support design and implementation of risk mitigation improvements for the Leaburg Canal. These efforts will begin in Q2.

Project Initiation:	Jul - 2021	Initial Scope Budget:	$ 21,500,000
Initial Planned Completion:	Dec - 2028	Actual Project Costs To-Date:	$ 0
Projected Completion:	Dec - 2028	Total Final Cost Projection:	$ 21,500,000

TYPE 3 – Carmen Smith Relicensing (Electric and Shared Services)

The Carmen-Smith Relicensing Program Summary (below) has been updated to reflect the 2016 renegotiated Settlement Agreement scope, schedule, and budget (pending additional information from the Finance Department).

Project Initiation:	Nov - 2016	Initial Scope Budget:	$ 139,000,000
Initial Planned Completion:	Dec - 2027	Actual Project Costs To-Date:	$ 46,300,000
Projected Completion:	Dec – 2029	Total Final Cost Projection:	$ 136,800,000

Water Utility Capital Spending Summary and Project Updates

TYPE 2 – Rehabilitation & Expansion (Water and Shared Services)
Shared Services project updates are provided within the Electric Utility Capital section above, but the project budget and costs are split between Electric and Water in Appendix C and D.

Source – Water Intakes & Filtrations Plant
No significant activity occurred in Q2 2021.

Distribution Facilities and Distribution & Pipe Services
The E. 40th Ave. Reservoirs, the Riverfront Transmission Pipeline and the AMI Water Meter projects listed below are included in these categories on the EL1 report. No other significant activity occurred through Q2 2021.

E. 40th Ave. Reservoir

Project Initiation:	2018	Initial Scope Budget:	$10,250,000
Initial Planned Completion:	Dec 2021	Actual Project Costs To-Date:	$679,000
Projected Completion:	Dec 2023	Total Final Cost Projection:	$25,000,000

Final cost projection includes Board endorsed decision to construct two tanks in current project.

The Final Project Cost differs from the $20M included in the recent triple bottom line analysis (TBL) in that the TBL only included those items related to the one tank/two tank decision. The total Project Cost includes additional common items such as:

- On-site water supply and storm system piping
- On-site drainage treatment systems
- Engineering, Ecological, Surveying and Landscape Architecture services.
- Daily and special inspection services
- Electrical work including lighting, instrumentation, fiber communication, backup battery power, and valve control.
- Water quality sampling station including instruments and an enclosure.

- Internal EWEB time and EWEB overhead
- Site preparation including tree removal and grubbing.
- Construction and ornamental fencing

The cost projection above is consistent with past CIPs for our base level work which included $25M for the first two storage tanks.

Riverfront Transmission Pipeline Phase 2

Project Initiation:	2020	Initial Scope Budget:	$2,850,000
Initial Planned Completion:	Dec 2022	Actual Project Costs To-Date:	$476,000
Projected Completion:	Dec 2021	Total Final Cost Projection:	$3,500,000

Project was brought forward one year to coordinate with a city bike path improvement project. EWEB received very good bids on this project. Due to low unit prices, additional length was added to project to complete work outside Right-of-Way. This additional length is the reason for the higher final cost projection.

AMI Water Metering Upgrade

Project Initiation:	Feb-2018	Initial Scope Budget:	$17,828,000
Initial Planned Completion:	Dec-2021	Actual Project Costs To-Date:	$10,584,000
Projected Completion:	Dec-2023	Total Final Cost Projection:	$18,443,000

TYPE 3 - Emergency Water Supply

Project Initiation:	2018	Initial Scope Budget:	$4,000,000
Initial Planned Completion:	2028	Actual Project Costs To-Date:	$1,728,000
Projected Completion:	2023	Total Final Cost Projection:	$2,500,000

Construction of new emergency distribution sites is anticipated to end in 2023 with an anticipated total of 8 sites. Efforts will then shift to operation and maintenance of established sites.

Q2 2021 Quarterly Contracts Report

Contract Execution Date	Contractor	City, State	Contract Title, Detailed Description	Expiration Date	Contract Amount	Contract Process	Executive Manager
4/1/2021	Delta Operations	Eugene, OR	**Wastewater Treatment System Consulting.** Support for operation of the Ecomachine at the Roosevelt Operations Center.	4/30/2026	$ 102,750	Direct Negotiation	Rod Price
4/20/2021	EES Consulting a GDS Associates Company	Marietta, GA	**Cost of Service model updates.** Provide a revenue requirement study including load and customer forecasting.	12/31/2021	$ 54,640	Direct Negotiation	Deborah Hart
5/27/2021	White Glove Building Maintenance	Salem, Oregon	**Roosevelt Operations Center & Headquarters Window Washing.** Exterior Window Washing at EWEB Facilities	5/25/2026	$ 60,000	Informal ITB	Rod Price
5/26/2021	Transformer Technologies	Salem, Oregon	**Disposal of PCB Transformers.** Transportation, recycling, and safe disposal of transformer oil and metals	5/1/2026	$ 145,000	Direct Negotiation	Rod Price
4/8/2021	Art2Link Corp	Carmel, IN	**Upgrade BizTalk Application.** Consulting services to support the upgrades of EWEB's Enterprise Service Bus. The Service Bus supports data across multiple software systems.	7/31/2021	$ 46,000	Direct Negotiation	Travis Knabe
4/26/2021	Contech Services	Vancouver, WA	**Walterville Forebay & Spillway Concrete Crack & Joint Repair.** Concrete repair to fill joints, cracks, and voids measuring from 1"-4" wide in the Forebay and Spillway at Walterville.	6/30/2021	$ 121,575	Formal RFP	Rod Price
5/11/2021	Kleinschmidt Associates	Portland, OR	**Carmen-Smith Facilitation Support**, Consultant support for strategic and technical review of Carmen Smith relicensing and settlement documents.	4/26/2026	$ 100,000	Direct Negotiation	Rod Price
5/5/2021	Stanley Consultants	Centennial, CO	**Distribution Design and Public Utility Commission Corrections.** Engineering Services to provide design for EWEB's 12kV distribution system including designing for installing, removing, and replacing distribution system components.	7/30/2021	$ 49,890	Direct Negotiation	Rod Price
5/24/2021	My Brothers Farm	Creswell, OR	**Filbert Moth Monitoring**. Monitoring Gypsy Moth to determine when to treat orchards to minimize impacts to Water Source Protection.	12/31/2025	$ 63,460	Quotes	Rod Price
5/10/2021	Stored Energy Systems	Longmont, CO	**Substation battery system.** Provide batteries and accessories for use at EWEB Substations.	One Time Purchase	$ 45,104	Quotes	Rod Price
6/30/2021	PACIFIC EXCAVATION INC	Eugene, OR	**E 40th Ave Storage Tanks -** Tree Removal, Tree Removal services to facilitate construction of 2 new water storage reservoirs	10/15/2021	$ 110,500	Formal ITB	Rod Price
5/28/2021	Revolution Electric	Eugene, OR	**Hunsaker/Irving Electric Service Relocations.** Requires moving secondary boxes, lateral lines, trenching, directional drilling, and installing new meter bases and panels. Moving of services required due to City of Eugene widening Hunsaker/Irving Road project.	7/31/2021	$ 70,377	Quotes	Rod Price
6/29/2021	Flux Resources, LLC	Lake Oswego, OR	**Recruitment Services.** Provide candidate search services, skills assessment, reference checks, and other position filling services	12/31/2021	20% of filled position Salary	Direct	Lena Kostopulos

6/8/2021	BenefitHelp Solutions	Milwaukie, OR	**Administrative Services for Retiree Plans.** Administration of EWEB's retiree insurance premium enrollment and billing including managing delinquent accounts. Advisory services on current laws, rules, and regulations.	5/31/2026	$ 105,000	Direct	Lena Kostopulos
6/23/2021	Oregon Woods	Eugene, OR	**Vegetation Maintenance and Irrigation**. Protect newly planted seedlings and native species after revegetation after the Holiday Farm Fire.	12/31/2021	$ 96,770	Informal Quotes	Rod Price
6/23/2021	Coast Fork of the Willamette Watershed Council Youth Crew	Cottage Grove OR	**CFWYC Watershed Rehabilitation.** Weeding and mulching around newly planted seedlings planted after the Holiday Farm Fire**.**	12/31/2021	$ 40,000	Direct	Rod Price
6/28/2021	Skip Tracer and Lads	Harrisburg, OR	**Water Tender on Call.** Support Vegetation Maintenance and Irrigation Services in response to the revegetation after the Holiday Farm Fire.	12/31/2021	$ 80,000	Informal Quotes	Rod Price

For questions please contact Sarah Gosegner, 541-685-7348

APPENDIX G

Community Investment - Q2 2021

Total investment Year to Date - over $9 million (not including Energy Efficiency loans, Water Truck deployments, or volunteer/ambassador efforts and events)

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

Quarterly Highlight - EWEB's Annual Employee Giving Program

Each year, EWEB provides employees the opportunity to support charities through payroll deduction and other financial contributions. Charities include the umbrella organizations United Way of Lane County and EarthShare Oregon and their many partners. The option to donate to EWEB's own Energy Share program was a new addition in 2021. A total of $16,230 was raised for worthy causes, with almost $1,400 of that raised for Energy Share.

This year's program also featured optional virtual presentations from local partners including United Way of Lane County highlighting their work with Wildfire Relief and COVID Impacts; EarthShare of Oregon with special presenters Joe Moll from McKenzie River Trust and Heather King with Willamette Riverkeeper; and St. Vincent de Paul who provided an overview of the important work they do in our community to support those in need, specifically the unhoused community of Eugene.

EWEB also provided support to St. Vinnie's in the form of a laundry supply drive which aimed to collect laundry supplies to assist St. Vinnie's in keeping our unhoused neighbors equipped with sanitary and clean clothes throughout the COVID-19 pandemic as a part of their wrap-around services.

Sponsorships, Donations, Grants & Mutual Aid

	AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q2	Andrew Reasoner Wildlife Preserve, local youth centers, and nurseries.	Remove and replant fawn lilies	N/A	May	N/A	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	EWEB recently teamed up with volunteers from the Columbines School of Botanical Studies to remove and replant fawn lilies at the E. 40th Water Storage project site as part of our effort to preserve and protect the site and habitats on it. Fawn lilies are a first food for indigenous Kalapuya people. The volunteers plan to distribute the bulbs to local native youth centers and nurseries. Some of the bulbs will be replanted at the Andrew Reasoner Wildlife Preserve as part of a native youth nutritional and ecological internship program.
				Q2 SUBTOTAL	**$0**			
Q1	Friends of Trees	Tree planting at E. 40th Water Storage project site	N/A	02/27/21	N/A	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	EWEB teamed up with Friends of Trees to plant a variety of native trees on the south side of the ridgeline on the site of the water storage project at E. 40th. EWEB donated the mulch and plant stock for the 18 trees, while FOT coordinated the volunteers. Species included white and black oaks, valley ponderosa, pine, incense cedar, pacific madrone and Oregon myrtles – species that are more adaptable to warmer, drier climates, making the habitat more acclimated to the future.
	Emerald Valley Electric Vehicle Association	rEV Up! EV Education Workshops	Q1	Multiple throughout 2021	$5,000	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	As part of EWEB's transportation electrification efforts, EWEB is sponsoring rEV Up workshops for our community through the Emerald Valley Electric Vehicle Association (EVEVA) group. These workshops provide EV education and secure dealership discounts for attendees. Monthly workshops will be provided in 2021 (the $5000 sponsorship supports those workshops for the entire year); Q1 workshops have already taken place.
	Portland General Electric	Mutual Aid	N/A	02/15/21	N/A	PEOPLE: Safety Net	Discretionary	Three electric line crews were dispatched to the Salem area to provide mutual aid to PGE during the February snow and ice storm that saw roughly 300,000 PGE customers out of power system wide. EWEB crews spent several days assisting in restoration efforts.
	ShelterCare	Water service to ShelterCare facility	Q1	N/A	$2,276	PEOPLE: Safety Net	Discretionary	The Water department has been working to expand water service to a ShelterCare facility. ShelterCare is a private, nonprofit human-services agency directed by a board of community volunteers offering a range of housing and support services for individuals and families who are homeless, or on the verge of homelessness, with a committed focus on individuals living with mental illness. Because this is not a "new" service, the associated development charge is not eligible to be waived under the System Development Charge Waiver program, however, we feel it meets the spirit of the program therefore we are "waiving" the charge through the application of the discretionary community investment budget funds.
	Eugene 4J School District	Jan-June 2021 Education Grant	01/28/21	N/A	$130,000	ECONOMIC: Education	Board Directed	
	Bethel School District	Jan-June 2021 Education Grant	01/28/21	N/A	$40,500	ECONOMIC: Education	Board Directed	
	McKenzie School District	Jan-June 2021 Education Grant	01/28/21	N/A	$11,000	ECONOMIC: Education	Board Directed	
	Springfield School District	Jan-June 2021 Education Grant	01/28/21	N/A	$24,500	ECONOMIC: Education	Board Directed	
	Leaburg Canal Property	Grant Match under EWEB's Healthy Farms Clean Water Program	01/07/21	N/A	$3,925	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	Match for a nutrient management project on a property near Leaburg Canal, under EWEB's Healthy Farms Clean Water Program. Other funding sources include OWEB, the landowner and the Upper Willamette Soil & Water Conservation District. The composting facility reduces nutrients and runoff into the canal and ultimately the McKenzie River. EWEB is contributing $3,925 of the overall $14,764 project cost.
				Q1 SUBTOTAL	**$213,276**			
				SPONSORSHIPS, DONATIONS, GRANTS & MUTUAL AID TOTAL YTD	**$213,276**			

Customer Solutions Products and Services

	AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
ENERGY EFFICIENCY INCENTIVES								
Q2	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Residential	Q2	N/A	$299,813	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	326 customers – 10% of projects (35% of dollars) were for limited income customers and 13% were rentals.
	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Non-residential	Q2	N/A	$111,460	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	28 non-residential customers.
	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Efficient Growth	Q2	N/A	$60,524	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	11 residential and 1 commercial customer.
	EWEB Energy Efficiency Programs	Transportation Electrification	Q2	N/A	$21,343	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	39 residential and 2 commercial customers received rebates for Level 2 EV Chargers.
	EWEB Greenpower Program	Solar Electric Incentives	Q2	N/A	$49,734	ENVIRONMENTAL: Greenpower	Customer Voluntary	18 residential net-metered projects were completed and received Greenpower-funded incentives. 1 commercial direct generation project was completed (City of Eugene).
	EWEB Water Conservation Programs	Hand Valve and Toilet Rebates, Septic Maintenance Incentives	Q2	N/A	$10,250	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	36 residential hand valve rebates, 21 toilet rebates, and 21 septic pumping rebates.
				Q2 SUBTOTAL	**$553,124**			
Q1	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Residential	Q1	N/A	$400,391	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	335 customers - 15% of projects (40% of dollars) were for limited income customers and 14% were in rentals.
	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Non-residential	Q1	N/A	$322,780	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	40 non-residential customers.
	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Efficient Growth	Q1	N/A	$24,776	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	9 residential and 2 commercial customers.
	EWEB Energy Efficiency Programs	Transportation Electrification	Q1	N/A	$17,672	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	31 residential and 1 commercial customers received rebates for Level 2 EV Chargers.
	EWEB Greenpower Program	Solar Electric Incentives	Q1	N/A	$36,375	ENVIRONMENTAL: Greenpower	Customer Voluntary	22 residential net-metered projects were completed. 17 received Greenpower-funded incentives, and 5 did not qualify. 1 commercial direct generation project was completed (City of Eugene).
	EWEB Water Conservation Programs	Hand Valve and Toilet Rebates, Septic Maintenance Incentives	Q1	N/A	$17,775	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	35 residential hand valve rebates, 49 toilet rebates, and 43 septic pumping rebates (25 of the septic rebates were payments for the Q4 2020 $300 promotion).
				Q1 SUBTOTAL	**$819,769**			
				ENERGY EFFICIENCY INCENTIVES YTD TOTAL	**$1,372,893**			
LIMITED INCOME ASSISTANCE								
Q2	EWEB Customer Care Program	Limited Income Energy Assistance	Q2	N/A	$349,696	PEOPLE: Safety Net	Board Directed	EWEB provided Customer Care (ECC) bill assistance to 1,041 customers in Q2 and increased assistance to $280 retroactive to January 1, for a total of $326,400. Energy Share contributed $23,296 to 132 customers. EWEB credited federal LIHEAP funds to 666 customers, and federal funds distributed through COE and Lane County to 26 customers. Total does not include federal funds.
	EWEB Limited Income Assistance	Electric Line Repair Grants (Income eligible)	Q2	N/A	$2,929	PEOPLE: Safety Net	Discretionary	3 electric repair grants.
	EWEB Water Conservation Programs	Water Line Repair Grants (Income eligible)	Q2	N/A	$7,090	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	2 water leak repair grants.
				Q2 SUBTOTAL	**$359,715**			
Q1	EWEB Customer Care Program	Limited Income Energy Assistance	Q1	N/A	$522,886	PEOPLE: Safety Net	Board Directed	EWEB Customer Care (ECC) credited $485,940 to 1,869 customers. Energy Share contributed $36,946 to 208 customers. EWEB credited federal LIHEAP funds to 1309 customers, and federal funds distributed through COE and Lane County to 74 customers. Total does not include federal funds.
	EWEB Limited Income Assistance	Electric Line Repair Grants (Income eligible)	Q1	N/A	$1,128	PEOPLE: Safety Net	Discretionary	3 electric repair grants.
	EWEB Water Conservation Programs	Water Line Repair Grants (Income eligible)	Q1	N/A	$165	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	1 water leak repair grant.
				Q1 SUBTOTAL	**$524,179**			
				LIMITED INCOME ASSISTANCE YTD TOTAL	**$883,894**			
ENERGY AND WATER LOANS								
Q2	EWEB Energy Efficiency Programs	Energy Efficiency Loans - Residential	Q2	N/A	$380,312	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	64 residential energy efficiency loans.
	EWEB Water Conservation Programs	Water Line Repair & Septic Repair/Replacement Loans	Q2	N/A	$14,061	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	4 residential water line repair loans.
	EWEB Resiliency Program	Generator Loan Program	Q2	N/A	$11,231	PEOPLE: Emergency Preparedness	Discretionary	3 residential generator loans.
	EWEB Electric Service Line Upgrade Loan Program	Electric Service Line Upgrade Loan Program	Q2	N/A	$9,018	PEOPLE: Safety Net	Discretionary	2 residential electric service upgrade loan.
				Q2 SUBTOTAL	**$414,622**			
Q1	EWEB Energy Efficiency Programs	Energy Efficiency Loans - Residential	Q1	N/A	$393,391	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	71 residential energy efficiency loans.
	EWEB Water Conservation Programs	Water Line Repair & Septic Repair/Replacement Loans	Q1	N/A	$40,099	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	12 residential water line repair loans.
	EWEB Resiliency Program	Generator Loan Program	Q1	N/A	$8,551	PEOPLE: Emergency Preparedness	Discretionary	3 residential generator loans.
	EWEB Electric Service Line Upgrade Loan Program	Electric Service Line Upgrade Loan Program	Q1	N/A	$2,445	PEOPLE: Safety Net	Discretionary	1 residential electric service upgrade loan.
				Q1 SUBTOTAL	**$444,486**			
				ENERGY AND WATER LOANS YTD TOTAL	**$859,108**			

System Development Charge (SDC) Waivers

	AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q2	No SDC waivers in Q2							
				Q2 SUBTOTAL	$0			
Q1	Homes for Good and Lane County	The Nel	Q1	N/A	$6,829	PEOPLE: Safety Net	Board Directed	Homes for Good and Lane County have partnered to build 45 units of supportive housing for people experiencing chronic homelessness. The Nel, at 1100 Charnelton St., qualified for a $6829 water SDC waiver (total development costs were about $14.5M).
	11th and Lincoln, LLC (Private developer)	The Lincoln Apartments	Q1	N/A	$6,831	PEOPLE: Safety Net	Board Directed	The Lincoln Apartments (11th and Lincoln) consist of 59 units of affordable housing. This project, to begin construction in October 2021, qualified for a $6831 water SDC waiver (like the project above, an existing 1.5" water meter will be replaced with a 2" meter, so the waiver is just for the increased capacity costs).
				Q1 SUBTOTAL	$13,660			
				SDC WAIVERS YTD TOTAL	$13,660			

Contributions in Lieu of Taxes (CILT)

	AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q2	City of Eugene	Contribution in lieu of taxes (CILT)	Q2	N/A	$2,872,108	Required	Mandated	
	City of Springfield	Contribution in lieu of taxes (CILT)	Q2	N/A	$113,091	Required	Mandated	
				Q1 SUBTOTAL	$2,985,198			
Q1	City of Eugene	Contribution in lieu of taxes (CILT)	Q1	N/A	$3,420,398	Required	Mandated	
	City of Springfield	Contribution in lieu of taxes (CILT)	Q1	N/A	$128,525	Required	Mandated	
				Q1 SUBTOTAL	$3,548,924			
				CILT YTD TOTAL	$6,534,122			

EWEB Ambassador Efforts and Events (Paid)

	AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q2	Eugene YMCA Camp Dogwood	Electric Generation Presentation	N/A	07/08/21	N/A	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	EWEB Communications staff delivered a 30-minute presentation to a group of 25 kids (ages 8-10) about EWEB, where their water and electricity comes from, how electricity is generated, and how solar power works. The presentation was made kid-friendly through the use of a few solar powered toys and an activity simulating a turbine and electromagnetism generation.
Q1	Eugene Area/Springfield Chamber of Commerce	Greeters Breakfast	N/A	05/17/21	N/A	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	EWEB Communications staff spoke briefly at the Greeters Breakfast providing information on EWEB's commercial energy programs to approximately 150 participants and provided a nominal sponsorship, door prize and EWEB branded items.
	CERT Northwest (Community Emergency Response Team)	Pledge to Prepare	N/A	03/13/21	N/A	PEOPLE: Emergency Preparedness	Discretionary	
	Consulate of Mexico in Portland > Mexican Mobile Consulate in Eugene	Assistance obtaining legal documents	N/A	02/20-02/21	N/A	PEOPLE: Safety Net	Discretionary	Based on feedback from the community, the agency requested EWEB's participation. EWEB provided Spanish language materials offering guidance on accessing our limited income bill assistance program. EWEB also provided general information regarding weatherization programs available to customers including weatherization grants for qualifying households.
		Locals Helping Locals Holiday Farm Fire event	N/A	02/05-02/06	N/A	PEOPLE: Safety Net	N/A	EWEB staffed an information table at this event held at McKenzie High School to answer questions and provide information about what EWEB is continuing to do to help customers affected by the Holiday Farm Fire. Staff was able to connect with and support local upriver organizers.

EWEB Ambassadors provided over 42 hours of services to the Community YTD

Volunteer Efforts and Events (Unpaid)

	AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q2	McKenzie Watershed Council	Annual McKenzie River Clean-Up	N/A	06/26/20	N/A	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	5 employee volunteers plus their family members picked up trash in five areas around Leaburg Dam for the annual event.
Q1	No events in Q1							

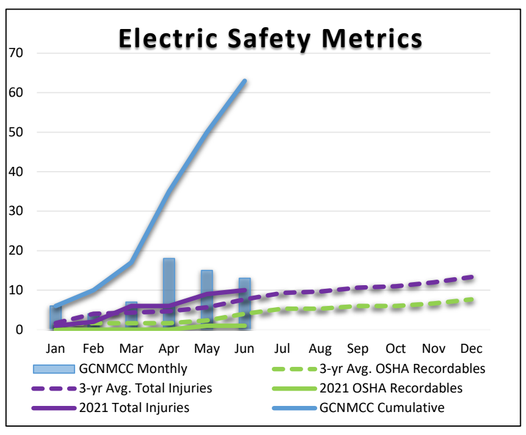
EWEB employees, friends and families have volunteered 10 hours YTD

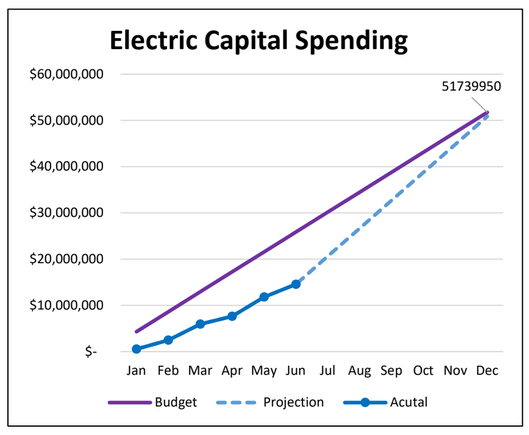
Upcoming and/or committed Sponsorships, Donations, Grants

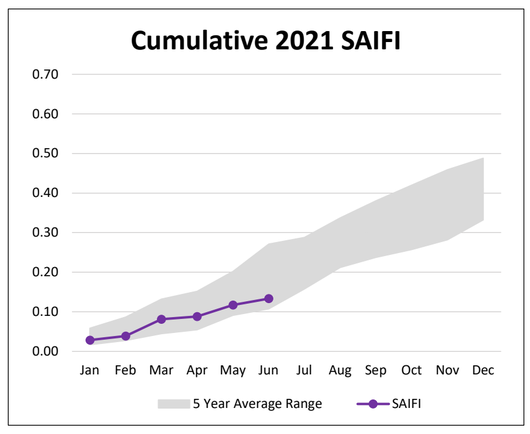
AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
City of Eugene	Donation of downed trees	N/A	TBD	N/A	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	Downed trees from the E. 40th Water Storage project are being donated to a City of Eugene wetlands restoration project, where they will continue to provide habitat long into the future.
SE Eugene, City of Springfield	Donation of downed trees	N/A	TBD	N/A	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	Downed trees from the E. 40th Water Storage project are being donated in the SE neighborhood and also to City of Springfield for public use projects.
The Eugene Mission	2021 Greenpower grant winner - will receive up to $50,000	TBD	N/A	Up to $50k	ENVIRONMENTAL: Greenpower	Customer Voluntary	The Eugene Mission plans to use the grant to install a solar energy system for a new Learning Center on its campus to assist unhoused families and community members. The organization is in the process of renovating one of the 12 buildings on its 7.5-acre campus to create the Learning Center. The Learning Center will include a culinary training kitchen, meeting and classroom spaces, a computer lab and a therapeutic day use area for the growing population of homeless families.
Friends of Trees - Eugene Metro	2021 Greenpower grant winner - will receive up to $50,000	TBD	N/A	Up to $50k	ENVIRONMENTAL: Greenpower	Customer Voluntary	This year marks the second award for Friends of Trees, which won a grant in 2018 to fund a large-scale volunteer tree planting event in west Eugene. The 2021 grant will be used for another tree planting effort with a focus on urban areas and communities historically excluded from the benefits of green space. The project will also include engaging volunteers in the stewardship of trees to promote more sustainable neighborhoods and urban habitat areas.
Lane County and DEV Northwest	Surplus House Donation	Q3	Q3	$115,000	PEOPLE: Safety Net	Discretionary	In Nov 2020, EWEB purchased property along the Leaburg Canal for dam safety and canal repair access purposes, which included a manufactured home. Rather than renting and maintaining the home, it was decided that EWEB would donate the home to a family in need impacted by the Holiday Farm Fire. EWEB contacted Lane County who worked with DEV Northwest, a low-income housing agency, to identify a recipient family and manage the logistics and costs for relocation of the home. The recipient family, who lost their home and business to the fire, attended the June 15 Upriver board presentation to express their appreciation. We expect the transfer to occur at the end of August. RLID real market value of the house is $115,000.
Lane County Fair	Co-Sponsorship of Comfort Station Water Booth	N/A	07/21-07/25	$0	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	The annual Booth Fee was carried over from last year's event since the fair was cancelled in 2020 due to the pandemic. EWEB will provide the use of a drinking water fountain w/chiller for the event, as well as, Ambassador staffing for shifts throughout the duration of the fair.
	UPCOMING AND/OR COMMITTED SPONSORSHIPS, DONATIONS, GRANTS TOTAL			**Up to $215k**			

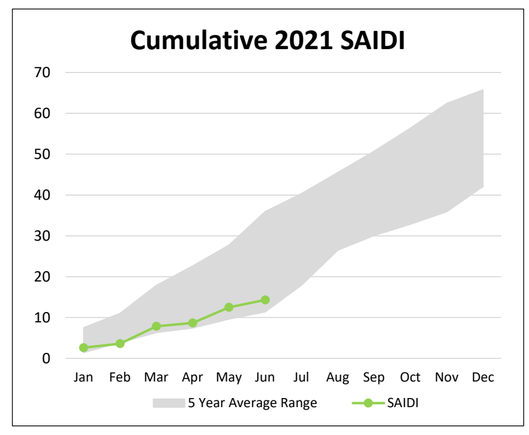
APPENDIX H

Electric Division Metrics Scorecard









Key	
Meeting target	
Not meeting target	
Not reported	

Dept	Category	Metric	Q1 Final	Q2 Final	Q3 Final	Q4 Final	Explanation for Not Meeting Target
Substation	Customer Reponse Time:	Complete 39 NERC battery testing in Q1					
	Work Queue:	Complete 12 Power Transformers Maintenance					
	Turn Around:	Complete all ECR's in 30 days					
Relay	Customer Reponse Time:	Test 86 NERC Devices annually					Competing Emergent Work
	Work Queue:	Test 331 non-NERC Devices annually					Competing Emergent Work
	Turn Around:	Complete All ECR's in 30 days - (internal customer)					
Transformer	Customer Reponse Time:	Stage crew material within 24 hours of request					
	Work Queue:	Prepare all Scrap Material Quarterly					
	Turn Around:	Complete Live line tool testing within 3 days					
Line	Customer Reponses Time:	Customer driven project "wait time" less than 3 weeks					
	Customer Reponse Time:	Line crew emergent call out less than 30 minutes					
	Work Queue:	Backlog of "form 3" work less than 8 jobs					
	Work Queue:	Preventative Maintenance for Network completion					
	Work Queue:	Preventative Maintenance for Switch inspections					
	Work Queue:	Identified NESC feeders repaired per 2021 schedule					Competing Emergent Work
Meter	Customer Reponse Time:	Customer bills accuracy					
	Work Queue:	40 Site Visits & PUC audits					Staffing Limitations
	Work Queue:	10% Meter Testing (SPh)					Staffing Limitations
	Work Queue:	100% Meter Testing (3Ph)					
	Work Queue:	100% Meter Testing Refurbished					Staffing Limitations
	Work Queue:	100% Tamper Checks					
	Work Queue:	10 CT Sites per month					Staffing Limitations
	Work Queue:	100% Investigating zero consumption					
	Work Queue:	100% Recheck New installed CT jobs					
Vegetation Management	Customer Reponse Time:	Back log for plan less than 8 weeks					Staffing Limitations
	Work Queue:	Vegetaion plan greater than 23 miles per month					Staffing Limitations
	Turn Around:	Customer Tags response less than 48 hours					Staffing Limitations
Landscape	Customer Reponse Time:	Incoming Jobs - 15-20 per quadrant within 5 days					
	Work Queue:	Cycles of Daily work finish all stops in quadrant each month					
	Turn Around:	Customer Jobs within 3 days					
Dispatch	Customer Reponse Time:	Processing switching orders less than 3 days					
	Work Queue:	Posting 100% of completed switching orders to Outlook calendar					
	Turn Around:	Time between receiving a Hold Order and processing Hold less than 15 minutes					
Coordinators	Customer Reponse Time:	Service Request pending approval to active within 10 minutes					
	Turn Around:	Taking action on Service Requests from other depts less than 2 days					
Troubleshooters	Customer Reponse Time:	First Responder Emergent Call out response within 10 minutes					
	Turn Around:	100% completion of items scheduled					
Service Crew	Customer Reponse Time:	After hours response completed within the same day					
	Turn Around:	100% completion of items scheduled					
Systems Engineering	Customer Reponse Time:	System Event Response by next business day					Staffing Limitations
	Work Queue:	No Engineering Change Requests greater than 1 year					Staffing Limitations
	Turn Around:	System Event Root Cause Analysis less than 30 days					Staffing Limitations
Distribution Engineering	Customer Reponse Time:	90% of Customer Inquiries response within 24 business hours					
	Work Queue:	Customer (Internal/External) Design Requests assigned within 3 weeks					Competing Emergent Work
	Turn Around:	90% of High Level Estimates provided within 3 business days					Competing Emergent Work
NERC Compliance	Customer Reponse Time:	Completed Compliance Deadlines					
	Work Queue:	Complete 2 Compliant department Spot Checks monthly					Competing Emergent Work
	Turn Around:	Train 50 empoloyees per year					Competing Emergent Work

Water Division Details

The Water Operations Division uses the Multiple Barrier Approach to Safe Drinking Water, an integrated system of procedures, processes and tools that collectively prevent or reduce the contamination of drinking water from source to tap. The purpose of this approach is to provide safe, reliable drinking water to customers 24/7/365 and to reduce the operational risks to public health while being good stewards of our customer/owner's infrastructure and funding resources. For more information: HTTP://WWW.EWEB.ORG/OUTAGES-AND-SAFETY/WATER-SAFETY-IN-YOUR-HOME-OR-BUSINESS/DRINKING-WATER-QUALITY

Drinking Water Source Protection

The purpose of the Source Water Protection Program is to minimize adverse impacts on the source of our community's drinking water. Specifically, the program aims to 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.

Robust Water Treatment

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

Production

Production levels for the second quarter were above the 5-year average.

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2016	508.8	465.5	501.4	546.6	742.0	1070.1	1218.1	1342.1	973.2	598.0	493.6	488.2
2017	521.8	450.2	495.4	500.7	682.2	969.7	1338.1	1360.6	966.3	636.3	511.0	495.9
2018	497.4	457.3	501.8	521.9	778.1	1066.7	1393.7	1355.5	1001.1	734.6	529.1	498.6
2019	511.0	456.7	513.3	532.8	851.9	1100.4	1242.8	1232.5	779.6	563.9	504.7	494.1
2020	497.2	463.3	497.0	545.0	667.9	822.6	1253.1	1333.1	1021.8	661.8	507.5	504.4
MAX	521.8	465.5	513.3	546.6	851.9	1100.4	1393.7	1360.6	1021.8	734.6	529.1	504.4
MIN	497.2	450.2	495.4	500.7	667.9	822.6	1218.1	1232.5	779.6	563.9	493.6	488.2
CUR	498.2	457.6	505.2	704.0	941.2	1146.8	<NA>	<NA>	<NA>	<NA>	<NA>	<NA>

	Yearly Total	Daily Average	Peek Daily Flow
5 Year Max	9335.8	25.6	52.1
5 Year Min	8774.8	24.0	46.0
Year to Date for 2021	4253.2	23.5	50.1

3 Day Consecutive Max Date	Total Flow
Jun 26	47.1
Jun 27	50.1
Jun 28	50.1
3-Day Average	49.1

Secure Water Supply Network

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.

Water Quality Monitoring

Monitoring the quality of our raw, treated, and distributed drinking water is essential to ensuring safe water for EWEB's customer/owners. Monitoring data gives water operations staff the ability to adjust treatment and system operation to safeguard quality for human consumption. We track customer complaints as another means to evaluate long-term water quality trends in the distribution system.

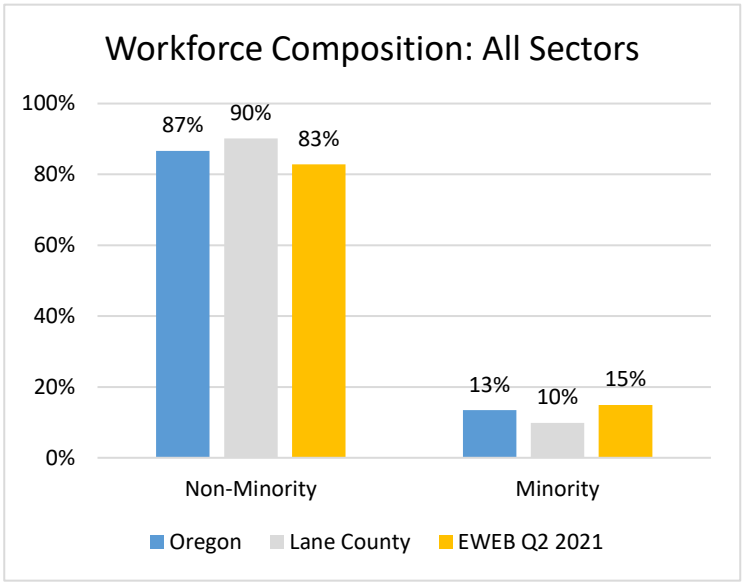
Emergency Preparedness

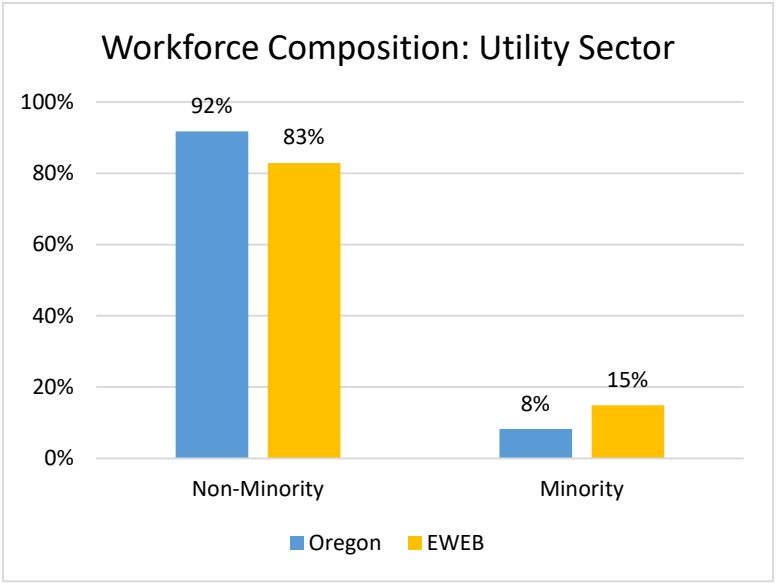
Natural hazard and security response mitigation plans along with resiliency plans are a final barrier in place to protect the public if harmful contaminants should make it through the other water system barriers (source water protection, water treatment, water supply system reliability, and water quality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

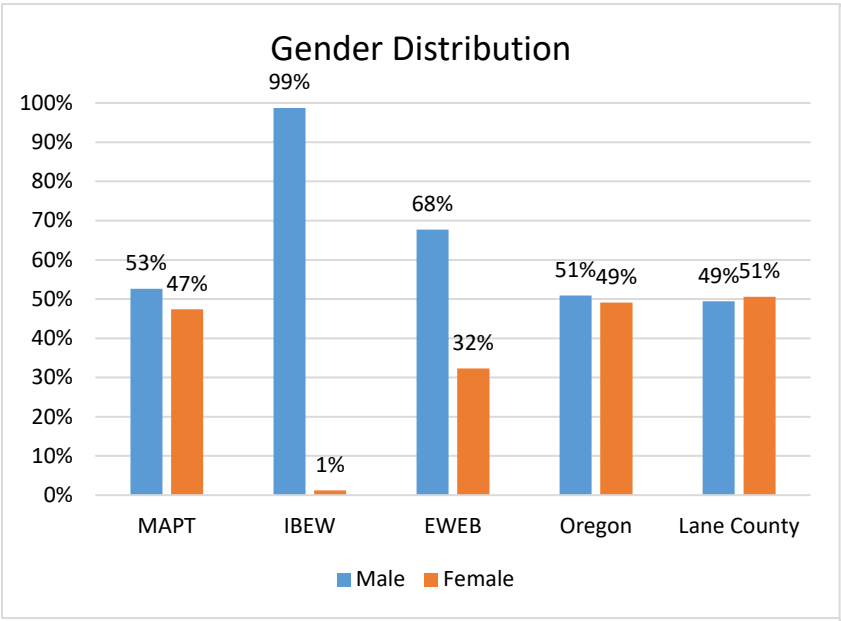
Refer also to Emergency Water Supply in the Water Utility Capital Spending Summary and Project Updates.

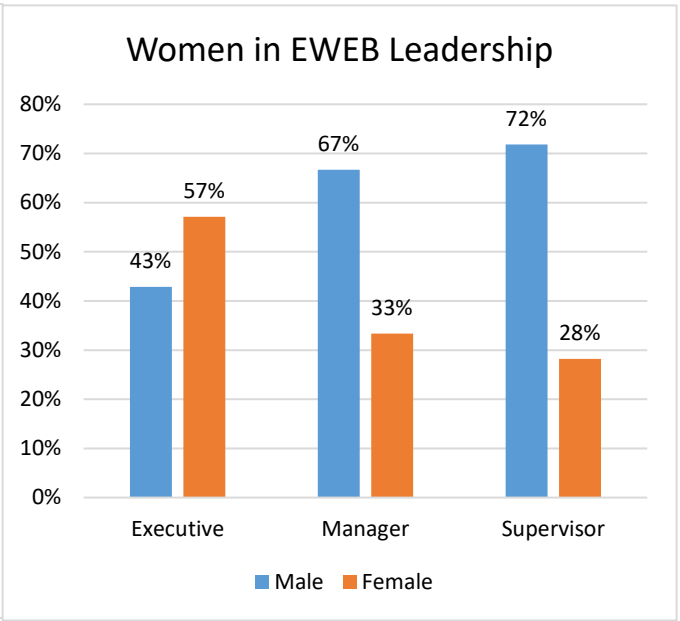
Q2 2021 Workforce Composition

The following charts are demographic snapshots of EWEB's workforce composition as compared to that of the State of Oregon and Lane County, as reported by the US Census Bureau in Q2 of 2021, the most recent quarter for which they have data.









2021-Q2 Fleet Services Sustainability Progress Report

Fleet Services continues to use low CI alternative fuels approved through Oregon's Clean Fuels Program in the fleet operation.

- By choosing to use low CI fuels in place of fossil-based unleaded and diesel fuels, our exposer to GHG emissions decreased 36.9% under our 2009 baselines.
- By blending higher percentages of Ethanol and Renewable Diesel, we have been able to effectively reduce the fossil-based fuels used by EWEB's vehicles and equipment by 63.2%.
- The cost difference (YTD) to use low CI alternative fuels averaged 2.9% more than conventional fossil-based fuels through Q2. This equivalates to the current cost of $15.37 to reduce one (1) metric/ton of CO^2 emissions.