Meeting Logistics and Facility & Safety Awareness

MEETING LOGISTICS

Thank you for attending tonight's board meeting.

EWEB management and subject matter experts are present in the room and virtually. The meeting is being live streamed and recorded.

Public testimony is welcome, sign-up forms are available at the back of the room.

Give completed forms to Security staff.

When your name is called to provide testimony, please speak loudly and clearly so everyone can hear you.

FACILITY & SAFETY AWARENESS

Visitor access is limited to the board meeting room and restrooms.

Restrooms are located on the 1st floor; exit through the interior door at the back of the room and a Security Officer will direct you to the location.

In the event of an emergency, (such as a fire or security incident) follow all instructions given by staff.

If evacuation is required, please calmly proceed to the nearest safe exit as identified and directed by staff and evacuate away from the building to the farthest points in the parking lots to allow clear and immediate access for first responders.

PUBLIC INPUT

INSTRUCTIONS

Complete Request to Speak form.

- In person: Hand form to Security Officer or staff seated along the windows.
- Callers: Submit online form any time before 2:00 pm meeting day (eweb.org/x2936)

Board President announces amount of time each speaker will be offered to present their testimony.

When your name is called, in person speakers may stand or sit at the speaker table.

Callers don't forget to press *6 to unmute.

Clearly state your name, and optionally your address or ward. Share your views and opinions respectfully.

Keep track of time. In-person speakers can watch the timer at the front of room; all speakers can listen for an audio notification when time has lapsed.

CODE OF CONDUCT

The Board values relevant community input from diverse perspectives and requests that all persons share their views and opinions in a manner that is productive, respectful, and not disruptive. Speech of any kind that is disruptive will not be tolerated. Anyone who fails to meet this standard may be muted or removed from the meeting.

WHAT TO EXPECT

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- The Board may direct staff to respond to specific questions or comments posed by the public; those responses which are for the public good may be posted on EWEB's website.

EWEB Board Meeting

May 6, 2025

Call to Order and Agenda Check

Items from Board Members & General Manager

Correspondence

#.	Item and key points	Authors	Objective
1.	2024 Oregon Renewable Portfolio Standard (RPS) Compliance Report • Annual update of EWEB's Renewable Portfolio Standard (RPS) compliance (ORS 469A.170)	Brian Booth, Megan Capper	Information
2.	Organizational Goal #1 – Quarterly Operational & Organizational Goals Update Report for Q1 2025 • Quarterly report summarizes EWEB's unaudited financial position, reviews impactful events, highlights ongoing day-to-day operations, and provides an update on strategic progress.	EWEB	Information
3.	Proposed Charges and Fees • Correspondence to solicit feedback and direction on fees that will be brought in June for proposed action.	Deborah Hart, Julie McGaughey	Information / Direction
4.	State Legislative Update • Correspondence provides status of key legislative proposals of interest to EWEB	Jason Heuser	Information
5.	Willamette Treatment Plant – Annual Situational Update • EWEB is actively advancing the Willamette River Water Treatment Plant Project—a cornerstone of our Water Capital Improvement Plan (CIP) and Long-Term Financial Plan (LTFP). This memo provides a comprehensive update on the project's status and next steps.	Karen Kelley, Mike Masters, Chris Irvin, Laura Farthing	Information

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Approval of Consent Calendar A

Approval of Consent Calendar B

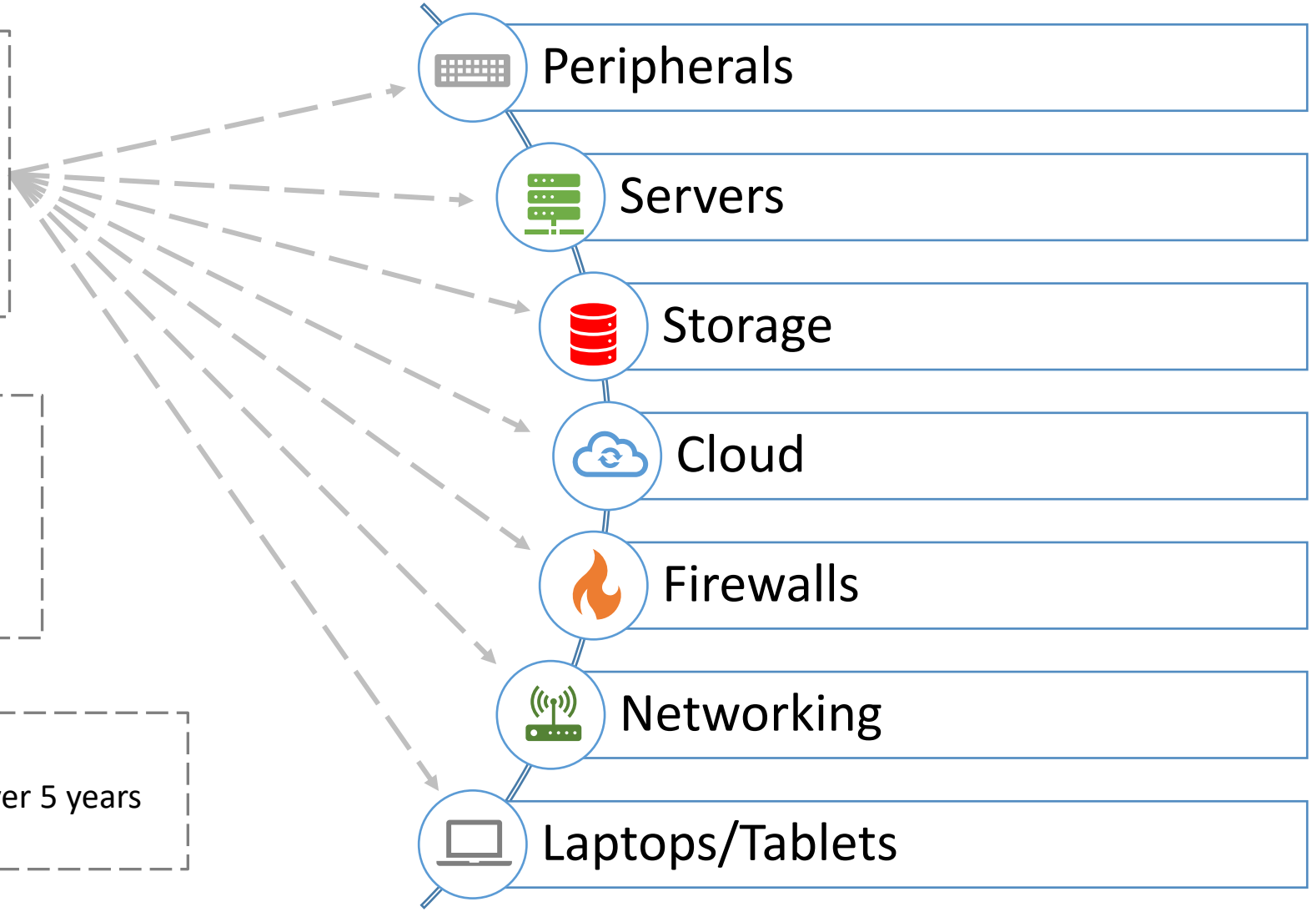
Items removed from Consent Calendar

Cooperative Contracts

What:
- Leverage cooperative contracts for purchasing Core Technology
- $15 Million over 5 years
  - *Already in LTFP and annual budgets*

Why:
- Meets Compliance Requirements
- Pre-negotiated Terms
- Volume Pricing
- Streamlined Procurement

History:
- 2020 – Board Approved $15 Million over 5 years
- Actual spend stayed within threshold



Questions?

Manual Meter Reading Fees

May 6, 2025

Eugene Water & Electric Board

Rely on us.

Overview

Timeline	
February 2024	Customers first notified that MMR would be subject to future fees.
May 2025	Board to provide direction on continue planning for MMR fees based on current cost estimates.
Spring 2026	Board to vote on final approval of the MMR fees.
Summer 2026	MMR fees go into effect (tentative).

Smart meters reduce manual costs & shift some expenses to technology; all costs & benefits are reflected in rates via COSA.

Future Estimated Fees	Basis for Fee Calculation
• Enrollment Fee: $150 per premises. Applies ***after the fee is formally adopted*** each time a customer requests MMR. • Routine Service Fee: $20/month per account. Ongoing monthly fee for maintaining MMR.	• Labor: Salaries, including benefits • Transportation: Mileage, fuel, maintenance • Systems & Equipment: Tools required for manual reads • Data Processing: Handling of manually collected data • Operational Inefficiencies: Sub-optimized reading routes • Demand: Number of customers requesting MMR service (monthly fee only)

City of Eugene Fire Fee
EWEB Billing and Collection

EWEB Board of Commissioners

2025 Capital Plan Update

5-6-2025

Eugene Water & Electric Board

EWEB

Overview

- Capital Planning
  - Components
  - Measurements – Budget
  - Reporting
- CIP Updates – Water, Electric, Shared Services
- CIP Risks

EWEB Board of Commissioners
Thank you for support and Guidance!

- Around $1.5 billion in physical assets to achieve our mission – requires continuous stewardship through our CIPs
- Capital is 41% of our budget excluding power purchase in 2025

Capital Plan Components

Strategic Plan & Resiliency

- E - balancing supply and demand, aging infrastructure
- W - redundancy in source, TX and storage, aging infrastructure
- Shared - operations flexibility, facilities

Strategic Plan & Modernizing

Business Systems (EES), AMI, GIS, energy trading updates

CIP Guiding Light

Master Plans:

Water updating 10 yr

Electric T&D developing ver. 1

Generation C/S

Shared various

EL 1 Categories (2025 update):

- Type 1 – general < $3 MM in year, ongoing rate funded
- Type 2 – discrete > $3 MM over multiple years, rate and bond
- ~~Type 3 – Large strategic multi-year projects, Bond funded~~

Measuring & Reporting CIP Progress

- Budget – Board oversite: yearly budgets, LTFP, CIP process, Quarterly reports (EL1) and consent requests for purchasing and contracting.
- Scope – Staff driven and monitored. Board oversite in CIP process, EL1 and strategic planning.
- Schedule – Staff driven and monitored. Board monitoring EL1.

All elements are in quarterly report. High-profile projects are routinely discussed during scheduled Board meeting updates.

Measuring CIP Level Success - Budget

Water	2025 Budget (MM)	2025 YTD	2024 YE	2023 YE
Type 1	$ 12.90	16%	103%	106%
Type 2	$ 27.35	12%	99%	84%
total	$ 40.25	14%	101%	92%
Electric				
Type 1	$ 27.90	14%	88%	94%
Type 2	$ 49.97	8%	98%	85%
Total	$ 77.87	10%	94%	88%

ELECTRIC UTILITY EL1 PRELIMINARY CAPITAL REPORT | Q1 2025

APPENDIX C

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

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

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

Electric – Type 2, T and D

Jessen Substation Rebuild

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

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

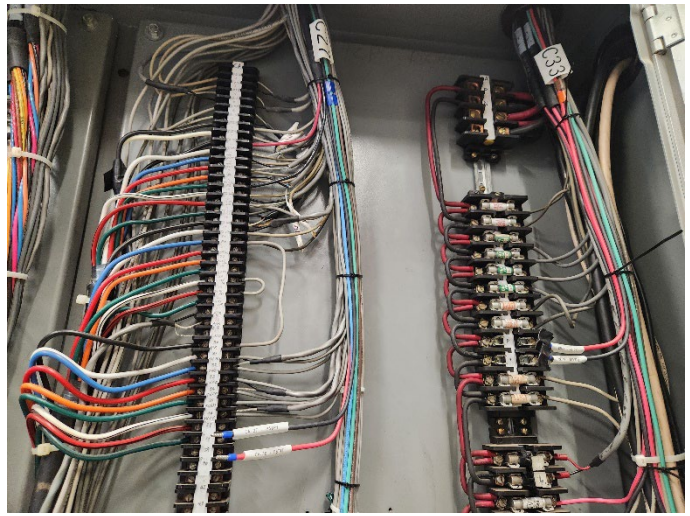
Additional Key Work:

- Dillard Resiliency Rebuild – Transmission reconfiguration with distribution circuit underground – FEMA Reimbursed Wildfire Risk Reduction - $1.15M
- Hayden Bridge to Walterville Transmission Line Rebuild – designing, specifying and completing FEMA submission for line damage and mitigation from Ice Storm – Budget TBD

Electric – Type 2, Generation

Project	Schedule	$ YTD MM	$ Total MM
IP TG4 Major Plant Renewal	2024-2026	$0.488	$2.75
WV Emergent Leak Repair	2024-2026	$0.13	$1.0
LB Canal Risk Mitigation	2025 cost shown	-	$2

IP TG4 Major Plant Renewal



Walterville Canal/Forebay

Leaburg Canal

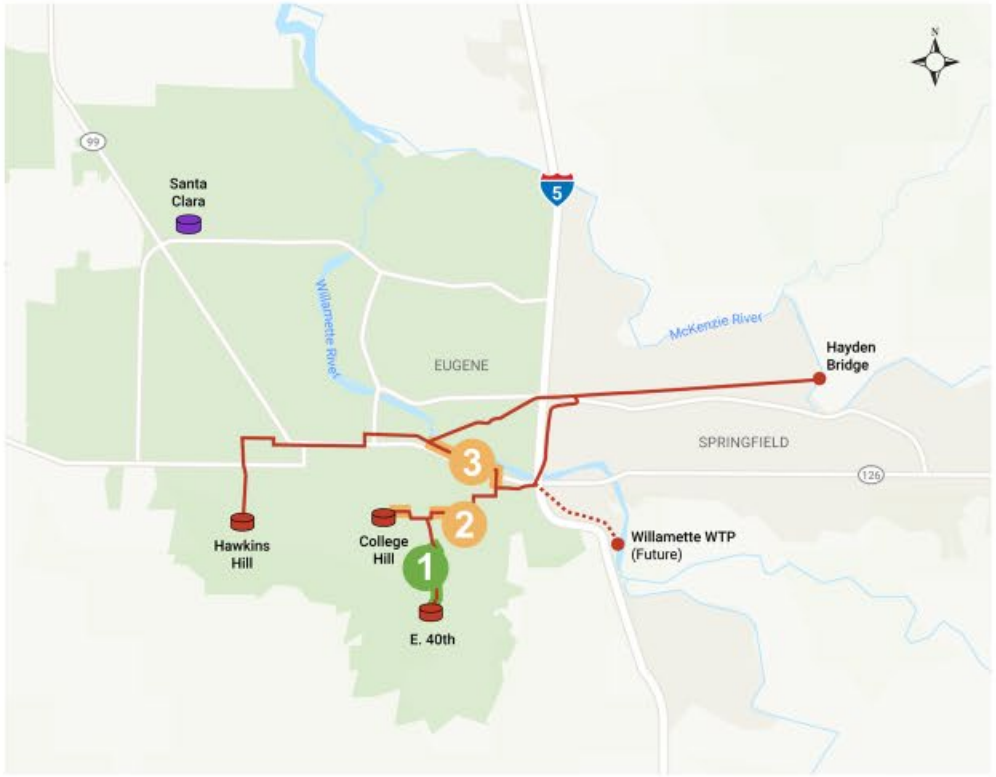
Electric – Type 2, Generation - Carmen Smith

Carmen Smith License Deployment

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

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

Water – Type 2, Mains



- ✓ Critical work to resilient spine continues each year through 2026
- ✓ Pipelines will provide critical redundancy to Willamette River crossings and improve transmission of water from new base level tanks to rest of system

1 Hilyard Transmission Main

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

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

2 East 23rd 42-inch Connector

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

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

3 Next up in 2026: Final Phase of 42-inch Riverfront Connector

Water – Type 2, Reservoirs

College Hill Storage Tanks and Connecting Pipelines

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

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

- ✓ Excavation is complete!!!!!
- ✓ Tunnel and tank construction begins June 2025
- ✓ Anticipated date tanks online end of 2026

Shasta 975 Tank Replacement

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

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

- ✓ Replace existing failing 1.75-million-gallon steel tank with two new seismically sound 0.5-million-gallon steel tanks
- ✓ Construction started April 2025 projected completion date December 2025

Water – Type 2, Willamette Source

Willamette Water Treatment Plant

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

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

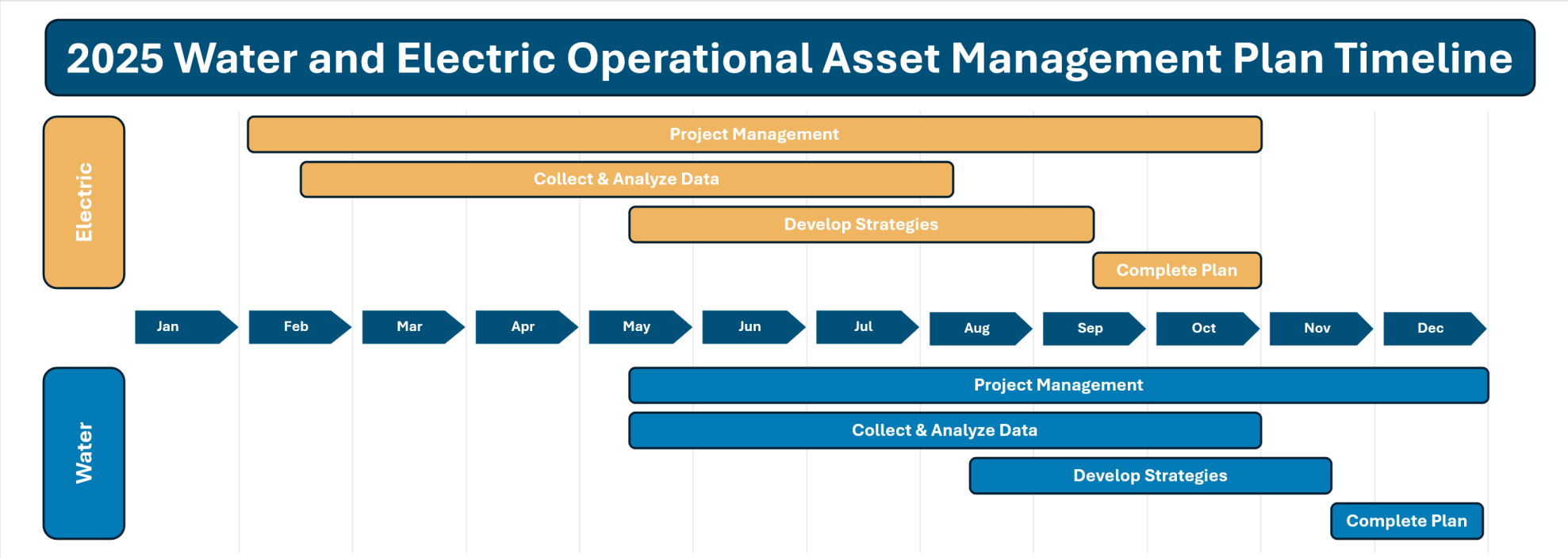
Sketch of new fish habitat near raw water intake

Project Timeline

- Environmental Permitting:
  - Applications submitted Fall 2024
  - Anticipated approval Fall 2026
- Land Use Applications:
  - Applications submitted Spring 2025
  - Anticipated approval Early 2026
- Design Contract:
  - Anticipated award July 2025
- Construction planned late 2026

EES Season 2 / Season 3 Prep

Project	Schedule	$ PTD MM	$ Total MM
EES Season 2	2025	$1.1	$10.8
EES Season 3: Operational Asset Mgmt Plans*	2025	$0.19	$0.25



*EES Season 3 is O/M funded.

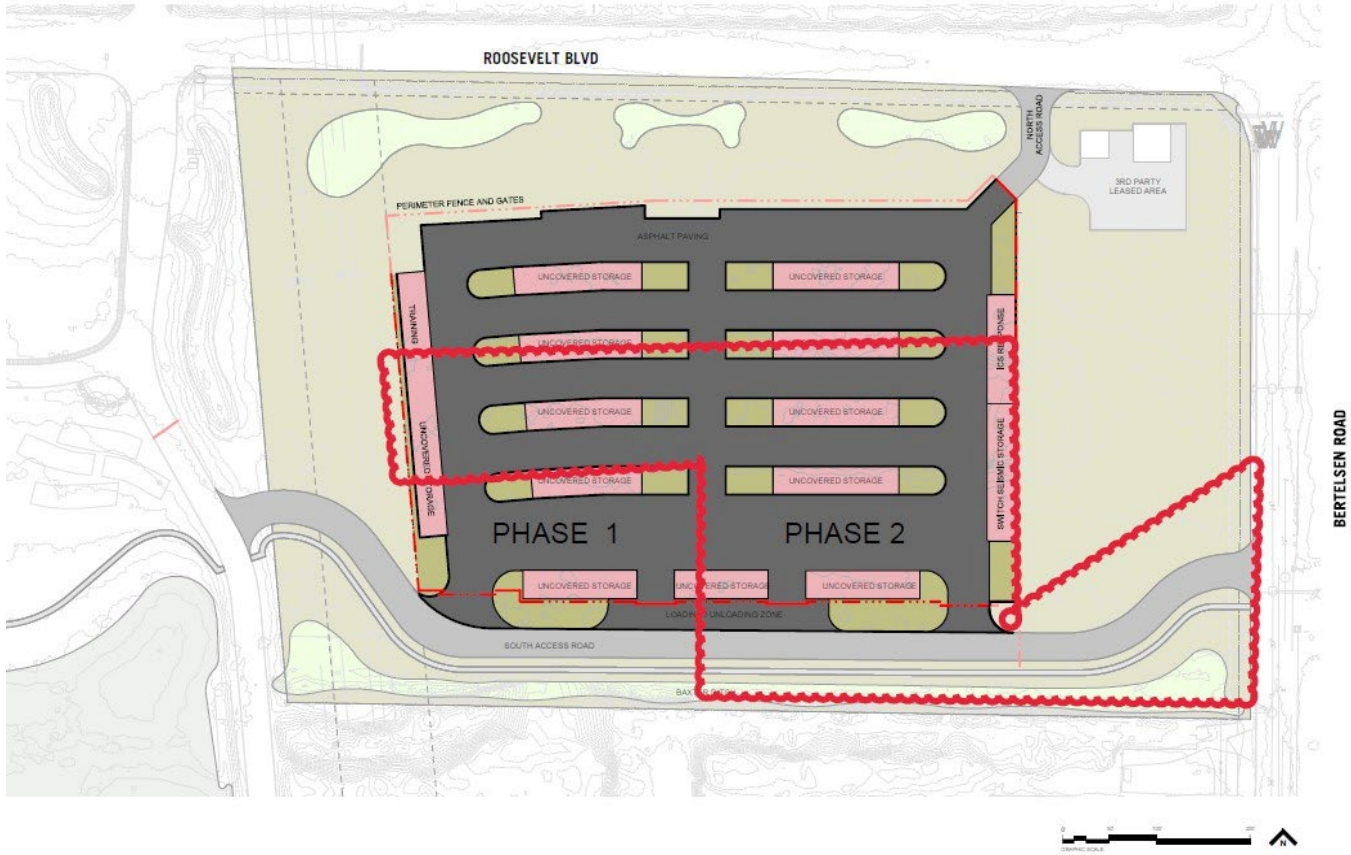
Shared Services Type 2, Facilities

Project	Schedule	$ PTD MM	$ Total MM
Bertelsen Roosevelt Site Updates	2021-2026	$2.4	$18.0

Project updates

Phase 2

- Construction starts June 2025
- Finishes in December 2025
- Phase 2 work $3.0M (red)



Type 1 & 2 - AMI

Type 2: Water Meter AMI Deployment

Project	Schedule	$ PTD MM	$ Total MM
Water Deployment	2025-2026	$21M	$25.6M

	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Total
Water Meter Upgrades									**9,400**

Type 1: Upriver AMI Deployment

Project	Schedule	$ PTD MM	$ Total MM
Upriver Deployment	2025-2026	$0.217	$1.9

	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Total
Base Station Installations		5			1*				**6**
Meter Upgrades							†		**3,200**

* This final base station requires a third part site management company to extend an existing tower, a project which they have communicated will be done Q4 2025 at the earliest. Their project timeline may impact ours.

† The final 960 meters will be installed in the territory of the final base station. That final base station must be completed and come online first, with the meter installation within the territory occurring afterwards.

Example image of AMI base station

Capital Plan Risks

- Supply Chain
  - Domestic goods like pipe and poles in better shape (pipe around 1 month and poles up to 3 months)
  - Many brass water items are still six months plus out in many cases
  - Three-phase transformers experiencing multiples of past pricing and long lead times
  - Maintain 1-2 years of stock for long lead time items

- Labor Market
  - Experienced & high technical skilled staff recruitments generally not successful
  - Investing in development (entry level with training program)
  - Supplementing with contractors/consultants where possible

- Policy & Regulatory Uncertainty
  - Grant programs cut, evaluating business cases for full EWEB funding
  - Pending tariff increases resulting in contractual updates, monitoring for impact closely
  - Resource cuts at Federal Agencies (BPA, FERC) resulting in delays to responses and planning

Questions

Break

(10 minutes)

BPA Product Decision Update

Initial "Leaning" & BPA Request Resolution

Frank Lawson, CEO & General Manager
Deborah Hart, AGM/CFO
Brian Booth, Chief Energy Resource Officer
May 6, 2025

Eugene Water & Electric Board

EWEB

Topic Agenda

Background

Initial “Leaning” & Rationale

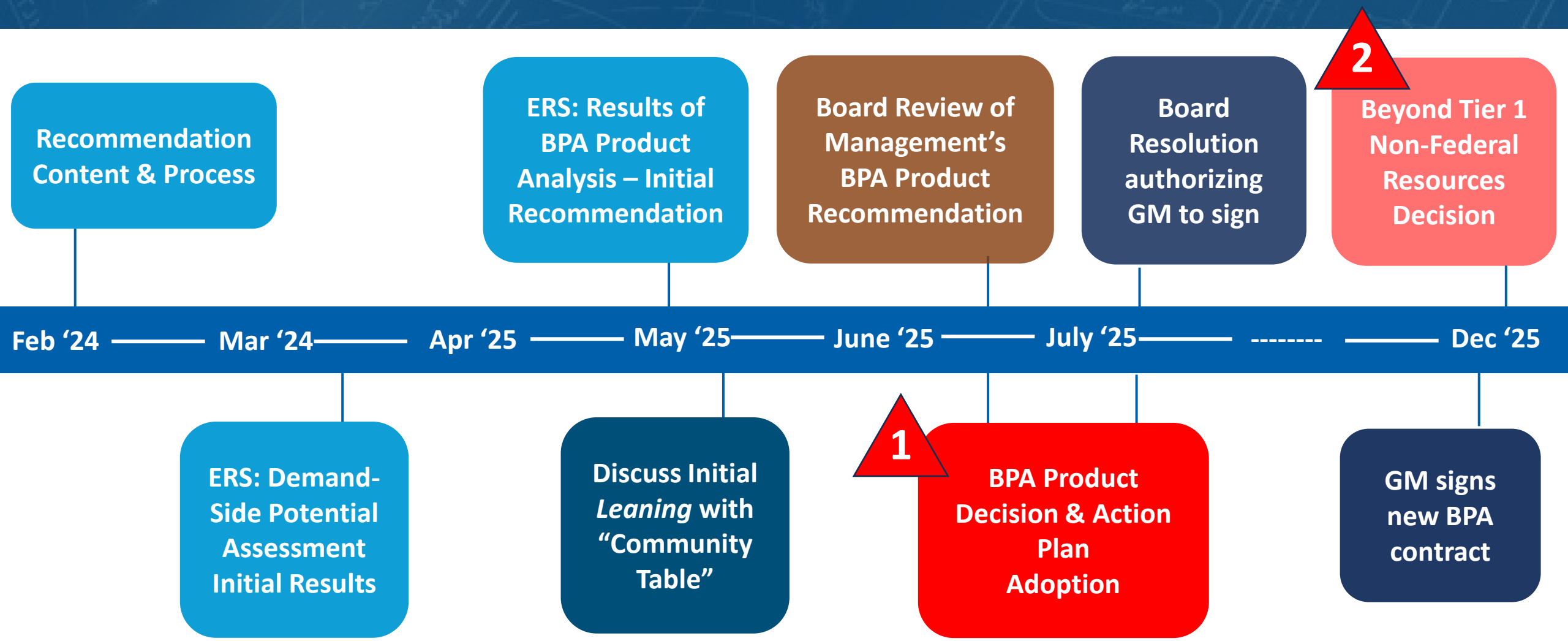
Resolution – Requesting *“Provider of Choice”* Contract

Discussion/Feedback

BPA “Provider of Choice” Contract

Background

BPA Product Choice and Energy Resource Study (ERS) Timeline



BPA Product Choice Management Considerations

Demand-Side Potential Assessment – Informs Portfolio Mix/Cost

Portfolio Economics

- ✓ 20-Year Portfolio Cost (BPA plus EWEB)
- ✓ Sensitivities (Variables)
- ✓ Future Scenarios (Most Likely and Potential Mixes of Variables)
- ✓ Portfolio Management Costs

Business Model Impacts

- ✓ Resiliency of Product Decision on Future Options/ Choices
- ✓ Business "Proforma" Analysis

Qualitative Assessment (Environmental, Social, Governance)

- ✓ Local Control (Risk Points)
- ✓ Environmental
- ✓ Decision "Resiliency"
- ✓ Policy(ies)/Resolutions
- ✓ Values
- ✓ Community Table

Leading BPA Product Options

- Load Following, Block with Shaping + PLVS leading candidates.
- BPA provided multiple options for PLVS, Winter most often was least cost option.

Qualitative differences between products

Load Following

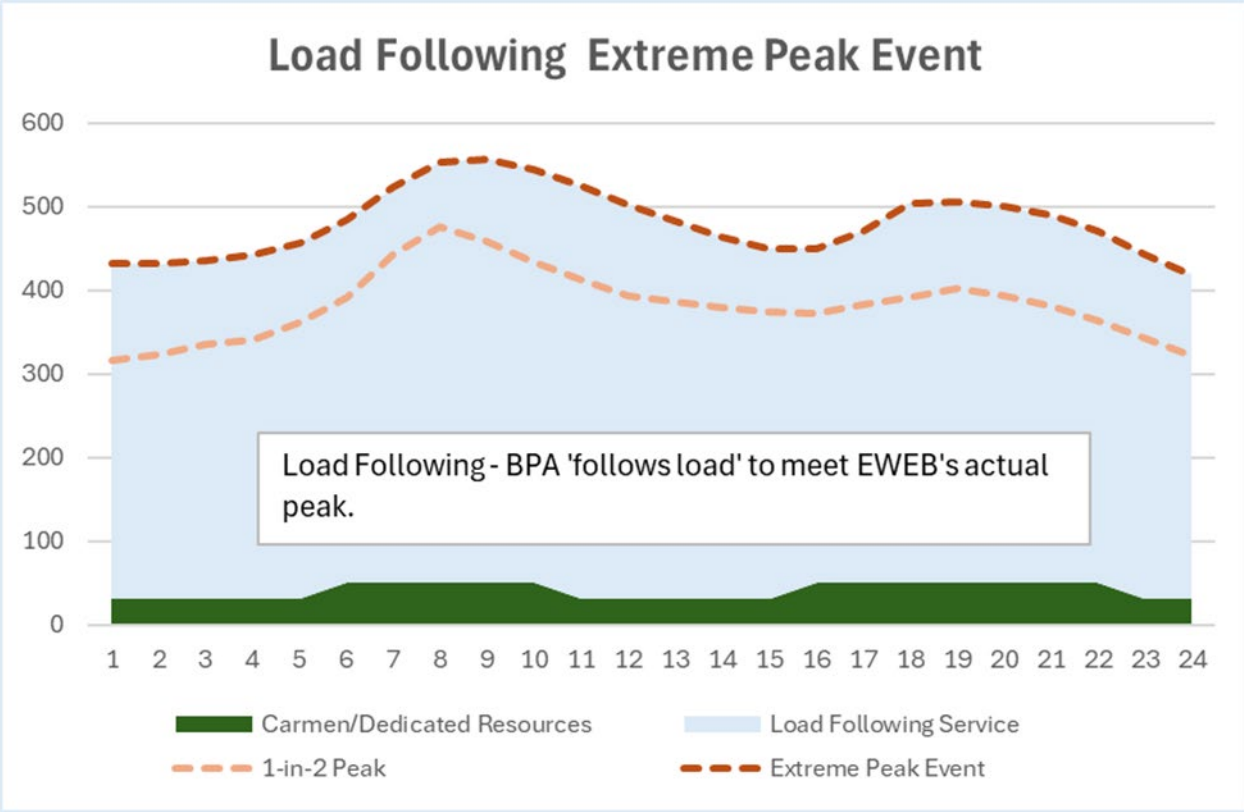
- BPA manages more of the portfolio.
- BPA provides a 'buffer' to the market –
  - EWEB sees indirect signals through BPA rates.
- BPA holds reserves to flatten volatility.
  - Pooled risk and benefit.

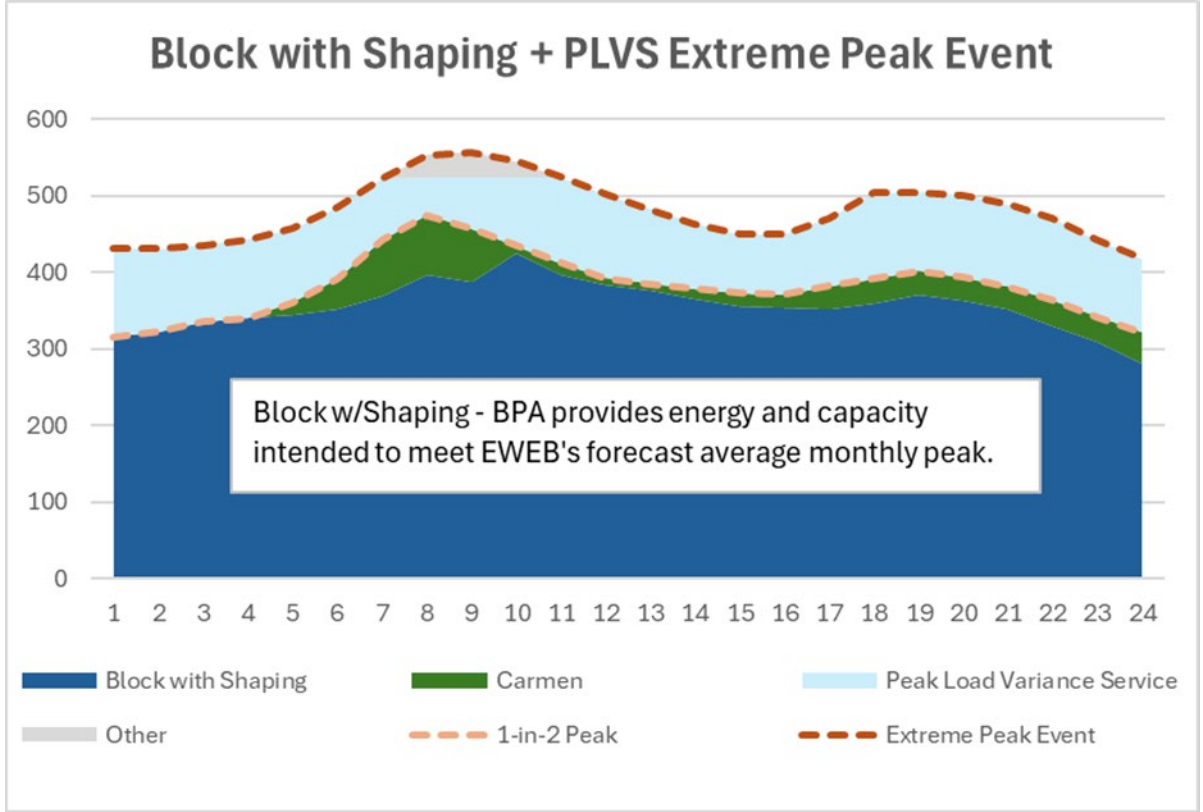
Block w/Shaping + PLVS:

- Clearer connection to signals for DR and TOU rate design.
- Higher resource and portfolio management responsibility by EWEB.
- Greater cost uncertainty for meeting WRAP obligation.

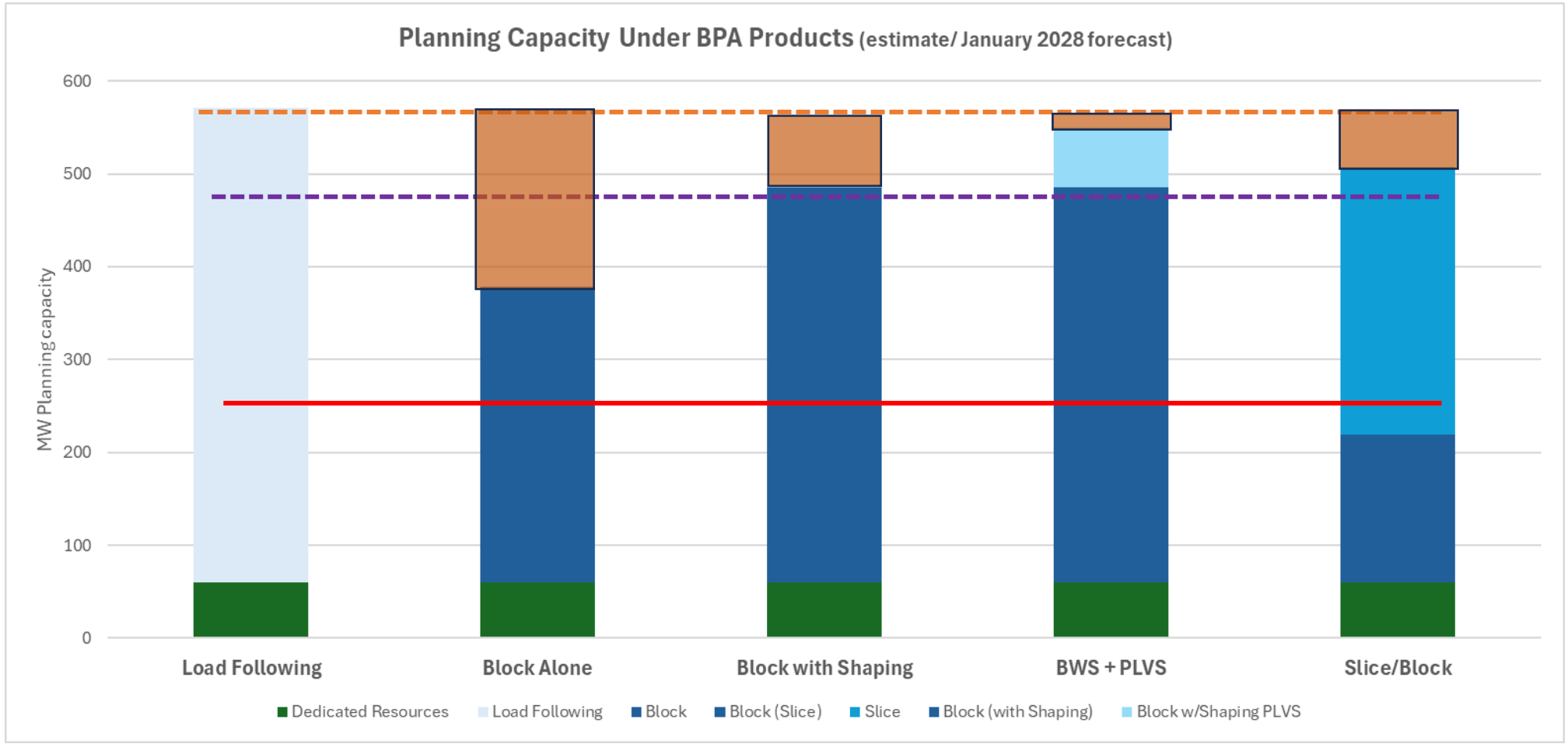
- **BPA Product Choice creates a future environment for decision making.**
- **Potential to create alignment with EWEB's strategic direction.**

Leading Product Operational Differences





Recap: Who fills the capacity gap differs between products



Expected Case & Sensitivities

<u>Key Takeaways:</u>

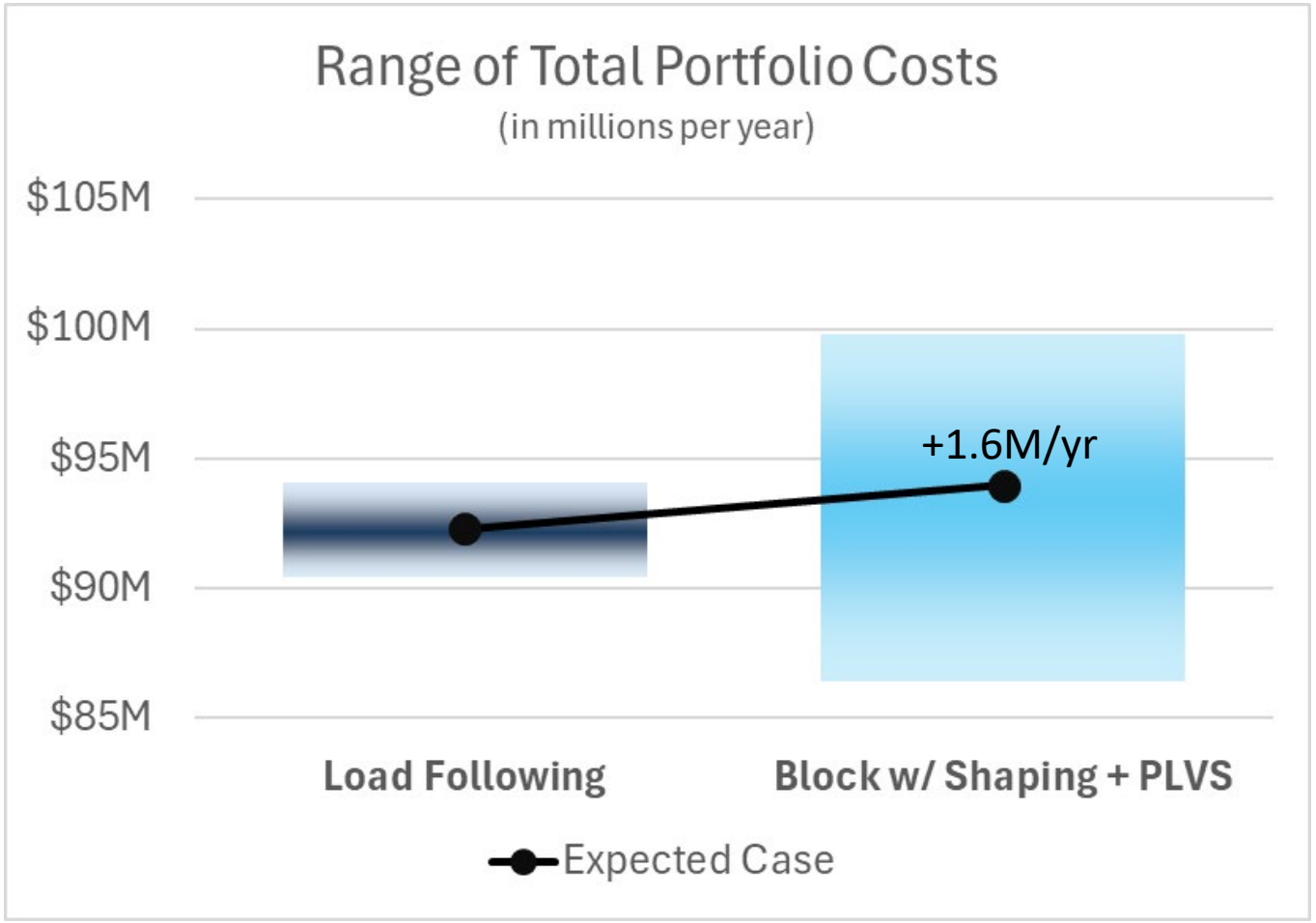
LF has least amount of uncertainty,

BWS is expected to be +$1.6M/yr

BWS+PLVS has roughly +/- $5 million/yr of uncertainty compared to LF

Planned Product Uncertainty:

- Market Capacity Price +/- $3M
- Capacity Obligations +/- $2M
- BPA Rates +/- $1M



BPA “Provider of Choice” Contract

Initial *“Leaning”*

Load Following Initial "Leaning"

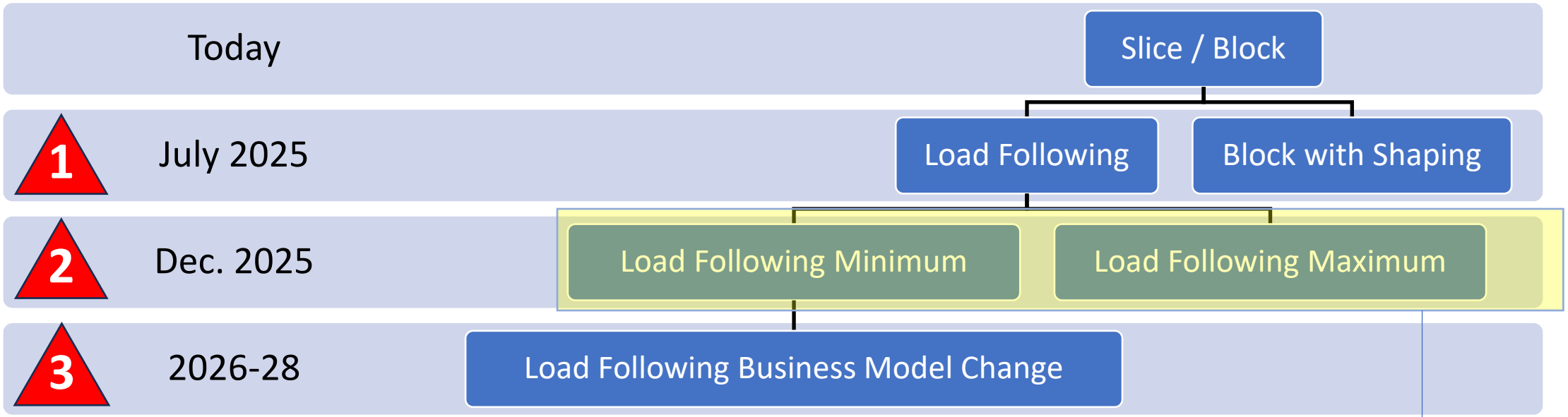
- **Maximizes At-Cost Federal System** (Capacity) – "Net" Baseload Requirement
- **Least Cost** – "Expected Case"
- **Most Stable/Least Uncertain** – BPA Rate Uncertainty (PLVS Billing, Demand Charges), Non-federal resource cost, Market capacity costs, PRM uncertainty *(Attenuates Optimized Upside Potential)*
- **Strategic Flexibility/Intentionality** – Segregates portfolio management, non-Federal, long-term generation choices)
- **Narrows EWEB's Focus** – Beyond Baseload Non-Federal, Demand-Side, & Future Business Models

Strategic Pathways – Boundaries of Product Choice(s)

Product Pathway Comparison				
Full Name	**Load Following Business Model Change**	**Load Following Minimum**	**Load Following Maximal**	**Block with Shaping**
Short Name	**LF BMC**	**LF Min**	**LF Max**	**BWS**
Description	EWEB divests of all non-federal resources. EWEB minimizes operational and contract requirements.	EWEB continues to own and manage resources. EWEB minimizes staffing and non-federal resources to greatest extent possible under current business model (Carmen ownership).	EWEB continues to own and manage resources. EWEB is market-facing to optimize owned and contracted resources.	EWEB continues to own and manage resources. EWEB is market-facing to optimize load, local programs, and resources.
***Load Growth Election**	BPA Long-term Tier 2	BPA Long-term Tier 2	Non-federal resources	Non-federal resources
Strategic Direction	EWEB as non-vertical utility.	EWEB as mostly non-vertical utility.	EWEB as vertical utility.	EWEB as vertical utliity.
Rationale	EWEB's overhead to own and manage resources and balance portfolio is costly. We simplify as much as possible and rely on pooled risk management because we think that can lower rates.	EWEB thinks we can capture value from 'simplifying' and is OK with less local control.	EWEB chooses LF for greater capacity cost certainty. We see value in maintaining institutional knowledge and optimizing owned/contracted assets.	EWEB sees value in BPA capacity, but also desires to be fully market-facing. EWEB desires flexibility to navigate future uncertainty.

* EWEB will have an independent choice over our long-term load growth service regardless of our product election. The 'Pathways' assume specific choices to show potential strategic directions.

Sequence of Power Supply Decisions



Acquisition & Management of Non-Federal Resources?
…beyond Baseload (Tier 1)

BPA “Provider of Choice” Contract

Resolution

Resolution Requesting Contract from BPA

Resolution Motion:

"…move to pass Resolution #2509 authorizing the General Manager or designee to request a Provider of Choice Contract Offer from the Bonneville Power Administration

Discussion

Future Board Agendas

Board Wrap Up

Adjourn