MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

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TO:	Commissioners Barofsky, Schlossberg, Brown, Carlson, and Morris
FROM:	Brian Booth, Chief of Energy Resource Officer, Jonathan Hart, Power Planning Supervisor
DATE:	May 6, 2025
SUBJECT:	Oregon Renewable Portfolio Standard 2024 Compliance Report
OBJECTIVE:	Information Only

Issue

In compliance with ORS 469A.170, the Power Planning department is providing the EWEB Board of Commissioners (the Board) with an annual update as to EWEB's Renewable Portfolio Standard (RPS) compliance.

For 2024, EWEB's RPS portfolio obligation, after applying resource exemptions, is 45,505 MWhs, which is 1.94% of the 2,343,573 MWHs delivered to retail load. The retirement of these RECs has been completed and surplus RECs have been banked for future use or sold.

For 2024, EWEB's voluntary Greenpower program generated 16,051 MWhs of sales, resulting in the retirement of 16,051 RECs.

This report will be published on EWEB's website by June 1, 2025.

Background

In 2007, Oregon enacted Senate Bill 838, the Oregon Renewable Energy Act (Act), which created an RPS that all Oregon electric utilities must follow. The purpose of the RPS is to decrease Oregon utilities' reliance on fossil fuels for electric generation and increase their use of renewable energy sources. In 2016, SB 1547 further increased RPS targets for investor-owned utilities (IOUs) only.

The Oregon Public Utilities Commission (PUC) oversees IOU reporting and compliance with the RPS. However, consumer-owned utilities like EWEB are not regulated by the PUC. The statute governing RPS compliance reporting, ORS 469A.170, states: "A consumer-owned utility shall make the report to the members or customers of the utility." As such, EWEB reports the annual results of its RPS Compliance to the Board. Further, EWEB's long term RPS Compliance obligation is included in all Integrated Resource Plans (IRPs), which are also reported to the Board.

Discussion

EWEB's RPS Portfolio Obligation

Oregon's RPS establishes an obligation for electric utilities, requiring that a percentage of their annual retail sales must come from qualifying renewable resources. The exact percentage required, and the year the compliance obligation begins, depends both on the size and ownership type of the electric utility, as shown in Figure 1, below. As a consumer-owned utility, serving more than 3 percent of the state's total retail electricity sales, **EWEB is classified as a "Large Utility"** when determining its annual obligation.

Figure 1. Annual percentage target of qualifying electricity by year

Utility Type	Utility Size	2011	2015	2020	2025	2040
Large IOU	3% or more			20%	27%	50%
Large Utilities	3% or more	5%	15%	20%	25%	
Smaller Utilities	From 1.5% to 3%				10%	
Smallest Utilities	Under 1.5%				5%	

Oregon RPS Compliance Rules

The Act defines which types of renewable generation are considered "qualifying electricity." In general, qualifying renewable resources must have an on-line date of January 1, 1995, or later, with some exceptions.[1] Further definition of qualifying electricity can be found in ORS 469A.010.

There are some allowable exemptions from compliance outlined in ORS 469A.060, which can reduce a utility's RPS portfolio obligation. These exemptions ensure that the RPS does not compel utilities to procure new qualifying electricity resources to replace existing non-fossil fuel resources, or Tier 1 energy procured through the BPA Regional Dialogue Contract.

Under the Act, utilities may choose to comply with the RPS financially, in lieu of retiring RECs, through the use of an Alternative Compliance Payment. The price for Alternative Compliance Payment is based on the cost of qualifying electric resources, as determined by the Board. EWEB does not currently use this path to meet its RPS compliance. Details for Alternative Compliance Payment are outlined in ORS 469A.180.

To limit the impact of the RPS on retail consumer rates, the Act outlines a Cost Cap. This Cost Cap provides an upper limit on the cost for incremental actions required to comply with the Act. Further information for how this Cost Cap is defined can be found in ORS 469A.445.

Per rules adopted by the Oregon Department of Energy, generation volumes qualifying for RECs are based on values recorded and reported to the Western Renewable Energy Generation Information System (WREGIS). WREGIS is an organizational database that receives monthly generation volumes of renewable generation and serves as the regional system of record to issue, monitor, transfer, and account for Renewable Energy Certificates (REC). One MWh of renewable generation equals one REC. The RECs have identification numbers that indicate the generation

1 See link for a list of conditions under which pre-1995 resources are eligible to produce qualifying electricity, https://olis.leg.state.or.us/liz/2016R1/Downloads/MeasureDocument/SB1547/Enrolled
A later amendment to the RPS allows for pre-1995 woody biomass to qualify, but the RECs will not be eligible for use in compliance until 2026.

project and the month the electricity was generated.

Excepting for limitations due to Cost Caps, or the use of Alternative Compliance Payments, compliance is demonstrated by retiring a quantity of WREGIS RECs equal to the compliance obligation. Once a REC is retired in WREGIS it is no longer available to be banked, sold, or used for any other RPS program.

EWEB's 2024 Oregon RPS Portfolio Obligation

Figure 2. EWEB Oregon RPS Portfolio Obligation Calculation

Category	Calculation	Quantity	Unit
Retail Sales to Customers	a	2,343,573	MWh
Qualifying Electricity Target *before* Exemption	b	20%	Percentage
RPS Portfolio Obligation *before* Exemption	c = a × b	468,715	MWh
Generation from Exempt Resources			
BPA Tier 1 net purchases	d	2,011,382	MWh
EWEB hydro (owned)	e	286,686	MWh
Mid-C hydro (contract)	f	0	MWh
Total MWhs from Exempt Resources	g = d + e + f	2,298,068	MWh
Percent of Retail Sales covered by Exempt Resources	h = min (g ÷ a , 100%)	98%	Percentage
Qualifying Electricity Target *after* Exemption	i = min(100% - h, b)	2%	Percentage
RPS Portfolio Obligation *after* Exemption	i × a	45,505	MWh[1]

1. EWEB must retire 1 REC for each MWh of calculated RPS Obligation *after* Exemption to comply with the RPS

As detailed in Figure 2, above, EWEB's qualifying electricity target for 2024 is 20 percent of retail sales before exemptions. Under Oregon's RPS rules, if exempt generation in 2024 exceeds 80 percent of total retail sales, then EWEB can reduce the 20 percent qualifying electricity target by the amount the exempt generation exceeds 80 percent. If exempt generation exceeds 100 percent of total retail sales, then EWEB's qualifying electricity target is reduced to zero (0) percent.

Because EWEB's hydroelectric resources, including BPA Tier 1, are considered "exempt generation", these resources significantly reduce EWEB's current and projected qualifying electricity targets. As a result, EWEB's 2024 RPS portfolio obligation results in the retirement of 45,505 RECs in 2024.

Greenpower Program

In accordance with the Act, EWEB offers voluntary renewable purchases to EWEB customers under the Greenpower program. The Greenpower program allows customers the choice to voluntarily pay an additional one cent per kWh, which pays for the cost of retiring Greenpower RECs and contributes to the development and consumption of renewable energy in EWEB's

service territory. Just as RECs would be retired to satisfy EWEB's RPS obligation, RECs are also retired to match the volume of sales under EWEB's voluntary Greenpower program, with one REC retired for every MWh of program sales.

In 2024, sales to EWEB customers under the Greenpower program totaled 16,051 MWhs. EWEB has retired an equivalent quantity of RECs from its portfolio. For additional information on EWEB's Greenpower program please see: Greenpower | EWEB.

Recommendation
None

Requested Board Action
None

TO:	Commissioners Barofsky, Schlossberg, Brown, Carlson, and Morris
FROM:	Frank Lawson, CEO & General Manager
DATE:	May 6, 2025, Board Meeting
SUBJECT:	2025-Q1 Quarterly Report
OBJECTIVE:	Information

Issue

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

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Eugene Water & Electric Board
Q1-2025 Quarterly Report

Frank Lawson, CEO & General Manager

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

Data in this report is preliminary and unaudited.

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Contents

APPENDICES

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

REQUIRED REPORTING PER BOARD POLICY

ADDITIONAL APPENDICES

Introduction

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

Executive Summary

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

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

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

Frank Lawson
CEO & General Manager

The following dials are used to represent overall goal status.

Goal 1 – Ongoing Operational Efficiency & Effectiveness

Maintain or improve our ongoing operational efficiency and effectiveness through Continuous Improvement (CI) using deliberate benchmarking and performance metrics, and with 2025 milestones of Type 2 and Type 3 Projects (including base level drinking water storage, Willamette water source, McKenzie generation projects, EWEB Enterprise Solutions Season 2, etc.) in scope, on schedule, and within budget.

Governance (Board Actions/Guidance)

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

Electric and Water Consumption

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

Table 1-1: Electricity Consumption (MWh)

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

(Unfavorable)

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Table 1-2: Drinking Water Consumption (kGal)

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

Favorable

Legal/Risks

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

Financial

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

Electric Utility

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

Budget Adherence YTD

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

Water Utility

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

Budget Adherence YTD

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

Workforce

Total Rewards

Annual Performance Review & Compensation Adjustments

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

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

Benefits & Leave Program Management

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

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

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

Workforce – Hiring & Retention

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

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

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

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

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

Enterprise Safety

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

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

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

Operations (Quality/Delivery) – Electric

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

Electricity "Source-to-Switch"

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

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

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

Table 1-5: EWEB Generation Reliability (Availability)

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

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

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

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

**FOF is not a standard metric for wind generation

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

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

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

SAIFI = System Average Interruption Frequency Index

SAIDI = System Average Interruption Duration Index

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

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

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

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

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

Tree Trimming

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

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

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

Oregon PUC (OPUC) Inspections/Corrections

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

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

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

North American Electric Reliability Corporation (NERC)

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

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

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

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

Drinking Water "Source-to-Tap"

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

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

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

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

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

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

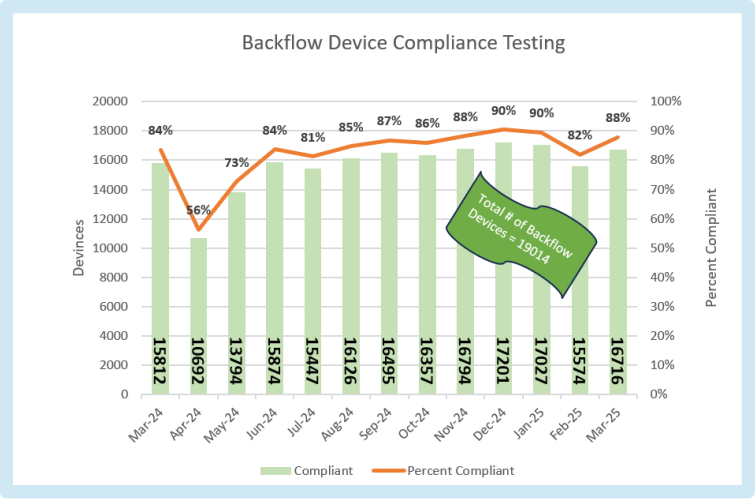
Table 1-7: Water (Source-to-Tap) Reliability

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

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

Backflow

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



Customer/Customer Programs

Customer Service and Response/
Customer Program Delivery

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

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

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

Table 1-8: Customer Response

Performance Measurement	Opportunities	Goal	Actual	Achievement	Opportunities	Achievement
	Q1 2025 YTD				Q1 2024 YTD	
Customer Calls (Average Speed to Answer)	43,455	<90 sec.	214 sec.	81%	33,048	59%
Website/Email/Portal	7,832	1 Bus. Day	1 Bus. Day	100%	3,285	100%

Energy Efficiency & Conservation

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

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

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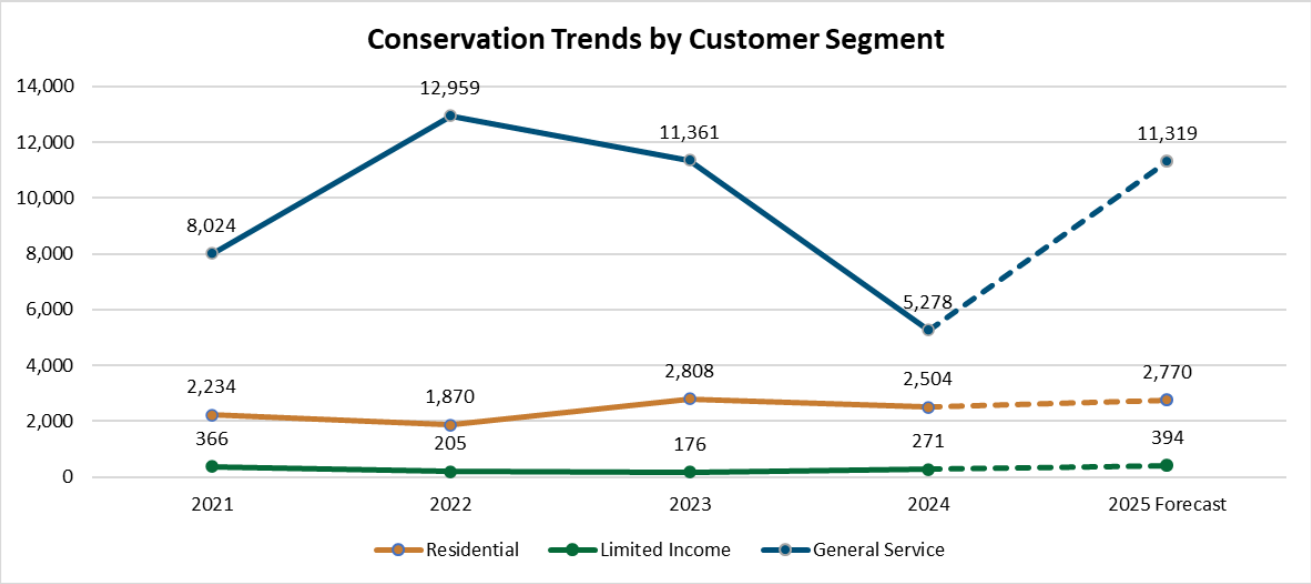
In lieu of actual results, staff have prepared an energy efficiency forecast for 2025. Projected savings are based on 1) historic results and current market conditions for the residential sector, and 2) intended or in-progress projects for the commercial and industrial sectors. It should be noted that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

Table 1-9: Energy Efficiency & Conservation



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

Electrification

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

Limited Income/Assistance

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

Water Efficiency & Conservation

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

Customer Building & Renovation Projects

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

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

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

Significant Updates to Capital Investment Projects

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

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

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

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

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

EES Season 2

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

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

Goal 2 – Succession Planning

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

Metrics Tracked:

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

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

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

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

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

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

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

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

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

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

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

Goal 3 – Energy Supply Contracts with Bonneville Power Administration

(BRIAN BOOTH)

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

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

Goal 4 – Limited Income Support Programs Impact

(JULIE MCGAUGHEY, DEBORAH HART, TRAVIS KNABE)

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

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

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

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

Goal 5 – Cost Adjustments & Demand Charges

(FRANK LAWSON, DEBORAH HART, JULIE MCGAUGHEY)

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

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

Goal 6 – Operational Asset Management Plans

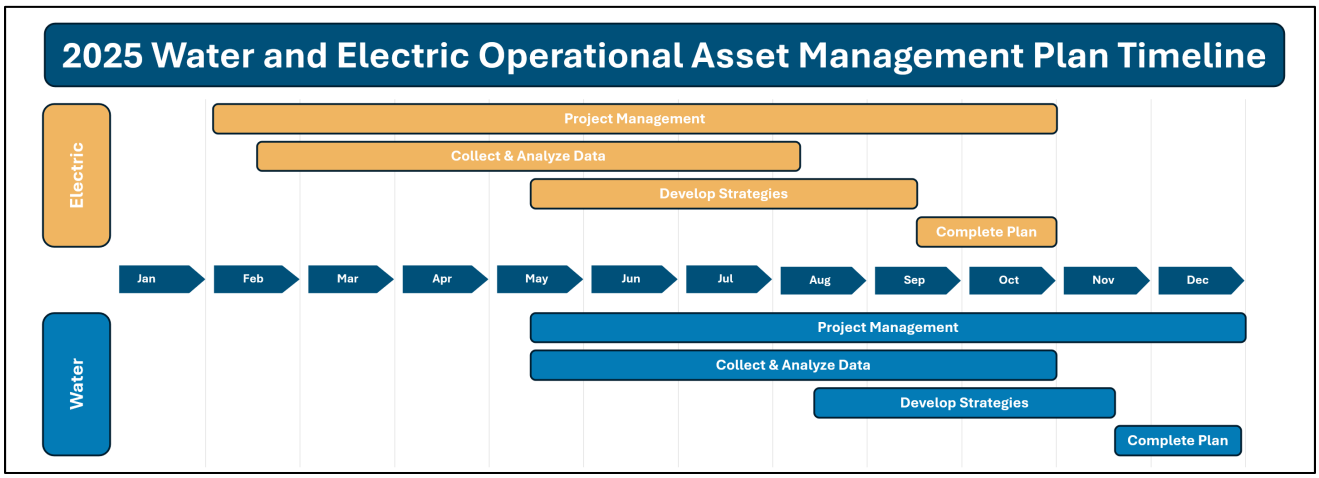
(KAREN KELLEY)

Formalize and publish Operational Asset Management Plans for at least 3 of the 5 (electric, water, generation, information systems, fleet/facilities) asset groups in preparation for new asset and field work management systems (2026-27), EWEB Enterprise Solutions Season 3.

Project Purpose:

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

Timeline:



Milestones:

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

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

In Progress:

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

Goal 7 – Environmental & Climate Change Policies

(FRANK LAWSON, KELLY HOELL)

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

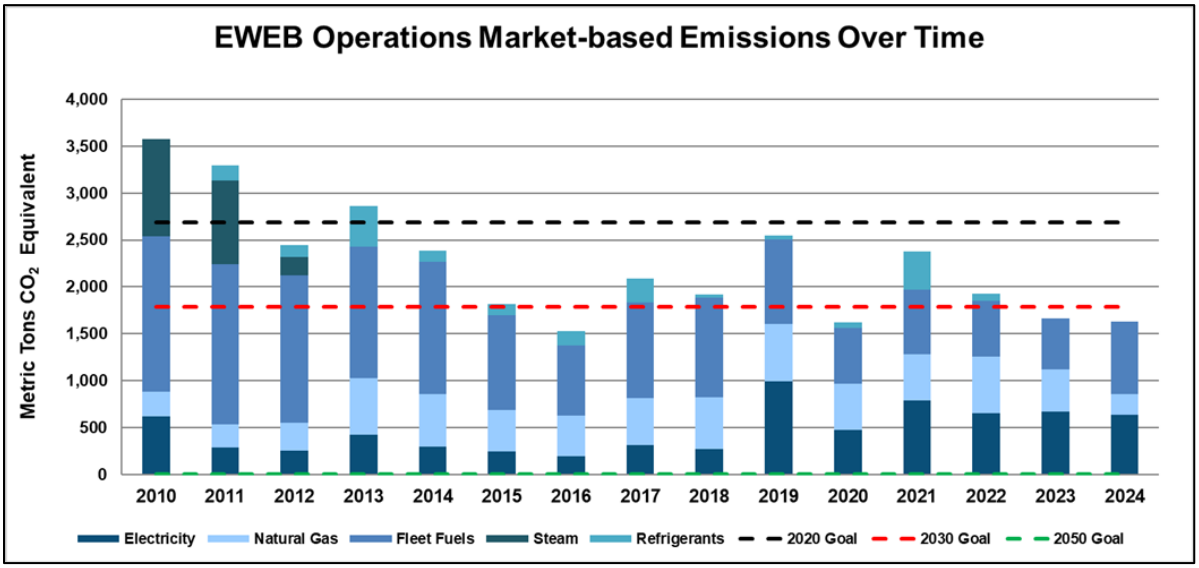
To achieve this goal, EWEB is prepared to finalize two of three separate deliverables in 2025, with the third forecasted for 2026:

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

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

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

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



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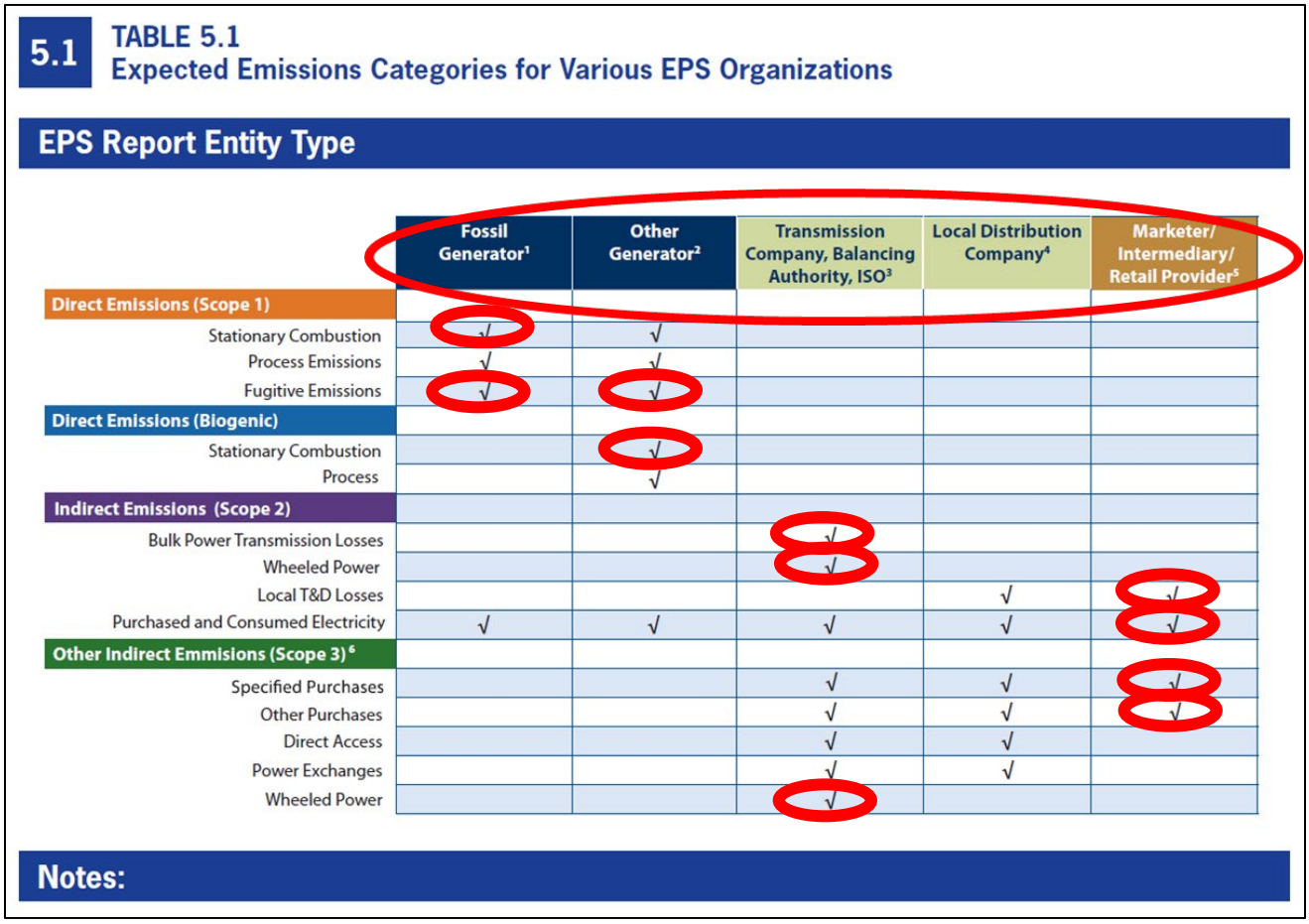
EWEB's Expanded GHG Inventory following The Climate Registry's Electric Power Sector Protocol

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

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

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



5.1 TABLE 5.1
Expected Emissions Categories for Various EPS Organizations

EPS Report Entity Type

	Fossil Generator[1]	Other Generator[2]	Transmission Company, Balancing Authority, ISO[3]	Local Distribution Company[4]	Marketer/ Intermediary/ Retail Provider[5]
Direct Emissions (Scope 1)					
Stationary Combustion	√	√			
Process Emissions	√	√			
Fugitive Emissions	√	√			
Direct Emissions (Biogenic)					
Stationary Combustion		√			
Process		√			
Indirect Emissions (Scope 2)					
Bulk Power Transmission Losses			√		
Wheeled Power			√		
Local T&D Losses				√	√
Purchased and Consumed Electricity	√	√	√	√	√
Other Indirect Emmisions (Scope 3)[6]					
Specified Purchases			√	√	√
Other Purchases			√	√	√
Direct Access			√	√	
Power Exchanges			√	√	
Wheeled Power			√		

Notes:

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Goal 8 – Energy Efficiency Programs for Rental Properties

(JULIE MCGAUGHEY)

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

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

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

ELECTRIC UTILITY PRELIMINARY FINANCIAL STATEMENT (EL1) | Q1 2025

APPENDIX A

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

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

ELECTRIC CONDENSED STATEMENT OF NET POSITION (Unaudited)

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

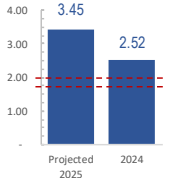
ELECTRIC CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

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

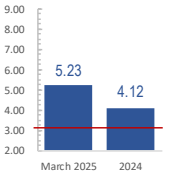
FINANCIAL STRENGTH MEASUREMENTS

Target line

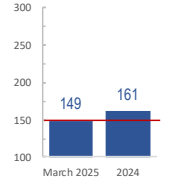
Debt service coverage
Target: 1.75 to 2.0x
Measures the utility's ability to meet its annual long-term debt obligation.



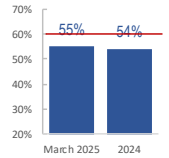
Current ratio
Target: Minimum of 3.250x
Measures the utility's short-term liquidity (ability to pay bills).



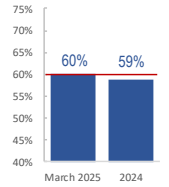
Working capital days cash
Target: Greater than 150 days
Estimates the number of days the utility can pay its daily O&M before running out of cash.



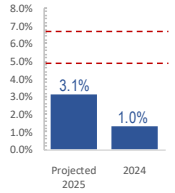
Age of system
Target: Less than 60 percent
Measures age of system compared to how much has been depreciated.



Debt as a % of NBV
Target: Less than or equal to 60
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 UTILITY PRELIMINARY FINANCIAL STATEMENT (EL1) | Q1 2025

APPENDIX B

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

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

WATER CONDENSED STATEMENT OF NET POSITION (Unaudited)

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

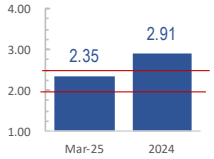
WATER CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In thousands)	YTD	Annual Working Budget	
	3/31/2025	Budget $	% of Budget
Type 1 - General capital	$ 2,075	$ 12,898	16.1%
Type 2 - Rehabilitation and expansion	$ 3,374	27,348	12.3%
Total capital	$ 5,449	$ 40,246	13.5%

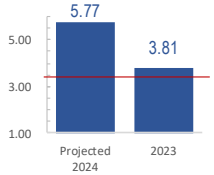
FINANCIAL STRENGTH MEASUREMENTS

Target line

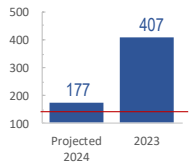
Debt service coverage
Target: 2.0 - 2.50x
Measures the utility's ability to meet its annual long-term debt obligation.



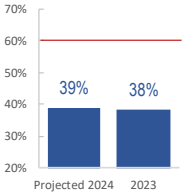
Current ratio
Target: Minimum of 3.25x
Measures the utility's short-term liquidity (ability to pay bills).



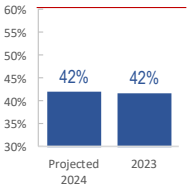
Working capital days cash
Target: Greater than 150 days
Estimates the number of days the utility can pay its daily O&M before running out of cash.



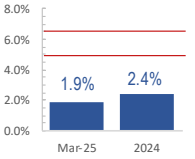
Age of system
Target: Less than 60 percent
Measures age of system compared to how much has been depreciated.



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



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



ELECTRIC UTILITY EL1 PRELIMINARY CAPITAL REPORT | Q1 2025

APPENDIX C

	ANNUAL BUDGET		2025	% OF	YEAR-END
	APPROVED	WORKING	ACTUAL	BUDGET	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

WATER UTILITY EL1 PRELIMINARY CAPITAL REPORT | Q1 2025

APPENDIX D

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

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

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

CAPITAL SPENDING SUMMARY | Q1 2025

APPENDIX E

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

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

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

ELECTRIC UTILITY AND SHARED SERVICES CAPITAL SPENDING SUMMARY

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

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

Jessen Substation Rebuild

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

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

Leaburg Canal Risk Mitigation (Near Term Risk Reduction Measures)

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

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

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

Carmen Smith License Deployment

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

CAPITAL SPENDING SUMMARY | Q1 2025

APPENDIX E

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

WATER UTILITY CAPITAL SPENDING SUMMARY AND PROJECT UPDATES

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

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

Water Meter AMI

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

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

Shasta 975 Tank Replacement

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

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

College Hill Storage Tanks and Connecting Pipelines

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

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

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

Hilyard Street Transmission Main

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

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

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

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

CAPITAL SPENDING SUMMARY | Q1 2025

APPENDIX E

East 23rd Street Transmission Main

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

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

Emergency Water Supply

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

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

Willamette Treatment Plant

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

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

CONTRACTS REPORT | Q1 2025

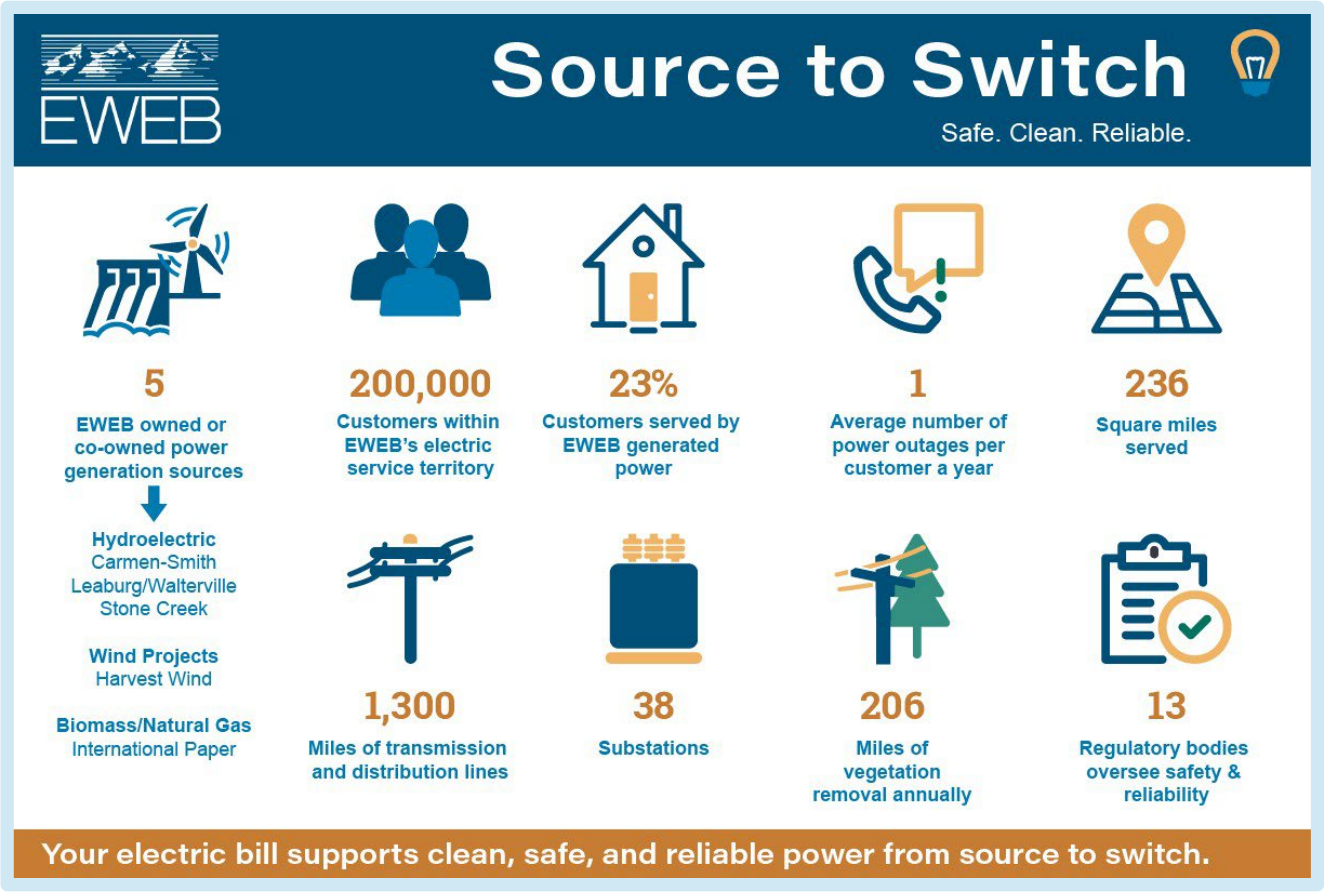
APPENDIX F

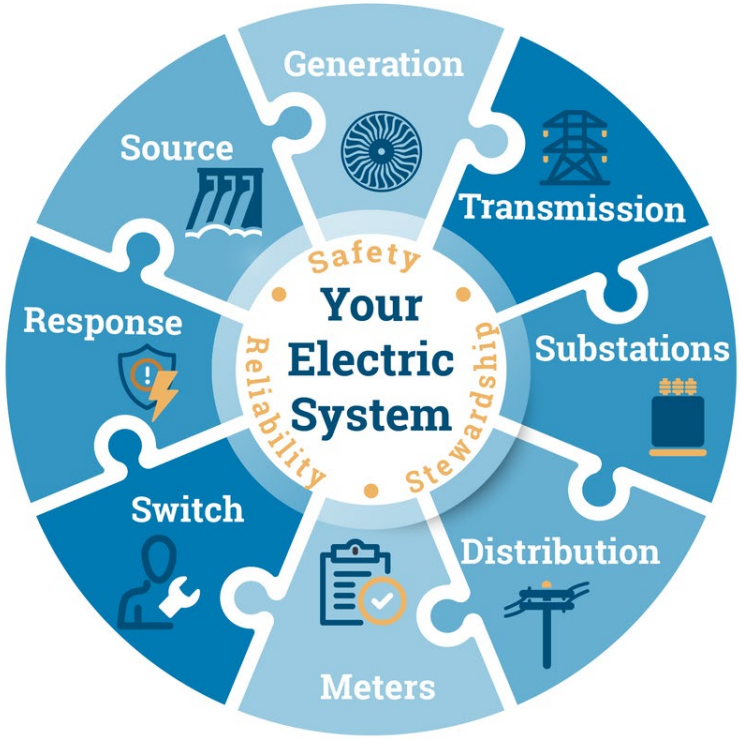
Contract Execution Date	Contractor	City, State	Contract Title, Detailed Description	Expiration Date	Contract Amount	Contract Process	Executive Manager
01/02/25	Branch Engineering	Springfield, OR	Willamette Water Treatment Plant Project - Miscellaneous Surveying Services	12/31/26	$70,000.00	Direct Negotiation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

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

ELECTRIC DIVISION | Q1 2025

APPENDIX H

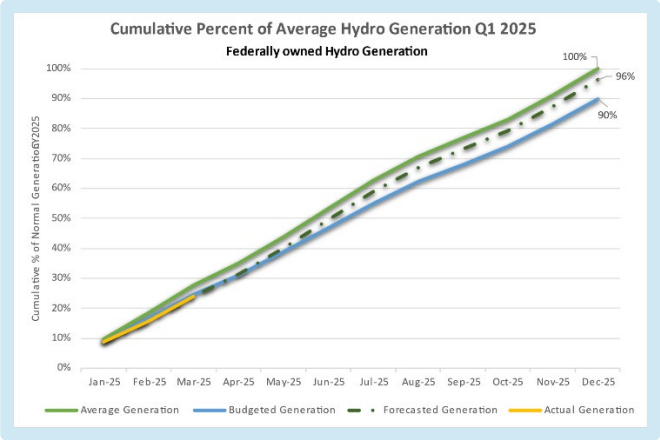


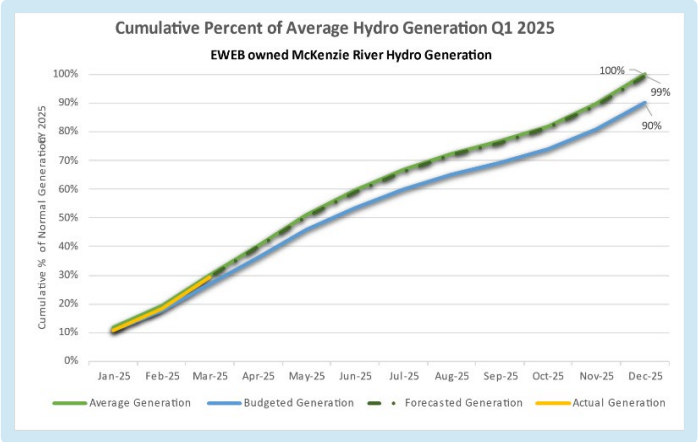


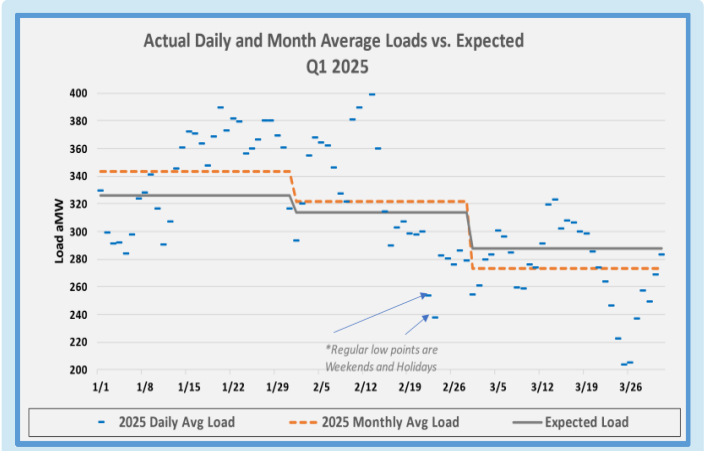
ELECTRIC DIVISION | Q1 2025

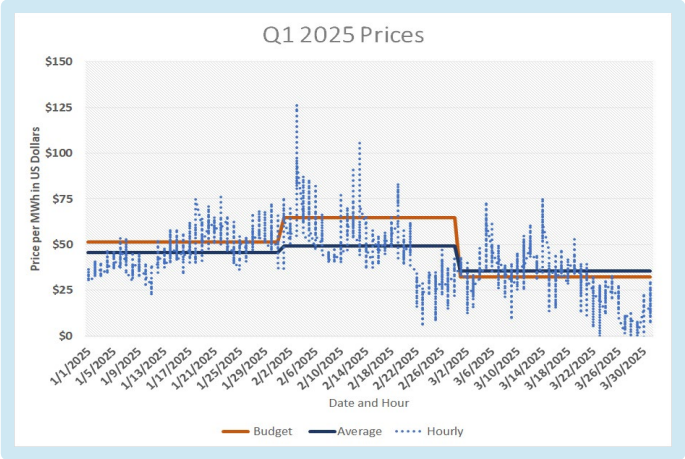
APPENDIX H

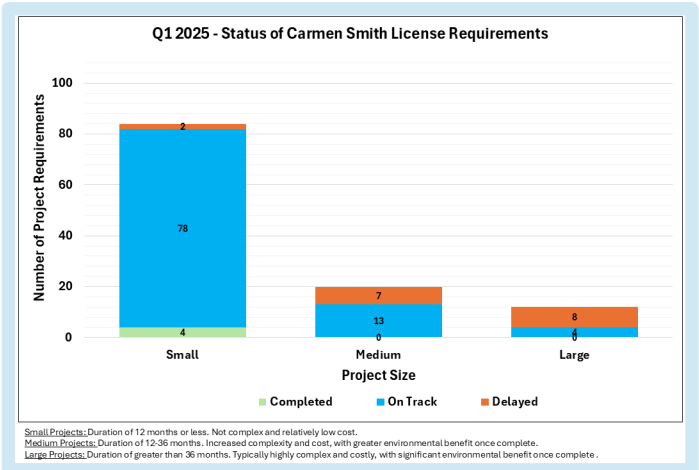
SOURCE & PRODUCTION



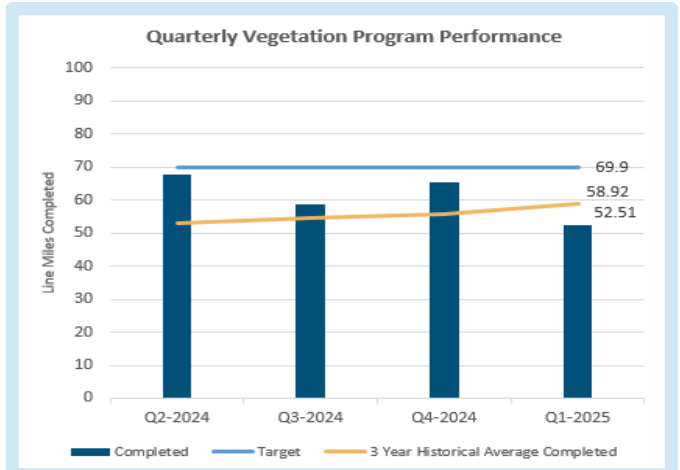








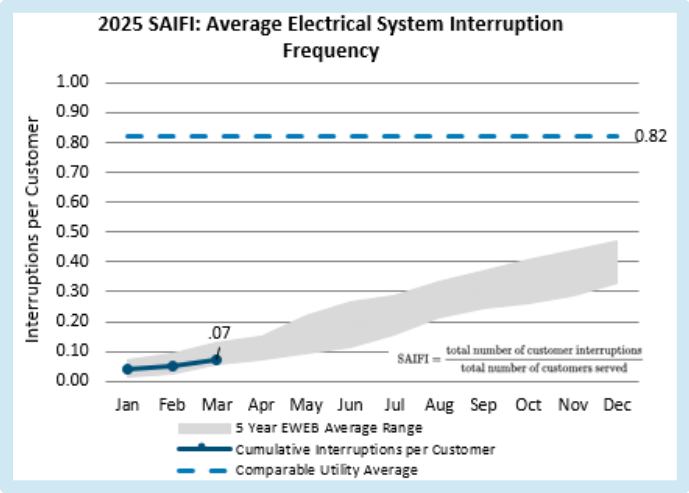
Small Projects: Duration of 12 months or less. Not complex and relatively low cost.
Medium Projects: Duration of 12-36 months. Increased complexity and cost, with greater environmental benefit once complete.
Large Projects: Duration of greater than 36 months. Typically highly complex and costly, with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

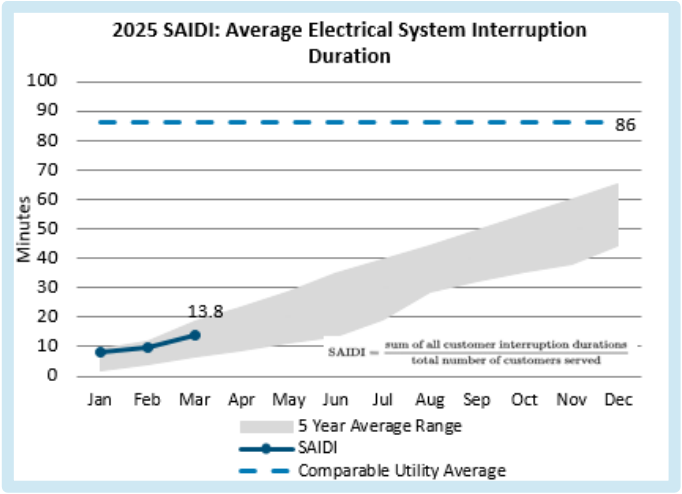


ELECTRIC DIVISION | Q1 2025

APPENDIX H

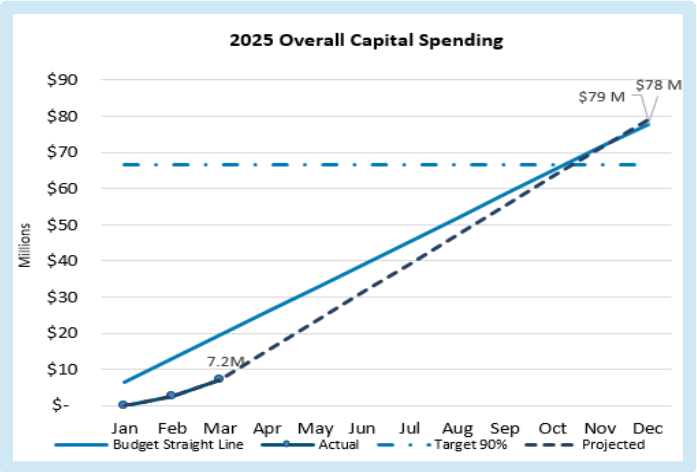
TRANSMISSION & DISTRIBUTION

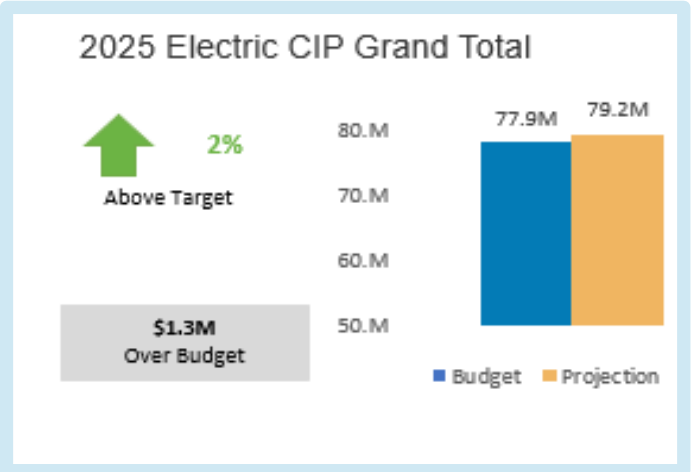




MONITORING & COMPLIANCE

RESILIENCY, PLANNING & EMERGENCY PREPAREDNESS

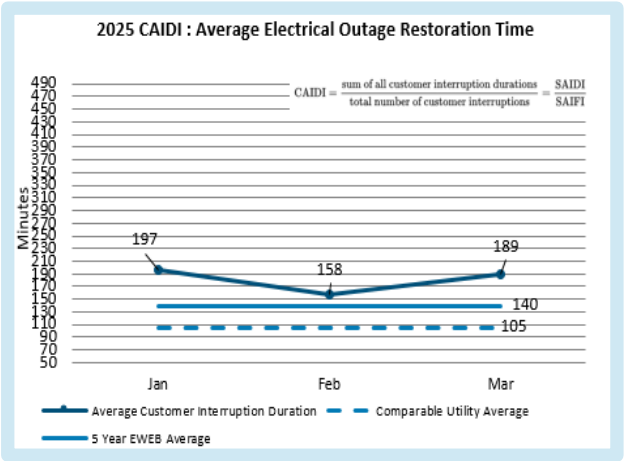


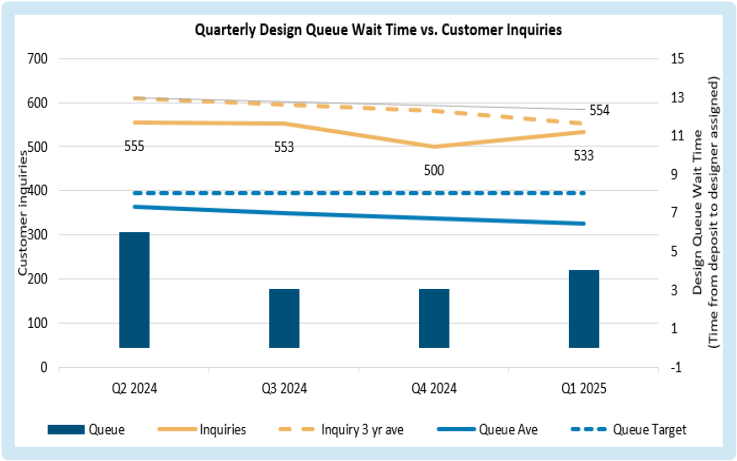


ELECTRIC DIVISION | Q1 2025

APPENDIX H

SWITCH (CUSTOMER)





ELECTRIC DIVISION | Q1 2025

APPENDIX H

ELECTRIC SAFETY & RELIABILITY FROM SOURCE TO SWITCH!

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

SOURCE

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

PRODUCTION

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

TRANSMISSION & DISTRIBUTION

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

MONITORING & COMPLIANCE

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

RESILIENCY, PLANNING & EMERGENCY PREPAREDNESS

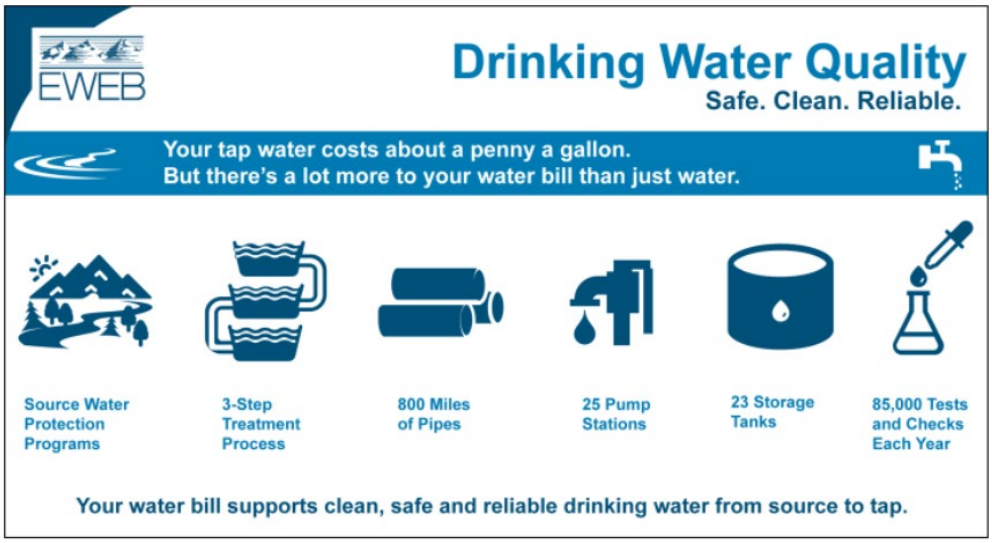
Natural hazard and security response mitigation plans along with resiliency plans are a final barrier in place to protect the safety and reliability of our service. The Master Plan and Capital Plan ensure investment in our infrastructure is prioritized in both the short and long term to ensure continued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

SWITCH (CUSTOMER)

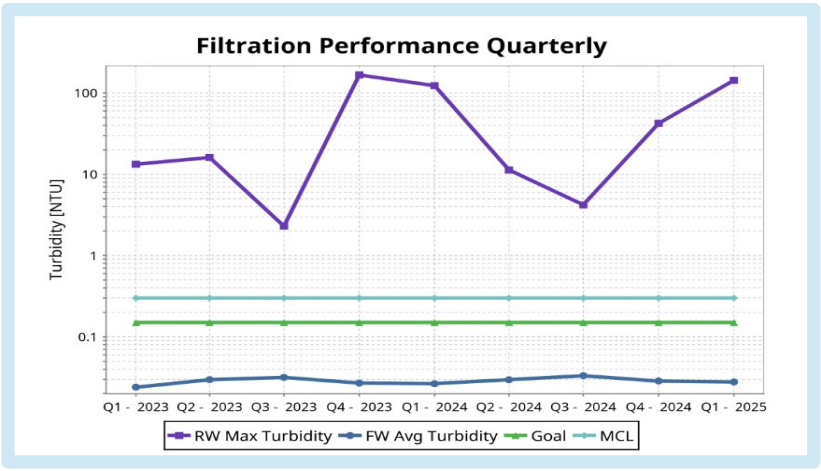
The Electric Division's mission is to provide safe, reliable electricity to our customers while serving as stewards of utility assets and infrastructure using the Source to Switch approach. This final section includes data and information that points to the customer's experience with the Electric Division.

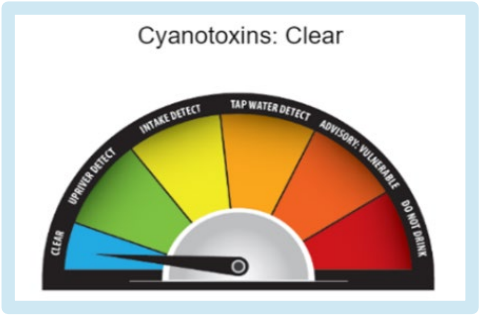
WATER DIVISION | Q1 2025

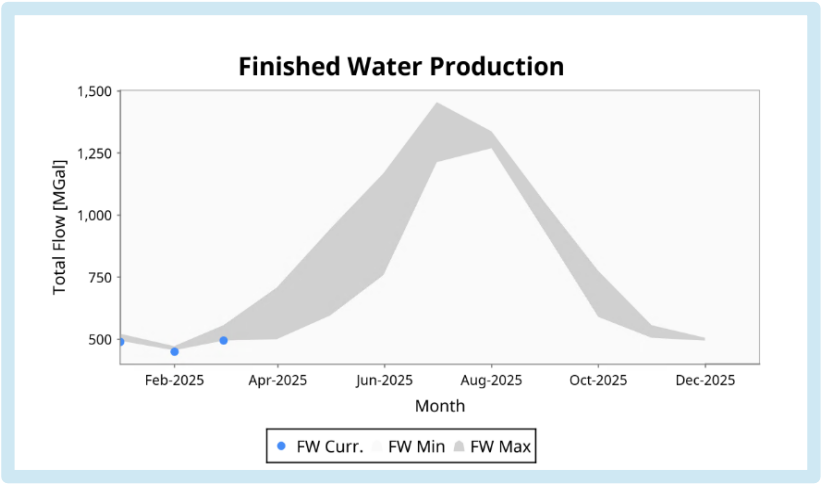
APPENDIX I



SOURCE & PRODUCTION



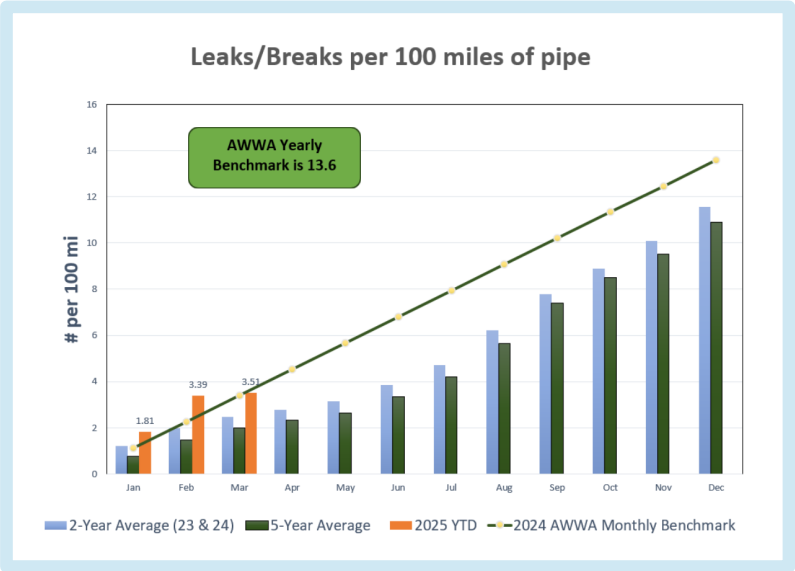


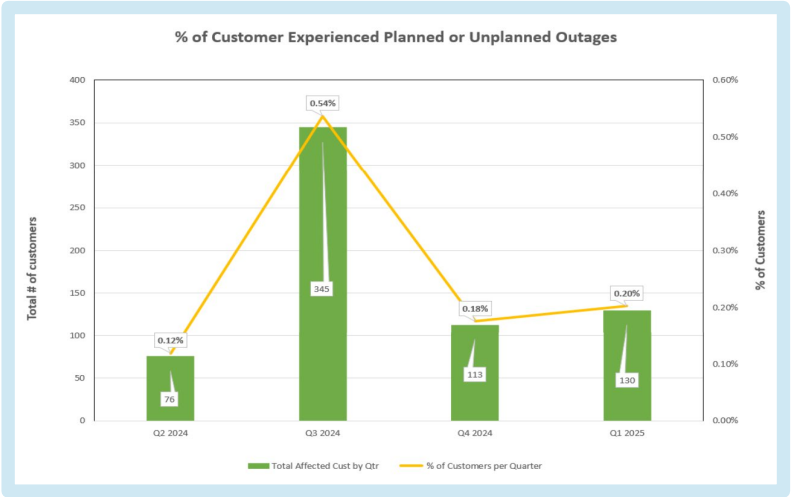


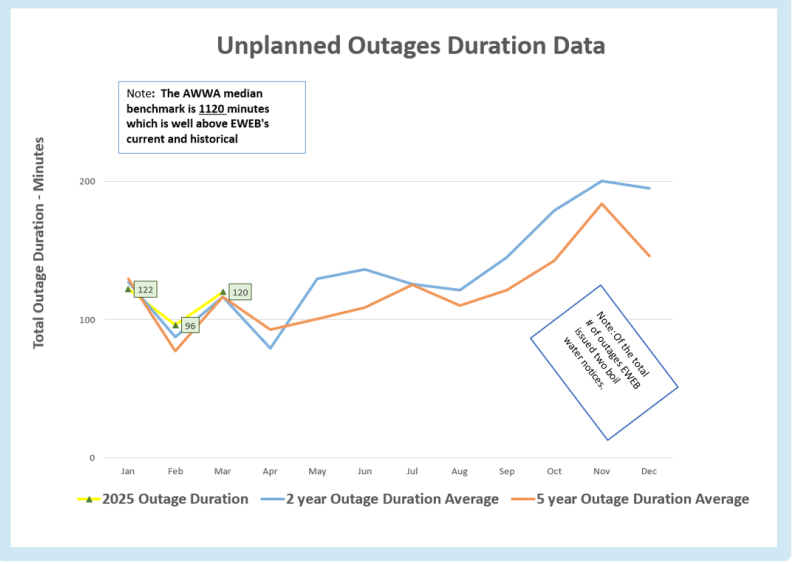
WATER DIVISION | Q1 2025

APPENDIX I

TRANSMISSION & DISTRIBUTION

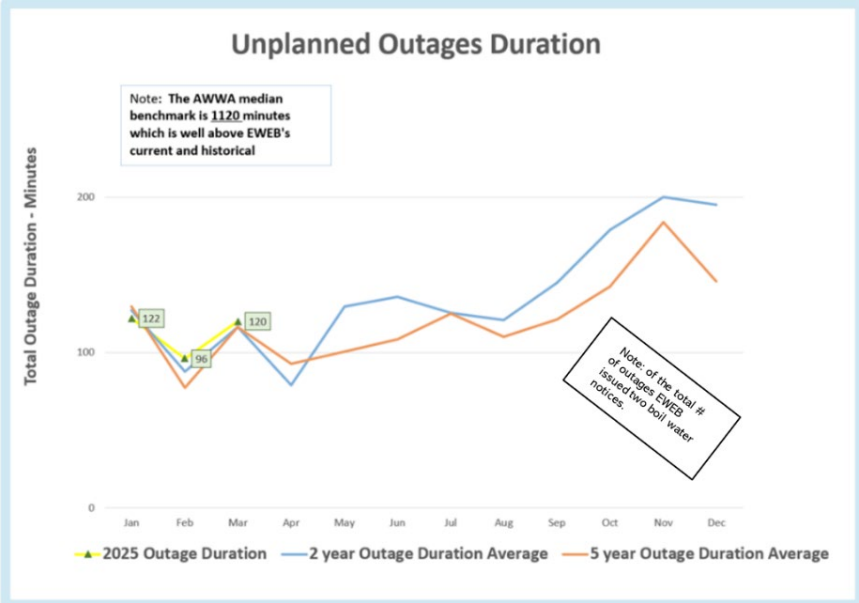




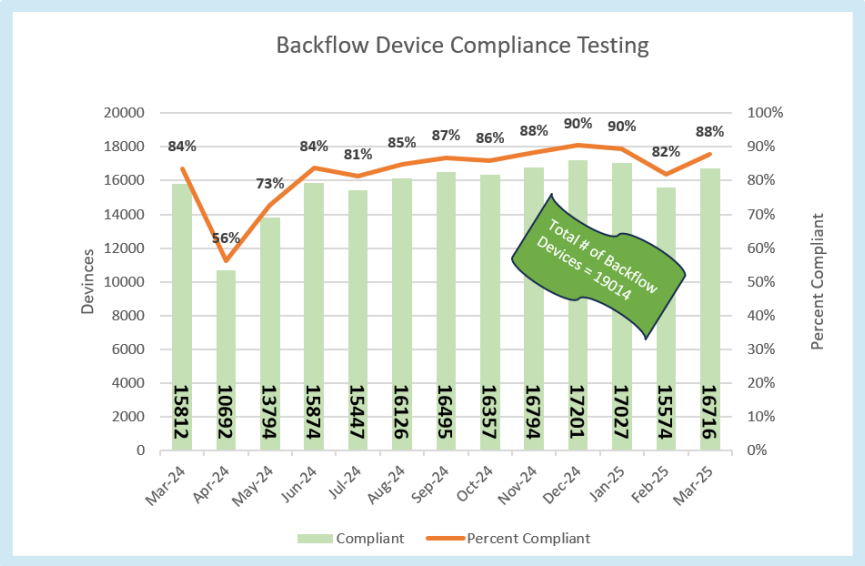


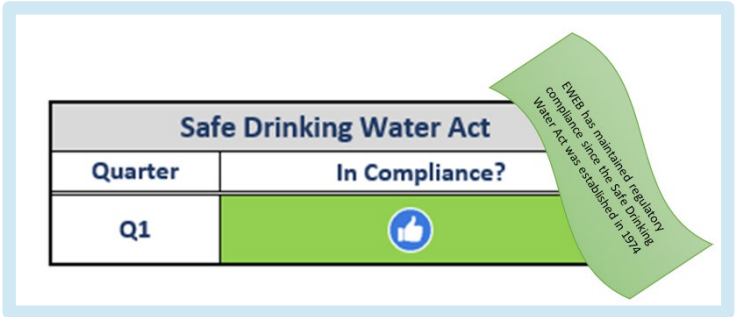
WATER DIVISION | Q1 2025

APPENDIX I



MONITORING & COMPLIANCE

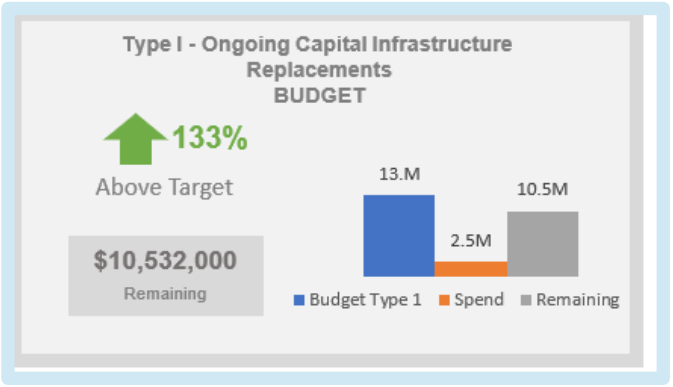


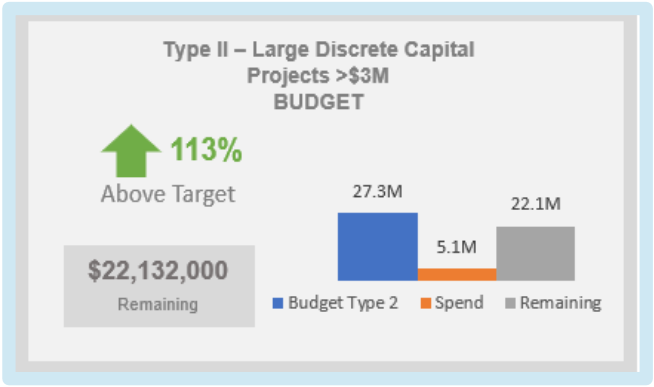


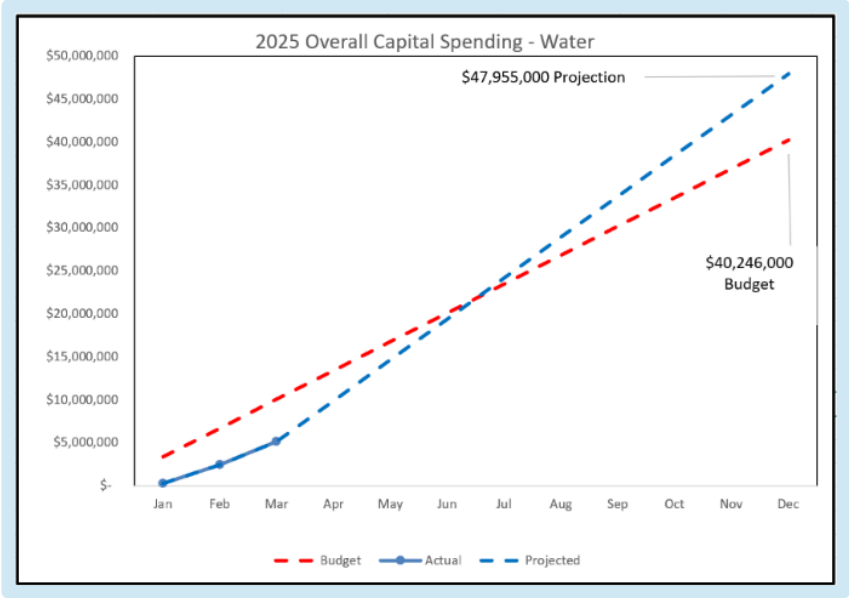
WATER DIVISION | Q1 2025

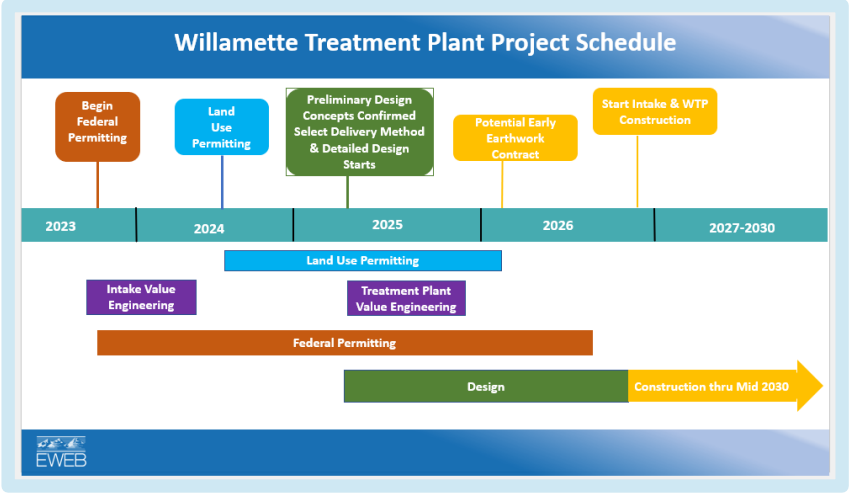
APPENDIX I

RESILIENCY & PLANNING





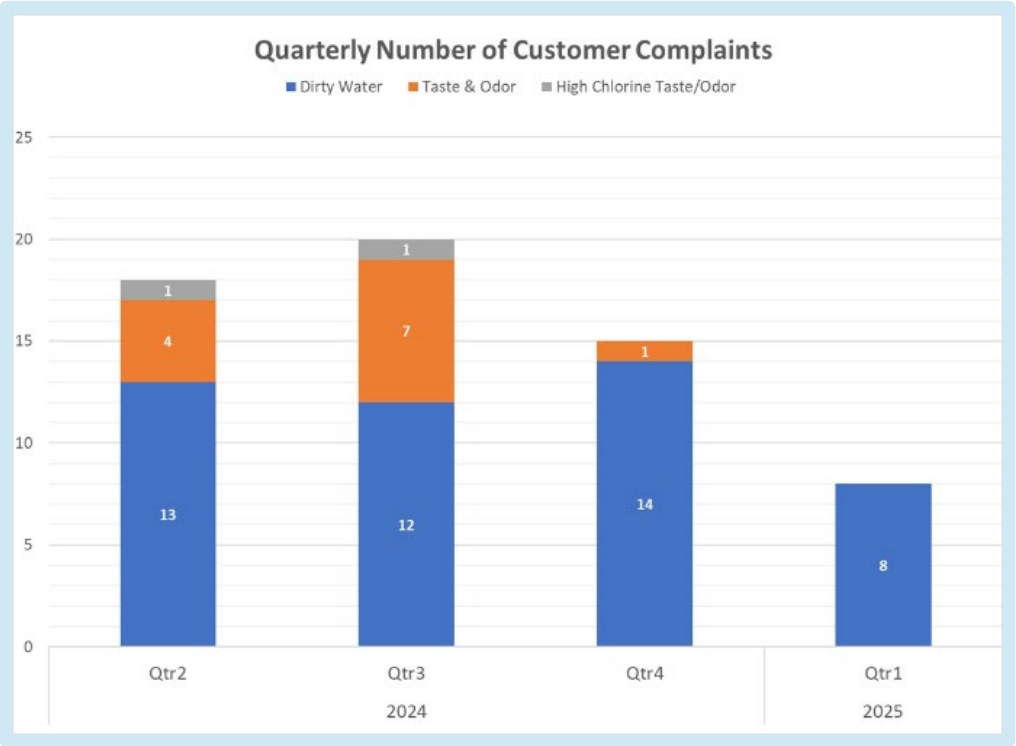


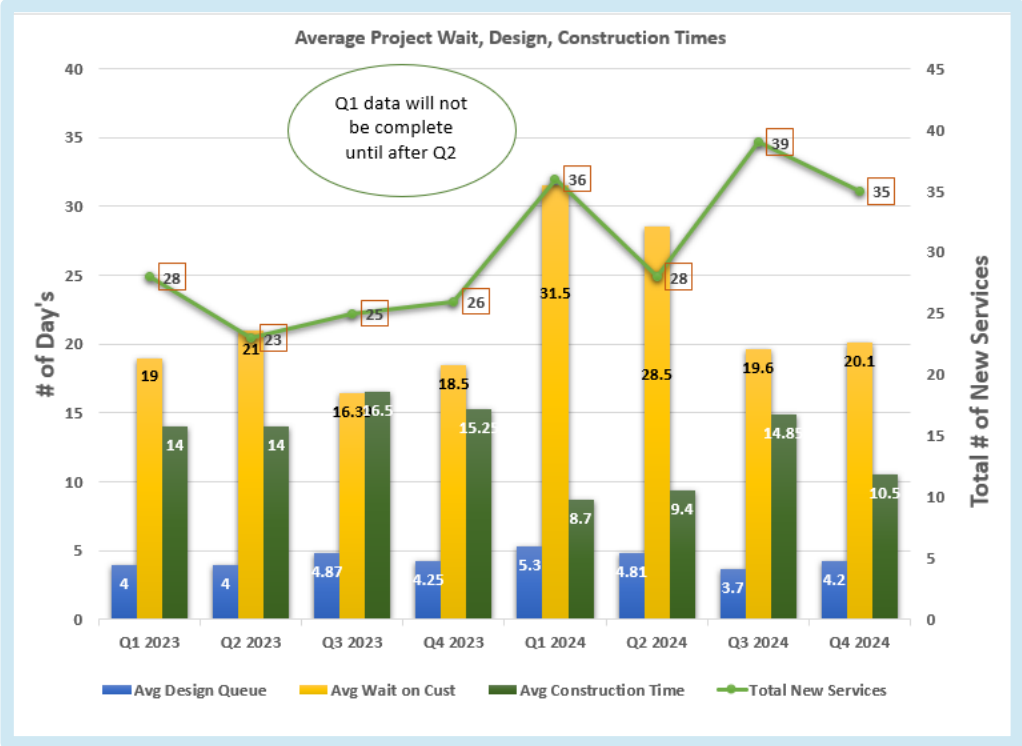


WATER DIVISION | Q1 2025

APPENDIX I

TAP (CUSTOMER)





WATER DIVISION | Q1 2025

APPENDIX I

WATER QUALITY & RELIABILITY FROM SOURCE TO TAP!

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

SOURCE

The purpose of the Source Water Protection Program is to minimize adverse impacts on the source of our community's drinking water. Specifically, the program aims to 1) identify and understand the threats to our drinking water through watershed monitoring and 2) reduce the risk of pathogens and pollutants entering the treatment plant through source water protection to ultimately manage or reduce the degree of treatment required.

PRODUCTION & PERFORMANCE

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

TRANSMISSION & DISTRIBUTION

Once the water is adequately treated, the quality must be maintained as it is delivered to EWEB customers. Replacing aging infrastructure, repairing leaks, flushing, maintaining a disinfectant residual and positive pressure, and protecting against cross-connections are critical aspects of the program to ensure water quality, reliability and adequate fire flow.

MONITORING & COMPLIANCE

Monitoring the quality of our raw, treated and distributed drinking water is essential to ensuring safe water for EWEB's customer/owners. Monitoring data gives water operations staff the ability to adjust treatment and system operation to safeguard quality for human consumption. Compliance with all Safe Drinking Water Act requirements is key to protecting the public's health.

RESILIENCY, PLANNING & EMERGENCY PREPAREDNESS

Natural hazard and security response mitigation plans along with resiliency plans are a final barrier in place to protect the public if harmful contaminants should make it through the other water system barriers (source water protection, water treatment, water supply system reliability, and water quality monitoring). The Master Plan and Capital Plan ensure investment in our infrastructure is prioritized in both the short and long term to ensure reliable service to our customer/owners.

SUPPORT SERVICES

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

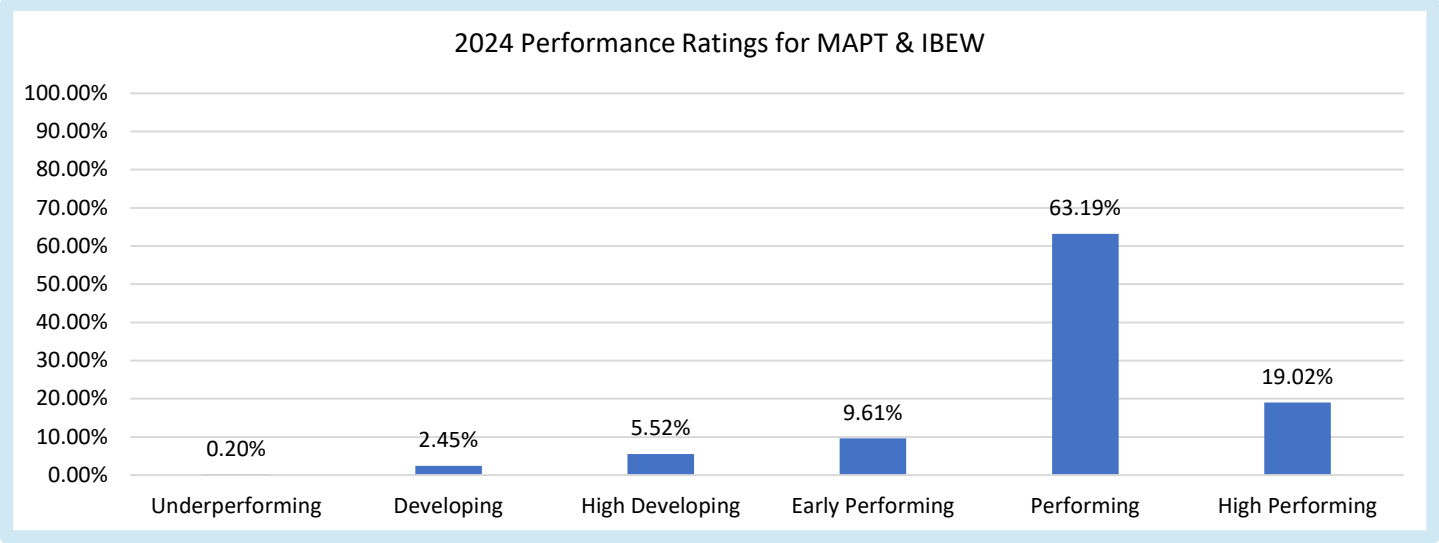
TAP (CUSTOMER)

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

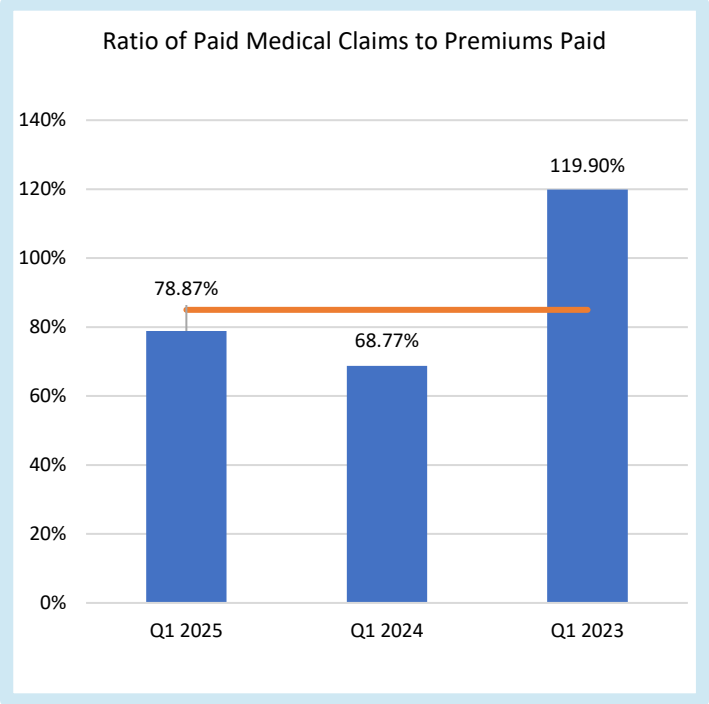
WORK FORCE COMPOSITION | Q1 2025

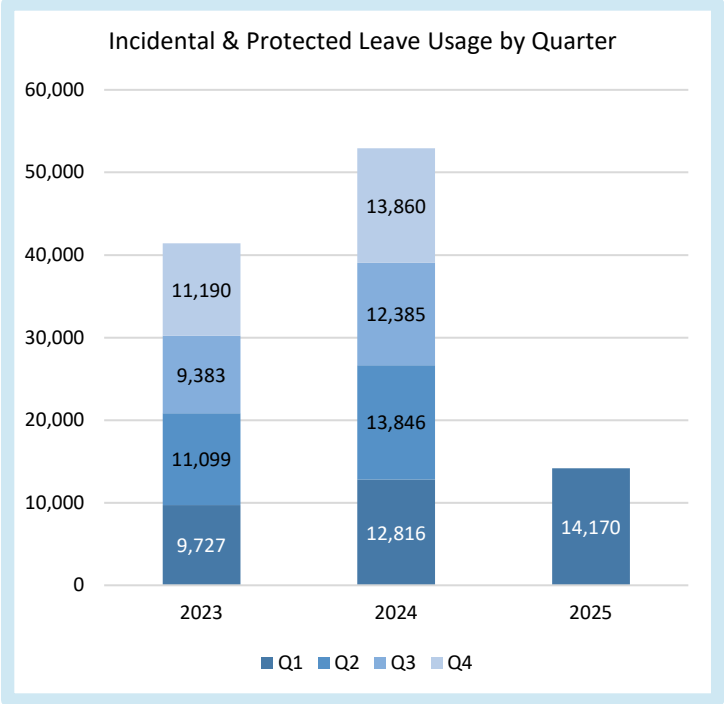
APPENDIX I

ANNUAL PERFORMANCE REVIEW & COMPENSATION ADJUSTMENTS



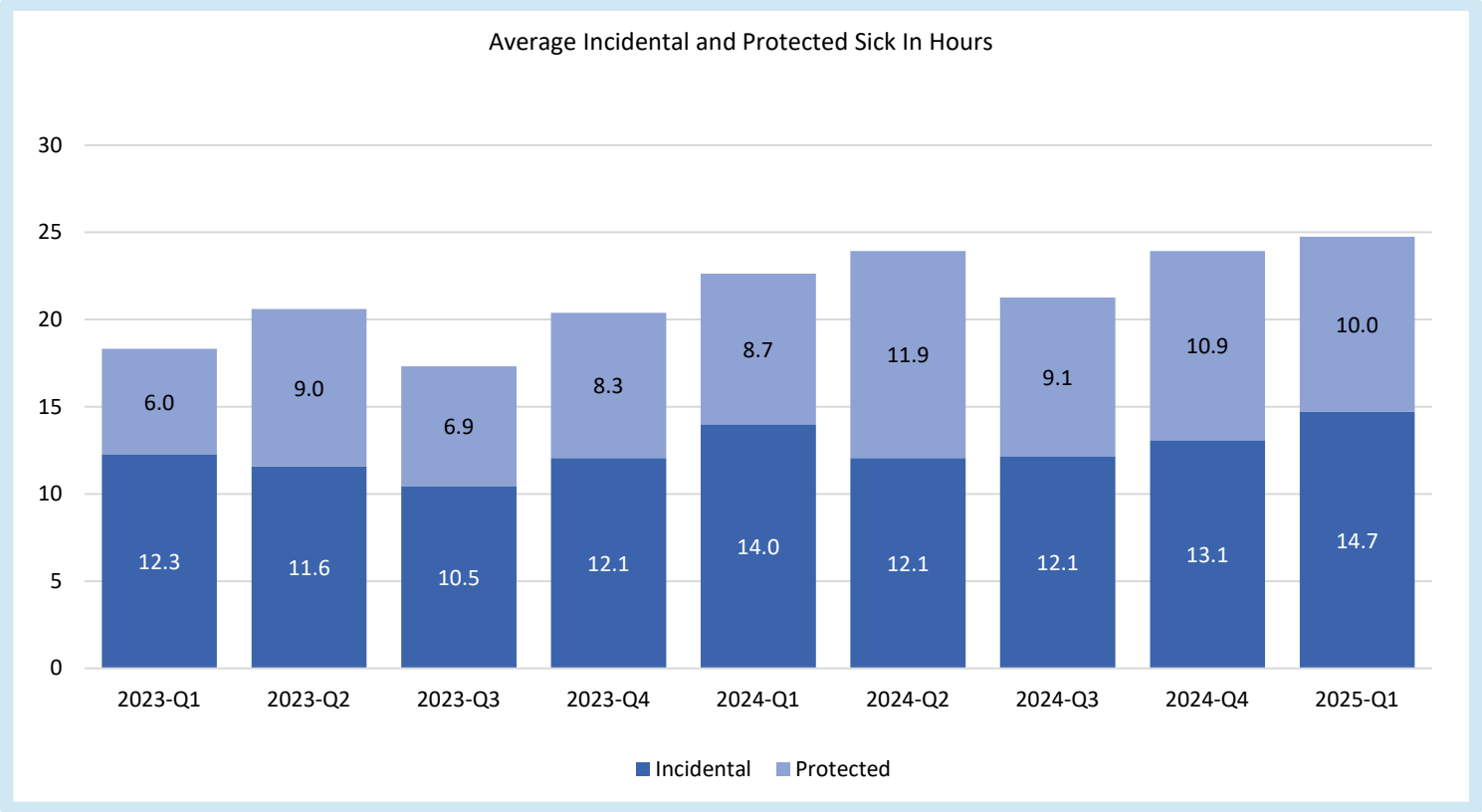
BENEFITS & LEAVE PROGRAM MANAGEMENT

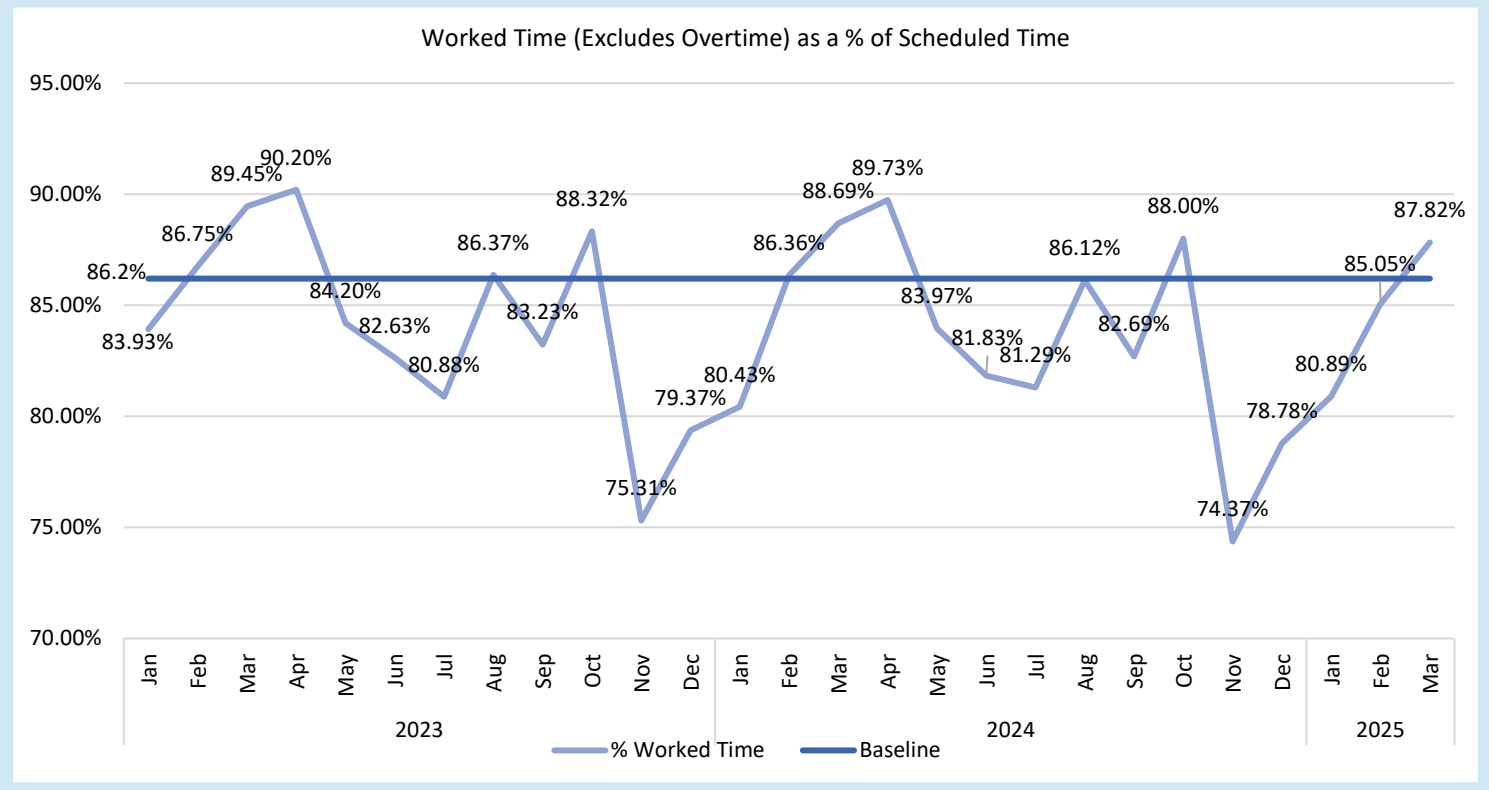




WORK FORCE COMPOSITION | Q1 2025

APPENDIX I

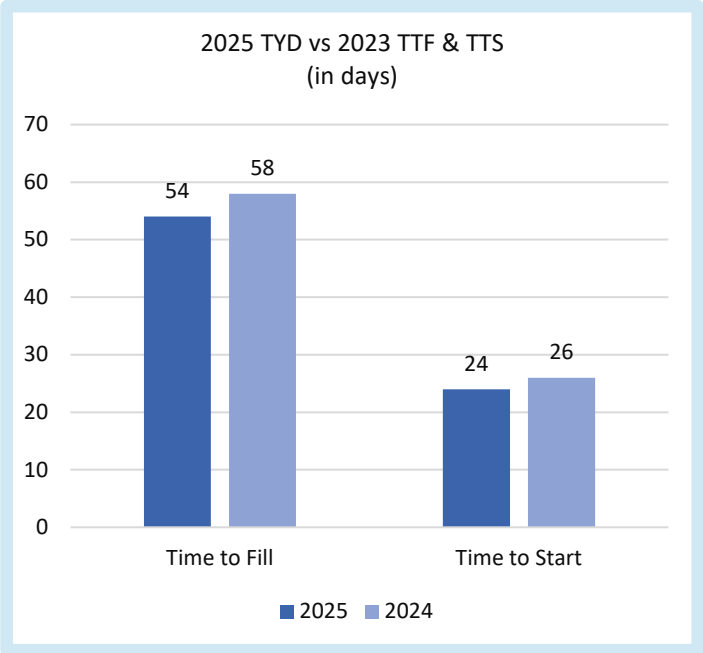


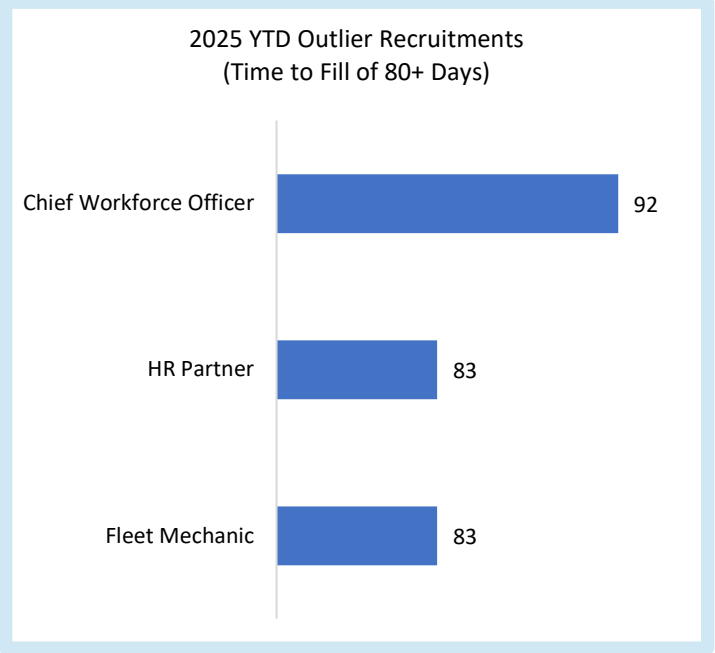


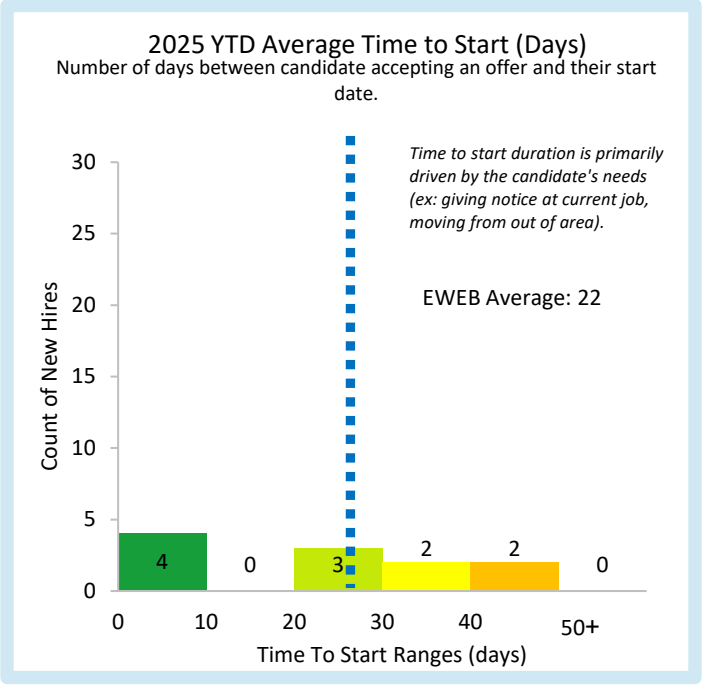
WORK FORCE COMPOSITION | Q1 2025

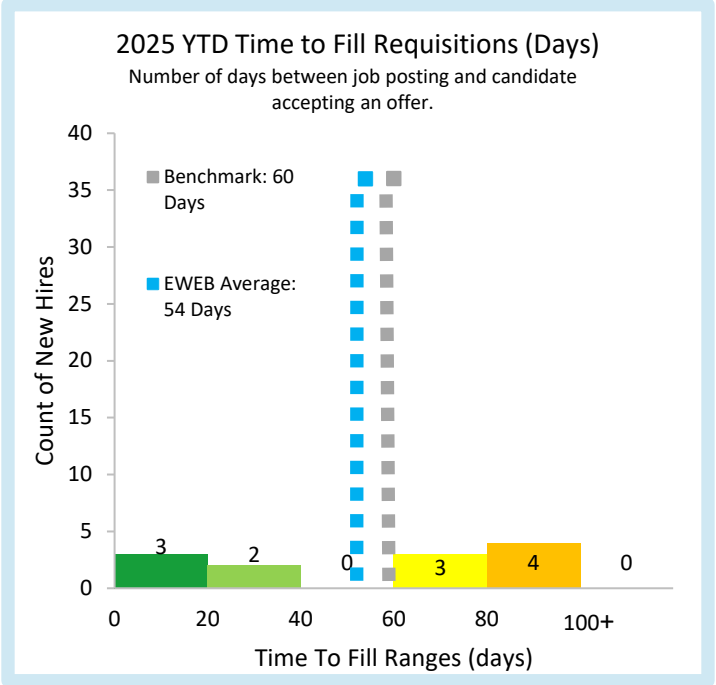
APPENDIX I

WORKFORCE RESILIENCY (HIRING, ADVANCEMENT & TURNOVER)



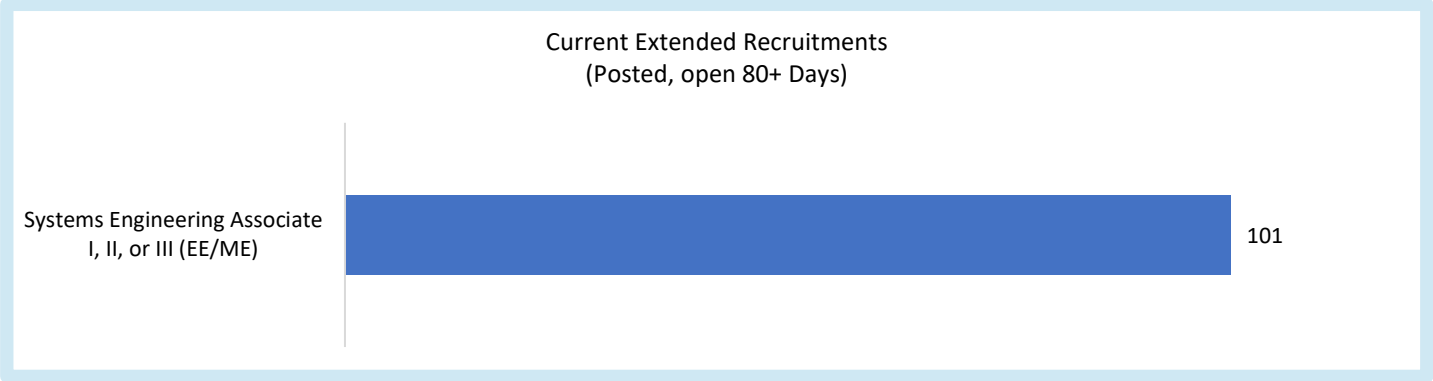


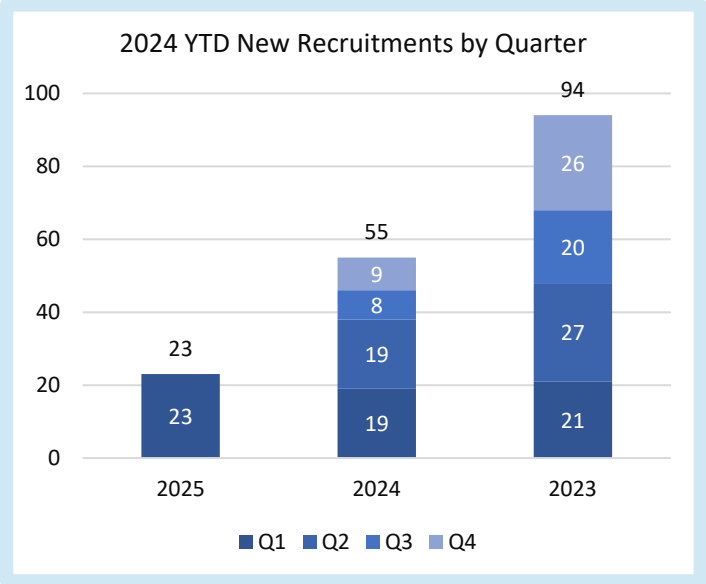


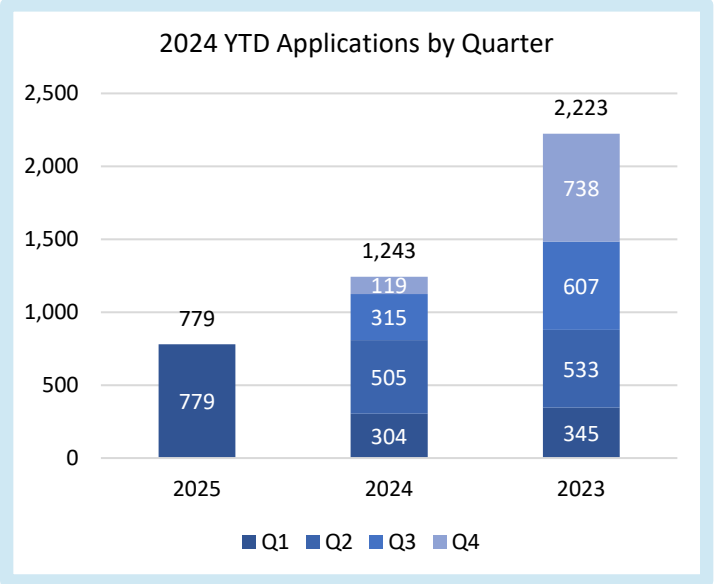


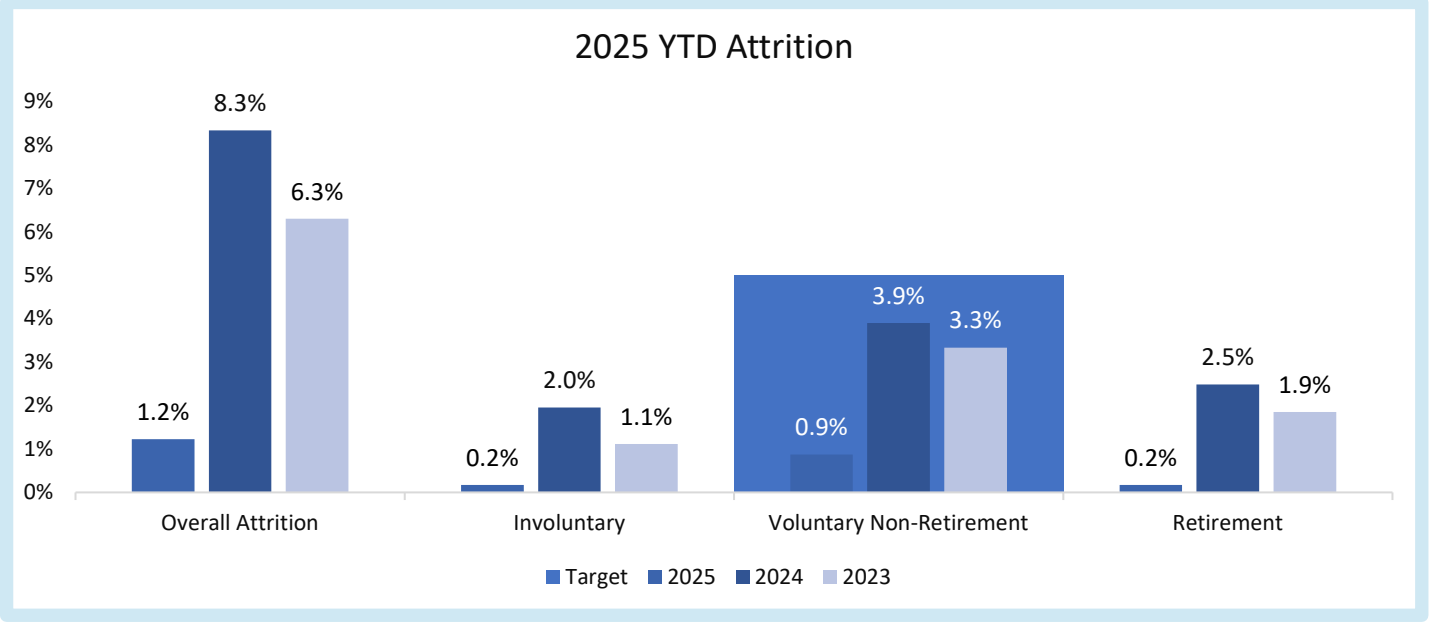
WORK FORCE COMPOSITION | Q1 2025

APPENDIX I



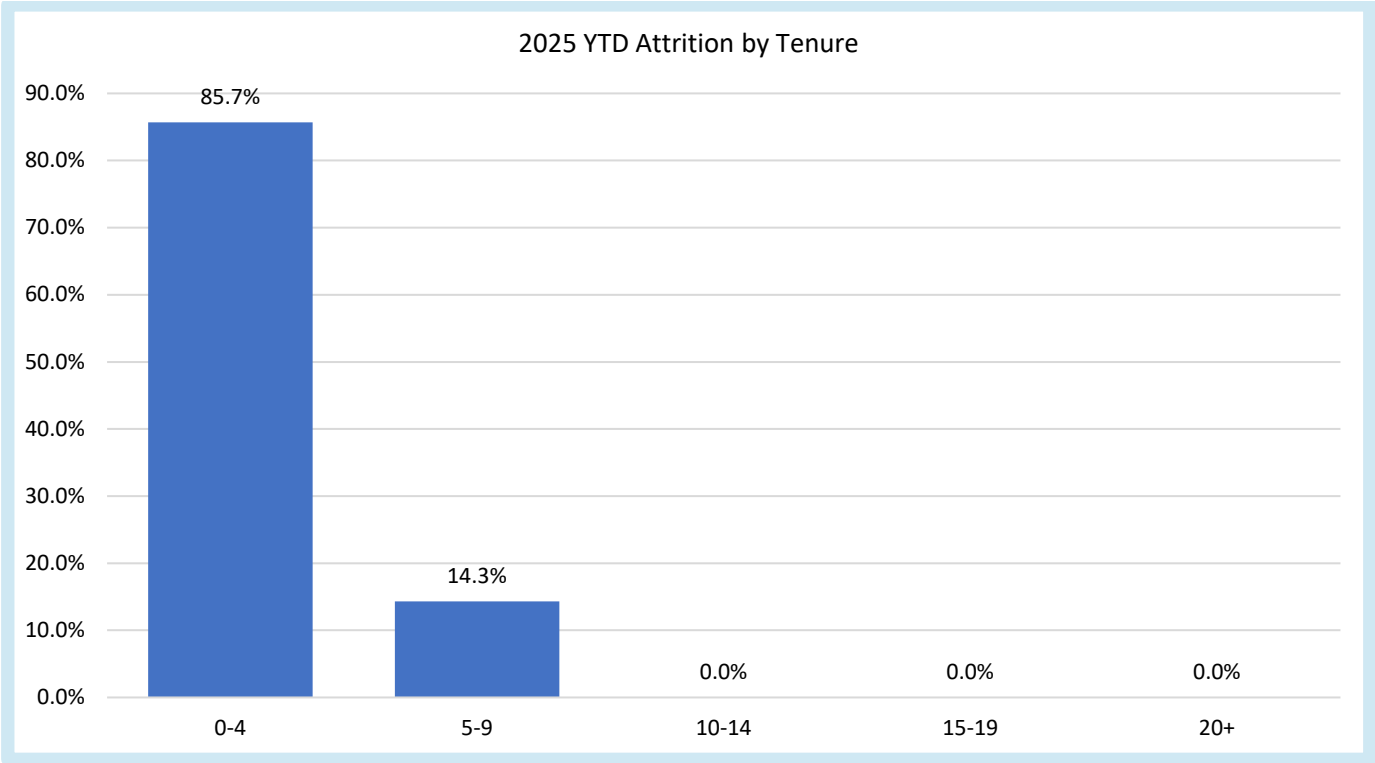






WORK FORCE COMPOSITION | Q1 2025

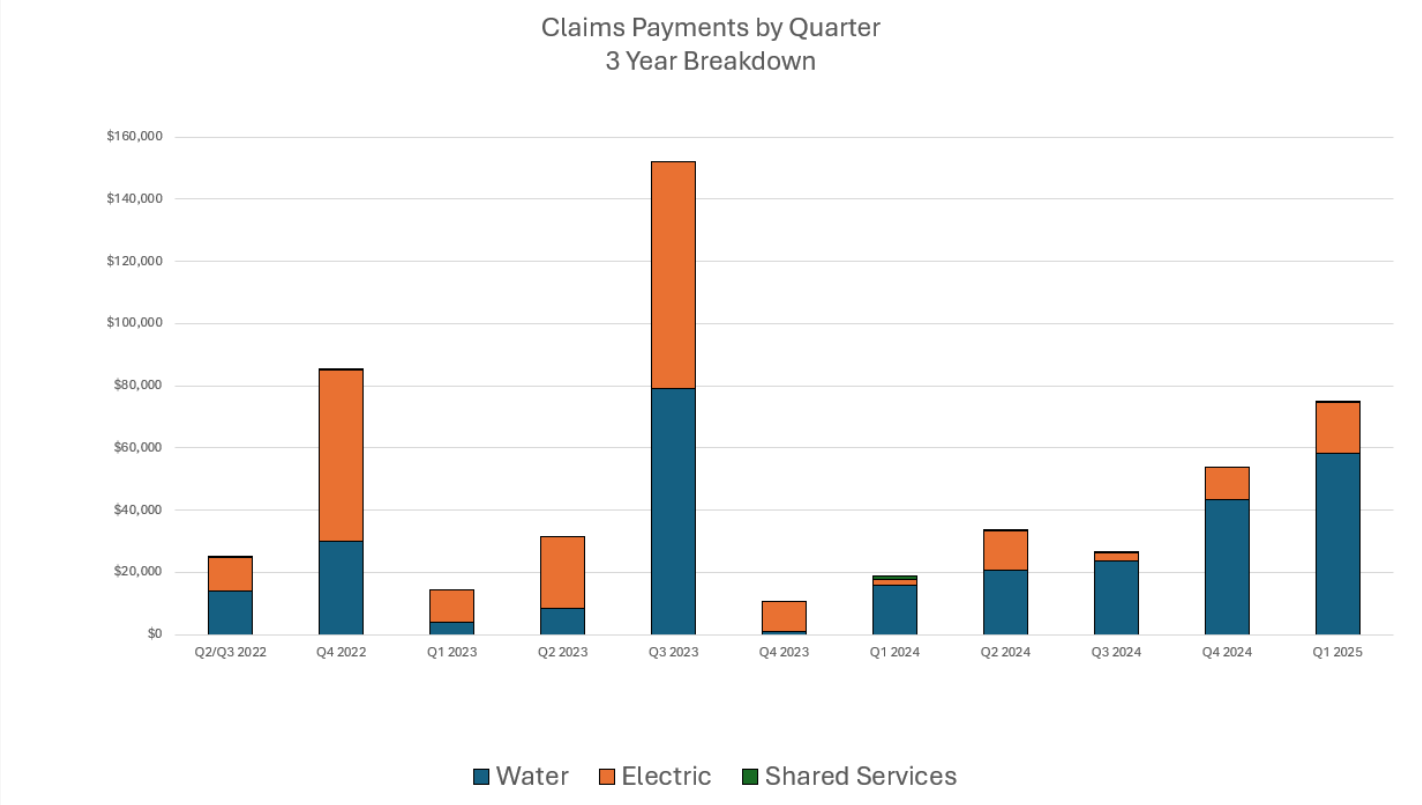
APPENDIX I



CLAIMS| Q1 2025

APPENDIX L

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



PAYMENT DRIVERS:

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

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

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

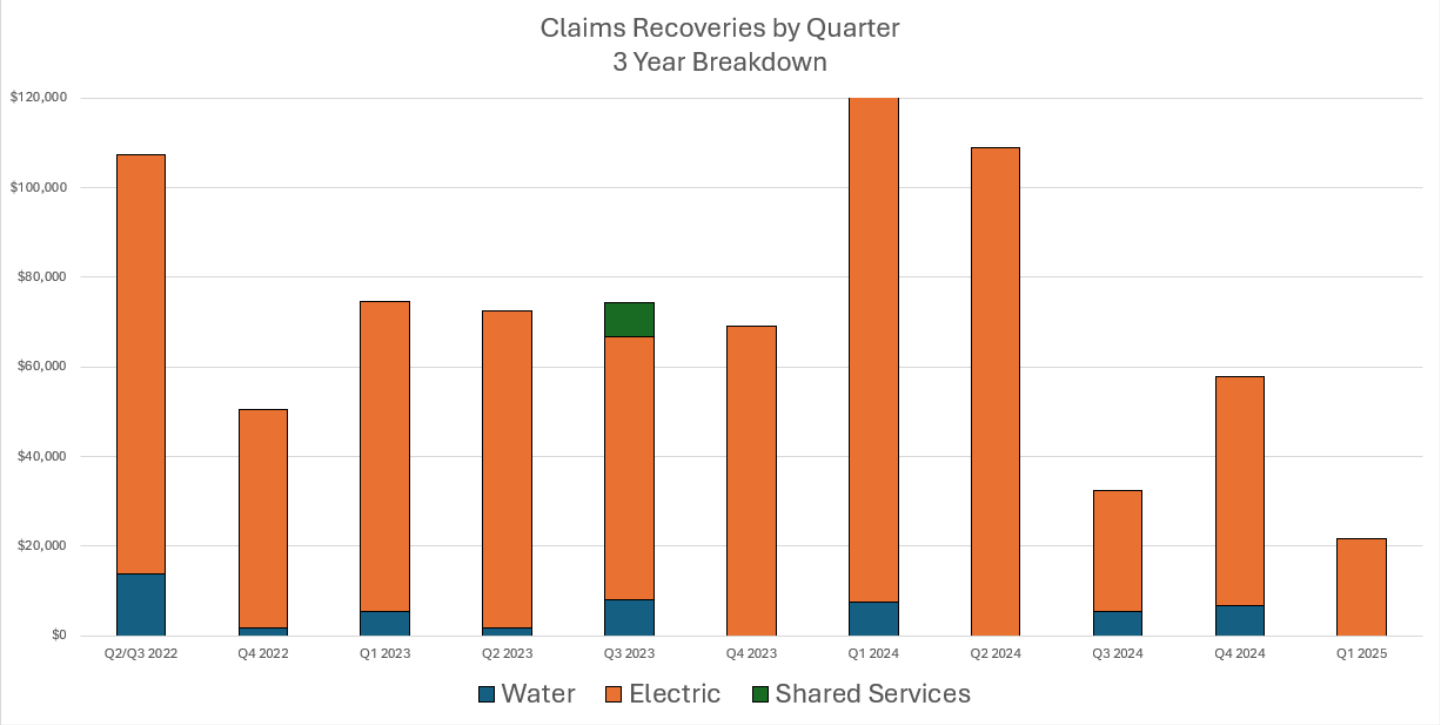
1. Claim 5704 – Included a legal settlement (claim total = $50,000).

Q1 2025 key drivers were:

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

CLAIMS| Q1 2025

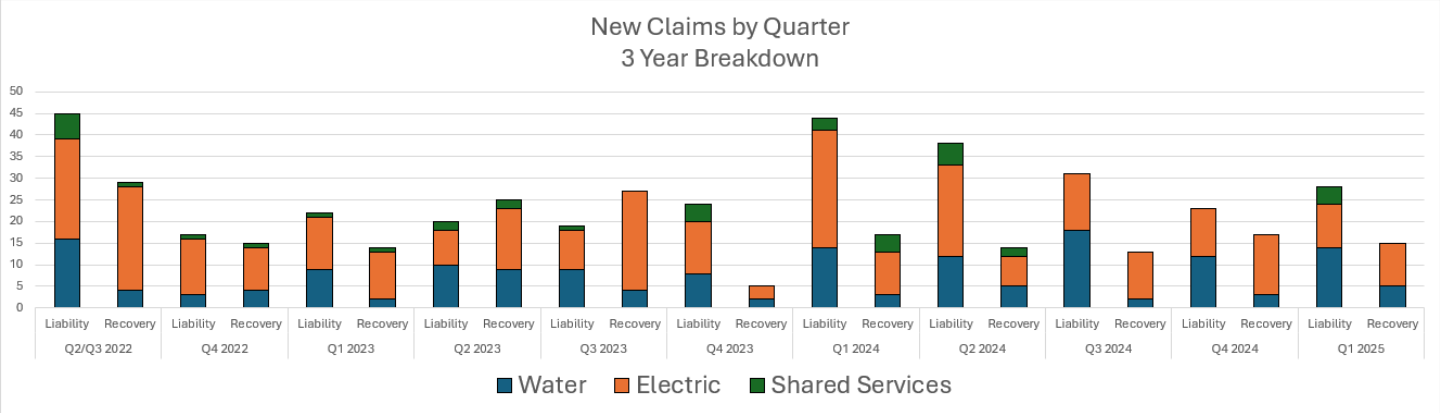
APPENDIX L



RECOVERY FACTS:

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

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



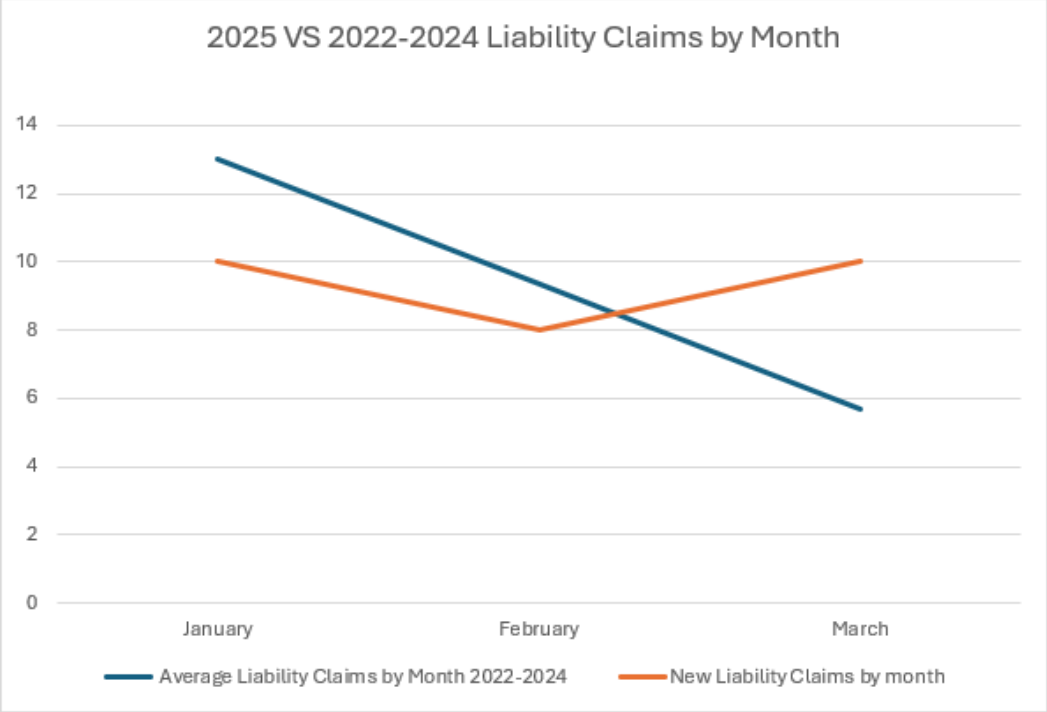
NEW CLAIM FACT:

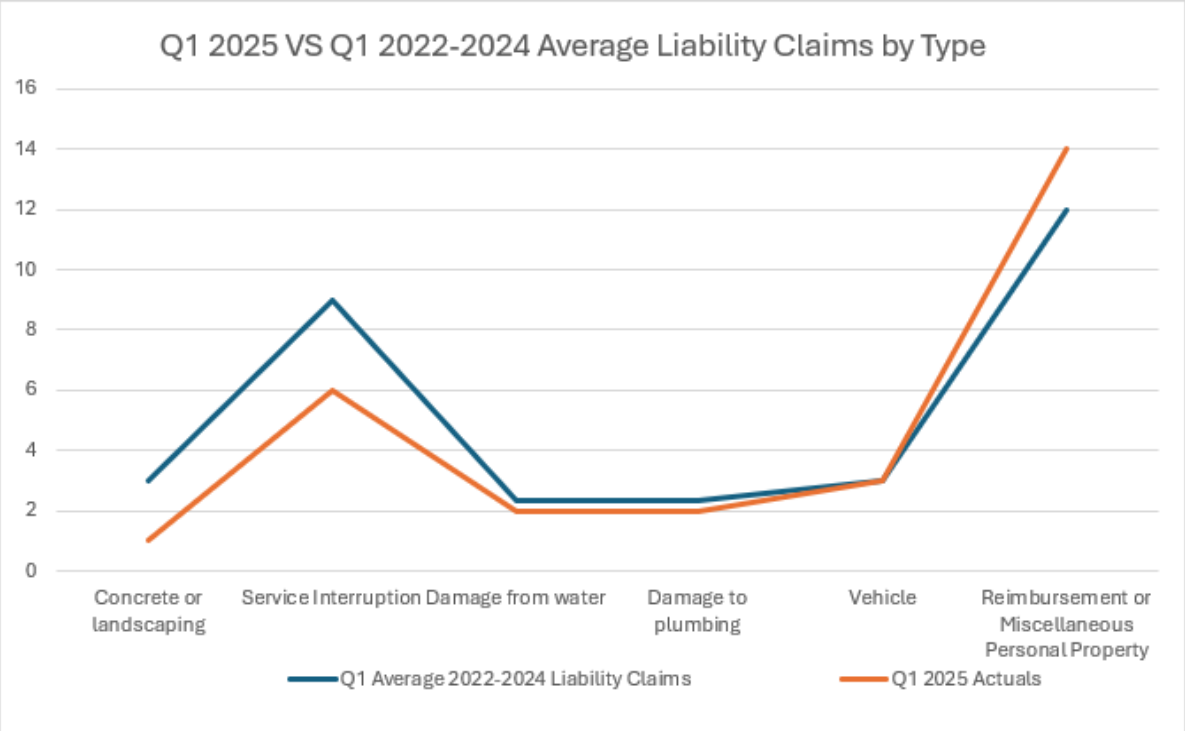
Q1 2025 new claims are in line with our 3-year average.

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

CLAIMS| Q1 2025

APPENDIX L





As of 3/31/2025 we have:

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

MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO:	Commissioners Barofsky, Schlossberg, Brown, Carlson, and Morris
FROM:	Deborah Hart, Assistant General Manager/CFO; Adam Rue, Rates Manager
DATE:	May 6, 2025
SUBJECT:	Proposed Charges and Fees, including adjustments to Dark Fiber, Transmission Service, and Joint Use, etc.
OBJECTIVE:	Direction on Updates to Fees and Charges

Issue

The Eugene Water & Electric Board consolidated updates to various fees, rates, and other charges to customers into a single Spring Fee Update starting in 2024. This is the first of two agenda items on fees. Staff will incorporate any Board feedback and request approval of fee updates at the June 3, 2025, Board meeting.

In June 2024, the Board approved Resolutions No. 2409 and No. 2410 to adjust fees for the Electric and Water utilities, respectively. The *2024 Spring Fee Update* was the first annual update to consolidate and streamline the Board fee and charges approval process.

Background

This memo provides an overview of updates to various fees listed below.

- Dark Fiber Lease
- Transmission Service Fees
- Joint Use Fee
- Downtown Network Fees
- Water Service Installation Charge
- Traffic Signals & Beacon Lights

Fees are generally reviewed and/or updated annually. This correspondence is to solicit feedback and direction on fees that will be brought in June for proposed action.

The fees represent other operating revenue, which offsets retail rate revenue in the revenue requirement. Periodic updates to these fees help to ensure that customers and parties who are responsible for the underlying costs are charged accordingly.

This item is for information and direction. Feedback will be incorporated and brought back in June to seek approval of the proposed changes.

Discussion

The revenue collected from EWEB customers and other parties is updated annually in two components at two different times of the year. The mid-year fee update (presented in this memo) are fees and charges that typically impact a relatively small number of customers and are directly attributable to the products and services being provided. The annual rate changes are consumption-based rates and charges applicable to the broader customer base and apply to the respective customer classes.

Below are the proposed fee changes to the Customer Service Policies being recommended for revision this year. In the past these fees have been updated at various times throughout the year but starting in 2024 they have been compiled into one broader fee update memo for the May and June Board meetings.

CUSTOMER SERVICE POLICY, APPENDIX B – ELECTRIC SERVICE PRICES AND CHARGES

- **Dark Fiber Lease Rates** were last updated in 2024 with a CPI increase. Details of the proposed update to the fee can be found in Attachment 1.
- **Transmission Delivery Service** was last updated in 2024. Details of the proposed update to the fee can be found in Attachment 2.
- ***Joint Use Fees*** were last updated in 2024. Details of the proposed update to the fee can be found in Attachment 3.
- ***Downtown Network Fee*** was last updated in 2020 and has been infrequently utilized since its development in 2020. The recommended adjustment to the fee reflects aggregate inflation which has impacted EWEB costs since 2020. Details of the proposed update to the fee can be found in Attachment 4.

CUSTOMER SERVICE POLICY, APPENDIX C – WATER SERVICE PRICES AND CHARGES

- ***Water Service Installation Charges*** were last updated in 2024 and a phase in approach was suggested and approved by the Board to avoid rate impact of the proposed charges. Details of the proposed update to the fee can be found in Attachment 5.

Below are several fees in the Customer Service Policy that were reviewed as well, however there are currently no proposed changes.

CUSTOMER SERVICE POLICY, APPENDIX A – UTILITY SERVICE CHARGES AND PRICES

- **Customer Service Charges** include several fees, such as Late Fees, Account Collection, Move In/Move Out, Return Payment, and Account Process Charge. These fees were last comprehensively updated in 2018. Many of the processes are being reviewed and modified post-SAP implementation and therefore these may be adjusted in future fee updates.
    - *EWEB Collection and Late Fee correspondence was provided to the Board at the April 2025 Board meeting.*
    - *Future AMI/Manual Meter Reading Fees agenda item is also scheduled for May 2025 Board discussion.*

- **Overhead Charges** were last updated in 2012 and approved with Resolution No. 1221. This rate is periodically reviewed by General Accounting and does not indicate the need for revision.
- **Property Management Activity Fee** schedule was last updated in 2015 and approved with Resolution No. 1532. This fee is infrequently utilized. Revision of the fee has been the subject of internal discussions, and no change is recommended.

CUSTOMER SERVICE POLICY, APPENDIX B – ELECTRIC SERVICE PRICES AND CHARGES

- ***Permanent Single-Phase Electric Service Installation Charges*** were first developed in 2024 with Resolution No. 2417. The rate was newly developed and will be reevaluated in later fee updates.

CUSTOMER SERVICE POLICY, APPENDIX D – WATER SYSTEM DEVELOPMENT CHARGES

- **System Development Charges** are currently under discussion at the policy level by the EWEB Board at the May 2025 Board meeting. Staff will incorporate feedback from the Board discussions and the latest Water Master Plan analysis into an updated System Development Charge Proposal in 2026.

Requested Board Action

No action is requested at this time. Approval of the proposed fee adjustments will be requested at the June 2025 Board Meeting.

Attachment 1: Dark Fiber Lease
Attachment 2: Transmission Service Fees
Attachment 3: Joint Use Fee
Attachment 4: Downtown Network Fees
Attachment 5: Water Service Installation Charge
Attachment 6: Traffic Signals & Beacon Lights

Attachment 1
Dark Fiber Lease

In 2013, Board Resolution No. 1304 established a dark fiber lease rate. In Board Resolution No. 1705, the intention to develop an updated fiber cost of service model (COSA). A CPI adjustment is typically recommended in years without a full COSA to modify rates. The current proposal is an annual adjustment based on the CPI adjustment. The last updated fiber cost of service model was in 2024.

The table below reflects the current and proposed fiber rates, based on the CPI methodology. The rates reflect the cost per strand-mile month.

Table 9: Current and Proposed Dark Fiber Lease

Customer Type	Current Rate	Proposed Rate
Public Agencies	$32.91	$33.70
School District	$5.85	$5.99
For-Profit	$65.82	$67.40

There are 31 entities charged under this tariff, which represents nearly $1 million in revenue for the electric utility.

The proposed redline for the Customer Service Policy will be provided at the June Board meeting.

Attachment 2
Transmission Services Fee

The Board last approved changes to Transmission Rates in Resolution No. 2409 in 2024. This item was previously updated in 2024 and has generally been updated on a five-year review/update schedule. However, EWEB has established an annual process to review fees in the spring and will review and potentially adjust this fee annually in the future.

In 2018, the Board approved the current Transmission Policy.

The last rate update was approved in 2024 for rates effective July 2024. Therefore, the percentage changes from current to proposed reflect the compound annual growth rate for the period from 2024 to 2025.

Table 2: Current and Proposed Transmission Rates

Item	Current (kilowatt-month)	Proposed (kilowatt-month)	Change	% Change
Transmission	$1.63	$1.68	$0.05	2.8%
Transformation (substation)	$1.60	$1.64	$0.04	2.5%
Distribution (primary OH)	$1.49	$1.45	($0.04)	-2.7%

The 2025 Transformation and Distribution Rate reflects consistent methodology with updates in asset plant-in-service balances and five-year historical basis.

	Transmission System	Transformation (Substation)	Distribution (OH Lines)	Units
Annual	$20.15	$19.68	$17.40	kilowatt year
Long-Term	$1.68	$1.64	$1.45	kilowatt-month
Short-Term	$0.06	$0.05	$0.05	kilowatt-day
Hourly	2.30	2.25	1.99	mills per hour

The update to the transmission rates includes the distribution rate and interconnection rate for operations and maintenance of interconnection facilities with SUB. These were previously calculated and used in billing but not published in the Customer Service Policies.

Table 3: Current and Proposed Interconnection Facilities Charge

Item	Current	Proposed
Interconnection Facilities 1/	$7,225	$8,563

1/ Interconnection and Operation Agreement between EWEB and SUB

There are three entities charged under this tariff, which represents approximately $350,000 in revenue for the electric utility.

The proposed redline for the Customer Service Policy will be provided at the June Board meeting.

Attachment 3
Pole Attachment / Joint Use Fees

The Federal Communications Commission is the federal agency holding jurisdiction over telecommunications and enacts rules related to pole attachments and rates charged for attaching to utility poles. However, Congress recognized the important role of states in ensuring that utilities provide access to poles, ducts, conduits, and rights-of-way in a manner consistent with statute. Under the "reverse preemption" provision, states may certify that they regulate rates, terms, and conditions for pole attachments in their respective states; the Commission (Federal Communications Commission) retains jurisdiction over pole attachments only in states that do not so certify.

Oregon has developed rates, terms, and conditions under the "reverse preemption" provision, in which Oregon revised statute 757.270 to 757.290 establishes the Attachment Regulations for the State of Oregon. Specifically, 757.276 Attachments by licensees to customer-owned utility facilities regulated states,

> The Public Utilities Commission of Oregon shall have the authority to regulate the rates, terms, and conditions of attachments by licensees to poles or other facilities of customer-owned utilities.

The rate formula is cited in Oregon Administrative Rule 860-028-0000 through OAR 860-028-0310 of the Public Utility Code.

EWEB follows the methodology proscribed in the Public Utility Code OAR, which is based on applying the respective administrative and general, maintenance, depreciation, taxes, and cost of money to the net investment in plant for determination of pole attachment rates charged to pole occupants.

The Joint Use Pole attachment fee includes both a Compliance and Non-compliance rate, which refers to the adherence to Oregon Public Utility Commission (OPUC) rules for safety standards and practices. The Non-compliance rate is one way to address an entity's lack of compliance with rules and terms, and there are escalating consequences for non-compliant attaching entities. Entities attaching to EWEB poles comply with applicable rules 99% of the time and are charged the standard compliance rate. However, the existence of the non-compliance rate is an important tool to hold all attaching entities accountable.

The current proposed Compliance and Non-Compliance Rate is listed below in Table 1.

Table 1: Current and Proposed Joint Use Fees for Pole Attachments

Rate	Current	Proposed
Compliance Rate	$20.03	$19.81
Non-Compliance Rate	$23.14	$22.89

This adjustment is consistent with applicable laws and industry's best practices. The change in maintenance expenses was the most impactful change to the year-over-year comparison. The 2024 maintenance expense was elevated due to the January storm expenditure. A portion of these storm

related expenditures are eligible for FEMA reimbursement and deemed highly likely for reimbursement and therefore, the expected reimbursement is incorporated into the updated fee proposal.

There are 17,700 attachments charged under this tariff, which represents approximately $300,000 - $350,000 in revenue for the electric utility. The fees include a share of maintenance costs including tree trimming and storm repair for a share of the pole available for telecommunications leasing. Staff actively manage pole attachment contracts and communicate directly with telecommunications entities leasing space on EWEB assets to maintain utility right of way and protect EWEB assets.

EWEB Joint Use Specialist has reached out to the telecommunication companies to remind them to trim trees, if necessary, when they are attaching to EWEB's poles. The EWEB Joint Use Inspectors have also been asked to keep an eye out for trees that need to be trimmed and have communicated any issues to the Joint Use Specialist, who then forwards the info to our Vegetation department for tree trimming.

The proposed redline for the Customer Service Policy will be provided at the June Board meeting.

Attachment 4

Downtown Network Charge

In January 2020, the EWEB board approved Resolution No. 2004 to establish the Downtown Network Connection Charge to reduce the price disparity between similarly sized projects withing the network, to promote transparency and predictability for customers, and reduce the response times for high level cost estimates and administrative burden to producing estimates for new projects in the downtown network.

The downtown secondary network offers increased redundancy and high reliability to customers. However, the configuration of the network requires new services to use specialized equipment and installation standards. The charge affects all customers adding new load to the downtown network. The cost is applied regardless of whether a new transformer is required in the network, or if the customer can be served under existing capacity.

As described in the November 2019 memo, the change to implement the downtown network charge mitigates the previous incentive to choose natural gas to avoid equipment costs for upgrades. The costs are shared among customers within the network and not customers outside the network. The capital investment is recovered over time as customers join the network and add new load.

The downtown connection charge was developed in 2020 and since that time there have been limited utilization within the network. Over that time from 2020 and 2025 there has been signification inflationary pressure that has increased overall utility costs, and specifically construction costs for electric infrastructure.

The proposed increase to the current rate for the Downtown Network Fee is shown below.

	Current	Proposed	Units
Downtown Network Fee	$315	$415	per kilowatt

The proposed redline for the Customer Service Policy will be provided at the June Board meeting.

Attachment 5
Water Service Installation Charges

The ***Customer Service Policy Appendix C*** includes items that are annually adjusted with annual rate adjustments at the end of the year. It also includes fees and charges that are updated periodically. The fees presented below are the proposed fee updates. Many of these are presented as a three-year phase in, based on Board guidance in 2024. This is the second year of the three-year phase in so the projected 2026 final year of the phase in is included for reference.

The **Water Meter Installation Charges** were last updated in 2013 with Resolution No. 1319. The Meter Installation Charges are updated as shown below to reflect increases in construction, material, and labor costs over the past 10 plus years. The biggest driver of this cost increase is the switch to AMI meters and the higher material costs for the meters and communication modules.

Table 1: Current and Proposed Water Meter Installation Charges

Meter Size	Current	Proposed
less than 1"	$275	**$500**
1"	$375	**$630**
1 ½ and larger	At estimated cost	

The **Water Service Installation Charges** were last updated in 2024 with Resolution No. 2410.

The Board directed the Water Service Installation Charges to be phased in over a three-year period to balance the principles of *cost of service* with *gradualism*. The proposal for Phase 2 of the three-year phase in is shown below and reflects the initial fee recommendation with the 3% CPI increase to maintain alignment of overall inflationary pressures. Prior to the Phase 1 adjustment in 2024, these fees had not been updated since 2013.

Table 2: Current and Proposed Water Service Installation Charges

Meter Size	Current	Proposed	2026
1" x less than 1"	$3,400	**$4,100**	$4,800
1" x 1"	$3,500	**$4,200**	$4,900
1 ½ and larger	At estimated cost		

The **Plan Review Fees** are the costs incurred by EWEB to review and comment on design plans prepared by Developer/Customer. These fees were not increased in 2024. They are recommended to increase in 2025 at CPI increase of 3%.

Table 3: Current and Proposed Plan Review Fees

Meter Size	Current	Proposed	2026
Up to 500 feet	$1,000	$1,000	$1,000
500 feet to 1,000	$1,200	$1,200	$1,200
1,001 feet to 2,000	$1,600	$1,600	$1,600
2,001 feet to 3,000	$2,000	$2,100	$2,200

3,001 feet to 4,000	$2,400	$2,500	$2,600
Greater than 4,000	$2,800	$2,900	$3,000

The **Financial Guarantee** is required prior to approval of a plat for a subdivision. These guarantees are typically in the form of a bond or letter or credit. The **Financial Guarantee** was last updated in 2024 with Resolution No. 2410.

The Board directed the **Financial Guarantee** to be phased in over a three-year period to balance the principles of *cost of service* with *gradualism*. The proposal for Phase 2 of the three-year phase in is shown below and reflects the initial fee recommendation with the 3% CPI increase to maintain alignment of overall inflationary pressures.

Table 5: Current and Proposed Financial Guarantee

	Current	Proposed	2026
Cost per foot of pipe (up to 8")	$135	$140	$150
Cost per service	$1,800	$2,300	$2,700

The **System Connection Fee** is for costs incurred by EWEB to physically connect the newly constructed main extension into EWEB's system. The **System Connection Fees** were last updated in 2024 with Resolution No. 2410.

The Board directed the **System Connection Fees** to be phased in over a three-year period to balance the principles of *cost of service* with *gradualism*. The proposal for Phase 2 of the three-year phase in is shown below and reflects the initial fee recommendation with the 3% CPI increase to maintain alignment of overall inflationary pressures. Prior to the Phase 1 adjustment in 2024, these fees had not been updated since 2013.

Table 6: Current and Proposed System Connection Fee

	Current	Proposed	2026
Cost per System Connection (with hard surface restoration)	$11,300	$13,600	$15,900
Cost per System Connection (with no hard surface restoration)	$7,900	$9,300	$10,600

The **Disinfectant and Hydrant Testing Fee** is for EWEB staff to disinfect new main extensions prior to connecting into EWEB system. Once connected, flow tests are completed for all fire hydrants. The current and proposed rates are shown below in Table 7. The disinfection cost was previously charged per foot, but it was determined that this is more appropriate as a lump sum charge.

Table 7: Current and Proposed Disinfectant and Hydrant Testing Fee

	Current	Proposed
Disinfection Cost	$1,250	$1,300
Cost of Hydrant Test	$500	$500

The Inspection and Permit Fee is for EWEB staff to provide periodic inspection of new main extension and witness all pressure tests for new systems. EWEB also obtains the City Permits.

Table 8: Current and Proposed Inspection and Permit Fee

	Current	**Proposed**
Cost per Foot (Inspection)	$3 per foot	$3 per foot
Pressure Test	$320	$330
Permit Cost	Calculated by City	

In the past year there were 5 customers requesting to connect to the water system and charged under various fees and charges included in this tariff. This represented approximately $70,000 in revenue for the water utility.

The proposed redline for the Customer Service Policy will be provided at the June Board meeting.

Attachment 6

Traffic Signals / Beacon Lights

The City of Eugene and EWEB track the installation of traffic control devices and the wattage associated with each device. These accounts are not metered individually and rely on fixed wattage assumptions. Therefore, the basic change is adjusted to remove the meter, meter reading, and meter maintenance costs.

The last update to these rates was in 2024 and therefore the compound annual growth rate is presented for reference.

Table 9: Current and Proposed Traffic Signal and Beacon Light Rates

Customer Type	Current Rate	Proposed Rate	Change
Basic Charge	$28.75	$28.18	-2%
Energy Charge	$0.08048	$0.0818	2%

There are just under 350 locations and EWEB collects approximately $35,000 of revenue annually.

MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO:	Commissioners Barofsky, Schlossberg, Brown, Carlson, and Morris
FROM:	Karen Kelley, Chief Operations Officer and project team
DATE:	April 24, 2025
SUBJECT:	Willamette Treatment Plant Project Annual Update
OBJECTIVE:	Information Only

Issue

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.

Background

The Willamette River Water Treatment Plant project is EWEB's most critical resiliency initiative to date. Once completed, the project will provide a second source of drinking water, ensuring essential redundancy to the McKenzie River source and Hayden Bridge Filtration Plant.

The project includes:

- A new raw water intake and pump station
- A state-of-the-art water treatment plant and associated facilities
- A new transmission main connecting to EWEB's existing system near Knickerbocker Bridge.

A map of the project site and renderings for the intake and treatment plant are included in Attachment 1.

EWEB is one of the largest utilities in the Pacific Northwest that relies on a single source of water. While our storage system provides 1-3 days of storage under normal conditions, reliance on one intake and treatment facility leaves our community vulnerable to natural or human-caused disasters, water quality issues, and equipment failures.

The Hayden Bridge Filtration Plant, which has been in continuous operation for 75 years, cannot be taken offline for substantial upgrades or seismic retrofitting due to the lack of a backup

supply and treatment. As a result, the plant's ability to withstand or recover from a major earthquake cannot be assured—placing the community's potable water supply at risk. While EWEB has constructed several emergency water stations to provide provisional groundwater access during crises, these facilities are not designed to replace full system operations.

Decades of analysis and long-term planning led EWEB to pursue the development of our Willamette River Water Rights. Over the years, the utility evaluated multiple alternatives—including developing groundwater sources and expanding interties with neighboring systems—but ultimately concluded that the Willamette River provides the best long-term solution. It offers a reliable volume of supply and high-quality water, with characteristics similar to our existing McKenzie River source, as shown in Table 1 below.

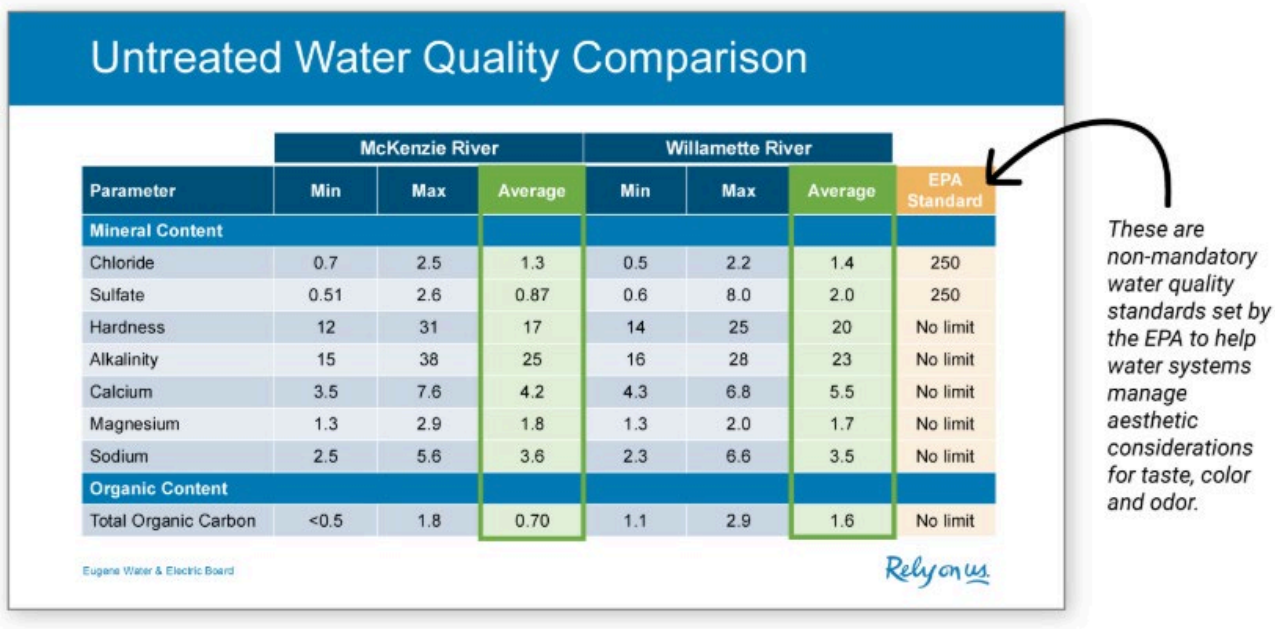


Table 1: EWEB has tested water samples from the Willamette River for the last 10 years. The samples show that the water quality near the new proposed intake is similar to the water we pull from the McKenzie River less than five miles away. More detail pertaining to water quality can be found on the project website here.

Discussion

The following sections discuss the preliminary design and land use work completed in 2017, renewed efforts to develop a second source, budgetary cost estimates, project risks and schedule.

Historical Work

Preliminary Design Work

In 2017, EWEB completed a preliminary, value-engineered design for the Willamette River Water Treatment Plant. The concept included a raw water intake sized for full system buildout and a treatment plant designed to initially provide 10 million gallons a day (mgd) at a high water quality, with the ability to scale up to 19 mgd under minimum water quality standards to meet state requirements.

Land Use

In parallel with the preliminary design efforts, EWEB engaged with the City of Springfield (Springfield) to determine the land use approvals necessary to construct the intake and treatment plant. Springfield confirmed that the intake qualified as a *Low Impact Public Facility,* which is an allowed use within the Glenwood Refinement Plan (Plan) area.

However, the proposed treatment plant site presented additional challenges. Because the property was outside city limits, the City of Springfield required it to be annexed before development. Furthermore, under the City's Development Code (Code), the treatment plant was classified as a *High Impact Public Facility* —a designation not currently permitted within the Plan area.

To proceed, the City of Springfield recommended that EWEB:

- Include the project in the Eugene-Springfield Metro Area Public Facilities and Services Plan (PFSP), which requires an amendment to be initiated by the City Council.
- Include the project in the City's Master Plan, or
- Obtain a Discretionary Use Permit.

When the request was brought to the Springfield City Council, the Council denied initiating the PFSP amendment process and the project was subsequently delayed in 2017.

Delay Period

The delay created an opportunity for EWEB to increase reliability and resiliency in the water distribution system. During this time, the utility advanced multiple projects, including:

- Constructed emergency well sites
- Built new base-level storage tanks
- Upgraded our transmission system
- Added a new on-site chlorine generation system at the Hayden Bridge Filtration Plant
- Installed standby power at the intake and filtration plant.

These investments paid off during events like the 2020 Holiday Farm Fire, the 2021 West Coast chlorine shortage, and the 2024 ice storm, helping EWEB maintain water service under extreme conditions.

Restarting the Project

By 2023, multiple factors prompted a renewed and urgent focus on developing a second source of water:

- Customer support for the project reached an all-time high, reflecting growing public awareness of the system's vulnerabilities
- The political landscape surrounding water rights has grown increasingly complex
- Costs for construction continue to rise
- Permitting requirements are becoming more rigorous each year
- Events that can disrupt water supply—such as extreme weather and wildfires— are becoming more frequent and severe.

Given the age of Hayden Bridge Filtration Plant, and the escalating risks outlined above, EWEB has determined that now is the right time to move forward with developing a new water source on the Willamette River.

Recent Work

Since restarting, EWEB has made significant progress in several key areas:

Environmental Permitting

Most of the effort over the last year and a half has been associated with this task. Specific accomplishments include:

- Completed a value engineering study for the intake location, which resulted in a downstream shift to minimize excavation costs.
- Completed and submitted a Biological Assessment.
- Submitted Joint Permit Applications to the Army Corps of Engineers and the Division of State Lands (approvals anticipated in late 2026).
- Initiated river temperature modeling to determine the potential effects of the water withdrawal to be used to create a thermal trading plan if required.

Land Use

EWEB staff initiated renewed land use planning efforts in partnership with the City of Springfield in 2023.

As previously noted, EWEB initially sought to include the project in the PFSP. However, since the project began, the Cities of Eugene and Springfield have decided to dissolve the metro area PFSP and develop independent plans. Unfortunately, this planning work will not be completed in the time required for this project schedule.

To keep the project moving forward, Springfield staff recommended that EWEB pursue a Discretionary Use Permit. This path requires annexing the properties into Springfield and obtaining the required code and plan amendment approvals.

EWEB successfully annexed the property into Springfield in March 2025. Code and Plan amendment applications were submitted that same month, and completeness review was received in late April 2025.

Source Water Protection

With the renewed effort toward a Willamette River supply, EWEB's source water protection team is currently working on a source water protection plan for the upper Willamette River. In addition, they are identifying potential thermal mitigation projects related to the withdrawal of water, if required.

Engineering Design and Construction Services

An Engineering Design Request for Proposals was advertised in April of 2025 with an anticipated contract approval at the July 2025 board meeting. The design will be based on the work completed in 2017 and will include a validation study, updated costs, final design documents, and construction services. The intent is to leverage the work already completed while at the same time validating the assumptions made to ensure that the project is in line with current regulations and EWEB's desired level of service goals.

Public Outreach

Public outreach has been an ongoing component of this project and continues to evolve alongside project milestones. The public communication plan is currently being updated to reflect the latest developments and priorities.

Unlike EWEB's recent storage tank projects, which were located in residential areas, the new intake and plant site are in an industrial area of Glenwood. The most directly affected residents are primarily located in a single neighborhood across the river and along the necessary transmission pipeline route. While the project's location limits the number of nearby residential interest-holders, public engagement remains critical to its success.

Key outreach efforts include:

- Coordination with local governing bodies, including the City of Springfield, Lane County, and the City of Eugene, to support the land use process.

- Engagement with local environmental organizations, businesses along the pipeline route, and large water users such as the University of Oregon and local breweries.

EWEB has launched a project website, developed an "interested parties" email distribution list, and aligned public engagement with the environmental permitting timeline. Emails were proactively sent to environmental groups inviting participation in the public comment process for key regulatory submissions.

In January 2025, EWEB hosted a water industry users' forum to share project details and present water quality data to representatives from major water users, including the University of Oregon, breweries, and our top 10 industrial users. Additionally, an open house was held for nearby residents and businesses to introduce the project, explain permitting requirements, and discuss potential construction impacts.

Looking ahead, outreach will focus on supporting the land use application process with the City of Springfield through continued engagement with interest-holders and timely public communications

Budget Update

The original 2017 Preliminary Design Effort estimate of $68 million was escalated to $90 million in the 10-year Capital Improvement Plan based on generalized nationwide indices.

Staff recently completed a budgetary update using regional construction data and contractor input, revealing a more realistic estimate of $160 million. This represents a very high-level cost and includes a 30% contingency to account for:

- Unpredictable inflationary pressures and market volatility
- Potential impacts of trade tariffs and federal workforce reductions
- Unknown permitting and mitigation requirements
- Potential changes in project scope

While deferring the project avoided early capital outlay, inflation and regulatory complexity have significantly increased project costs. That said, EWEB can manage some of these risks through:

- Careful scheduling and phasing (the project is EWEB driven and not required by regulators)
- Use of a Construction Manager/General Contractor procurement to validate assumptions and optimize construction timing
- Leveraging the work that was completed in 2017

Funding Strategy

EWEB's water and finance teams are working to develop a comprehensive funding strategy for this project. While the project represents a significant investment, there are multiple funding pathways, each with their own benefits and drawbacks to be assessed.

- Given that EWEB's water rates remain among the lowest in the region, there may be room to evaluate a rate adjustment as part of a responsible long-term financial plan.
- In parallel, there are several borrowing options to spread costs over time and reduce immediate rate impacts.
- There are capital projects in the distribution system that can be evaluated and potentially deferred.
- EWEB is also actively seeking grant opportunities. Although anticipated funding from the FEMA Building Resilient Infrastructure and Communities (BRIC) grant was recently withdrawn at the federal level, staff remain engaged in identifying new grant opportunities. We remain optimistic that federal funding will become available to support infrastructure resiliency efforts like this one.

Schedule

The current target schedule includes Board approval of a design contract in July 2025 with construction anticipated to begin in fall of 2026, following receipt of all required environmental permits.

To meet this timeline, several critical steps must be completed in the interim:

- Determine a new funding strategy and integrate it into EWEB's long-term financial plan.
- Select a design consultant.
- Complete a validation study of past work completed and verify assumptions.
- Update project cost estimates and align the design with current budget constraints.
- Complete temperature modeling and develop a thermal trading plan if required by Oregon DEQ.
- Obtain land use approvals.
- Obtain permit approvals.
- Select a procurement methodology.
- Start detailed design and construction planning.

The high-level schedule is included in Figure 1 below.

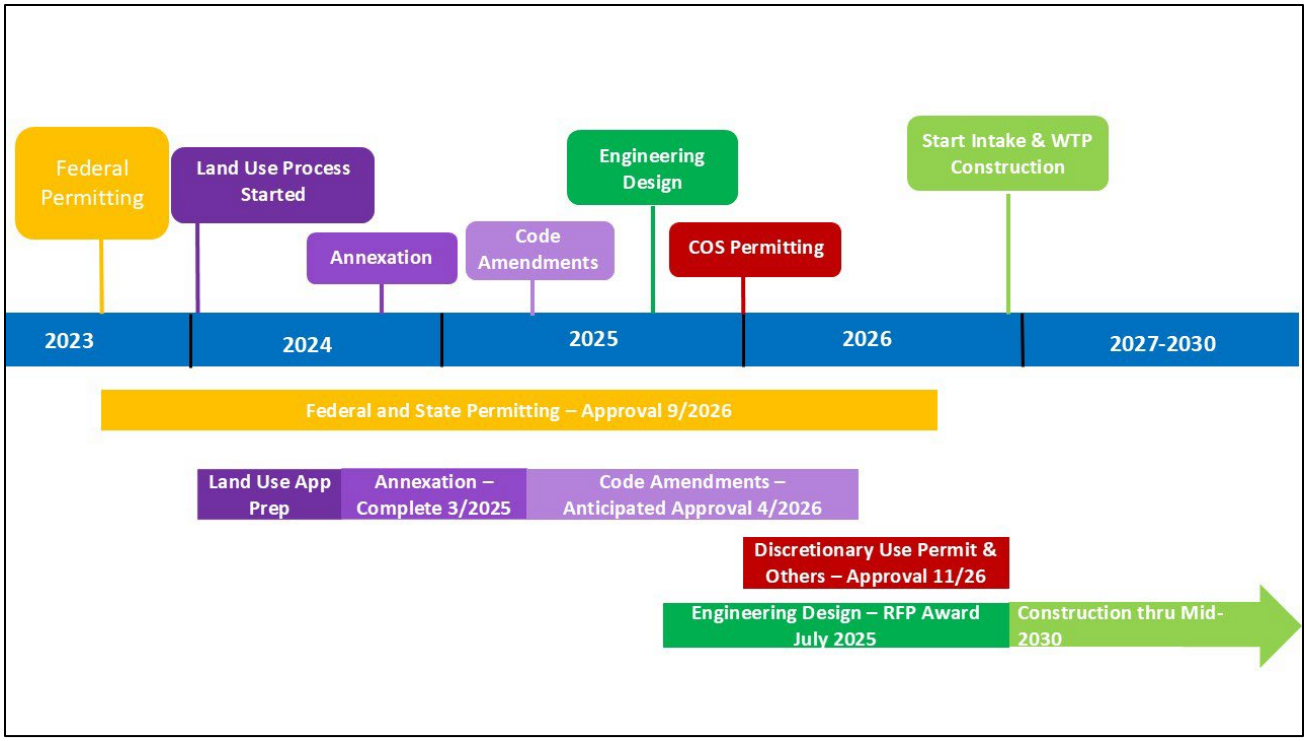


Figure 1. Project Timeline

Attachments:

A. Willamette River Intake and Treatment Plan Project Location Map

B. Artist rendering of EWEB Willamette River Treatment Plant

C. Preliminary photorealistic renderings of the Willamette River Treatment Plant

Recommendation

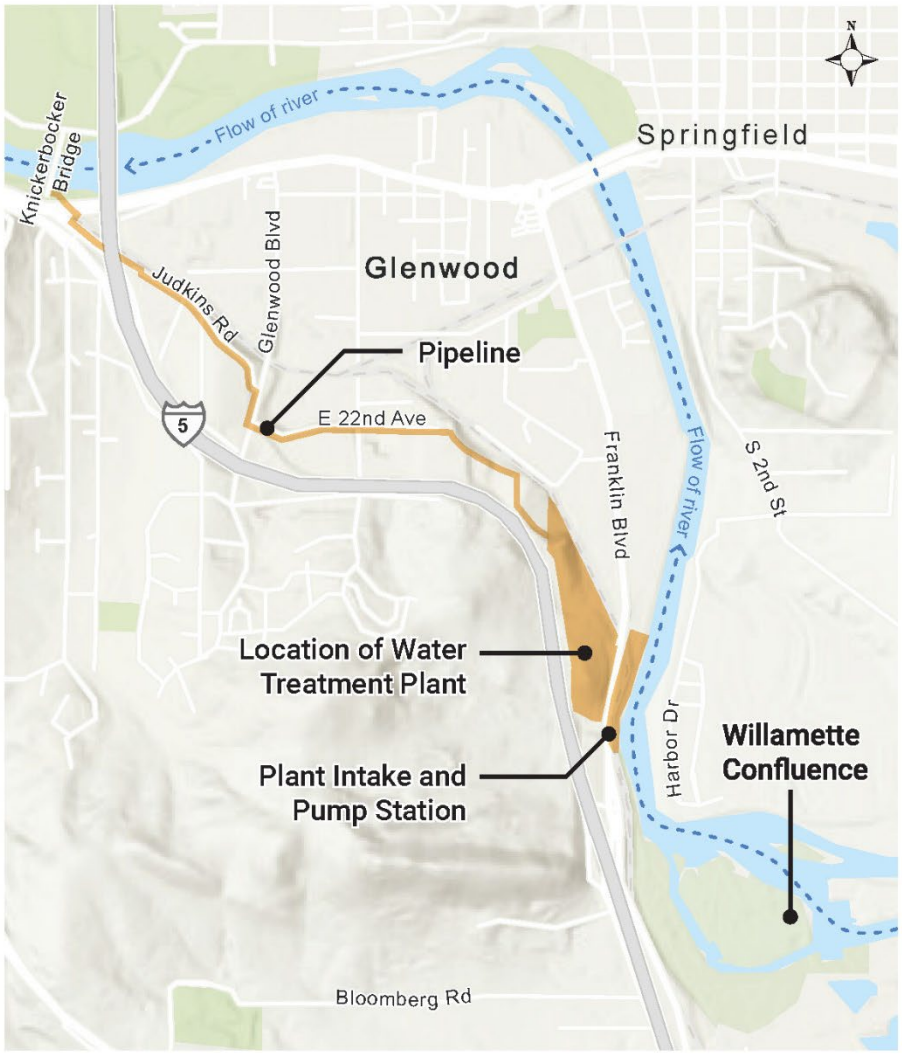
Information Only

Requested Board Action

None

Attachment A

Willamette River Intake and Treatment Plant Project
Location Map



EWEB

Attachment B – Raw Water Intake Rendering

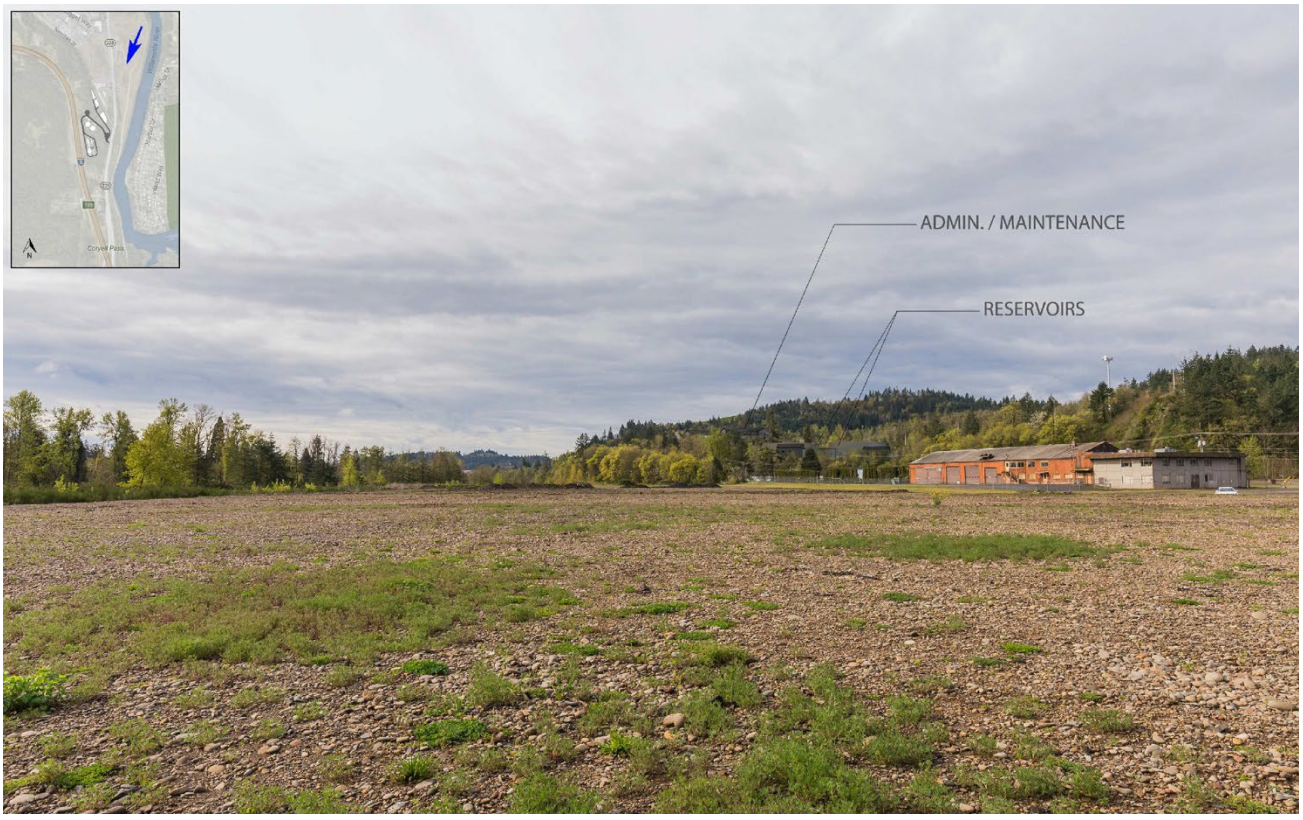
Attachment C – Treatment Plant Renderings

carollo Stantec


ADMIN. / MAINTENANCE
CHEMICAL AND OZONE
GENERATION BUILDINGS


OZONE
ELECTRICAL
RESERVOIRS
FILTERS
ADMIN.
CHEMICAL AND OZONE
GENERATION BUILDINGS


ADMIN.
RESERVOIRS
ELECTRICAL
OZONE


ADMIN. / MAINTENANCE
RESERVOIRS

MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Barofsky, Schlossberg, Brown, Carlson, and Morris

FROM: Jason Heuser, Public Policy and Government Affairs Program Manager

DATE: April 25, 2025

SUBJECT: May 2025 State Legislative Update

OBJECTIVE: Information

Issue
EWEB monitors, influences, and strategically plans around legislative and regional policy issues.

Background
The Board adopts general policy directives for advocacy on legislation and other public policy matters, which guide the work of EWEB's lobbying activities. When political considerations test the applicability of those directives, the General Manager makes a determination as to whether a fundamental shift in direction is required. The Board may be asked to reaffirm policy directives or direct staff to make necessary adjustments.

Discussion

The Oregon Legislature convened on January 21 for the start of 2025 Oregon Legislative Session and over 3,600 bills have been introduced. Legislative deadlines in early April for bills to be scheduled for a public hearing and work session and advanced out of their committee of origin have narrowed down greatly the scope of bills being given active consideration in the legislature, although a surprisingly high number of bills were spared elimination by way of being referred to the House and Senate Rules Committees, which are not subject to standard deadlines as standard policy committees. Below is the status of key legislative proposals of interest to EWEB:

Active Bills

SB 427/SB 1153 Water Right Transfer Criteria – Oppose unless Amended

These bills would modify the existing process and criteria for water right transfers. Transfers are the only way that EWEB and other water users may change an existing water right. EWEB needs to utilize the transfer process to add a new point of diversion (POD) to match the intake for EWEB's Willamette Water Treatment Plant. SB 427 would outright prohibit EWEB's ability to add the upstream POD necessary to utilize EWEB's Willamette water right. SB 1153, introduced at the request of Governor Tina Kotek, would add a new public interest review as well as new and vague criteria that pose uncertainty and/or potential lengthy delays in the approval of transfers. (more detailed analysis of these bills is summarized in the April Board Legislative Update Correspondence)

EWEB participated in a water utility focus group on April 15 with Governor Kotek's Natural Resources staffers, members of the Oregon Legislature's Water Caucus (Senators Kathleen Taylor and Todd Nash – Representatives Ken Helm and Mark Owens) and government relations staffers for the Cities of Portland, Beaverton, Hillsboro, as well as the Central Oregon Association of Cities and the Oregon Water Utility Council. The focus group had a robust conversation outlining the many unnecessary obstacles and potential harm these bills impose on drinking water projects – including ones brought forward to address resiliency/seismic upgrades and supply diversification needs. The bill purports to bring needed scrutiny to "high risk water transfers" but the risk has not been defined as it relates to municipal water rights nor has any specific example been given of a municipal water right transfer that could be classified as "high risk".

EWEB has worked closely with the more engaged water utilities to prepare for both bills amendments that would exempt municipal water rights, and we continue to make the case to legislators that if this bill must advance this session, it should include the municipal exemption. The Governor's Office and the Water Caucus are continuing to hold a small work group to deliberate on these bills, both of which were referred to the Senate Rules Committee on April 14.

HB 3666 – Wildfire Safety Certification – SUPPORT

This bill would require investor-owned utilities (IOUs) and would allow consumer-owned utilities (COUs) voluntarily to apply to the Public Utility Commission for a Wildfire Safety Certification to:

- Audit and verify that the utility is prudently implementing its PUC or COU Board approved, wildfire protection plan, which is already required by law and outlines wildfire prevention efforts like risk assessment, clearing vegetation, and system hardening, etc.
- Confirm the utility's commitment to wildfire safety and continuous improvement;

If the PUC issues a safety certificate, the certification establishes that the utility is acting reasonably regarding wildfire safety practices and is materially consistent with its approved wildfire mitigation plan. This action is consistent with the ability of state agencies to establish, implement and enforce safety standards. The certificate can be used in court as one piece of evidence weighed by the judge or jury and does not make a utility immune from lawsuits.

HB 3666 had a public hearing in the House Judiciary Committee on March 18th and was referred to the House Rules Committee on April 11th. The bill has received a flurry of media coverage and intense social media scrutiny. The future of this bill is very uncertain, even while there is acknowledgement throughout the legislature that a legislative remedy is needed to better balance liability with wildfire ignition risk mitigation investments and operational changes in the utility sector since 2020.

SB 179 – Recreational Immunity (Removes Sunset on 2024 Restoration) – SUPPORT

SB 1576A was enacted in the 2024 legislative session and included a restoration of recreational immunity, a priority for local governments and recreation enthusiasts. The bill added running, walking and biking to the definition of recreational immunity, but included a sunset date at the end of 2025 to allow for pending court cases to be resolved and a workgroup to craft a more durable solution to be adopted in the 2025 legislative session. Reportedly, the workgroup was able to reach consensus on a permanent solution. In the absence of successful negotiations, SB 179 removes the sunset date included in SB 1576A from the 2024 legislative session.

The bill was approved by the Senate on a 30-0 unanimous vote on March 13. It received a public hearing in

the House Judiciary Committee on April 13 and will be scheduled for a work session soon.

HB 2064 – Microgrids – NEUTRAL WITH AMENDMENT

This bill is designed to facilitate Community Microgrids with Islanding Capabilities and provides guidance on updated flexibility on building and safety codes and zoning overlays to put more decision-making power into the hands of local governments to promote microgrids, including configurations that would allow microgrids using front-of-meter generation and energy storage resources.

HB 2064 positions the Oregon Public Utility Commission as the entity with oversight to review and approve a local government's proposal to align building code and zoning with microgrids, even if the local government's political boundaries are primarily or entirely located in the service area of a consumer-owned utility. EWEB and other consumer-owned utilities have requested an amendment to transfer this role to the governing body of a consumer-owned utility providing electrical service to the local government in those instances. On April 15, the provisions of HB 2064 were modified to honor this request and then inserted into HB 2065, which was approved out of committee and awaits further action in the Joint Ways and Means Committee

SB 1062 – Preemption of City Charters for Water/Sewer Rates and Fees – NEUTRAL WITH AMENDMENT

This bill is sponsored by legislators representing the South Oregon Coast and is intended to supersede city charters that require a public vote and double majority (requiring both majority of votes and greater than 50 percent voter turnout) for water and wastewater rates or fee increases. The bill would set forth instead that the governing body of the city may increase water and wastewater rates by a simple majority of the governing body. EWEB contacted the sponsors of the bill and the chair and members of the committee to share concerns that the bill as drafted did not account for the Eugene City Charter and would have potentially abrogated the governance structure and powers and authorities of EWEB. This led to a back-and-forth series of amendments that continued to fall short of a proper accounting of EWEB and similar independently governed municipal utilities including Springfield Utility Board, McMinnville Water & Light, and Canby Utility – illustrating the complex risk of the legislature preempting city charters. At one point an amendment was drafted that would have exempted relevant city charters for the utilities that had come forward to raise concerns. However, due to the difficulty of ensuring that all impacted municipal utilities had received proper notice of the legislation, a final amendment was drafted that would make the legislation's preemption of city charters applicable only to the targeted communities, the cities of North Bend, Bandon, and Reedsport. A -6 amendment to that affect was adopted and SB 1062 was approved out of committee and passed on the Senate floor 25-4 on April 22. It was referred to the House Emergency Management, General Government, and Veterans Committee on April 24.

HB 2256 – Indemnifying for conservation purposes sellers of units of land not lawfully established -- SUPPORT

This bill exempts the seller and the nonprofit purchaser of property for conservation purposes from civil or criminal liability for selling units of land not lawfully established. HB 2256 was introduced by local Representative Lisa Fragala at the request of the McKenzie River Trust (MRT)

EWEB has provided funding for MRT conservation acquisitions as well as applied for grant funds on behalf of MRT or assisted MRT grant funding applications In some instances, concerns around legal lot determination have created additional expense and delays that can acquisitions. Strategic conservation properties can become difficult to transact once lot determination issues are identified. Sellers can be reluctant to take on

the potential liability or costly delays – which can result in losing purchase opportunities facing obstacles to apply for grant funding due to uncertain timelines around fixing the liability concerns. HB 2256 is a solution to the problem of legal lot determination by waiving the liability of the seller for selling an unlawfully created unit of land if the buyer is both a 501(c)(3) and is clear in its intent to acquire the land for conservation purposes.

HB 2256 was approved by the House 45-12 on March 6. It was approved out of the Senate Natural Resources and Wildfire Committee 4-1 on April 22 and awaits a third reading and vote on the Senate floor.

HB 3527 – Drinking Water and Sewer Ratepayer Assistance Program Reauthorization – SUPPORT

This bill would be a de facto reauthorization of an existing but defunct temporary program created with federal funding that has run out. Oregon had a Low-Income Household Water Assistance Program in 2022 and 2023 that was established and funded by Congress in the American Rescue Plan Act (ARPA) of 2021 and modeled after the long-standing Low Income Home Energy Assistance Program (LIHEAP) — the inclusion of this funding in ARPA was a special priority for US Senators Jeff Merkley and Ron Wyden. The program was administered by Oregon Housing and Community Services, which received a $13.8 million allocation for the statewide program. EWEB participated in advisory groups for the rulemaking to establish the statewide program. Although no funds were awarded to EWEB directly, Lane County Human Services (HSD) was authorized to receive and to apply state funds and coordinate with EWEB to directly credit assistance to EWEB customer accounts. It was projected at the start of the program that up to $600,000 would be credited to assist customers in the EWEB service territory over 2022-2023.

HB 3527 was approved out of the House Agriculture, Land Use, Natural Resources and Water Committee on March 27 and referred to the Joint Ways and Means Committee where it awaits further action.

SB 863 – State Fire Marshal Fire Cost Recovery – NEUTRAL WITH AMENDMENT

This bill establishes cost-recovery processes for suppression of fires caused by willful, malicious, or negligent actions. SB 863 provides the State Fire Marshal the means to seek and secure those funds. The bill purports to model this authority on the existing cost recovery authority provided in state law to the Oregon Department of Forestry (ODF).

Local government associations, including those representing consumer-owned utilities that are public bodies, are seeking an amendment and/or further clarification of legislative intent on the record that the cost recovery authority in SB 863 is no different and no greater than the existing authority for ODF – and also that this new authority for the State Fire Marshal would not circumvent the Oregon Tort Claims Acts as applicable to public bodies and their employees.

SB 863 was approved out of committee on March 13 and referred to the Joint Committee on Ways and Means where it awaits further action.

HB 3179 – Investor-Owned Utility Rate Caps – MONITOR

This bill would limit private, investor-owned utility rate requests, allowing them only once every 18 months. Exceptions could be granted in the event of a natural disaster or weather emergency. Rate increases would have to go into effect before Nov. 1 or after March 31 so ratepayers would not suddenly be hit with a bigger bill in winter when usage is highest. The bill would also require that the Public Utility Commission (OPUC) that regulates investor-owned utilities would be directed to look at socio-economic data of customers when considering rate increases, including factors such as median customer income, regional unemployment rate

and number of customers receiving public services and the PUC would analyze company profits from the 24 months leading up to a rate hike request to determine whether the rate increase is appropriate.

After public hearings in February in the House Commerce and Consumer Protection Committee, HB 3179 was referred to the House Rules Committee and awaits further action.

FAILED BILLS

HB 3628 – Oregon Transmission Authority – NEUTRAL – FAILED

HB 3966 – Solar Consumer Protection – SUPPORT – FAILED (this bill will be reintroduced in 2026)

SB 1192 – Clarifying Protection for Hydroelectric Water Rights from Conversion – SUPPORT – FAILED

SB 634 – Qualifying Hydropower for Renewable Portfolio Standard (RPS) – NEUTRAL – FAILED

HB 2410 – Umatilla Small Modular Nuclear Reactor Demonstration Project – NEUTRAL – FAILED

HJM 10 – Resolution to Congress on role of Bonneville Power Administration – NEUTRAL – FAILED

Recommendation/Requested Board Action
These are informational updates, and no action is required at this time.