

# Meeting Logistics and Facility & Safety Awareness

## MEETING LOGISTICS

Thank you for attending tonight's board meeting.

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

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

Give completed forms to Security staff.

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

## FACILITY & SAFETY AWARENESS

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

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

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

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



# PUBLIC INPUT

## INSTRUCTIONS



Complete Request to Speak form.

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



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

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



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

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



3 MIN

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

## CODE OF CONDUCT

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

## WHAT TO EXPECT

- After testimony is heard, each commissioner will have an opportunity to speak if they choose, although by policy, the Board does not engage in a back-and-forth dialog.
- Commissioners do not ordinarily provide responses to public testimony during the meeting; failure to comment does not indicate agreement or disagreement. Any individual commissioner's response is an expression of their own views, not necessarily the collective position of the entire Board.
- The Board may direct staff to respond to specific questions or comments posed by the public; those responses which are for the public good may be posted on EWEB's website.



# EWEB Board Meeting

July 8, 2025

Call to Order and Agenda Check



Eugene Water & Electric Board

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# Items from Board Members & General Manager



# Correspondence

<u>#.</u>	<u>Item and key points</u>	<u>Authors</u>	<u>Objective</u>
1.	Annual Enterprise Risk Management (ERM) Update (Board Policy SD20) <ul style="list-style-type: none"><li>• Status report of Enterprise Risk Management (ERM) activities: risk themes broadly categorized under resiliency, alignment, and modernization risk.</li></ul>	Diedre Williams, Sarah Gorsegner, Ken Baldwin	Information
2.	Lead and Copper Rule Revisions Compliance Update <ul style="list-style-type: none"><li>• Summary of updated Lead and Copper Rule revisions and improvements and current plan for compliance.</li></ul>	Karen Kelley, Mike Masters, Susan Fricke	Information
3.	State Legislative Update <ul style="list-style-type: none"><li>• Summary of final outcome of key legislative proposals of interest to EWEB</li></ul>	Jason Heuser	Information



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# Approval of Consent Calendar A



# Approval of Consent Calendar B



# Items removed from Consent Calendar



# ORG. GOAL #3 – Final Product Recommendation & Resolution Directing Execution of BPA “Provider of Choice” Contract

## Preview of Proposed Energy Resource Study (ERS) Action Plan



Eugene Water & Electric Board

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# BPA “Provider of Choice” Recommendation and Action Plan

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

July 8, 2025



Eugene Water & Electric Board





# Topic Agenda

## BPA Product Recommendation

- Summary/Review (Highlights from June 17<sup>th</sup> Work Session)
- Contract Execution Process

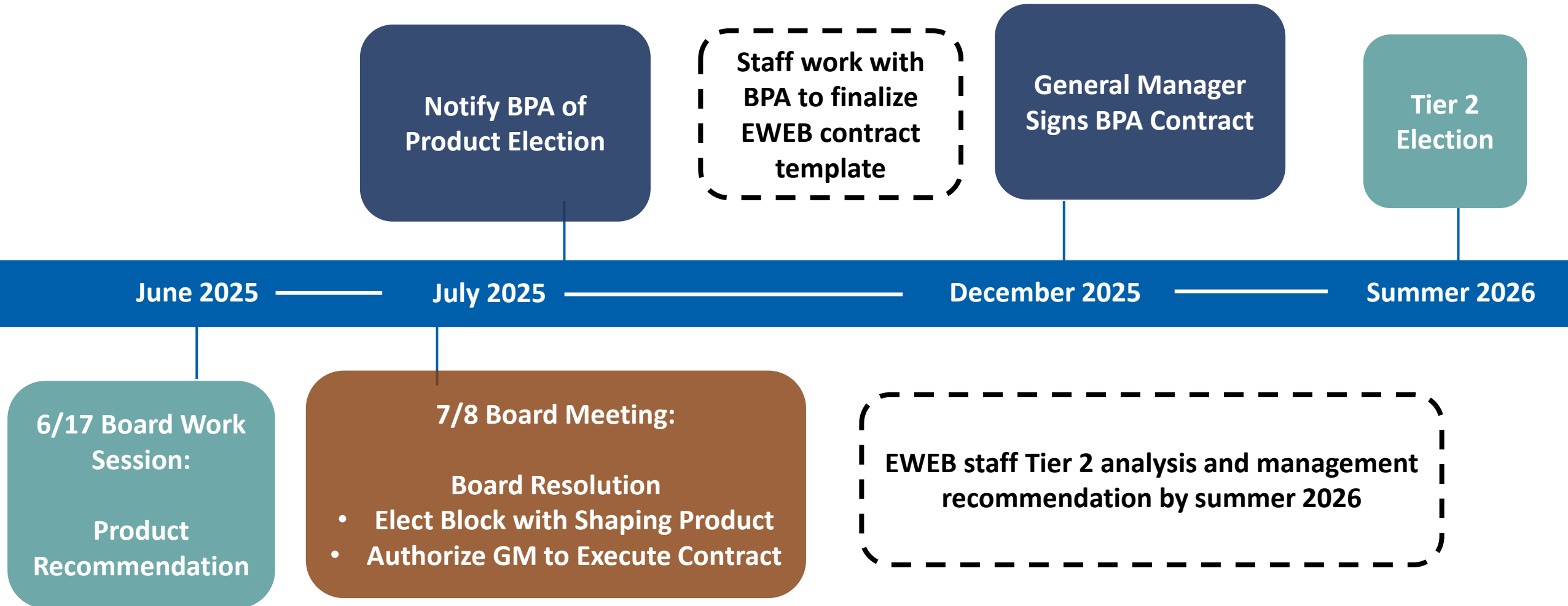
## 2025 Action Plan Preview

## Resolution 2515 Contract Execution





# BPA Product Choice Timeline





# Final Recommendation for EWEB's Provider of Choice Contract

## Load Following "Initial Leaning"

Maximize Federal Access  
Least Cost (Expected Case)  
Most Stable/Least Uncertain  
Strategic Flexibility  
Narrower Focus

May 2025

### **Refined Understanding**

Contract Components (Cost/Operational Determinants)  
Understanding of Operational Impacts  
Countermeasures (unfavorable futures) - Means/Methods –  
Mitigate Uncertainty (Resource Adequacy Options)  
Options for Implementing Peak Load Variance Service (PLVS)  
Community Impacts & Interests (Values)  
Qualitative/Strategic Impacts (Mission/Vision)

## Block-with-Shaping w/ Winter Peaking Service

*Significant Federal Access*

*Better Cost Improvement Potential*

*Greater Operational Flexibility*

*Increased Qualified Uncertainty Mitigation Opportunities*

*Comparable Contractual Risk(s)*

*Overall Better Strategic Alignment (local community alignment/reliance)*

- ✓ Economic Development
- ✓ Electrification
- ✓ Distributed Generation
- ✓ System Optimization



# BPA Provider of Choice Contract Overview & Contents

## Contract Overview

- 19-year Contract for 16 years of power delivery  
(October 1, 2028, until September 30, 2044)
- Access to at-cost federal power within contract limits
- Standardized Contract Template(s) for all eligible BPA preference customers
- Single product-switch opportunity (~3-year activation)

## Contract Contents

- Party obligations and entitlements
- Block with Shaping product function and design  
(Tailored for EWEB resources and load conditions)
- EWEB resource information  
(Tailored for EWEB specific resource performance)
- Administrative: Dispute Resolution, Billing, etc.



# Contract Execution Process

## Execution Process & Timeline

- EWEB & PNW Preference Customers – Active discussions (negotiations) on contract structure & details since 2019 (*2022 Post-2028 Concept Paper*)
- Resolution 2515 – Authorize General Manager to negotiate/execute Contract within discussed guidance and product selection (tonight)
- EWEB General Manager / Designated Staff – Obligated to notify BPA of product choice by July 18.
- EWEB and BPA Staff – Engage “Tailoring” (Populating) Contract Template(s), Tables, Forms.
- General Manager – Anticipated Execution (Signature) of Contract – December 2025.



# 2025 Energy Resource Study Action Plan Preview

Like the 2023 IRP Action Plan, the 2025 Action Plan will generally

- Support EWEB's mission to effectively deliver energy products, in alignment with organizational values, priorities and goals
- Indicate areas of study, analysis, and potential change

Action Themes – work related to preparation and modernization of

- EWEB's energy resource portfolio
- Customer programs/products/rates
- Trading and portfolio balancing systems and strategies

Full action plan is anticipated to be discussed at August Board meeting



# Up Next / Discussion & Action

1. General Board Discussion – Final Thoughts & Comments
2. Resolution No. 2515 Authorizing GM to Finalize and Execute the BPA contract

Staff recommended motion... *“move to approve Resolution 2515 authorizing the EWEB General Manager, or designee, to execute the Block with Shaping plus Peak Load Variance Service Product from the Bonneville Power Administration for EWEB’s 2028 Provider or Choice contract, as described in the resolution”*



# Integrated Capital Improvement & Long-Term Financial Planning

Frank Lawson, CEO/GM; Deborah Hart, AGM/CFO; Karen Kelley, COO

Board of Commissioners Meeting

July 8, 2025

Eugene Water & Electric Board





# Agenda

Timeline and Process Overview

Status: LTFP Revenue Requirements and Rate Impacts,  
Priorities, and Trade-offs

Board Direction and Next Steps

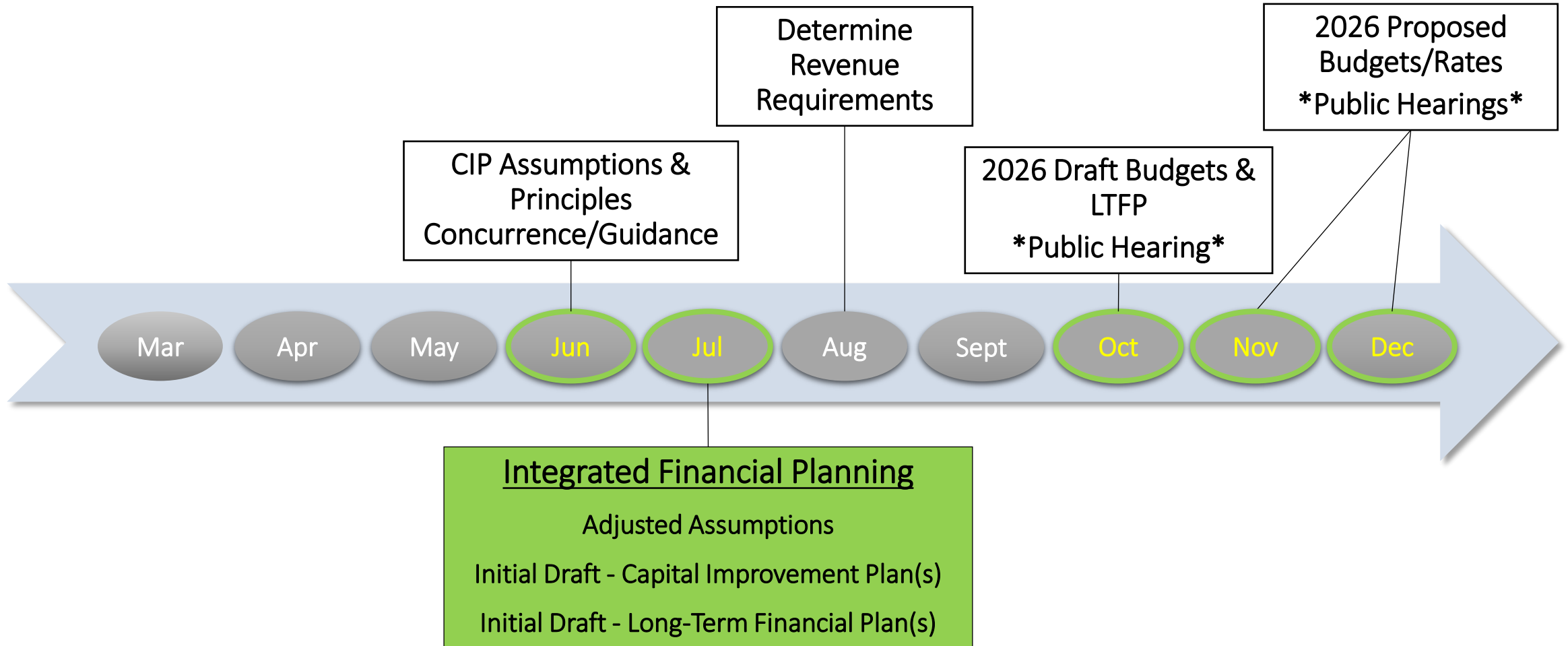
## Acronyms/Abbreviations

CIP – Capital Improvement Plan

LTFP – Long-Term Financial Plan



# Integrated CIP/LTFP Planning Timeline





# Water Long-Term Financial Plan Summary

## Key Points & Trade-offs:

- Willamette Treatment Plant is not included beyond 2026 permitting and design work
- Watershed Recovery Fee sunsets June 2026
- Key transmission and distribution main replacements deferred to 2027 and 2030
- Inflation has had a significant impact on cost of projects and rates have not kept pace
- Main replacements are highly contingent on City of Eugene street projects

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	10 Year
Change in Revenue Requirement	6.0%	15.5%	8.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.0%	2.0%	55.6%
Target Savings (Dollars in \$000s)	-	\$3,700	\$5,200	-	\$3,500	\$2,300	\$500	\$3,500	\$4,000	\$1,300	\$24,000
Change in Revenue Requirement w/Savings	6.0%	8.0%	6.0%	5.0%	4.5%	3.0%	3.0%	3.0%	3.0%	3.0%	54.4%



# Electric Long-Term Financial Plan Summary

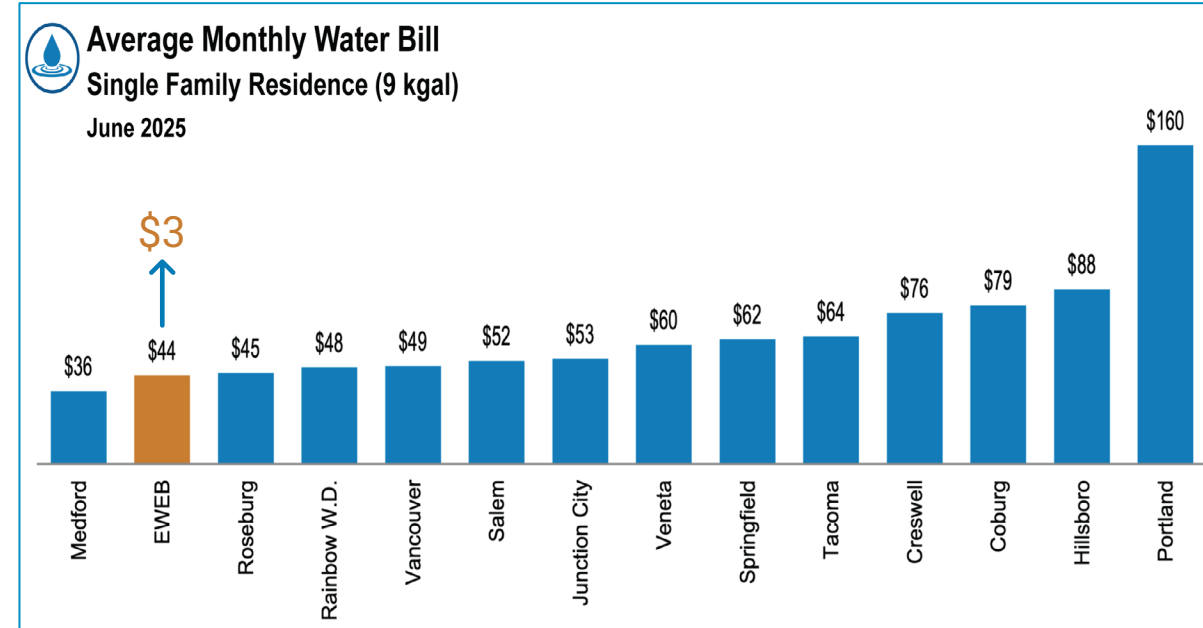
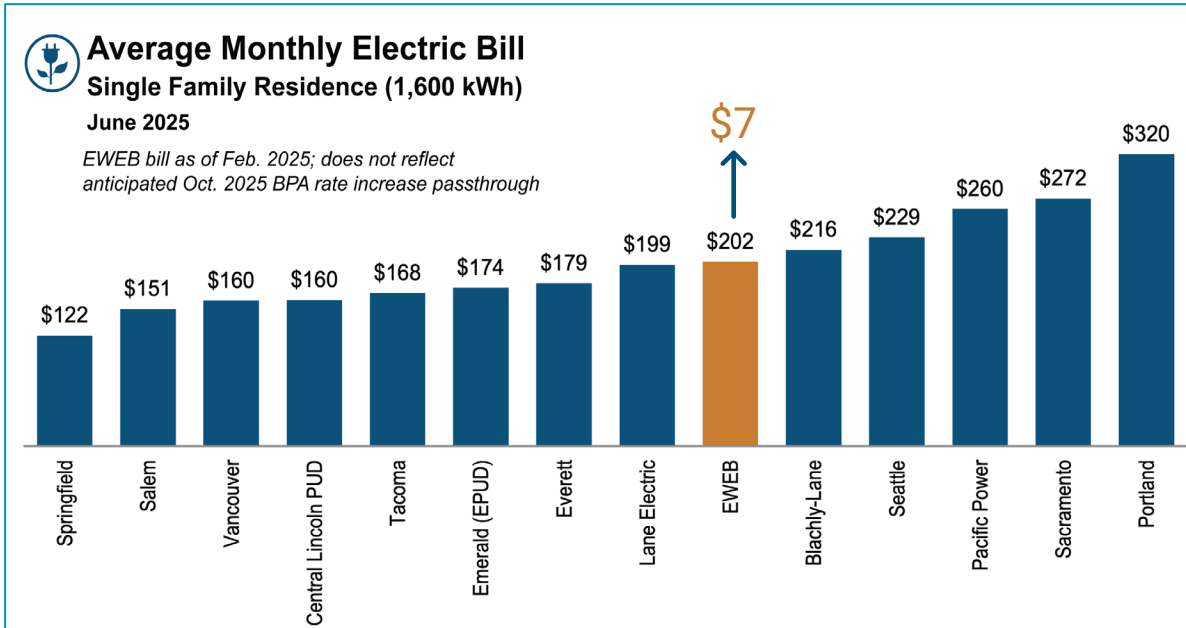
## Key Points & Trade-offs:

- Implications of BPA product selection beyond 2028 are not fully modeled in the LTFP
- Does not include potential changes to permanent fish passage at Trail Bridge Dam
- Includes Leaburg Project decommissioning
- Inflation has had a significant impact on cost of projects and rates have not kept pace
- Includes phased development of Bertelsen property 2027-2029 which can be scaled up or down based on need

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	10 Year
Change in Revenue Requirement	3.5%	8.5%	6.3%	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%	2.0%	39.1%
Target Savings (Dollars in \$000s)	-	\$10,300	\$19,300	\$4,200	\$12,800	\$5,700	-	\$3,300	-	-	\$55,600
Change in Revenue Requirement w/Savings	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	2.5%	2.0%	37.7%



# 2026 Draft Plan Results & Comparisons



- **3.5%** overall revenue requirement for the Electric Utility
- **6.0%** overall revenue requirement for the Water Utility

For a single-family residence, an overall estimated monthly residential increase of **\$10**.

**DISCLAIMER:** COSA results to be presented in November. Customer class impacts still to be determined.

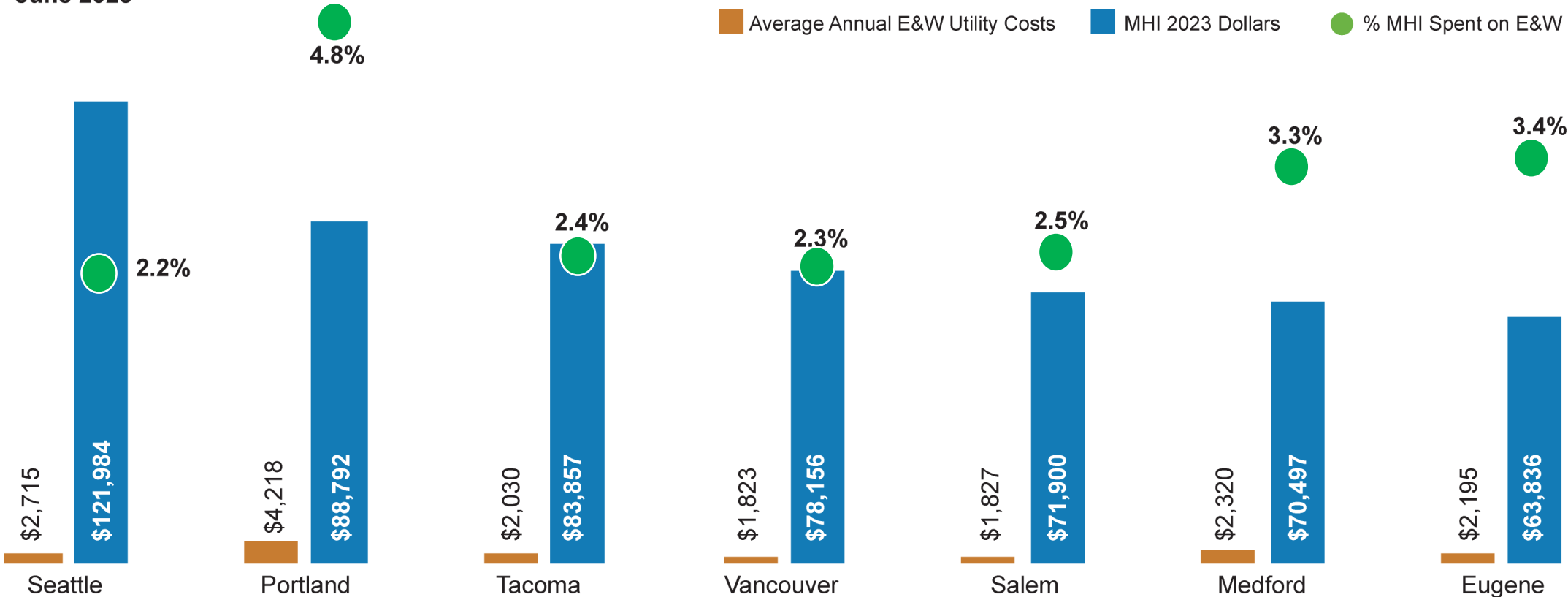


# Affordability

## Average Electric & Water Utility Costs as Percent of Median Household Income (MHI)

Based on 1,050 kWh + 7 kgal monthly

June 2025





# Board Recommendation(s)/Actions

## Board Discussion

Solicitation for further guidance on priorities and assumptions.

Shall Staff prepare budgets based on details presented?



# Break

(10 minutes)



# EWEB Business Management System & 2025 Annual Organizational Goals

Frank Lawson, CEO & General Manager

GM Office: Kelly Hoell, Strategy Advisor

July 8, 2025



Eugene Water & Electric Board

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# Objective(s)

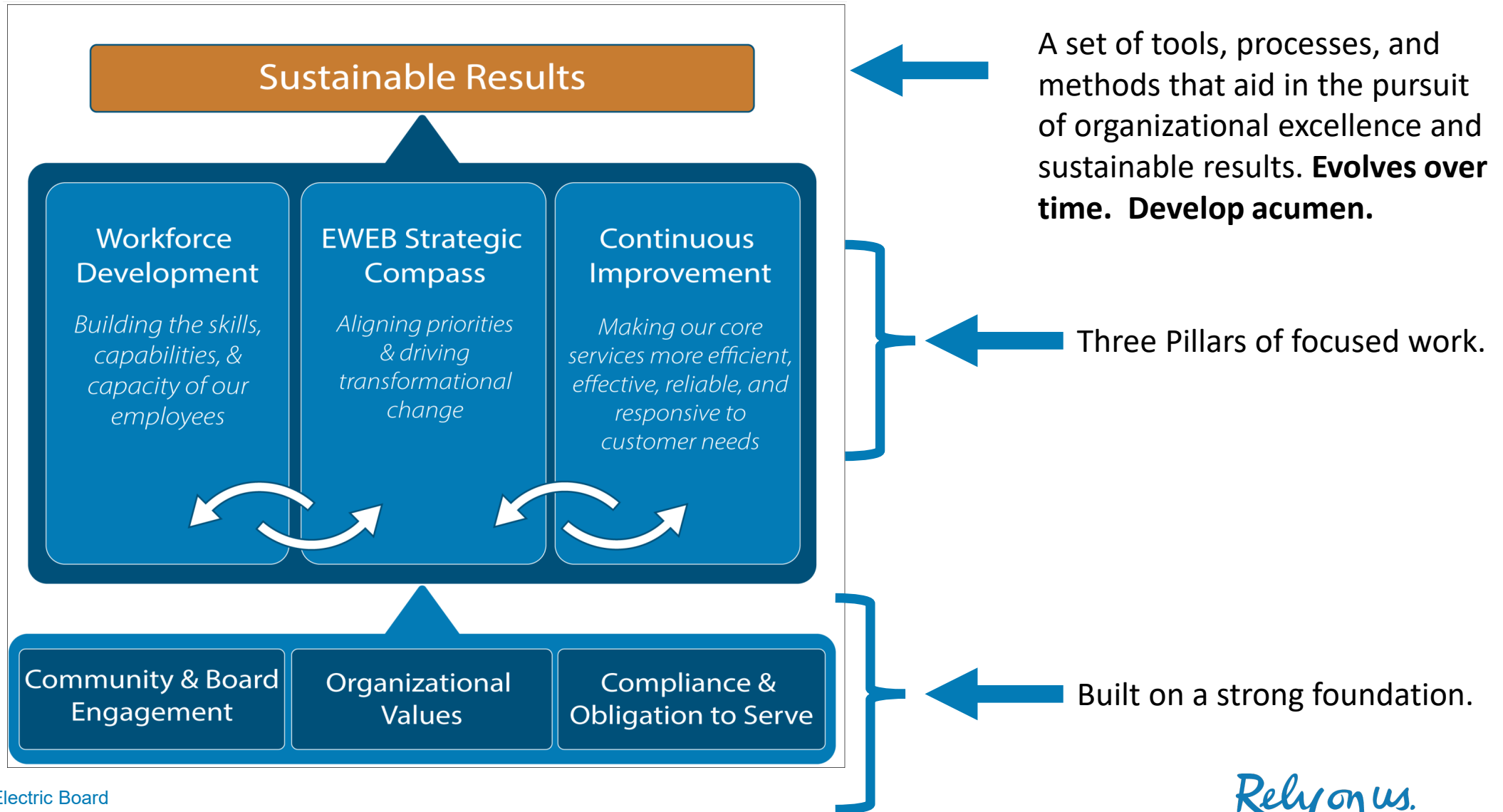
Introduction to EWEB Business Management System & *Strategic Compass*

Share impact of new approach on 2025 Annual Organizational Goals

Solicit Commissioner(s) Response/Guidance



# What is EWEB's Business Management System?



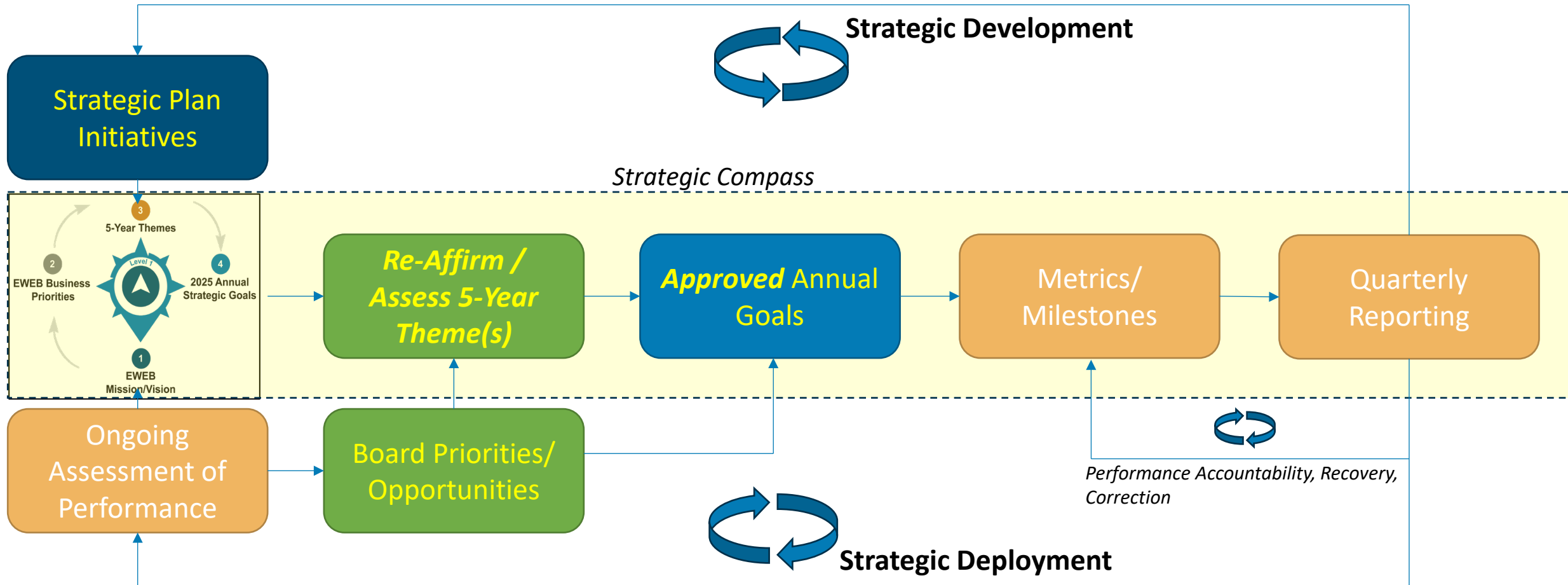


# Why are we changing how we plan?

- Complex / volatile environment: We need to level up.
- Structured system sustains/improves performance over time (resilient, opportunities to build & grow)
- Inspire confidence and trust internally and externally.
- Provide understanding about *why* we do what we do.
- Enhance interdivisional collaboration.
- Align and prioritize *across* plans.
- Engage employees, foster a sense of ownership & participation.
- Demonstrate transparency & accountability.
- Celebrate success!

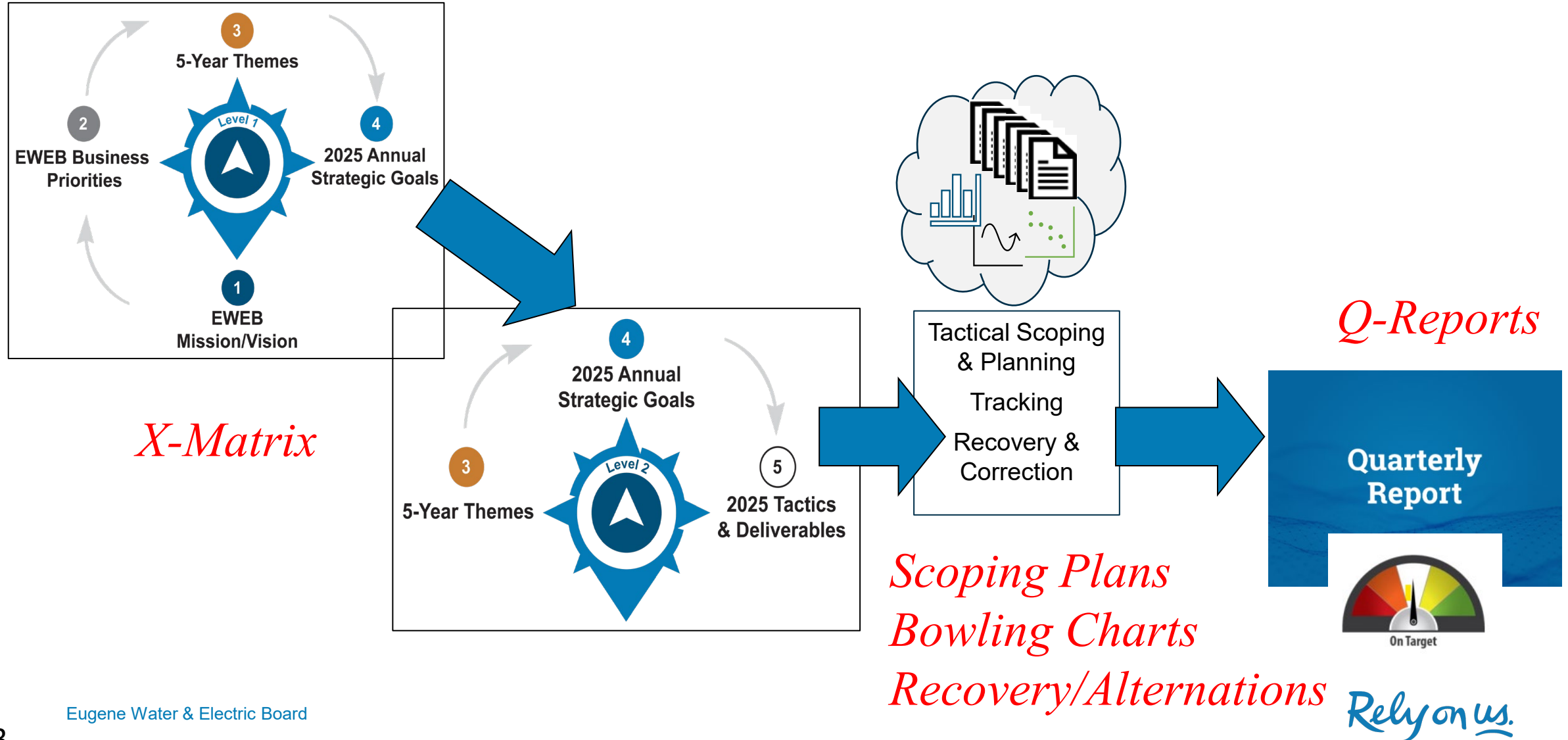


# Strategic Compass *Prioritizing & Aligning*






# EWEB Strategic Compass: How do the *tools* flow?





# X-Matrix Level 1

●			Implement a system to prioritize and align the allocation of limited resources across the organization based on intentional "core", risk-based, and strategic outcomes.	●	●												●			
●		●	Based on customer feedback, focus Continuous Improvement (CI) efforts on areas that improve customer trust and satisfaction, initially focused on affordability and outage management.	●	●	●					●	●			●	●	●	●	●	●
●	●	●	Modernize enterprise systems & strategic use of data to improve business insights on customer attributes and utilization of our assets.			●	●	●			●									
	●	●	Ensure EWEB has power supply resources that meet anticipated demand and regional grid obligations.						●	●			●	●						
	●		Drive consumer participation in products/programs that optimize the use and delivery of energy.				●		●	●	●	●	●	●						
		●	Mitigate drinking water single-source vulnerability.												●					
●		●	Focus business continuity and resiliency efforts on mitigating highest probability most consequential risks (potential disruptions).				●	●	●						●	●	●	●	●	●
<p><b>Maintain / Improve Business Operations</b> – achieve and sustain the ongoing efficient and effective delivery of our products and services in a safe operating environment.</p> <p><b>Optimize Energy Delivery</b> – effectively and efficiently align the supply, delivery, and consumption of energy in order to create long-term value for customers.</p> <p><b>Improve Resiliency</b> – reduce the likelihood, magnitude, and duration of sudden or gradual disruptive events through risk mitigation, emergency preparedness and response, and recovery strategies on our business operations and on the delivery of our products and services.</p>						<p>As part of an overarching Business Management System, implement EWEB's Strategic Compass (X-Matrix) to engage staff and prioritize and align work based on 1-5 year priorities.</p> <p>Evaluate &amp; manage budgets and spending based on prioritized outcome(s) with rates impacts to near levels of inflation.</p> <p>Enhance outage prevention, response and communication.</p> <p>Execute EWEB Enterprise Solutions (EES) "Season 2", with a focus on foundational finance &amp; budgeting functionality, and stabilizing &amp; improving basic customer experience.</p> <p>Revise the organization for EWEB Enterprise Solutions (EES) "Season 3", with a focus on asset utilization, field service management, and workforce experience.</p> <p>Implement 2023 Energy Resource Action Plan. Complete and begin implementing 2025 Energy Resource Plan (Energy Resource Study + Action Plan).</p> <p>Execute "Provider of Choice" (post-2026) Energy Supply Contract with BPA.</p> <p>Continue AMI Deployment within urban service territory.</p> <p>Assess and enhance the impact of EWEB's limited income support programs.</p> <p>Evaluate and prepare for opportunities to influence consumer demand.</p> <p>Begin implementation of EWEB's 5-year Rate Design Plan.</p> <p>Second Drinking Water Source: Progress towards 2026 completion of compliance and regulatory design prerequisites and re-evaluate and establish the criteria and conditions for ongoing pursuit of a water treatment plant on the Willamette River.</p> <p>Focus infrastructure resiliency work on major projects identified in existing 2015 Water Master Plan and Electric Capital Plan.</p> <p>Begin Business Impact Analysis on the resiliency of five EWEB business functions to prioritize future mitigation efforts.</p> <p>Improve workforce resiliency and effectiveness through delivery of updated Human Resources and Business Continuity programs.</p> <p>Implement EWEB's Wildfire Mitigation Plan.</p> <p>Refine EWEB's approach to a formalized Cyber Security program.</p> <p>Determine the future of the McKenzie Valley Service Territory.</p>														
	●	●	<b>Vision</b> - Our vision is to be a local utility that inspires our customer-owners to invest in and rely on us.																	
●			<b>Mission</b> - Our mission is to enhance our community's vitality by delivering drinking water and electricity consistent with the values of our Community, including the people with whom we serve, conduct business with, collaborate, influence, or impact in the fulfillment of our mission.																	



Goal No.	Proposed Revised 2025 Annual Goal	Feb 2025 Goal Reference
1	As part of an overarching Business Management System, implement EWEB's Strategic Compass (X-Matrix) to engage staff and prioritize and align work based on 1-5-year priorities.	2
2	Evaluate & manage budgets and spending based on prioritized outcome(s) with rates impacts near levels of inflation.	---
3	Enhance outage prevention, response and communication.	1
4	Execute EES "Season 2", with a focus on foundational financial functionality, meter-to-cash [billing/collections improvements], and customer experience.	1
5	Prepare the organization for EES "Season 3", with a focus on asset utilization, field service management, and workforce experience.	6
6	Implement 2023 Energy Resource Action Plan. Complete and begin implementing 2025 Energy Resource Plan (Energy Resource Study + Action Plan)	3, 7, 8
7	Execute "Provider of Choice" (post-2028) Energy Supply Contract with BPA.	3
8	Continue AMI Deployment within urban service territory.	1
9	Assess and enhance the impact of EWEB's limited income support programs.	3, 4
10	Evaluate and prepare for opportunities to influence consumption behavior.	3
11	Begin implementation of EWEB's 5-year Rate Design Plan.	5
12	Second Drinking Water Source: Progress towards 2026 completion of compliance and regulatory design prerequisites and re-evaluate and establish the criteria and conditions for ongoing pursuit of a water treatment plant on the Willamette River.	1
13	Focus infrastructure resiliency work on major projects identified in existing 2015 Water Master Plan and Electric Capital Plan.	---
14	Begin Business Impact Analysis on the resiliency of five EWEB business functions to prioritize future mitigation efforts.	2
15	Improve workforce resiliency and effectiveness through delivery of updated Human Resources and Business Continuity programs.	2
16	Implement Wildfire Mitigation Plan.	---
17	Refine EWEB's approach to a formalized Cyber Security program.	---
18	Determine the future of the McKenzie Valley Service Territory.	Emerging

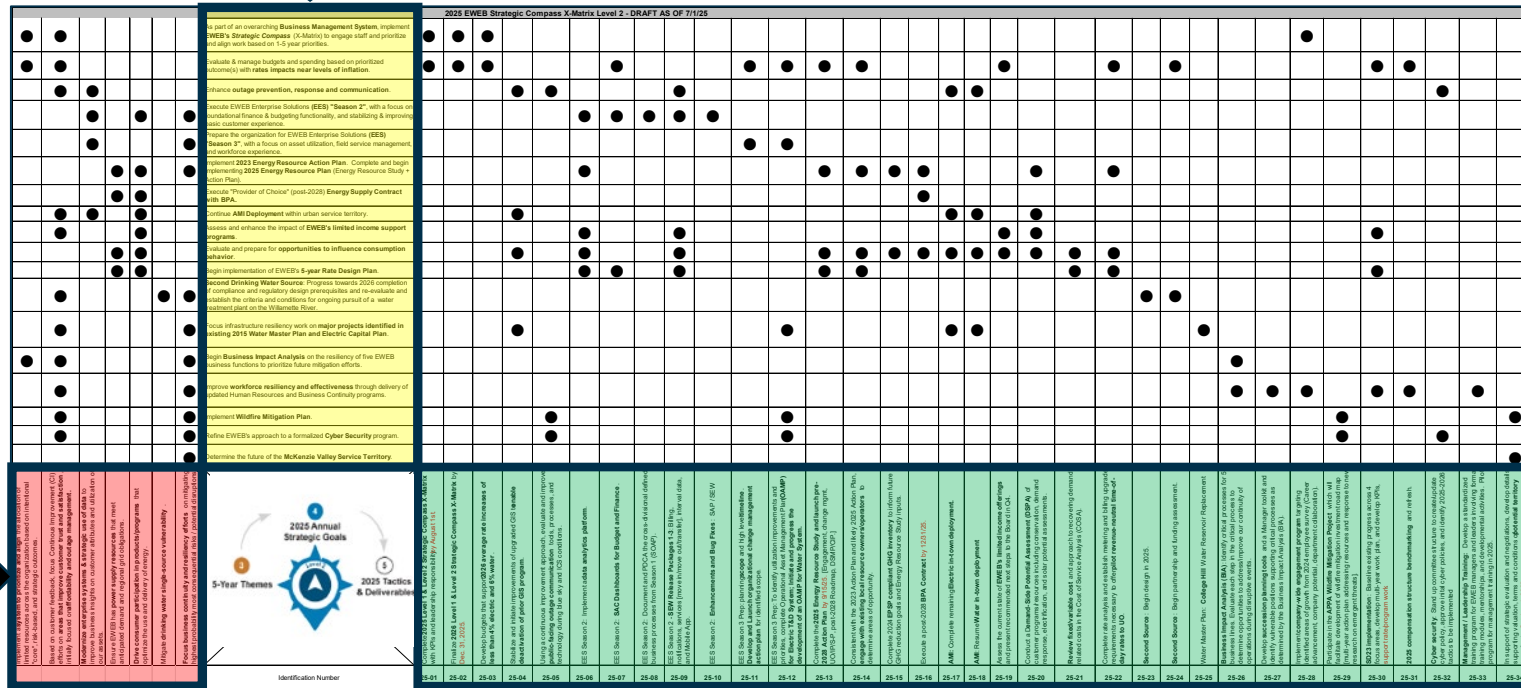


# X-Matrix Level 2 “Under the Hood”

# Annual Goals



# 5-Year Deployment Themes (Support Bus. Priorities)



## Tactics & Deliverables



# Discussion - Prompted Questions?

- Why do you think EWEB is making this change to our planning and work prioritization process? Of the reasons discussed today, what resonates with (or concerns) you the most?
- As we continue a phased roll out process:
  - What additional questions about the process do you have?
  - What forums and formats would be most helpful to you?
- Are Commissioners comfortable with management proposing revised 2025 Annual Goals for your approval in August?  
Guidance/Concerns?



A blue-tinted photograph of several people in kayaks on a river, with mountains in the background. The image is positioned at the top of the slide, above a solid blue horizontal band.

# Reference



# 2025 Annual Organizational Goals (February)

Goal 1	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.
Goal 2	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.
Goal 3	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.
Goal 4	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.
Goal 5	Consistent with EWEB's initiative to re-design rates, prepare to implement significant fixed/variable cost adjustments and residential demand charges.
Goal 6	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.
Goal 7	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.
Goal 8	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.



# Future Board Agendas



# Board Wrap Up



# Adjourn