

Meeting Logistics and Facility & Safety Awareness

MEETING LOGISTICS

Thank you for attending tonight's board meeting.

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

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

Give completed forms to Security staff.

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

FACILITY & SAFETY AWARENESS

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

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

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

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

PUBLIC INPUT

INSTRUCTIONS



Complete Request to Speak form.

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



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

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



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

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



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

September 2, 2025

Call to Order and Agenda Check

*Please note that presentations may include unaudited information, as well as opinions and recommendations based on the best information available at the time.
For more context on these topics, we encourage you to refer to the video recording for this meeting.*



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.	Bonneville Power Administration Power Cost Adjustment <ul style="list-style-type: none">BPA is adjusting rates and charges effective October 1, 2025 – 3.4% for all classes, 2.7% for residential customers (lower than the expected 4%).The BPA Power Cost Adjustment will affect customer classes differently; customers within each class will see varying impacts depending on usage patterns.EWEB will be implementing the BPA Power Cost Adjustment provision in Customer Service Policies, Retail Power Contracts, and Board Policy SD10 Power Cost Recovery Policy to reflect the increase in BPA costs effective November 1, 2025, and recommends that these costs be incorporated into the December rate action for permanent inclusion effective Feb 2026.	Deborah Hart, Adam Rue	Information
2.	Intergovernmental Agreement (IGA) with City of Eugene for Billing Services <ul style="list-style-type: none">Current agreement expires October 2025.Key revisions include clarifications and additional specificity in the following areas: Public Communications, Cost Responsibility for System Participation, User Access to Billing Systems.Proposed fee update is \$3.48 per bill (from \$1.97) reflecting a more comprehensive and equitable cost allocation methodology based on actual resource use and shared services.<ul style="list-style-type: none">Key drivers of proposed increase are Customer Service Cost Allocation, Merchant Services, and Customer Care Program Allocation.Approval of the proposed updated IGA will be requested via consent at the October 2025 Board Meeting.	Julie McGaughey, Deborah Hart, Danielle Wright	Information

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Approval of Consent Calendar A

Approval of Consent Calendar B

Items removed from Consent Calendar

Resolution No. 2516

Authorization for an extension to the Seneca Power Purchase Agreement

Frank Lawson, CEO & General Manager

September 2, 2025



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Resolution No. 2516

Background

Seneca Sustainable Energy LLC (SSE) Agreement (2011-2026)

19.8 MW Biomass-Fueled Combined Heat/Power Plant

Operating Characteristics (Local, Stored Fuel, Capacity Factor, Renewable Energy Credits (RECs))

Clean Air Oregon (air toxics program & standards) with Favorable Compliance Record (LRAPA)

Resolution

Favorable Revision of Terms & Conditions

Short-Term Extension (Dec. 2029) as contracts, markets, regulations evolve

Non-Subsidized “Market Neutral”; Option to market the energy & RECs

Requested Motion

“...move to approve Resolution 2516 as presented.”



Regional Policy Update

Jason Heuser, Public Policy and Government Affairs Director

September 2, 2025



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Regional Policy Update

Upcoming 2026 Legislative Session Preview



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Regional Affairs

Columbia River Settlement Agreement Rescinded

- Accord with federal commitments to salmon restoration had provided measure of certainty on federal hydropower operations and stayed legal challenge
- June 2025 reversal opens possibility of a return to litigation

Columbia River Treaty Negotiations Paused

- July 2024 Agreement in Principle reduces Canadian entitlement overpayment 37% immediately, 50% in 2031 and beyond
- Negotiations paused earlier this year as part of review of international agreements by new U.S. administration

Oregon Post-Session Activity

Oregon Energy Strategy

- Process began July 2023 – EWEB represented on advisory committee and technical groups –final draft due to legislature November 1, 2025
- Public Comments on strategy draft are due September 22
- Topics of Interest: OR Transmission Authority & Large Load Registration

HB 2688 Prevailing Wage Offsite Fabrication Rulemaking

- Expands prevailing rate of wage to certain off-site custom “bespoke” fabrication for public works projects
- “Bespoke” is not defined in the bill – rulemaking will have a critical role determining whether this bill could increase costs and complexity

Oregon 2026 Legislative Session Preview

Solar Consumer Protection (Reintroduction)

- Model Disclosure and 72 hour “Right to Cancel” Clause
- Increased DOJ enforcement authority
- Enhanced private right of action as deterrent

Carbon Pricing/Cap and Trade

- Longshot in 2026 session
- Stakeholders are readying their positions now though on design elements
- EWEB played a central advisory role on the electric sector provisions of the 2019 and 2020 bills – recommended we reprise outreach now

Electric Sector Point of Regulation

GENERATION: If carbon costs are attributed to generation, the economic decision to run the resource is impacted.

BUYER (Wholesale Buy): If carbon costs are part of the price, the economic decision about what to purchase is impacted

LOAD (Retail Sale): If carbon costs are part of retail rates, the economic decision about how much electricity to consume is impacted

Electric Sector Point of Regulation

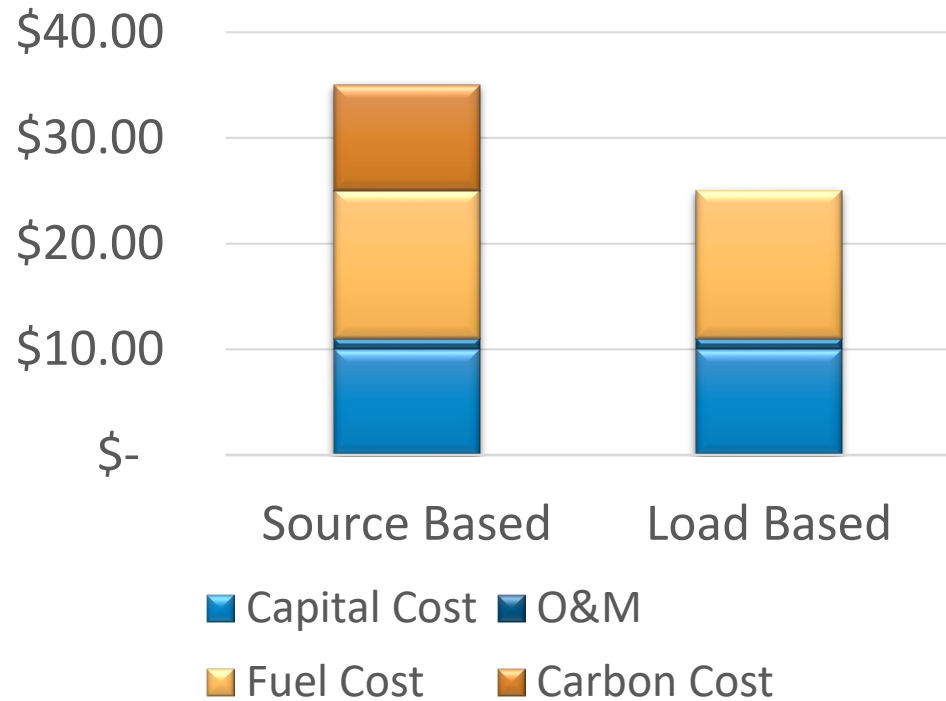
- A carbon price is intended to change which generators run.
 - A “Pure Price Signal” reduces emissions more than an “Clouded Price Signal.”



VS.

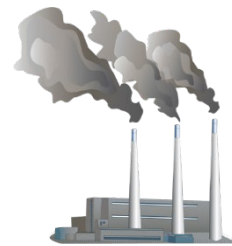


Electric Sector Point of Regulation



Source based accounting turns on gas and coal when they are paid \$35

Load based accounting turns on gas and coal when they are paid \$25



* \$10 Carbon Cost

Linkage



Consistent Point of Regulation
could be required for regional
linkage

Linkage could provide
important stability and ease
administrative burden

Electric Sector Point of Regulation

Key Elements of Effective Carbon Pricing important to EWEB

- Upstream Point of Regulation – First Jurisdictional Deliver (FJD)
- Regional Linkage
- Revenue Recycling
- Fair allocation of free allowances to utilities
- Account for hydro variability

Organized Markets

- Moving Target on how best to regulate – flexibility recommended

Questions

Questions?

Break

(10 minutes)

General Manager Transition: Recruitment Process and Standards

September 2, 2025

EUGENE WATER & ELECTRIC BOARD



Agenda

- Process Objective and Constraints
- Hiring Process – Discussion and Direction
- Hiring Standards – Discussion and Direction

Process Objective

Identify and retain new General Manager who is best qualified to guide EWEB to success on both long and short-term horizons

- Comply with all governance requirements
- Withstand internal and external scrutiny
- Timely and efficient
- Limit disruption to the Utility

Process Constraints

- No current Board policies controlling the methodology of GM recruitment/selection
- ORS 192.660 (7) specifies that the following actions must take place publicly:
 - Posting of vacancy
 - Adoption of hiring procedures
 - Confirmation of hiring standards (minimum and preferred qualifications)

The public must be given the opportunity to comment on all of the above before any discussions in executive session can occur.

Process Constraints: General Session v Executive Session

General Discussion

- Discussion and direction/decision regarding process
- Working sessions to determine hiring standards
- Decision to make an actual offer of employment

Executive Session

- Attorney/Client discussions of qualified topics
- Discussion of candidate's qualifications against the hiring standards
- Direction to negotiate a potential offer of employment to identified candidate

Hiring Process Decisions: Subcommittee

Purpose of Committee:

- As determined by the board
- Example: Could work independently and directly with recruitment resources to create a short list of qualified candidates for full Board review

Pros

- Can expedite completion of tasks

Cons

- Could silo information / understanding of candidate
- Quorum rules apply to subcommittee work, even with just two members – more notice/administration requirements

Hiring Process Decisions: Subcommittee

Discussion and Direction:

Should the Board stand up a subcommittee to expedite the executive search process?

If yes, what is the body of work assigned to this group?

Hiring Process Decisions: Sourcing Parameters

Decision: Determine resourcing and parameters for recruitment search

Options:

1. Direct solicitation – targets already known candidates
2. Internal solicitation – open process for EWEB candidates only
3. Open solicitation – open process with a nationwide search

Hiring Process Decisions: Sourcing Parameters

Direct Solicitation: Recruitment specialist target efforts to a limited field of known candidates

Pros

- Targeted effort lowers cost
- Can reduce time to fill

Cons

- Can give the appearance of circumventing the public process, even if public process requirements are still met
- Lack of understanding of how targeted candidates measure up to larger pool

Hiring Process Decisions: Sourcing Parameters

Internal Solicitation: Recruitment specialist target efforts to internal candidates only

Pros

- Simplified process – can reduce cost and time to fill
- Final candidates are known commodity
- Less risk of disruption – final candidate aligned with current EWEB strategy and culture

Cons

- Can give the appearance of circumventing the public process, even if public process requirements are still met
- Lack of understanding of how targeted candidates measure up to larger pool
- Internal candidates may not meet hiring standards

Hiring Process Decisions: Sourcing Parameters

Open Solicitation: Recruitment specialist opens broad search for qualified candidates

Pros

- Delivers the greatest number and quantity of candidates (includes internal)
- Diverse range of culture, background, industry experience
- Potential fresh perspective on EWEB strategy and operations

Cons

- Highest cost and longest time to fill solution
- Greater chance of operational disruption
- Less likely to source candidates familiar with dual utility background

Hiring Process Decisions: Sourcing Parameters

Staff Recommendation: Open Solicitation

- Engage an executive search firm with expertise in the utility industry, with a track record of successful PNW and nationwide placements
 - Deep understanding of utility industry and regulatory requirements
 - Robust client list of potential candidates
 - Expertise in facilitation of all aspects of the executive recruitment process

Hiring Process Decisions: Sourcing Parameters

Discussion and Decision:

Which solicitation approach (direct, internal, or open) should be used to secure a new General Manager for the Utility?

Should an executive search firm be engaged to expedite search process?

Hiring Process: Timeline

Activity	Forum	Date *	Timeline								Status
Process and Standards Discussion	General	Sept 2	●								
Requirements discussion with Vendor	General	Oct 7		●							
Candidate Search and Screening	Recruiter	Oct 8 – Nov 18		■							
Short List Selection	Executive	Dec 2				●					
Short List Interviews	Executive	Dec 15 - 19				●					
Finalist Interviews	Executive	Jan 12 - 16					●				
Candidate Selection	Executive	Jan 20					●				
Employment Negotiations	Recruiter	Jan 20 – Feb 2					■				
Offer of Employment to new GM	General	Feb 3						●			
Notice Period / new GM start		Feb – April						■			

* Note: Dates are proposed, and subject to change with input from recruiting source

Hiring Standards

The Board must identify the standards against which job candidates will be considered.

- The artifact confirming these standards is typically the position description (PD)
- A draft PD, updated to reflect staff's understanding of the role, has been prepared for Board review and discussion

Discussion and Direction:

Does the PD accurately convey the duties and skills expected of a successful General Manager candidate?

Do the minimum and preferred qualifications accurately portray the education, experience, and certifications desired from the candidate pool?

Rate Design Concepts

Aligning Cost-Causation – Fixed v. Variable Prices

Frank Lawson, CEO & General Manager
Deborah Hart, Asst. General Manager & Chief Financial Officer
Adam Rue, Rates Manager

September 2, 2025



Eugene Water & Electric Board

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Tonight's Objective

... Commissioner feedback on one (1) rate design element highlighted in Rate Design Plan (December 2024):

Phase II (2025/2026): Aligning Cost-Causation / Introduce Rate Design Elements

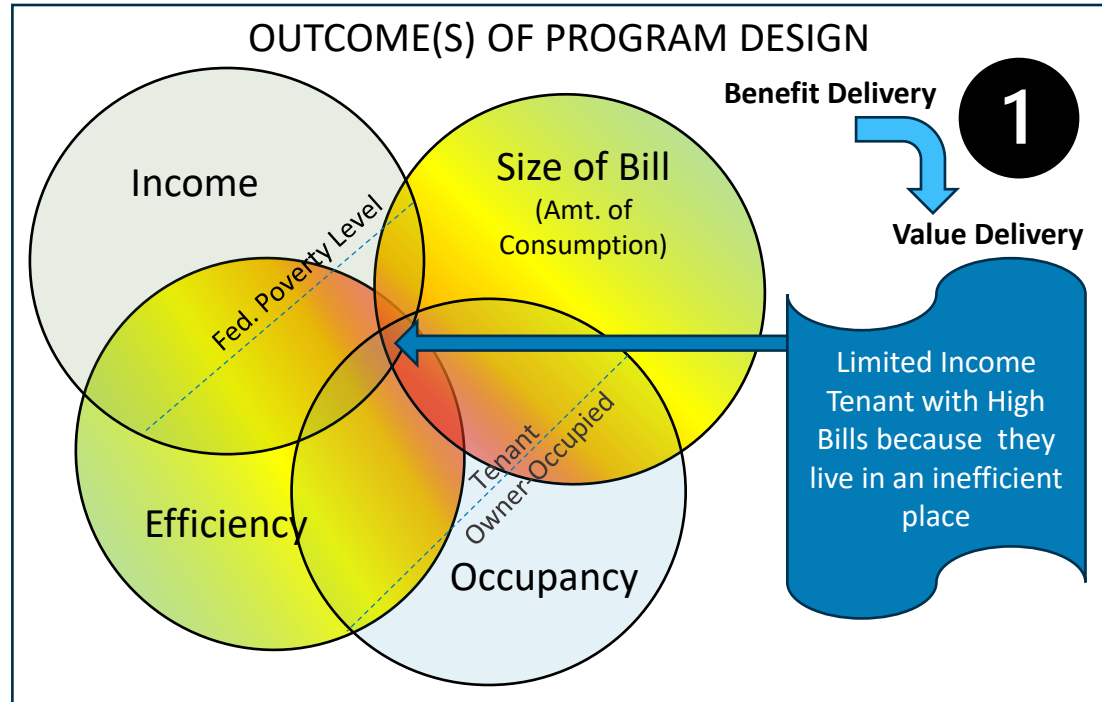
1 *Adjust Fixed v. Variable Prices*

Introduce Peak Pricing Elements Across Classes (e.g. Residential Demand Charge)

Roles of Programs & Rates

Program(s)

Benefit Delivery: Demographic(s)-Based Targeted Beneficiaries, Investments, & Outcomes
Non-Discriminatory – program access and benefits are available to all qualifying customers



Rate(s)

Cost Recovery: Alignment/Cost Causation (Present)

Principles Guide Recovery & Allocation

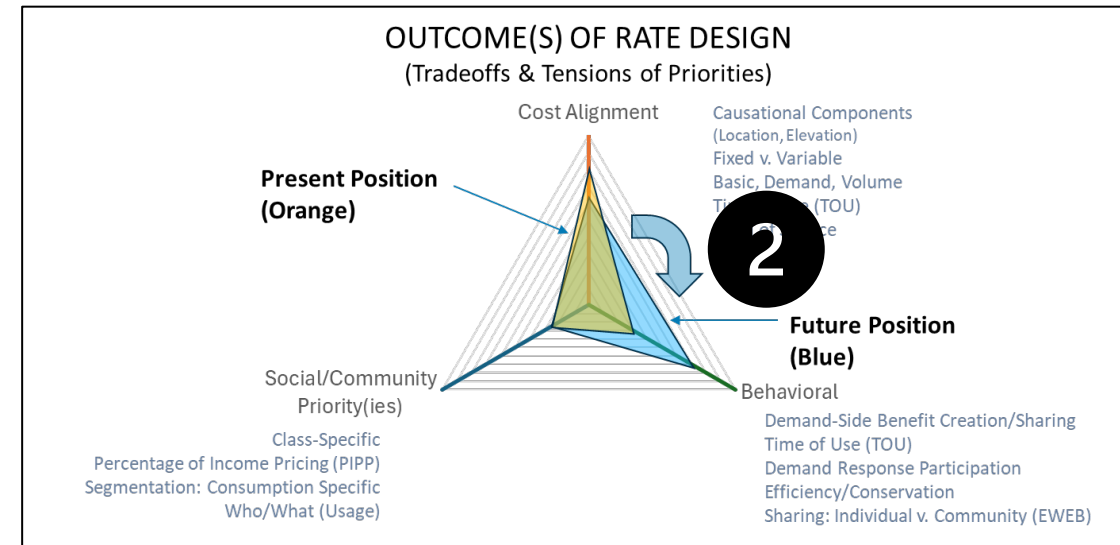
Embedded & Marginal Costs

Consumption Behavior (Future)

Inspire Beneficial Consumption

Avoided / Optimized Future Costs

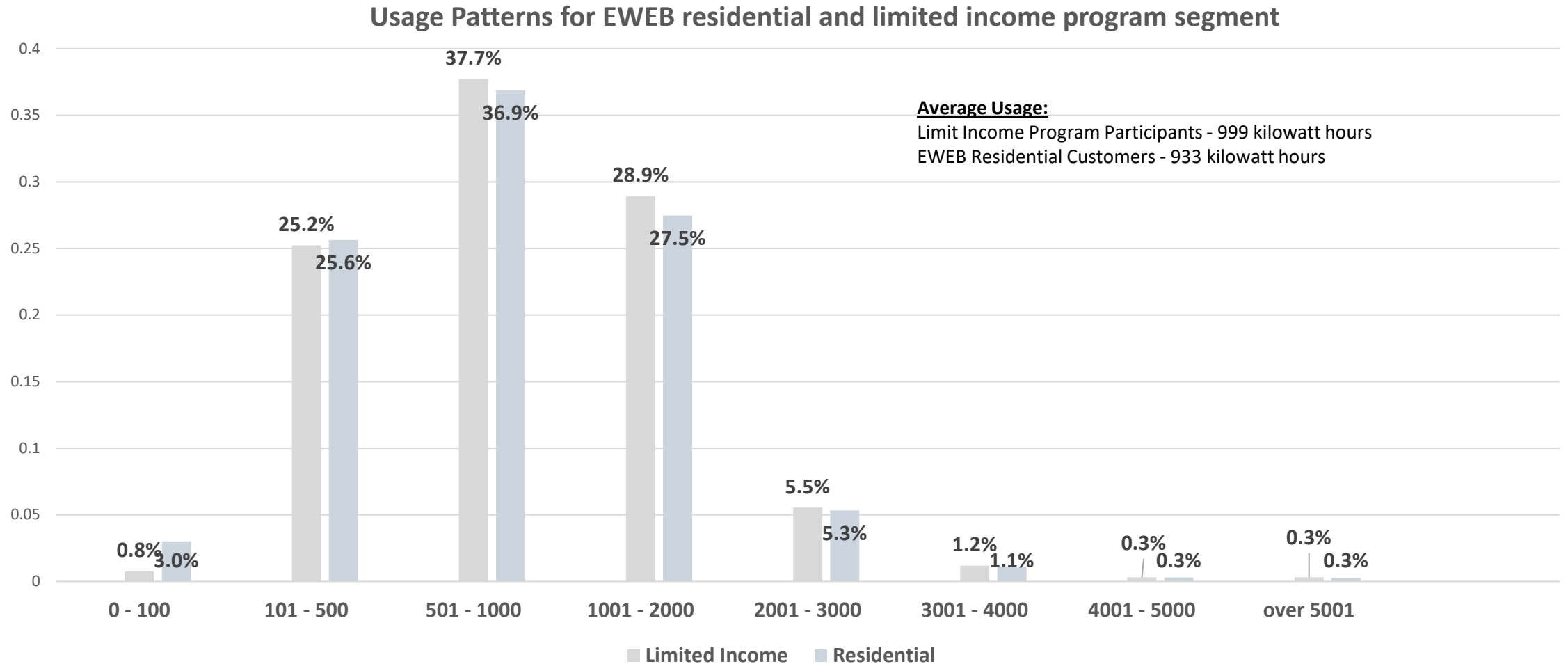
Non-Discriminatory – pricing consistent and available to all similarly situated customers



Why is cost-price alignment helpful?

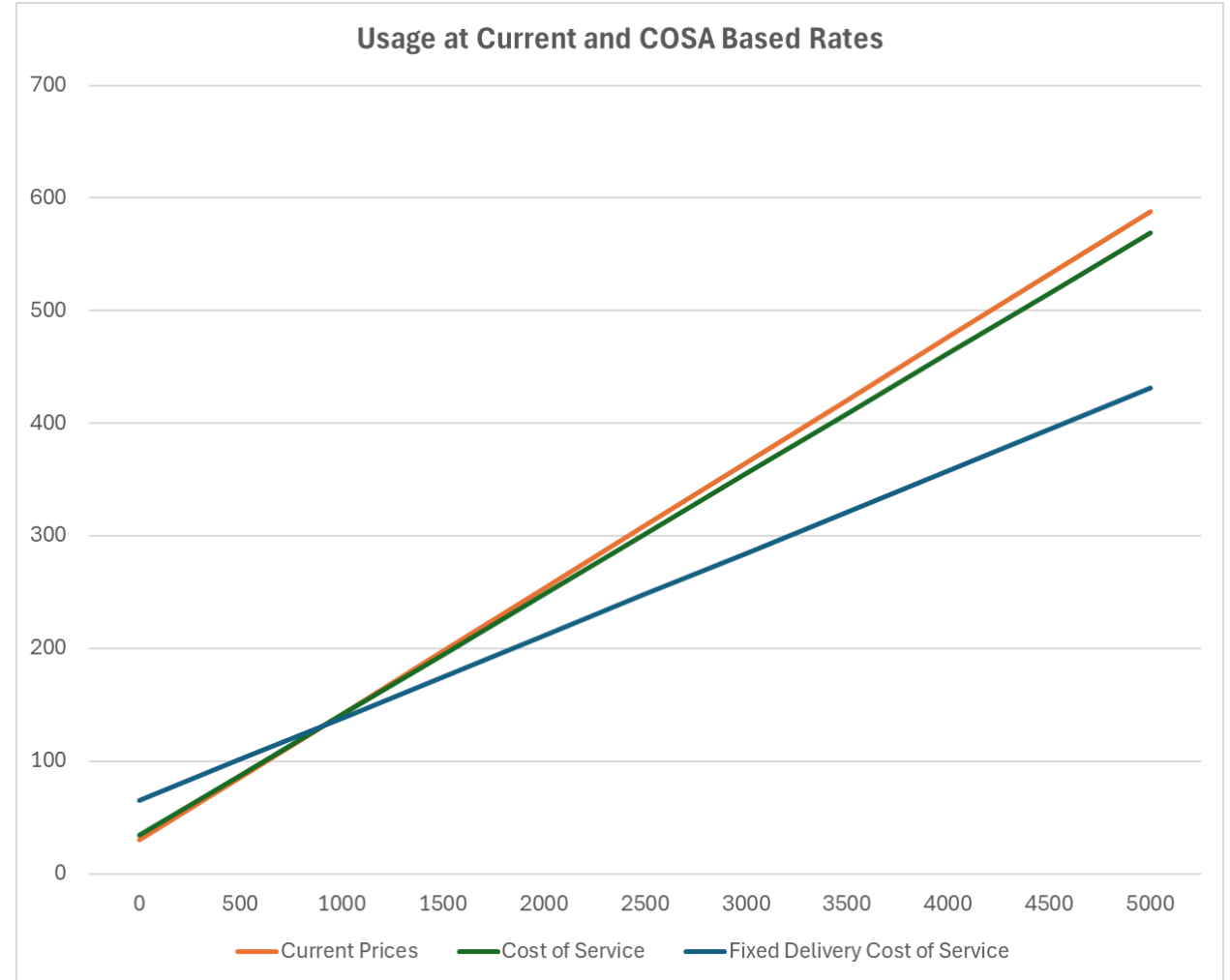
- 1 Clearly differentiates [highlights] the investments and desired outcomes necessary for programs to deliver value... *“Success”*
- 2 Improve effectiveness of future pricing designed to inspire beneficial consumption that avoids/optimizes future costs...

Low Usage ≠ Low Income

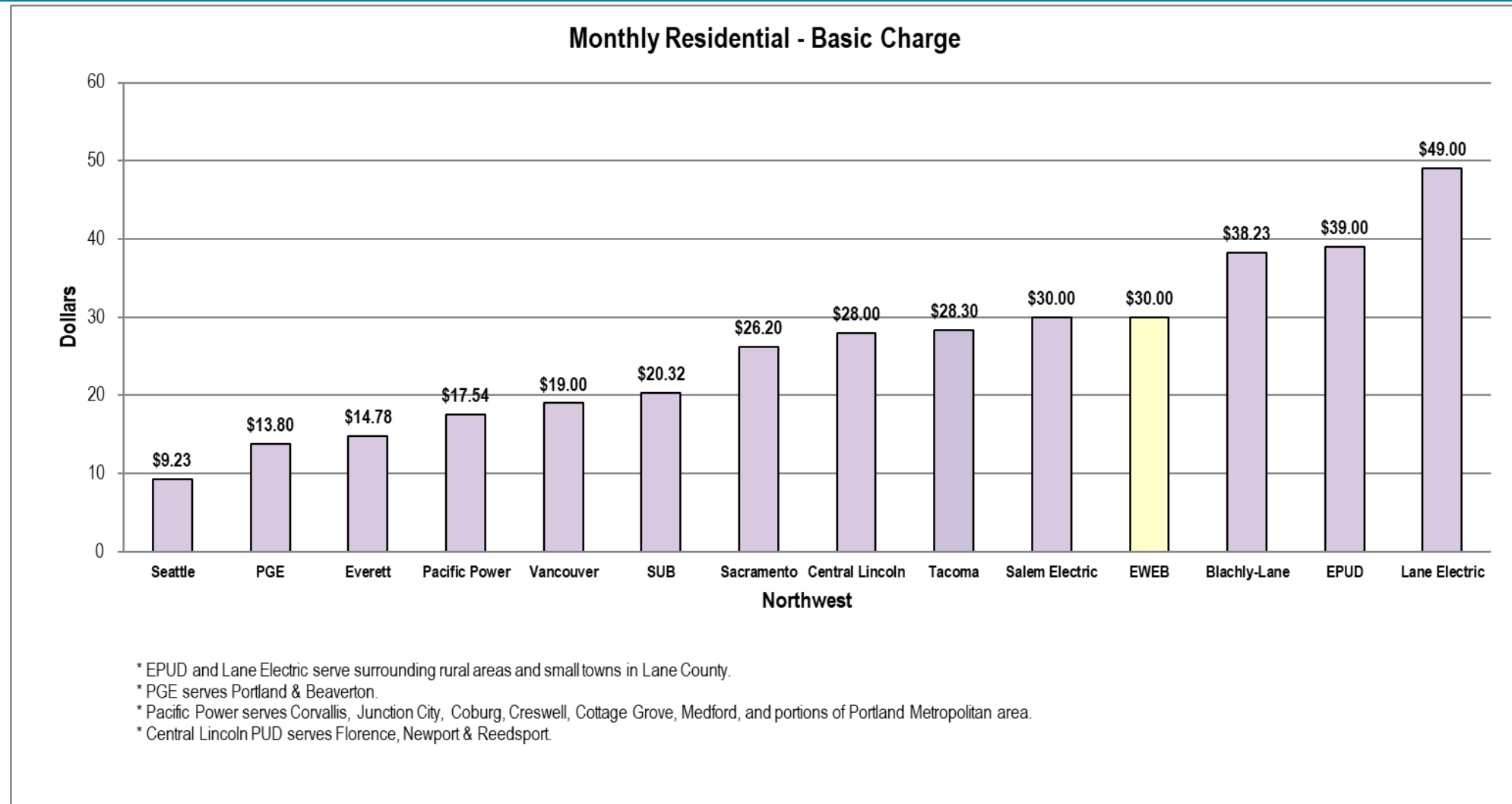


Usage patterns and subsidy cross-over point

	<i>Current Rates</i>	<i>Cost of Service</i>	<i>Fixed Delivery</i>
	2025	2025	2025
Basic Charge	30.00	34.11	34.11
Facilities Charge			30.81
Delivery Charge	0.0338	0.0338	
Energy Charge	0.0778	0.0732	0.0732



Basic Charge Bill Comparison



Commissioner Perspectives

Questions & Comments

Do Commissioners still support that Rates focus on Cost Recovery and Programs focus on Benefit Delivery?

What appetite do Commissioners have to increase fixed charges?

Future Board Agendas

Board Wrap Up

Adjourn