



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

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

FROM: Deborah Hart, AGM/CFO; TiaMarie Harwood, Financial Services Manager; Alicia Voorhees, Financial Planning & Analysis Supervisor; Daniel Davidson, Lead Financial Analyst

DATE: November 26, 2025

SUBJECT: Water Utility 2025 Capital Budget Amendment

OBJECTIVE: Approval of Resolution No. 2519

Issue

Per Board Policy EL-1, the approved budgets are the maximum level of expenditure authorized by the Board. As noted in the most recent *Strategic and Operational Quarterly Report*, Management anticipates capital investments will exceed the budget for the Water Utility this year.

Discussion

Throughout the year, staff monitor and estimate year-end budget variances. As of early November, it is estimated that the Water Utility investments will exceed the 2025 capital budget. The College Hill Reservoir project is a multi-year project spanning budget years 2024, 2025, and 2026. The project is currently ahead of schedule due to contractor completing work faster than anticipated. Work scheduled for 2026 was pulled into 2025 resulting in increased spending above the board approved 2025 capital budget.

The capital variances are outlined in the table below:

	2025	2026
Approved Capital Budget	\$40,246,000	
Draft Capital Budget		\$51,789,000
Operational Changes:		
College Hill Reservoirs	5,000,000	(5,000,000)
Total Requested Capital Budget Amendments	5,000,000	(5,000,000)
Amended Capital Budget	\$45,246,000	
Proposed Capital Budget		\$46,789,000

An amendment to increase the 2025 Water Utility capital budget by \$5 million is requested and would be funded by reserves. The use of reserves to navigate timing fluctuations for project activity in the long-term financial plan mitigates further stress on prices.

The proposed 2026 Water Utility capital budget included in the Board materials for the December 2nd Board meeting reflects the \$5 million reduction for work completed in 2025. There is no impact to the 2026 Water Utility revenue requirement and rates for customers as the College Hill Reservoirs project is funded with the use of bonds.

Requested Board Action

Management recommends and requests the Board approve Resolution No. 2519 to increase the 2025 Water Capital Budget by \$5 million.

**RESOLUTION NO. 2519
DECEMBER 2025**

**EUGENE WATER & ELECTRIC BOARD
2025 BUDGET AMENDMENT**

WHEREAS, the Eugene Water & Electric Board (EWEB) is the body designated by the City of Eugene Charter and Code to administer the Eugene Electric and Water Utilities;

WHEREAS, Oregon Revised Statute 225.230 requires municipal utilities to make an annual written estimate of probable expenses to establish spending authority;

WHEREAS, the Eugene Water & Electric Board anticipates expenditures in excess of that authority;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves an increase to the Water Utility Capital budget of \$5 million.

Dated this 2nd day of December 2025.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its December 2, 2025 Regular Board meeting.

Assistant Secretary