

**EUGENE WATER & ELECTRIC BOARD
REGULAR MEETING
December 2, 2025
5:45 p.m.**

Commissioners Present: President, John Barofsky; Vice President, Mindy Schlossberg; and Commissioners Sonya Carlson, Tim Morris, and John Brown (online)

Commissioners Absent: None

Others Present: Frank Lawson, General Manager; Deborah Hart, Assistant General Manager/Chief Financial Officer; Adam Rue, Rates Manager; TiaMarie Harwood, Financial Services Manager; Alicia Voorhees, Financial Planning and Analysis Supervisor; Anna Wade, Customer Solutions Manager; and Greg Kelleher, Customer Solutions Manager

REGULAR MEETING

Call to Order

President Barofsky called the regular meeting to order at 5:45 p.m.

Agenda Check [00:00:18]

There were no changes to the agenda.

Items from Board Members and General Manager [00:01:37]

Commissioner Brown reported attending an Other Post-Employment Benefits (OPEB) meeting. He said the employee benefits program is in good health and stewardship, and EWEB's capital contribution will be lower this year than in year's past.

Commissioner Carlson thanked General Manager Frank Lawson for his participation at a recent Rotary Club of Eugene meeting.

President Barofsky reported attending a McKenzie Watershed Council meeting. He mentioned a Tree Lighting Ceremony happening at Kesey Square on Friday, December 5 at 5:00 p.m.

General Manager Lawson brought attention to the success of the new customer information system and finance system, which was launched one year ago. He appreciated staff for their dedication to improving the new systems throughout the year.

Correspondence [00:06:07]

Highlights from the following correspondences item were displayed via PowerPoint presentation:

1. Board Officer and Liaison Positions
 - Provided in preparation for the January 2026 Board meeting
2. General Manager Recruitment – Internal Feedback Questionnaire Results
3. Present-Year (2025) Audit Planning
4. Quarterly Operational and Strategic Goals Report for Q3

- Incorporates EWEB Business Management System Structure (Core Work, Strategic Compass/Goals)
- Continue solid financial/operational performance; 15 of 18 goals on track (1 complete, 2 behind)

5. Willamette Treatment Plant Progress Report – November 2025

General Public Input: In-person or by Telephone [00:11:16]

Tana Shepard, Ward 8, offered appreciation to EWEB for funding the education grant. She said their programs have served 53 classrooms and approximately 1,100 students this school year.

Chris Jones provided comments relating to a safety issue which was resolved. He thanked EWEB for coming to a settlement regarding the vegetation management agreement.

Alan (Alfredo) Gormezano, Ward 1, expressed opposition to the use of smart meters and recommended that EWEB permit the use of analog meters. He also provided handwritten testimony on the topic of low income customer assistance.

Patricia Hine provided comments on behalf of the nonprofit organization 350 Eugene. She referenced a letter provided to Commissioners relating to new General Manager qualifications and priorities. She also provided 32 handwritten postcards on behalf of individuals affiliated with the nonprofit organization 350 Eugene.

Public Hearing on Upcoming-Year (2026) Proposed Budgets and Prices [00:25:30]

President Barofsky opened the public hearing at 6:11 p.m.

Eric Dziura expressed support of the 2026 proposed budgets and prices, including accessibility, affordability, and balancing rates and capital projects.

BOARD ACTION AND GENERAL BUSINESS ITEMS

Approval of Consent Calendar A – Minutes and Routine Contracts [00:29:25]

MINUTES

1. a. October 21, 2025 Work Session
- b. November 4, 2025 Executive Session
- c. November 4, 2025 Regular Session

CONTRACTS

2. General Pacific Inc. – for Metal-Clad Switchgear. \$1,700,000 based on Formal Request for Proposals.

MOTION: Vice President Schlossberg moved to approve Consent Calendar A. The motion passed unanimously; 5:0:0; President Barofsky, Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor of the motion.

Approval of Consent Calendar B – Nonroutine Contracts and Other Consent Items [00:29:54]

CONTRACTS

3. Wildish Building Company – for an increase to a Construction Task Order (CTO) for Aquatic Habitat Installation in the Lower Carmen Bypass Reach. \$605,017 (Change Orders 1-2 & 3) based on CM/GC Guaranteed Maximum Price (\$1,560,000 (Approved May 6, 2025) Original “CTO” Amount, \$240,739 (Change Orders 1-2), \$2,165,017 Resulting Cumulative Total.)

BUDGET AMENDMENTS

4. Resolution No. 2519 – Budget Amendment – 2025 Water Utility Capital.

RESOLUTIONS

5. Resolution No. 2523 – Upcoming Year (2026) State Legislative Agenda (Board Policy GP13).

MOTION: Commissioner Carlson moved to approve Consent Calendar B. The motion passed unanimously; 5:0:0; President Barofsky, Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor of the motion.

Items Removed from Consent Calendar by Management: Resolution No. 2524, McKenzie Valley Territory Realignment [00:30:24]

Mr. Lawson presented Resolution No. 2524, McKenzie Valley Territory Realignment via PowerPoint presentation. The resolution grants authority to the General Manager to negotiate and execute a transfer within guidelines.

He outlined the following:

- Transfer of Distribution “Delivery” Assets (Typically 12KV or less)...no Generation or Substation Assets
- Rights to Serve ~3,200 Customers (Requires Regulatory Approval) – Robust Communications Planned
- Federal power allocation to cover entire load
- Terms and Conditions (multiple agreements including Asset Sale, Service Allocation)
- Timeline/Schedule (May/October)

Vice President Schlossberg expressed support, stating that the realignment allows Lane Electric Cooperative to better serve the needs of the upriver community.

President Barofsky asked for clarification that the resolution provides the General Manager full authority to negotiate and execute the realignment without returning to the Board.

Mr. Lawson responded that should anything fall outside of the guidance already provided, he would be required to return to the Board for approval.

President Barofsky sought clarification about the timing of the new EWEB General Manager alongside the realignment.

Mr. Lawson clarified that the EWEB General Manager is granted authority to negotiate and execute agreements through title. He cited a designee clause. He assured President Barofsky that other key staff members are involved in the process, ensuring that the details will be executed well. He noted that while May 1, 2026 is the target date, the realignment may take place in the spring or the fall due to staff and resource considerations.

President Barofsky highlighted the legacy of the McKenzie Valley in EWEB's history, specifically the construction of a dam used to generate power for the city of Eugene. He emphasized that still today the McKenzie River is the number one source of drinking water.

Mr. Lawson validated President Barofsky's point, stating that EWEB's investments in the McKenzie Valley will continue.

Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voiced their support for the resolution.

MOTION: Commissioner Carlson moved to approve Resolution No. 2524 authorizing the General Manager to negotiate and execute agreements, and complete potential regulatory filings, necessary to transfer EWEB's McKenzie Valley service territory to Lane Electric Cooperative within guidance as provided by the EWEB Board in Executive Session. The motion passed unanimously; 5:0:0; President Barofsky, Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor of the motion.

Reliable and Responsible Services – EWEB Programs and 2026 Budget and Prices [00:42:06]

Mr. Lawson, Assistant General Manager/CFO Deborah Hart, Rates Manager Adam Rue, Customer Solutions Manager Anna Wade, Customer Solutions Manager Greg Kelleher, Financial Services Manager TiaMarie Harwood, and Financial Planning and Analysis Supervisor Alicia Voorhees presented Reliable and Responsible Services – EWEB Programs and 2026 Budget and Prices via PowerPoint presentation.

Mr. Lawson presented a holistic approach to financial tools, including rates, fees, and customer programs, noting that each tool serves a distinct role in helping EWEB meet customer needs, maintain financial stability, and advance broader objectives like sustainability and social equity.

He outlined the rate-setting process:

1. Determine Revenue Requirement
2. Allocate the Revenue Requirement
3. Establish Rates

He outlined cost and behavior-based financial principles:

- Recover costs of service
- Fairly distributed expenses
- Promote transparency
- Incentivize beneficial behaviors
- Ensure:

- Financial stability
- Operational efficiency
- Reliable service

Limited-Income Program Assessment [00:46:25]

Ms. Wade presented information about the EWEB Business Management System, including the 2025 goal deliverable: Assess the current state of EWEB's limited income offerings and present recommended next steps to the Board in Q4.

She said the objective is, based on customer feedback, to identify options to enhance impact and drive participation in limited income products and programs, while managing budgets and spending.

Ms. Wade outlined Limited Income Customer Data and Experience Key Takeaways:

- Even with help, some customers struggle
- Some who need help are not getting it
- Scheduling and documentation demands create friction

Ms. Wade presented Understanding the Spectrum of Need Key Takeaways:

- Limited income is not a monolith
- One size does not fit all
- Different needs require different tools

She articulated that different needs require different tools, distinguishing between chronic financial burden, financial hardship, and/or life events. She highlighted how \$280/annually does not support customers equally, and how low income does not equal low usage. She emphasized the many interconnected factors that influence a customer's ability to pay their utility bill and suggested developing tailored tools for support.

Ms. Wade outlined the Program Strategies Key Takeaway:

- To ensure reliable, sustainable, and responsible service, we need multiple tools that maintain cost-based rates while aligning with different needs and are more structurally tailored to income, situation, and scope of services.

She introduced three Bill Assistance Programs:

Chronic Financial Burden (New)

- Need: Persistent
- Strategy: Affordability Program
- Goal: Consistent, predictable support

Financial Hardship (Enhanced)

- Need: Intermittent
- Strategy: EWEB Customer Care
- Goal: Timely, targeted support

Life Events (Existing)

- Need: Crisis
- Strategy: Energy Share
- Goal: Immediate, compassionate relief

She introduced Complimentary Programs:

Prepay

- Need: Late fee and deposit relief
- Strategy: Prepay and Affordability Program
- Goal: Alleviate administrative expenses

Average Monthly Billing

- Need: Seasonal Smoothing
- Strategy: EWEB Customer Care (ECC) + Average Monthly Billing (AMB)
- Goal: Alleviate a source of financial hardship

Categorical Eligibility

- Need: Improve program accessibility
- Strategy: Expand options
- Reduce referrals

She outlined Program Strategies – Strengthening Engagement and Access:

Community Partners

- Need: Cooperative Opportunities
- Strategy: Community Table
- Goal: Tap into pre-existing communities

Customer Engagement

- Need: Direct customer input
- Strategy: Multipronged
- Goal: Drive participation and impact

Portal Enrollment Drive

- Need: Improve program accessibility
- Strategy: Direct customer engagement
- Goal: Reduce referrals

Efficiency and Conservation Programs for Tenants [01:04:16]

Mr. Kelleher presented information about Efficiency and Conservation Programs for Tenants, including the goal deliverable: Assess the current state of EWEB's programmatic offerings to the tenant customer segment as they relate to housing type, energy consumption, and income level, and present findings to the Board for direction in Q4. He said the focus is on customers who experience high bills, limited control over housing, and financial constraints.

He outlined common assumptions about rentals that do not match what the data shows, based on a one-year sample of EWEB residential premises. He provided robust data about consumption based on real world bills.

Mr. Kelleher added the following implications for EWEB programs:

- Efficiency delivers higher savings per dollar in single family and manufactured homes
- Efficiency has limited savings per dollar in most apartments

He outlined what EWEB is doing now:

- Higher energy efficiency incentives for limited income-occupied dwellings, regardless of owner
- Free Home Energy Scores (HES) for rentals
- Projects for detached rentals are keeping pace with owner-occupied
- New construction incentives for apartments built better than code

He outlined what EWEB is planning:

- Continue all existing programs for multifamily, limited income and rentals
- Increase multifamily New Construction targeted outreach and assistance
- Increase heat pump water heater incentives
- New: Energy efficiency incentives for low middle-income Asset Limited Income Constrained (ALICE) customers
- New: Bulk retrofit targeted outreach and incentives for existing multifamily

Upcoming Year (2026) Proposed Budget and Prices [01:18:25]

Ms. Harwood provided an overview of the financial planning process. She said EWEB is at the final stage of the annual financial planning process and they are requesting Board action on the 2026 proposed budget and prices. She said the proposed 2026 budget totals \$487.3 million for the electric and water utilities combined – \$400.7 million (electric) and \$86.6 million (water). She noted that it is \$2.3 million less than the approved 2025 budget. She referenced the proposed 2026 budget document, which was provided in the meeting packet.

Mr. Rue introduced the 2026 overall revenue requirements:

Water

- 2026 Revenue Requirement increase of 6%
- Rate increases applied to both basic and volume charges
- Higher increase related to pumping costs for elevation classes
- Residential and General Service consistent with overall increase

Electric

- 2026 Revenue Requirement increase of 3.9% and BPA Power Cost Adjustment of 3.4%
- Proposed McKenzie Valley Service Area rate classes
- Increased residential fixed charges to align with COSA
- Updates to Customer Generation Rates

He provided two tables depicting the proposed allocation of revenue requirements across customer classes. He showed a bar graph depicting a gradual approach to recovering fixed costs over time.

Mr. Rue outlined fixed and variable proposed rate changes for residential water, and fixed and variable proposed rate changes for residential electric, including limited income customers. He provided comparisons with other state, regional, and national averages (price per kWh).

He provided a graph depicting EWEB's customer care budget alignment to affordability, noting that the 2026 proposal includes a \$500,000 bill assistance increase.

Commissioner Deliberation: EWEB Programs and 2026 Budget and Prices [01:39:14]

Staff opened the floor to questions from the Board regarding EWEB programs and 2026 budget and prices. A robust discussion followed during which commissioners sought clarification, noted minor areas for improvement, and expressed their general support for the proposed budget and prices.

Ms. Hart explained that as part of approving Resolution No. 2520 – 2026 Budget, Commissioners are disclosing a personal conflict of interest by voting on a budget that includes a monthly stipend for themselves. She said the disclosure is required under state statute.

Commissioner Brown stated for the record that on December 2, 2025, he received an email from a constituent with proposed amendments for the 2026 proposed budget. The email was forwarded to Commissioners.

Board Action: Budget and Pricing Resolutions [02:41:14]

A. Resolution No. 2520 – 2026 Budget

B. Resolution No. 2521 – Water Prices

C. Resolution No. 2522 – Electric Prices

D. Resolution No. 2525 – McKenzie Valley Prices

MOTION: Commissioner Carlson moved to approve Resolution No. 2520 – 2026 Budget. The motion passed unanimously; 5:0:0; President Barofsky, Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor of the motion.

MOTION: Commissioner Carlson moved to approve Resolution No. 2521 – Water Prices. The motion passed unanimously; 5:0:0; President Barofsky, Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor of the motion.

MOTION: Commissioner Carlson moved to approve Resolution No. 2522 – Electric Prices. The motion passed unanimously; 5:0:0; President Barofsky, Vice President Schlossberg, Commissioner Carlson, Commissioner Brown, and Commissioner Morris all voting in favor of the motion.

MOTION: Commissioner Carlson moved to approve Resolution No. 2525 – McKenzie Valley Prices. The motion failed; 2:3:0; Commissioner Carlson and Commissioner Brown voting in favor of the motion; President Barofsky, Vice President Schlossberg, and Commissioner Morris voting against.

In response to concerns voiced by Commissioners, Mr. Lawson committed to following up with options regarding McKenzie Valley Prices.

Future Board Agendas [02:54:46]

Mr. Lawson said there are a number of executive and other sessions coming up. He noted the Leaburg Decommissioning Action Plan was moved from December 2025 to January 2026. He said watershed discussions are scheduled for April 2026.

Board Wrap Up [02:56:52]

Commissioner Brown acknowledged President Barofsky and Vice President Schlossberg for their exemplary leadership in 2025.

President Barofsky provided closing comments reflecting on his service on the Board.

Adjourn [02:59:50]

President Barofsky adjourned the regular meeting at 8:44 p.m.

Assistant Secretary

President

Recorded by Terah Van Dusen, LCOG