Adopted Budget
Fiscal Year 2023

EUGENE WATER & ELECTRIC BOARD

EWEB

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EWEB

Board of Commissioners

Wards: 4 & 5	John Brown President	Term Expires First Meeting After 2022
Wards: 6 & 7	Sonya Carlson Vice President	Term Expires First Meeting After 2024
Wards: 2 & 3	John Barofsky Commissioner	Term Expires First Meeting After 2024
Wards: 1 & 8	Matt McRae Commissioner	Term Expires First Meeting After 2024
Wards: At-Large	Mindy Schlossberg Commissioner	Term Expires First Meeting After 2022

EWEB

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LETTER TO THE BOARD OF COMMISSIONERS

Board of Commissioners,

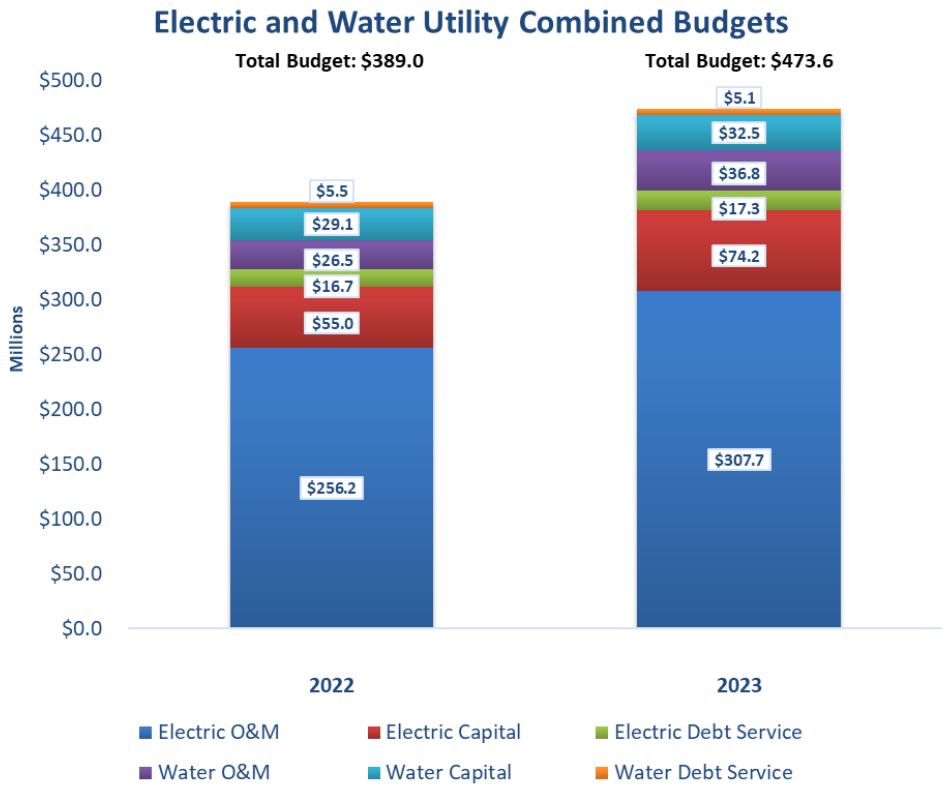
The 2023 Eugene Water & Electric Board Operations & Maintenance (O&M) and Capital & Debt Service budgets were submitted for your consideration and approval. The combined total for both Utilities is $473.6 million, approximately 22% above the 2022 budget. Individual utility budgets are $399.2 million for the Electric Utility and $74.4 million for the Water Utility. Both Utilities' have increases in the overall revenue requirement and consequently, price increases are proposed among customer classes.

As EWEB leaves behind operating pressures and heightened safety protocols from the COVID-19 pandemic, we navigate an economy still reeling with supply chain disruptions and an unstable inflationary environment. Still, both utilities are well positioned to make strategic investments and execute operational priorities incorporated in the Capital Improvement and Long-Term Financial Plans.

A primary focus for 2023 and beyond continues to be updating infrastructure that supports EWEB's strategic direction of *Fostering Customer Confidence, Positioning for Flexibility,* and *Resilient Delivery,* as well as upholding the organizational values of Safe, Reliable, Affordable, Environmental, and Community.

In addition, EWEB continues to be a strong community partner as evidenced by its Community Care Program, which provides approximately 10% of annual average water and electric expenses to a minimum of 5% of the residential customer base. EWEB also provides $450,000 annually in grants to local schools and $250,000 annually for green power and solar programs. Incentive programs to encourage electrification of building heating and cooling systems as well as the transportation sector continue with additional resources proposed in 2023, as well.

The following chart depicts the combined Electric and Water budgets for 2022 and 2023.



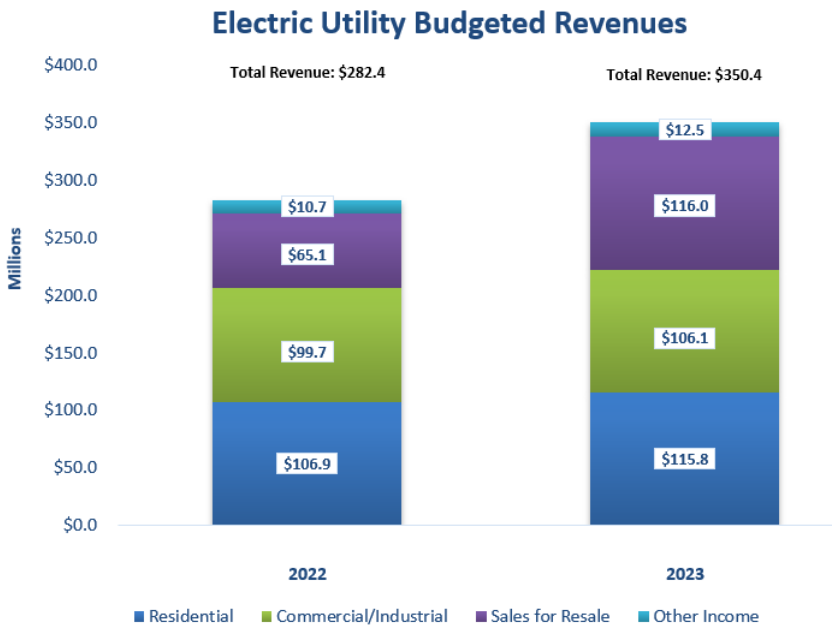
ELECTRIC UTILITY

Overview and Revenue

On an ongoing basis, the Electric Utility faces challenges related to retail demand (load loss), infrastructure investment and replacement needs, and volatile power markets in which it sells surplus power. To navigate these challenges EWEB has invested in electrification incentives, used conservative demand and hydro assumptions,

increased capital budgets for replacement, and has an active hedging and risk management program to mitigate market risk.

For the 2023 Budgets, electric retail load increased relative to 2022. For 2022, a 4% reduction in consumption was budgeted due to economic impacts stemming from the COVID-19 pandemic. The 2023 budget no longer includes this reduction in consumption, and this is aligned with 2021 actual consumption and 2022 year end projections. In recent years, summer temperatures have consistently exceeded historical conditions and cooling loads have approached winter peaks. In the future, as EWEB continues to refine products and services to incent customers to use carbon-responsible energy as an alternative to other forms of fuel, there will likely be impacts on retail demand for

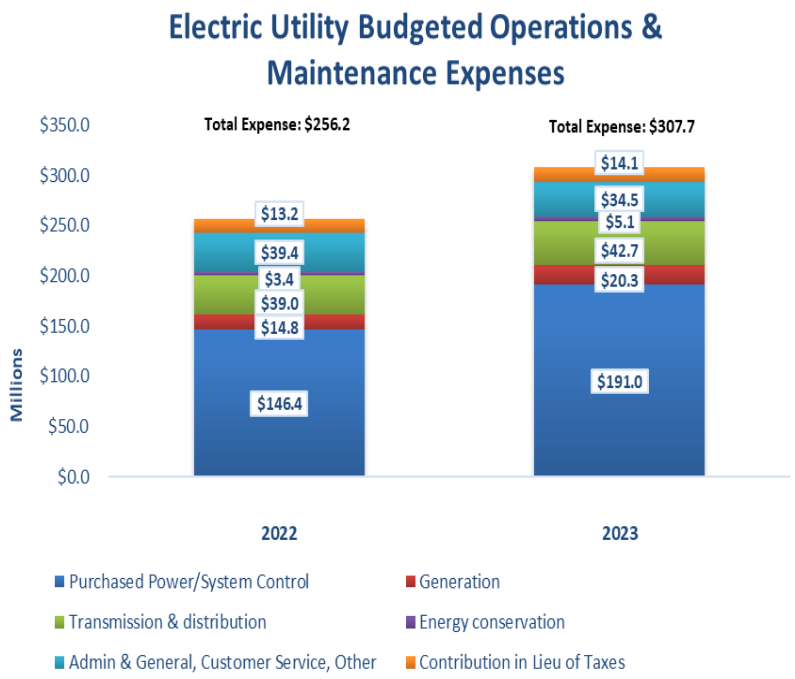


electricity. EWEB will continue to monitor the impacts of these programs and climate change on peak demand and energy sales.

The budget assumes a contribution margin risk tolerance of $14.6 million, which protects the Utility against revenue declines beyond its control. This risk tolerance equates to a hydro generation drop to 90% of expected. Given its surplus power position, EWEB has a strong hedging program designed to protect the Utility from falling wholesale prices and budget impacts. Wholesale revenue increased by $50.9 million between 2022 and 2023. The increase in sales for resale is due to increased wholesale market prices and budgeted volumes.

Operations & Maintenance Budget

The 2023 Electric O&M budget is $307.7 million compared to the 2022 O&M budget of $256.2 million. Purchased power and system control expense budget increased by $44.6 million due to increased wholesale market prices and budgeted volumes of wholesale activity, as mentioned above. The following two charts present the Electric 2022 and 2023 revenue and O&M expense budgets.



Capital and Debt Service Budget

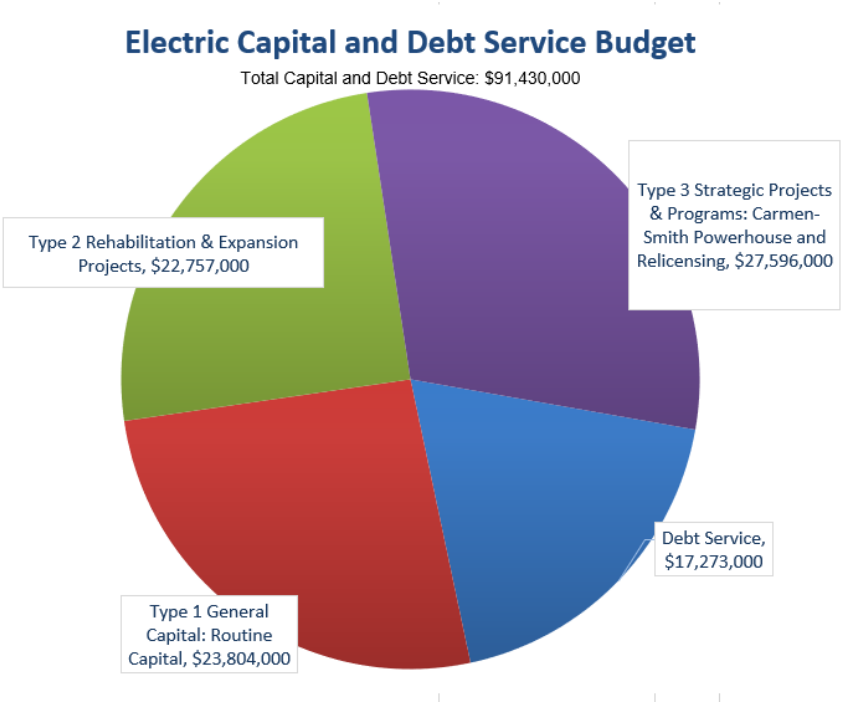
The Electric Utility installed significant distribution infrastructure in the 1960s and 1970s. The service life of these assets is ending, and therefore, EWEB needs to manage the replacement of these aging assets while maintaining reliability and increasing resiliency during disruptive events. The electric system investments will be prioritized by

managing high customer-impacted assets and systems that increase resiliency to critical locations.

The Electric Capital & Debt Service budget of $91.4 million is $19.8 million higher than the 2022 budget. This is primarily due to increased capital investments related to distribution and transmission infrastructure, generation projects, and EWEB Enterprise Solutions (EES) implementation. Approximately $19.8 million of the capital work will be funded with electric retail revenue. Additional detail on the capital budget is included in Attachment 1.

The 2023 budget includes $17.3 million to service existing debt and plans for a $49 million bond issuance to support capital projects through the next few years. The overall principal debt amount following the additional borrowing would be approximately $240 million at the end of 2023.

The following chart details the budget by type of cost.

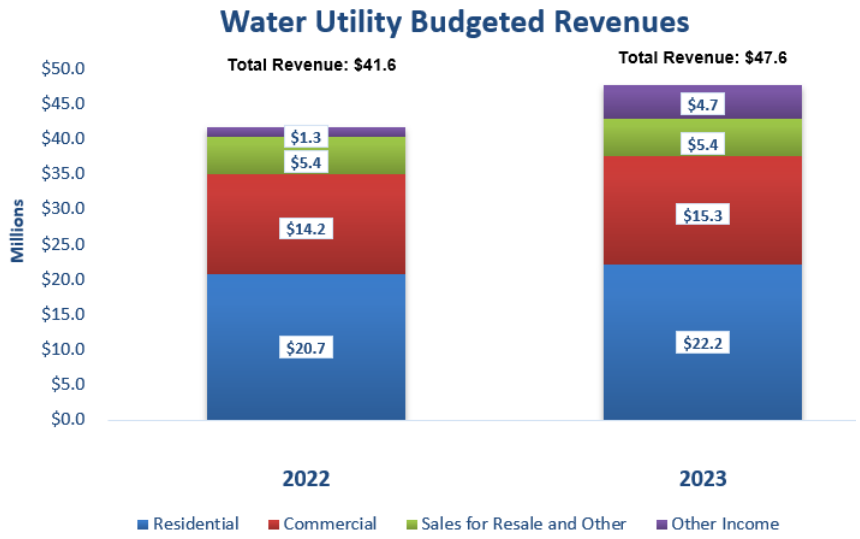


WATER UTILITY

Overview and Revenue

The Water Utility faces challenges such as, replacement of aging infrastructure, water source protection, and developing a second source water treatment facility. Improvements to the Water Utility's financial stability over the last several years provide adequate flexibility to meet these challenges and maintain its strong financial metrics.

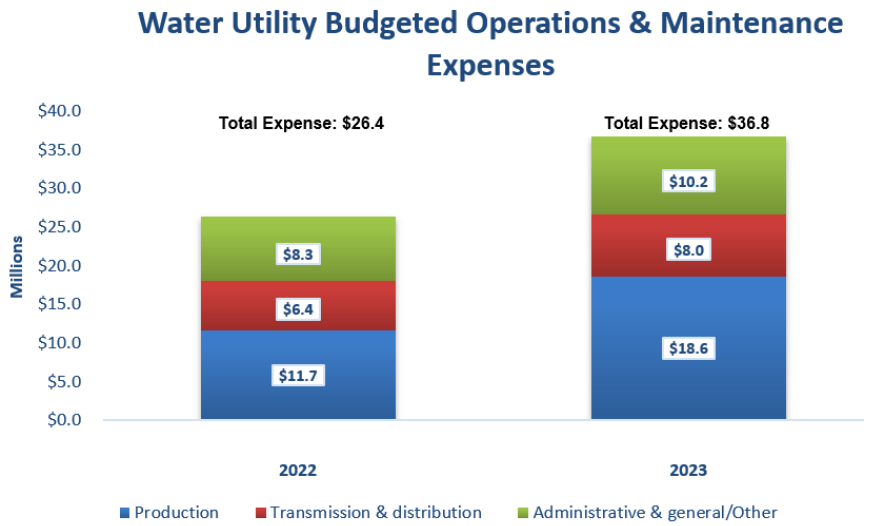
2023 budgeted sales are 7.8 billion gallons, which is 1.5% higher than was budgeted in 2022. Residential revenue makes up 47% of the Water Utility's total revenues, while 32% is from commercial. Other revenue for 2023 includes $3.0 million in awarded grant funding to support Watershed Recovery efforts.



Operations & Maintenance Budget

The 2023 Water Utility O&M budget is $36.8 million compared to $26.5 million in 2022. The budget assumes $10.4 million for Watershed Recovery work, to be funded by grants and the Watershed Restoration Fee revenues.

The O&M budget projects a $5.8 million draw from reserves, however additional funding from grants for watershed restoration is expected to reduce the draw on reserves. The following charts compare the 2023 and 2022 Water Utility budgeted O&M Revenues and Expenses.



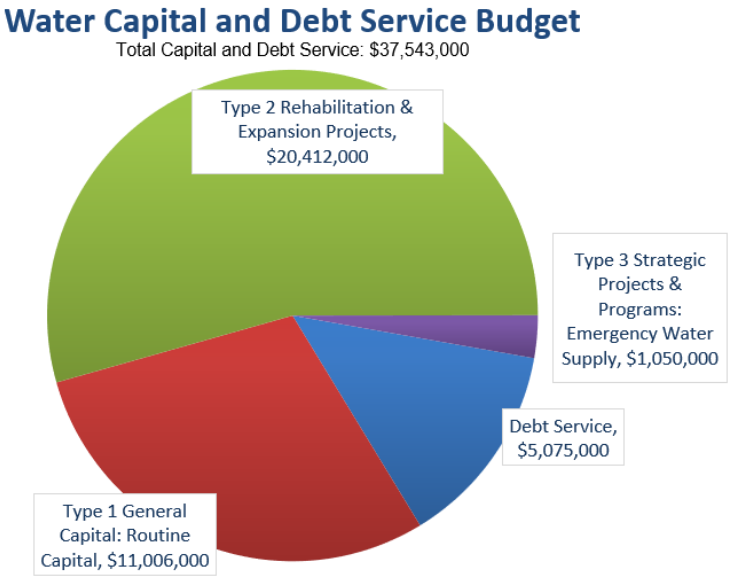
Capital and Debt Service Budget

The Water Utility has made significant investments in the Hayden Bridge Treatment Plant over the past decade and is now prioritizing strengthening base level storage and in-town transmission infrastructure. In 2021, work began on the East 40th storage project and it is planned to conclude in 2023. Additional base level storage facilities will be reinforced and refurbished in coming years. In addition, 2023 budgets include plans for EWEB to continue design efforts for construction of a treatment plant on the Willamette River.

The Water Capital & Debt Service budget of $37.5 million reflects a $3 million increase from the 2022 budget. EWEB continues to focus on improving resiliency by addressing critical aging infrastructure in the distribution system such as main improvements, pump stations, and reservoirs. The budget also includes funding for emergency water stations, which are a joint effort with community partners such as school districts, to provide potable water in the event of an emergency

or natural disaster. Depending on the type of project, funding is through water retail prices, customer contributions, or bonds.

The 2023 budget includes $5.1 million to service existing debt and plans for a $43 million bond issuance to support capital projects through the next few years. The overall principal debt amount following the additional borrowing would be approximately $101 million at the end of 2023.

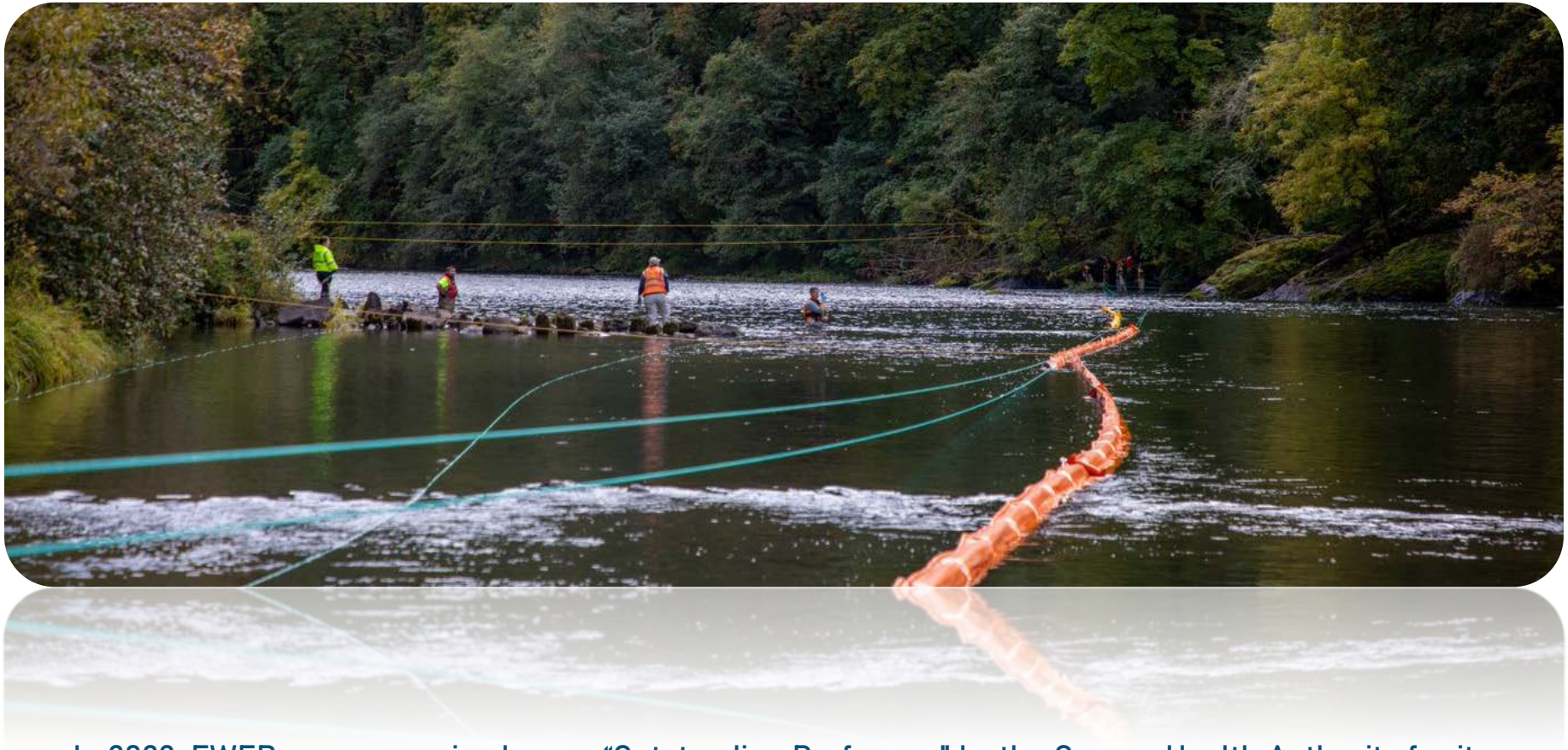


The 2023 budgets' position both the Electric and Water Utilities to maintain their financial resiliency and flexibility, while working through on-going high inflation and disrupted supply chains. Both utilities continue efforts to enhance customer confidence as we continue progress towards phase two of the strategic plan. We are guided by our core values to provide safe and reliable drinking water and electricity, be responsible stewards of financial and natural resources, and adhere to our commitment to serve our local community while ensuring operational and consumption flexibility. I am pleased how EWEB has rallied around this focus, and I want to thank EWEB management, staff, and Commissioners for their assistance in helping EWEB achieve its mission "to enhance our community's vitality by delivering drinking water and electric services consistent with the values of our customer-owners".

Respectfully submitted,

Frank Lawson, General Manager

DID YOU KNOW?



In 2022, EWEB was recognized as an “Outstanding Performer” by the Oregon Health Authority for its drinking water system. To qualify for this designation a system must not have had any contamination violations in the last five years and no more than one monitoring or reporting violation in the past three years. EWEB has had none.

ATTACHMENT 1

2023 ADOPTED BUDGET

DID YOU KNOW?

EWEB removed 31 miles of electric conductor and 159 poles spanning five miles along the McKenzie Highway. This project is intended to increase customer reliability and connect to the broader system more efficiently, all while reducing wildfire risk.

ELECTRIC UTILITY OPERATIONS & MAINTENANCE BUDGET AND REVENUE REQUIREMENTS
2023 ADOPTED BUDGET COMPARED WITH 2022 ADOPTED BUDGET AND 2021 ACTUAL

	2023 Adopted Budget		2022 Adopted Budget		2021 Actual		
	MWH	Revenue and Expense	MWH	Revenue and Expense	MWH	Revenue and Expense	
Residential	947,000	$ 115,789,000	909,000	$ 106,947,000	955,000	$ 102,529,000	
Commercial	862,000	84,930,000	816,000	77,527,000	847,000	71,695,000	
Industrial	490,000	21,137,000	493,000	22,192,000	499,000	21,801,000	
Retail sales	2,299,000	221,856,000	2,218,000	206,666,000	2,301,000	196,025,000	
Wholesale sales	1,582,000	116,018,000	1,395,000	65,146,000	1,351,000	51,476,000	
Other Operating Revenues		9,346,000		8,897,000		10,243,000	
	3,881,000	347,220,000	3,613,000	280,709,000	3,652,000	257,744,000	
Other revenue		1,602,000		1,542,000		9,975,000	
Interest earnings		1,557,000		236,000		114,000	
Non-operating revenues		3,159,000		1,778,000		10,089,000	
Total revenues		350,379,000		282,487,000		267,833,000	
Purchased Power		185,698,000		141,409,000		141,721,000	
System control		5,277,000		4,953,000		4,287,000	
Generation		20,294,000		14,800,000		13,481,000	
Wheeling		12,795,000		12,751,000		12,052,000	
Transmission & distribution		29,963,000		26,248,000		24,507,000	
Customer accounting		8,783,000		8,196,000		8,054,000	
Energy conservation		6,521,000		4,695,000		4,176,000	
Administrative & general		27,086,000		31,495,000		22,879,000	
Operating expenses		296,417,000		244,547,000		231,157,000	
Contributions in lieu of taxes		14,138,000		13,240,000		-	[1]
Change in balance sheet accounts/ other expenses		(2,811,000)		(1,635,000)		28,809,000	[2]
Non-operating expenses		11,327,000		11,605,000		28,809,000	
Total operations and maintenance expenses		307,744,000		256,152,000		259,966,000	
Rate funded capital		19,803,000		13,011,000			
Rate funded debt service		17,273,000		16,679,000			
Total rate funded capital related expenses		37,076,000		29,690,000			
Total rate funded expenses		344,820,000		285,842,000			
Revenues over/(under) expenses		$ 5,559,000		$ (3,355,000)			
Deposit to Unrestricted Reserves		5,559,000	[4]	(3,355,000)			
Net change in reserves		$ 5,559,000		$ (3,355,000)			
Change in Net Position						$ 7,867,000	[3]

[1] CILT included as contra revenue in revenue section.
[2] Includes depreciation, other revenue deductions, interest and amortization expense, contribution in aid, and contributed plant assets
[3] Actual results are not directly comparable to budget due to a difference in accounting treatment
[4] Board will allocate working cash above target to specific designated funds after annual audit
Dollars rounded to nearest thousand.

EUGENE WATER & ELECTRIC BOARD
ELECTRIC UTILITY CAPITAL AND DEBT SERVICE BUDGET
2023 ADOPTED BUDGET COMPARED WITH 2022 ADOPTED BUDGET

	2023 Adopted Budget	2022 Adopted Budget
Funding Source by Type		
Source of Funds		
Retail Revenue	$ 19,803,000	$ 13,011,000
Draw on Rate Stabilization Reserves	11,629,000	9,943,000
Bond Proceeds (Type II & III)	38,661,000	30,020,000
Customer Contributions in Aid	4,001,000	2,042,000
Grant Funding	63,000	-
Total Source of Funds	74,157,000	55,016,000
Expenditures by Type		
Type 1- General Capital [1]		
Downtown Network	1,093,000	-
Electric Infrastructure- Generation	2,202,000	2,140,000
Electric Infrastructure- Substations	2,793,000	2,160,000
Electric Infrastructure- Transmission & Distribution	9,698,000	7,276,000
Electric Meters	525,000	-
General Plant- Information Technology	4,656,000	1,487,000
General Plant- Buildings & Land	359,000	96,000
General Plant- Fleet	1,486,000	988,000
Telecommunications	992,000	906,000
Total Type 1	23,804,000	15,053,000
Type 2- Rehabilitation & Expansion Projects [2]		
Downtown Network	-	1,015,000
General Plant- Buildings & Land	2,593,000	1,400,000
Resiliency	12,075,000	3,052,000
Information Technology	2,866,000	-
Electric Infrastructure- Generation	3,629,000	2,000,000
Electric Meters	1,594,000	3,276,000
Total Type 2	22,757,000	10,743,000
Type 3- Strategic Projects & Programs [3]		
Carmen Smith Relicensing	27,596,000	29,220,000
Total Type 3	27,596,000	29,220,000
Total Electric Capital Budget	74,157,000	55,016,000
Rate Funded Debt Service	17,273,000	16,679,000
Total Electric Capital and Debt Service Budget	$ 91,430,000	$ 71,695,000

[1] Type 1 capital is routine capital work for projects totaling less than $1 million and is primarily funded with rates and customer contributions
[2] Type 2 capital projects are discrete, with a defined completion period, and lifetime expenditures over $1 million. Depending on the project, this work may be funded with rates, customer contributions, or bond funds
[3] Type 3 capital projects are large strategic programs with long-term impacts, and are generally bond funded

Dollars rounded to the nearest thousand

EUGENE WATER & ELECTRIC BOARD

WATER UTILITY OPERATIONS & MAINTENANCE BUDGET AND REVENUE REQUIREMENTS
2023 ADOPTED BUDGET COMPARED WITH 2022 ADOPTED BUDGET AND 2021 ACTUAL

	2023 Adopted Budget		2022 Adopted Budget		2021 Actual	
	Gal (000)	Revenue and Expense	Gal (000)	Revenue and Expense	Gal (000)	Revenue and Expense
Residential	3,858,000	$ 22,195,000	3,768,000	$ 20,741,000	4,381,000	$ 21,409,000
Commercial	3,316,000	15,282,000	3,302,000	14,219,000	3,584,000	15,167,000
Sales for Resale and Other	656,000	5,392,000	645,000	5,411,000	746,000	5,543,000
Operating revenues	7,830,000	42,869,000	7,715,000	40,371,000	8,711,000	42,119,000
Other revenue		4,412,000		1,278,000		1,045,000
Interest income		330,000		26,000		(14,000)
Non-operating revenues		4,742,000		1,304,000		1,031,000
Total revenues		47,611,000		41,675,000		43,150,000
Production		18,580,000		11,720,000		$ 9,736,000
Transmission & distribution		8,040,000		6,446,000		6,632,000
Customer accounting		2,699,000		1,622,000		1,782,000
Conservation		841,000		632,000		545,000
Administrative & general		6,991,000		6,399,000		4,506,000
Operating expenses		37,151,000		26,819,000		23,201,000
Change in balance sheet accounts/ other expenses		(386,000)		(304,000)		7,401,000 [2]
Non-operating expenses		(386,000)		(304,000)		7,401,000
Total operations and maintenance expenses		36,765,000		26,515,000		30,602,000
Rate funded capital		12,267,000		13,630,000		
Rate funded debt service		4,355,000		3,953,000		
Total rate funded capital related expenses		16,622,000		17,583,000		
Total rate funded expenses		53,387,000		44,098,000		
Revenues over expenses		$ (5,776,000)		$ (2,423,000)		
Deposit to Unrestricted Reserves		1,204,000		(2,423,000)		
Draw on Rate Stabilization Fund		(6,980,000)		-		
Net change in reserves		$ (5,776,000) [1]		$ (2,423,000)		
Change in Net Position						$ 12,548,000 [3]

[1] Net change in reserves assumes rate funding for Watershed Recovery efforts beyond initial fee projections. Additional funding is anticipated through grants not yet awarded and is unbudgeted

[2] Includes depreciation, other revenue deductions, interest and amortization expense, contribution in aid, and contributed plant assets

[3] Actual results are not directly comparable to budget due to a difference in accounting treatment

Dollars rounded to nearest thousand.

EUGENE WATER & ELECTRIC BOARD
WATER UTILITY CAPITAL AND DEBT SERVICE BUDGET
2023 ADOPTED BUDGET COMPARED WITH 2022 ADOPTED BUDGET

	2023 Adopted Budget	2022 Adopted Budget
Funding Source by Type		
Source of Funds		
Retail Revenue	$ 12,267,000	$ 13,628,000
Draw on Capital Reserve	5,270,000	7,000,000
Draw on AWS Reserve	1,050,000	824,000
Bond Proceeds	12,600,000	4,518,000
Customer Contributions in Aid	1,166,000	1,178,000
System Development Charges, Improvements	115,000	1,983,000
Total Source of Funds	32,468,000	29,131,000
Expenditures by Type		
Type 1 - General Capital [1]		
Source - Water Intakes & Filtration Plant	1,359,000	849,000
Distribution & Pipe Services	6,385,000	6,181,000
Distribution Facilities	1,365,000	2,153,000
Information Technology	1,134,000	257,000
Buildings, Land & Fleet	763,000	1,002,000
Total Type 1	11,006,000	10,442,000
Type 2- Rehabilitation & Expansion Projects [2]		
Distribution	16,695,000	14,317,000
Water Meters	2,000,000	3,548,000
Information Technology	905,000	-
Buildings, Land & Fleet	812,000	-
Total Type 2	20,412,000	17,865,000
Type 3- Strategic Projects & Programs [3]		
Emergency Water Supply	1,050,000	824,000
Total Type 3	1,050,000	824,000
Total Water Capital Budget	32,468,000	29,131,000
Rate Funded Debt Service	4,355,000	3,953,000
SDC Reimbursement Funded Debt Service	720,000	1,500,000
Total Water Capital and Debt Service Budget	$ 37,543,000	$ 34,584,000

[1]Type 1 capital is routine capital work for projects totaling less than $1 million and is funded with rates and customer contributions.
[2]Type 2 capital projects are discrete, with a defined completion period, and lifetime expenditures over $1 million. Depending on the project, this work may be funded with rates, customer contributions, or bond funds.
[3]Type 3 capital projects are large strategic programs with long-term impacts, and are generally bond funded.

Dollars rounded to nearest thousand.

ATTACHMENT 2

DEPARTMENT OPERATIONS & MAINTENANCE

2023 BUDGET COMPARED TO PRIOR YEARS

DID YOU KNOW?

Because EWEB is a public agency, is exempt from paying taxes. Instead, EWEB contributes a portion of electricity sales revenue to the cities of Eugene and Springfield in the form of Contributions in Lieu of Taxes, or CILT. These contributions support critical services like public safety. Additionally, EWEB provides about $500,000 in grant funds to the four school districts in our service area in support of water and energy curriculum and activities.

Eugene Water & Electric Board – Department Operations & Maintenance Budget: 2023 Summary

	2023 Adopted Budget Dollars	2022 Adopted Budget Dollars	2021 Actual Dollars
Customer Service	$14,525,000	$12,394,000	$11,167,000
Electric	28,250,000	25,050,000	23,578,000
Energy	223,565,000	173,328,000	171,537,000
Finance	13,242,000	12,115,000	9,662,000
General Manager	7,288,000	5,843,000	4,562,000
Information Services	12,335,000	18,425,000	11,740,000
Support Services	15,256,000	13,159,000	12,156,000
Water	26,135,000	17,822,000	16,644,000
Workforce Services	4,055,000	3,461,000	3,037,000
Total Operations and Maintenance Budget	$344,651,000	$281,597,000	$264,083,000

Customer Service
Operations & Maintenance Budget

	2023 Adopted Budget Dollars	2022 Adopted Budget Dollars	2021 Actual Dollars
Wages / Benefits	$6,934,000	$6,401,000	$5,879,000
Purchases			
Stores Materials and Supplies	3,000	3,000	2,000
EWEB Equipment	19,000	21,000	33,000
Materials and Supplies	13,000	13,000	10,000
Technology / Office Equipment	16,000	13,000	4,000
Total Purchases	**$51,000**	**$50,000**	**$49,000**
Services			
Conservation Measures and Incentives	3,650,000[1]	2,750,000	2,477,000
Electrification Incentive	1,250,000[2]	600,000	377,000
Miscellaneous Services	54,000	73,000	40,000
Professional and Technical Services	316,000	379,000	202,000
Printing and Postage	48,000	52,000	11,000
Training and Travel	69,000	66,000	15,000
Grants	953,000	823,000	685,000
Limited Income Services	1,200,000	1,200,000	1,432,000[3]
Total Services	**$7,540,000**	**$5,943,000**	**$5,239,000**
Total	$14,525,000	$12,394,000	$11,167,000

[1] Conservation Incentives based on eligibility for reimbursement by BPA

[2] Load Growth Incentive for Transportation and Building Electrification increased, augmented by Clean Fuel Credit Revenue

[3] Increased Customer Care payments due to pandemic related job loss assistance and Holiday Farm Fire, supplemented by customer donations

Electric
Operations & Maintenance Budget

	2023 Adopted Budget Dollars	2022 Adopted Budget Dollars	2021 Actual Dollars
Wages / Benefits	$18,879,000	$16,506,000	$15,178,000
Purchases			
Stores Materials and Supplies	547,000	562,000	538,000
EWEB Equipment	1,762,000	1,478,000	1,441,000
Maintenance and Repairs	27,000	18,000	76,000
Equipment	15,000	9,000	25,000
Materials and Supplies	405,000	375,000	404,000
Technology / Office Equipment	45,000	15,000	12,000
Total Purchases	**$2,801,000**	**$2,457,000**	**$2,496,000**
Services			
Contract Labor	170,000	120,000	126,000
Construction Agreements	4,781,000[1]	4,185,000	4,036,000
Miscellaneous Services	189,000	145,000	131,000
Professional and Technical Services	838,000[2]	510,000	316,000
Software/Hardware Maintenance and Services	14,000	114,000	108,000
Property Rent	5,000	4,000	14,000
Legal Services	2,000[3]	402,000	884,000
Fees and Licenses	250,000	267,000	189,000
Training and Travel	321,000	340,000	100,000
Total Services	**$6,570,000**	**$6,087,000**	**$5,904,000**
Total	$28,250,000	$25,050,000	$23,578,000

[1] Increase for vegetation management

[2] Wildfire Mitigation Plan Phase 1 for 2022 and Phase 2 for 2023, Resiliency Program and Asset Management also for 2023

[3] 2021 & 2022 Legal service expenses related to the Holiday Farm Fire now covered by insurance due to self-insurance limit coverage

Energy
Operations & Maintenance Budget

	2023 Adopted Budget Dollars	2022 Adopted Budget Dollars	2021 Actual Dollars
Wages / Benefits	$10,391,000	$8,520,000	$8,822,000
Purchases			
Stores Materials and Supplies	8,000	23,000	8,000
EWEB Equipment	574,000	497,000	486,000
Maintenance and Repairs	104,000	61,000	66,000
Equipment	40,000	26,000	26,000
Energy	185,893,000[1]	141,777,000	141,870,000
Fuels	2,841,000[2]	2,058,000	1,965,000
Materials and Supplies	297,000	221,000	190,000
Technology / Office Equipment	6,000	7,000	6,000
Total Purchases	**$189,763,000**	**$144,670,000**	**$144,617,000**
Services			
Contract Labor	257,000	131,000	94,000
Wheeling	12,795,000	12,751,000	12,052,000
Construction Agreements	5,200,000[3]	3,115,000	2,784,000
Miscellaneous Services	136,000	148,000	118,000
Professional and Technical Services	2,801,000[4]	1,806,000	1,144,000
Software/Hardware Maintenance and Services	776,000	737,000	644,000
Memberships and Dues	697,000	660,000	431,000
Legal Services	105,000	174,000	46,000
Fees and Licenses	419,000	446,000	732,000[5]
Training and Travel	225,000	170,000	53,000
Total Services	**$23,411,000**	**$20,138,000**	**$18,098,000**
Total	$223,565,000	$173,328,000	$171,537,000

[1] Purchased power cost due to higher wholesale market prices and higher budgeted volumes

[2] Fuel cost for shared co-generation facility

[3] Higher contracted costs for wind and co-generation facilities and Trail Bridge sinkhole remediation

[4] Increasing due to BPA contract negotiation and organized market readiness

[5] 2021 Actual higher due to the timing of renewal fees

Finance
Operations & Maintenance Budget

	2023 Adopted Budget Dollars	2022 Adopted Budget Dollars	2021 Actual Dollars
Wages / Benefits	$9,762,000	$8,745,000	$7,477,000
Purchases			
Stores Materials and Supplies	14,000	18,000	8,000
EWEB Equipment	180,000	178,000	192,000
Maintenance and Repairs	6,000	6,000	2,000
Materials and Supplies	36,000	55,000	18,000
Technology / Office Equipment	120,000	119,000	50,000
Total Purchases	**$356,000**	**$376,000**	**$270,000**
Services			
Contract Labor	87,000	87,000	20,000
Miscellaneous Services	69,000	63,000	55,000
Professional and Technical Services	2,241,000[1]	1,334,000	1,350,000
Software/Hardware Maintenance and Services	7,000	7,000	6,000
Property Rent	8,000	8,000	14,000
Legal Services	10,000	5,000	2,000
Fees and Licenses	47,000	72,000	51,000
Training and Travel	130,000	118,000	35,000
Uncollectable Accounts	525,000[2]	1,300,000	382,000
Total Services	**$3,124,000**	**$2,994,000**	**$1,915,000**
Total	$13,242,000	$12,115,000	$9,662,000

Note: Budgets may not be comparable to prior budget documents due to re-organization among divisions

[1] Increased merchant processing and collection services fees

[2] Uncollectible Accounts budget was increased to absorb the economic impacts from the COVID-19 pandemic, 2023 budget was reduced to levels consistent with 2022 projected spending

General Manager
Operations & Maintenance Budget

	2023 Adopted Budget Dollars	2022 Adopted Budget Dollars	2021 Actual Dollars
Wages / Benefits	$4,497,000	$3,745,000	$2,956,000
Purchases			
Stores Materials and Supplies	6,000	17,000	12,000
EWEB Equipment	76,000	68,000	23,000
Materials and Supplies	35,000	44,000	22,000
Technology / Office Equipment	91,000	67,000	22,000
Total Purchases	**$208,000**	**$196,000**	**$79,000**
Services			
Contract Labor	5,000	32,000	33,000
Miscellaneous Services	112,000	101,000	54,000
Professional and Technical Services	130,000	278,000	94,000
Software/Hardware Maintenance and Services	40,000	38,000	21,000
Legal Services	180,000	190,000	127,000
Insurance	2,005,000[1]	1,186,000	1,170,000
Training and Travel	101,000	67,000	25,000
Grants	10,000	10,000	3,000
Total Services	**$2,583,000**	**$1,902,000**	**$1,527,000**
Total	$7,288,000	$5,843,000	$4,562,000

Note: Budgets may not be comparable to prior budget documents due to re-organization among divisions

[1] Insurance premiums increased. The coverage includes property, liability, and cyber security

Information Services
Operations & Maintenance Budget

	2023 Adopted Budget Dollars	2022 Adopted Budget Dollars	2021 Actual Dollars
Wages / Benefits	$6,885,000	$7,675,000	$5,867,000
Purchases			
Stores Materials and Supplies	384,000	200,000	212,000
Materials and Supplies	5,000	5,000	3,000
Technology / Office Equipment	221,000[1]	3,799,000	1,293,000
Total Purchases	**$610,000**	**$4,004,000**	**$1,508,000**
Services			
Contract Labor	25,000	25,000	23,000
Miscellaneous Services	553,000	629,000	351,000
Professional and Technical Services	503,000[1]	2,561,000	704,000
Software/Hardware Maintenance and Services	3,285,000	3,142,000	3,001,000
Printing and Postage	324,000	240,000	265,000
Fees and Licenses	11,000	10,000	10,000
Training and Travel	139,000	139,000	11,000
Total Services	**$4,840,000**	**$6,746,000**	**$4,365,000**
Total	$12,335,000	$18,425,000	$11,740,000

[1] Relocated Software budget to Capital for software as a services (SaaS) contracts related to ERP

Support Services
Operations & Maintenance Budget

	2023 Adopted Budget Dollars	2022 Adopted Budget Dollars	2021 Actual Dollars
Wages / Benefits	$8,814,000	$7,387,000	$6,745,000
Purchases			
Stores Materials and Supplies	31,000	22,000	16,000
EWEB Equipment	1,342,000	1,136,000	1,282,000
Maintenance and Repairs	22,000	22,000	18,000
Energy	477,000	450,000	473,000
Water	155,000	147,000	161,000
Fuels	72,000	90,000	72,000
Vehicle Fuel and Oil	757,000[1]	560,000	535,000
Materials and Supplies	390,000	347,000	304,000
Technology / Office Equipment	56,000	30,000	29,000
Total Purchases	**$3,302,000**	**$2,804,000**	**$2,890,000**
Services			
Construction Agreements	1,764,000	1,804,000	1,429,000
Miscellaneous Services	234,000	191,000	218,000
Professional and Technical Services	468,000	409,000	369,000
Software/Hardware Maintenance and Services	105,000	124,000	48,000
Property Rent	128,000	119,000	125,000
Legal Services	90,000	75,000	129,000
Printing and Postage	17,000	16,000	17,000
Fees and Licenses	205,000	155,000	160,000
Training and Travel	129,000	75,000	26,000
Total Services	**$3,140,000**	**$2,968,000**	**$2,521,000**
Total	$15,256,000	$13,159,000	$12,156,000

Note: Budgets may not be comparable to prior budget documents due to re-organization among divisions

[1] Increased fuel cost

Water
Operations & Maintenance Budget

	2023 Adopted Budget Dollars	2022 Adopted Budget Dollars	2021 Actual Dollars
Wages / Benefits	$9,778,000	$8,289,000	$9,069,000
Purchases			
Stores Materials and Supplies	300,000	258,000	378,000
EWEB Equipment	1,132,000	654,000	931,000
Maintenance and Repairs	46,000	36,000	18,000
Equipment	18,000	19,000	10,000
Energy	1,181,000	1,095,000	1,132,000
Water	22,000	22,000	17,000
Materials and Supplies	1,061,000	720,000	791,000
Technology / Office Equipment	42,000	52,000	19,000
Total Purchases	**$3,802,000**	**$2,856,000**	**$3,296,000**
Services			
Contract Labor	58,000	51,000	5,000
Conservation Measures and Incentives	1,220,000[1]	20,000	781,000
Construction Agreements	5,521,000[1]	5,165,000[1]	1,388,000
Miscellaneous Services	204,000	158,000	149,000
Professional and Technical Services	5,078,000[2]	943,000	1,647,000
Software/Hardware Maintenance and Services	205,000	79,000	114,000
Printing and Postage	22,000	22,000	18,000
Fees and Licenses	119,000	121,000	98,000
Training and Travel	103,000	88,000	24,000
Grants	25,000	30,000	55,000
Total Services	**$12,555,000**	**$6,677,000**	**$4,279,000**
Total	$26,135,000	$17,822,000	$16,644,000

[1] Increased for watershed recovery efforts
[2] Watershed recovery and water quality monitoring and analytical work

Workforce Services
Operations & Maintenance Budget

	2023 Adopted Budget Dollars	2022 Adopted Budget Dollars	2021 Actual Dollars
Wages / Benefits	$3,265,000	$2,702,000	$2,431,000
Purchases			
EWEB Equipment	12,000	11,000	10,000
Materials and Supplies	120,000	110,000	17,000
Technology / Office Equipment	7,000	6,000	7,000
Total Purchases	**$139,000**	**$127,000**	**$34,000**
Services			
Miscellaneous Services	77,000	58,000	159,000
Professional and Technical Services	300,000	300,000	252,000
Software/Hardware Maintenance and Services	15,000	25,000	-
Legal Services	130,000	130,000	121,000
Training and Travel	129,000	119,000	40,000
Total Services	**$651,000**	**632,000**	**$572,000**
Total	$4,055,000	$3,461,000	$3,037,000

DID YOU KNOW?

If you see geese sitting on our powerline poles, you've just seen one of several measures EWEB is taking to deter Osprey and other raptors from nesting on cross arms. If allowed to nest in these locations the sticks and debris can create a fire hazard and cause power outages – and puts the birds at risk. EWEB also uses drones and glow-in-the-dark markers to protect birds from powerlines. Last summer, EWEB used a drone to install brightly-colored markers on powerlines to help birds avoid flying into them.

ATTACHMENT 3

LABOR & EMPLOYEE BENEFIT COSTS

DID YOU KNOW?

In the summer of 2022, EWEB replaced the transformer at the Hayden Bridge Substation as part of proactive infrastructure investments and maintenance. The Hayden Bridge Substation supplies electricity to the filtration plant that provides cool, fresh, and delicious drinking water to the Eugene community. The substation transformer weighs over 100,000 pounds and interconnects higher and lower transmission voltages.

EUGENE WATER & ELECTRIC BOARD
LABOR AND EMPLOYEE BENEFITS
2023 ADOPTED BUDGET COMPARED WITH PRIOR YEARS

	2023 Adopted Budget		2022 Adopted Budget		2021 Actual	
	Budget	% of Total wages	Budget	% of Total wages	Actual	% of Total wages
Wages & benefits						
Regular Wages	$ 58,452,000	98.3%	$51,588,000	98.1%	$ 46,166,000	92.9%
Premium Wages	1,026,000	1.7%	1,012,000	1.9%	3,516,000	7.1%
Total wages	59,478,000	100.0%	52,600,000	100.0%	49,682,000	100.0%
Public employees retirement fund	13,776,000	23.2%	12,018,000	22.8%	10,393,000	20.9%
Other benefits – employer contribution [1]	5,559,000	9.3%	4,497,000	8.5%	3,743,000	7.5%
Health insurance [2]	12,398,000	20.8%	10,876,000	20.7%	9,677,000	19.5%
Post-retirement medical	350,000	0.6%	215,000	0.4%	284,000	0.6%
Long-term disability	332,000	0.6%	298,000	0.6%	284,000	0.6%
Life insurance	402,000	0.7%	356,000	0.7%	369,000	0.7%
Total benefits	32,817,000	55.2%	28,260,000	53.7%	24,750,000	49.8%
Total wages & benefits	$ 92,295,000		$80,860,000		$ 74,432,000	

[1] Includes Social Security/Medicare tax, Unemployment Insurance, Workers' Compensation Insurance
[2] Includes Voluntary Employee's Beneficiary Association (VEBA) expense

ATTACHMENT 4

RESERVE INFORMATION

DID YOU KNOW?

EWEB partnered with ALERTWildfire in the summer of 2022 to install a camera on an EWEB communications tower. This camera will help spot small fires before they threaten communities and infrastructure in the upper McKenzie River Valley. This publicly accessible camera sends a live feed of the forest, surveying up to 120 miles in all directions to detect wildfire heat and 404 miles to observe smoke.

EUGENE WATER & ELECTRIC BOARD ELECTRIC and WATER UTILITY PROJECTED RESERVES, DESIGNATED, UNRESTRICTED AND RESTRICTED FUNDS
($000s omitted)

	Electric System			Water System		
	Target	12/31/22 Projected[1]	12/31/23 Projected[1]	Target	12/31/22 Projected[1]	12/31/23 Projected[1]
Reserves						
Operating and Self-Insurance	$ 5,720	$ 5,720	$ 5,720	$ 1,280	$ 1,280	$ 1,280
Power Operating	21,000	21,000	21,000			
Capital Improvement[2]	23,000	18,600	23,000	7,000	11,820	7,000
Total Reserves	49,720	45,320	49,720	8,280	13,100	8,280
Board Designated Funds[3]						
Rate Stabilization Fund	5,000	26,700	15,100	1,000	15,310	8,330
Water Stewardship Fund - Septic Repairs					60	60
Alternative Water Supply					4,560	3,510
Pension and Medical Funds		1,300	1,300		550	550
Total Designated Funds	5,000	28,000	16,400	1,000	20,480	12,450
Working Cash[4]	36,000	57,300	58,500	3,400	4,710	5,464
Total Working Cash and Unrestricted Funds	**$ 90,720**	**$ 130,620**	**$ 124,620**	**$ 12,680**	**$ 38,290**	**$ 26,194**
Legally Restricted						
Bond Funds - Capital[5]		$ 17,500	$ 28,100		$ -	$ 30,400
Harvest Wind Reserve		500	500			
System Development Charge Reserves[6]					850	950
Reserves for Debt Service		5,800	5,800		1,500	1,500
Customer Care/Customer Deposit		1,400	1,400			
Total Restricted Funds		**$ 25,200**	**$ 35,800**		**$ 2,350**	**$ 32,850**

[*] After completion of the annual audit, the Board of Commissioners reviews cash balances and may make transfers between funds.
[1] Projections as of October 14, 2022
[2] Capital Improvement reserves includes funds set aside for Meter replacements. 12/31/22 projection includes funds for approved capital projects that will be continued in 2023. 2023 balances include transfers from working cash to be approved by the Board
[3] Designated funds are used for one-time expenses.
[4] 2022 changes to unrestricted reserves are included in working cash. The Board will officially transfer funds in the second quarter of 2023.
[5] The Electric and Water Systems are planning to issue bonds in 2023 to fund capital investments; anticipated issuances are $49.3 million and $43.0 million, respectively.
[6] SDC Reimbursement Reserve is funding $0.7 million of debt service payments in 2023

ATTACHMENT 5

BUDGETED FINANCIAL RATIOS & STATISTICS

DID YOU KNOW?

EWEB launched new environmental programs, Green Options, in April 2022. The Move Green program includes new electric mobility grants to non-profits, schools, and government agencies for their electric mobility projects. Funds for this program are provided by the Oregon Clean Fuels Program. Utilities receive credits for the number of electric vehicles registered in their service territory. In 2022, we were able to provide six $25,000 grants to local organizations utilizing our Clean Fuel Credits.

EUGENE WATER & ELECTRIC BOARD
BUDGETED FINANCIAL RATIOS
December 31, 2023

	Electric Utility	Water Utility
Financial Ratios		
Debt Service Coverage Ratio[1]	2.98	3.83
Days Cash[2]	155	260
Target		
Debt Service Coverage Ratio	1.75 to 2.00	2.00 to 2.50
Days Cash	> 150 days	> 150 days

NOTE: A higher number for Debt Service Coverage Ratio and Days Cash and reflects a stronger financial position.

[1] Ratio of net revenues available for debt service to total long-term debt service costs for the year. This ratio measures the utility's ability to meet its annual long-term debt obligation

[2] Ratio of total available cash to adjusted average daily cash requirements for operating and other non-capital expenses. This measures the length of time the utility can carry projected non-capital related operations with readily available cash. Calculations include rate stabilization funds. In 2023, Management will be recommending options for the Board to consider for reserves above Board target

EWEB