Strategic and Operational Report

2020 – Q2

Eugene Water & Electric Board

July 29, 2020

Table of Contents

Organization

The following individuals are responsible for the content of this report.

Executives

Frank Lawson (Chief Executive Officer & General Manager)
Susan Ackerman (Chief Energy Officer)
Deborah Hart (Chief Financial Officer)
Lena Kostopulos (Chief Workforce Officer)
Julie McGaughey (Chief Customer Officer)
Rodney Price (Chief Operating Officer and Interim Chief Information Officer)

Managers

Rene Gonzalez (Customer Solutions Manager)
Karen Kelley (Water Operations Manager)
Travis Knabe (Information Services Operations Manager)
Lisa Krentz (Support Services Operations Manager)
Michael McCann (Electric Generation Manager)
Tyler Nice (Electric Operations Manager)

General Information

		Electric	Water
Service territory	236 square miles		
Miles of line or pipe		1,300	800
Substations/Pump Stations		38	27
Water Storage		-	22 reservoirs (89 MGal, Capacity)
Number of accounts (200,000 population served)		94,000	62,000
Annual Operating Budget		$220,962,000	$20,676,000
Annual Capital Budget		$49,147,000	$18,021,000
FTE Budget	506		
FTE Actual	486		

Executive Summary

The Management of Eugene Water & Electric Board (EWEB) is pleased to provide this quarterly update, including preliminary unaudited financial results, operational performance results, and the status of strategic initiatives and annual goals.

Although halfway through the year, with plenty of disruptions due to the COVID-19 outbreak, EWEB's progress remained largely on track at the end of Q2 to achieve our 2020 goals. We are continuing to assess, plan, and respond for/to the effects of the pandemic, which will impact our local economy and therefore EWEB.

At the end of the quarter, EWEB was on track to achieve six (6) of eight (8) goals, with Customer Experience Improvement (CEI) technology project(s) (Goal#3) and the exploration of a cooperative water resiliency plan with SUB (Goal#5) behind schedule.

Despite being behind schedule, the CEI project will commence an internal to EWEB "soft launch" of the new platform in Q3, wherein EWEB staff will preview and develop more internal awareness and understanding of the new system. The go-live for the billing and payment procession portion is currently scheduled for November pending test results and acceptance.

Notable in the first half of 2020, EWEB delivered over $1 million in bill assistance, and has developed a complete suite of payment terms and options for customers struggling to make payments during the pandemic.

Financially, year-to-date net income for the electric utility was $4.4 million compared to a seasonally adjusted budget or $6.8 million. COVID-19 consumption impacts were originally estimated to have an impact of approximately 4-6% during the shutdown. For the month of June, the impacts from COVID-19 reduced consumption by 3%, an improvement from the 6% reduction seen in the month of April and the 4% seen in May.

For the quarter ended June 30, 2020, net income for the Water Utility was $2.4 million compared to the year-to-date seasonal budget of $1.6 million.

Water quality and delivery, along with electric reliability, continue to be good compared to target. Safety metrics remain strong, including a significant increase in participation in EWEB's "Good Catch" proactive program.

Overall, EWEB continues to work on building organizational and customer confidence through the transparent communication of our results, included those discussed herein. We appreciate your ongoing support.

Frank Lawson, General Manager

EWEB Strategy and Annual Goals

The *Eugene Water & Electric Board Strategic Plan (2017-2020)* was approved August 2, 2017, revised July 10, 2018, and provides the basis for policies, decisions, and the annual goals established for the organization. This Quarterly Report is organized to provide status and progress information based on those annual goals. On February 4, 2020 the EWEB Commissioners approved the annual goals for the organization, including:

Utility Operations

Goal #1 *– Keep our "day-to-day" performance on track by managing utility operations consistent with Board direction including policies, strategic initiatives, and organizational values with a focus in 2020 on maintaining reliability, enhancing cyber security, and fostering productive workforce engagement.*

Foster Customer Confidence

Goal #2 *– Using continuous improvement and good utility practice, standardize and scale the integration of advanced metering infrastructure (AMI) and existing metering technology for the purpose of effective (accurate, timely, secure) and efficient revenue billing, and move-in/out processing.*

Goal #3 *– Streamline and simplify our most common customer interactions, including new self-service options, easy-to-understand bills, and secure ways to pay.*

Emergency Preparedness

Goal #4 *– Enhance emergency management programs by improving partnerships and public awareness of neighborhood emergency sites, improving electric system resiliency and outage management, and adopting a wildfire mitigation plan.*

Goal #5 *– Work with Springfield Utility Board to explore a more robust and cooperative water resiliency plan, including potential backup treatment options, interties, and sharing of water resources.*

Electric Resource Decisions

Goal #6 *– (Revised, March 3, 2020) As part of electricity supply planning, develop and publish an Electrification Impact Analysis Report that assesses the effects of electrification, and related ordinances/legislation, on EWEB's loads, generation mix, reliability, costs, compliance, energy/efficiency efforts, and community GHGs.*

Goal #7 *– Work with the EWEB Commissioners, FERC, and the McKenzie Valley community to develop a TBL-based plan for the lower McKenzie River Hydroelectric Projects by the end of 2020.*

Community

Goal #8 *– Pursuant to SD15 Climate Change Policy, execute Resolution 1938 supporting State carbon pricing policy, reduce operational GHGs to 40% below 2009 levels, and achieve conservation/energy efficiency and peak-energy reductions in combination with smart electrification to equitably and cost-effectively facilitate the reduction of community carbon emissions by 8,500 MTCO2e.*

Quarterly Update – Utility Operations (Annual Goal #1)

Goal #1 – Keep our "day-to-day" performance on track by managing utility operations consistent with Board direction including policies, strategic initiatives, and organizational values with a focus in 2020 on maintaining reliability, enhancing cyber security, and fostering productive workforce engagement.

Q2 Overall Status: **Substantially On Track**

Key Indicators & Measurements	
Financial	Financial Metrics – Governed by Board Policy (including Cash position) Revenue/Contribution Margin/Net Income Budget Controls (Revenue/Rate/Affordability)
Customer Services & Programs	Customer Operations Response & Effectiveness Energy Efficiency/Conservation Program Results (incl. Limited-Income) Communications Effectiveness Building & Renovations Project Response
Capital Investments & Projects	Type I – General Program Results v. Scope, Schedule, Budget Type II – Project Results v. Scope, Schedule, Budget Type III – Project Results v. Scope, Schedule, Budget
Energy Operations & Planning	EWEB Power Supply Performance (Availability) Power Trading Performance Power Planning Activity
Electric System Reliability	Outage Frequency & Duration vs. 5-Year Averages Significant Outages, Causes, Mitigation Preventative Operations & Maintenance (e.g. Vegetation Management)
Water Quality & Reliability	Water Quality Monitoring v. Target (incl. cyanotoxins, PFAS/PFOS, DBPs) Drinking Water Source Protection Results/Activities Treatment Effectiveness Delivery/System Reliability Metrics v. AWWA Benchmarks Preventative Operations & Maintenance
Workforce	Health & Safety Metrics & Activities "Good Catch" Reporting/Preventative Actions Workforce Management (incl. Recruitment) Labor Relations
Security (Physical & Cyber) & Compliance	Intrusions Prevented Preventative Projects & Activities/Results Compliance & Transparency Culture (only self-reporting with mitigation)

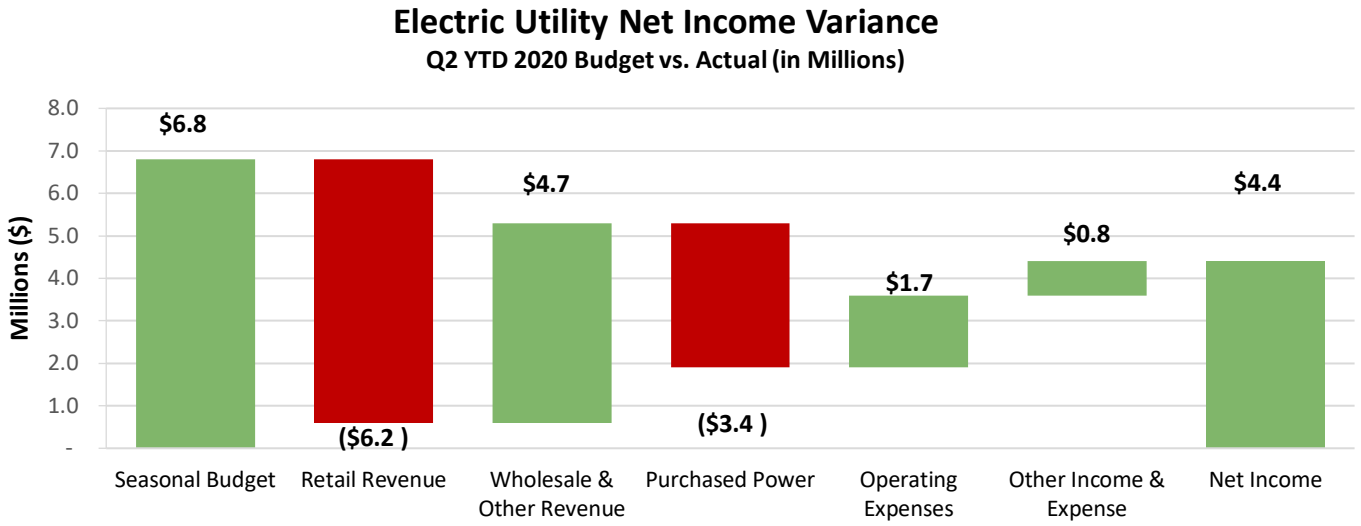
Electric Utility Financial Report

(Deborah Hart)

**See Appendix A – Electric Utility Financial Statements.*

Net Income

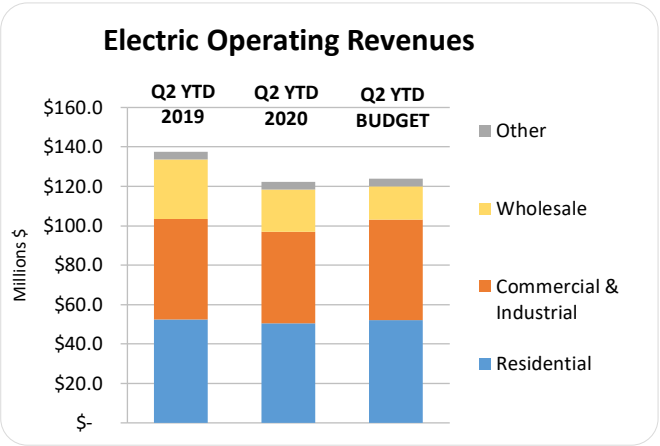
For the quarter ended June 30, 2020, net income for the Electric Utility was $4.4 million. For comparability purposes, the budget has been allocated to reflect seasonal fluctuations in revenue, purchased power, and wheeling.

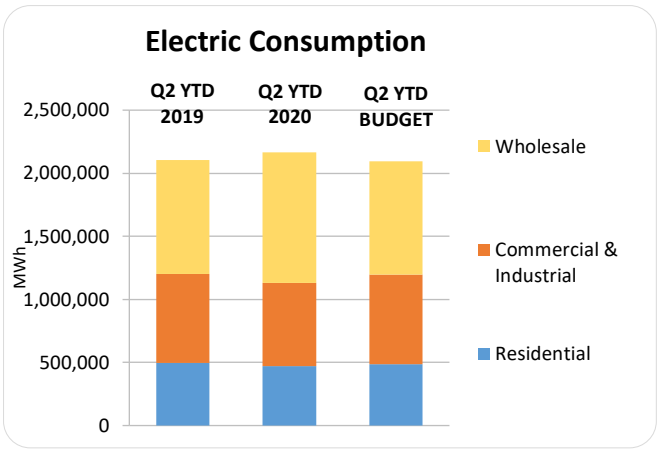


Electric Operating Revenues and Consumption

Retail revenue was unfavorable by $6.2 million when compared to budget assumptions. The unfavorable variance was driven by lower demand due to COVID-19 economic impacts and overall above average temperatures year to date (especially during January). Additionally, one of EWEB's largest electric customers, closed in May. The closure was announced prior to COVID-19 impacts and was not anticipated in the budget. Wholesale and other revenues were greater than budget by $4.7 million. Lower retail demand and portfolio balancing activity increased sales to wholesale markets. This favorable variance was partially offset by the unfavorable variance in purchased power expense. Year to date wholesale prices have been lower due to increased generation in the Columbia River Basin.

For the month of June, the impacts from COVID-19 reduced consumption by 3%, an improvement from the 6% reduction seen in the month of April and the 4% seen in May. Year-to-date retail consumption was below budget by 6% due to COVID-19 and overall below average heating load. Remaining resources available to serve load were sold into the market, and overall levels were comparable to 2019.



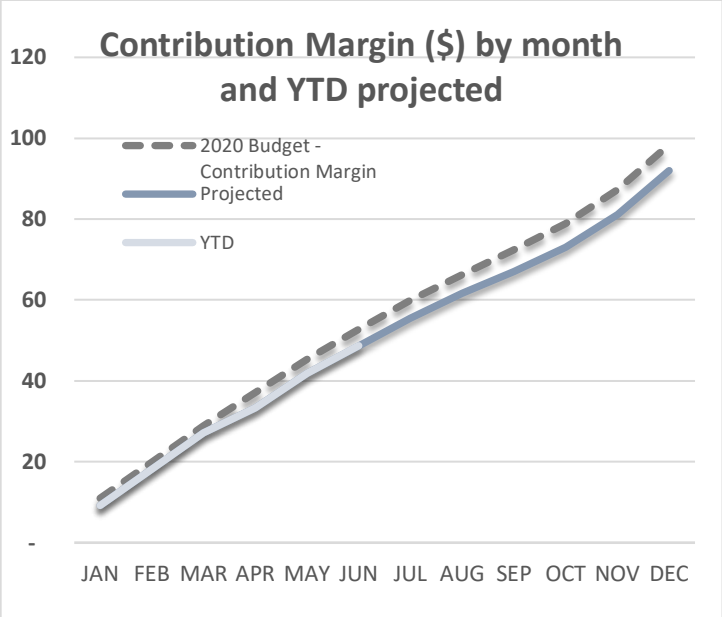


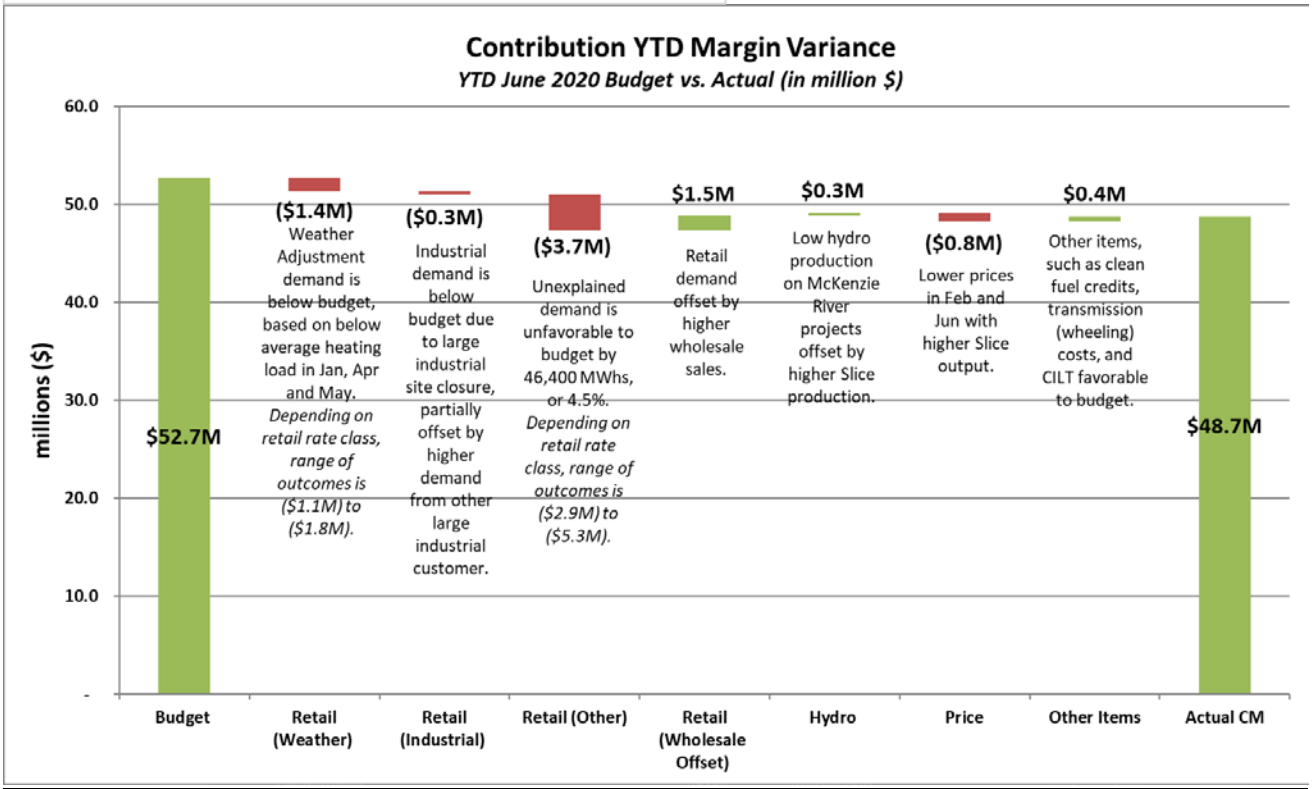
Contribution Margin

At the end of Q2, the contribution margin was unfavorable to the approved budget primarily due to lower retail demand.

The Electric Utility contribution margin represents power sales (retail and wholesale) less power costs. The contribution margin based on 1) retail sales, which are dependent on both weather and economic conditions, 2) hydroelectric production and generating resource availability which is dependent on weather conditions and spill requirements, and 3) power prices, which are market driven. The risks and volatility associated with these factors are managed through a variety of mechanisms including conservative budget assumptions, a power hedging program, and power reserves.

The year-to-date contribution margin variance was $4.0 million unfavorable to the approved budget due to several factors, including lower demand related to warm conditions in January and COVID-19 impacts in Q2; lower production of McKenzie River projects was partially offset by higher BPA Slice production; and low wholesale market prices also unfavorably impacted contribution margin in the first half of the year.





Electric Capital

Q2 capital spending was $12.7 million or 26% of the $49 million annual budget. See Appendix C – Electric Utility EL1 Report.

Revenue Requirement

The 2020 budget was developed without an increase in the overall revenue requirement.

Reserve Levels

Reserves are at or above board targets. The Board discusses the use of reserves above target each spring after the year-end audit. Q2 2020 balances are presented below:

Reserve/Fund	Target	Balance 6/30/2020	In excess of Target
Working Cash	$ 36,000,000	$ 49,492,694	$ 13,492,694
Operating Reserve	4,000,000	4,082,704	82,704
Self-Insurance Reserve	1,720,000	1,773,975	53,975
Power Reserve	17,000,000	17,000,000	-
Capital Improvement Reserve	22,000,000	28,815,875	4,815,875
Rate Stabilization Fund (1)	5,000,000	24,468,927	19,468,927
Business Growth & Retention Loan Fund (2)	-	1,996,890	1,996,890
Pension Fund	-	974,000	974,000
Working Cash & Designated Funds Total	**$ 85,720,000**	**$ 126,605,064**	**$ 40,885,064**

(1) The Rate Stabilization Fund includes $21.5 million designated to reduce future borrowing.

(2) A resolution to transfer the Business Growth & Retention Loan Fund to Working Cash was approved at the July Board meeting

Electric Utility Financial Outlook

The Electric Utility budget initially included a deposit to unrestricted reserves of $3.1 million. The forecast is now a year end deposit to reserves of $1.7 million due to the following:

Initial Budgeted Deposit to Reserves	$3.1 million
Deferred Rate Funded Capital, net of O&M Shift	$4.0 million
Favorable Investment Distribution	$0.5 million
Unfavorable Debt Service	($0.9 million)
Unfavorable Contribution Margin	($6.4 million)
Favorable O&M	$1.4 million
Anticipated Year End Deposit to Reserves	$1.7 million

The forecast contribution margin is unfavorable mainly due to reduced sales related to COVID-19 and the unexpected closure of a major customer beginning May 2020. The year to date $4 million contribution margin is forecasted to expand to $6.4 million as reduced demand is expected to continue throughout 2020.

Local economic impacts due to COVID-19 have impaired customers' ability to pay. Past due receivables are higher and anticipated to remain high. In early June, staff began contacting customers to offer low or zero interest payment plans in order to bring customers current over time.

The capital variance is projected to be $9 million for Type 1 and 2 capital due to ongoing Leaburg canal investigations that are deferring the start of remediation work, as well as delays in the AMI project. The deferral of capital projects causes overhead to shift back from capital to O&M, which reduces the savings.

The higher Investment Distribution is due to higher dividend payout as a result of increased production in an equity position in a generation facility that has performed above budget expectations.

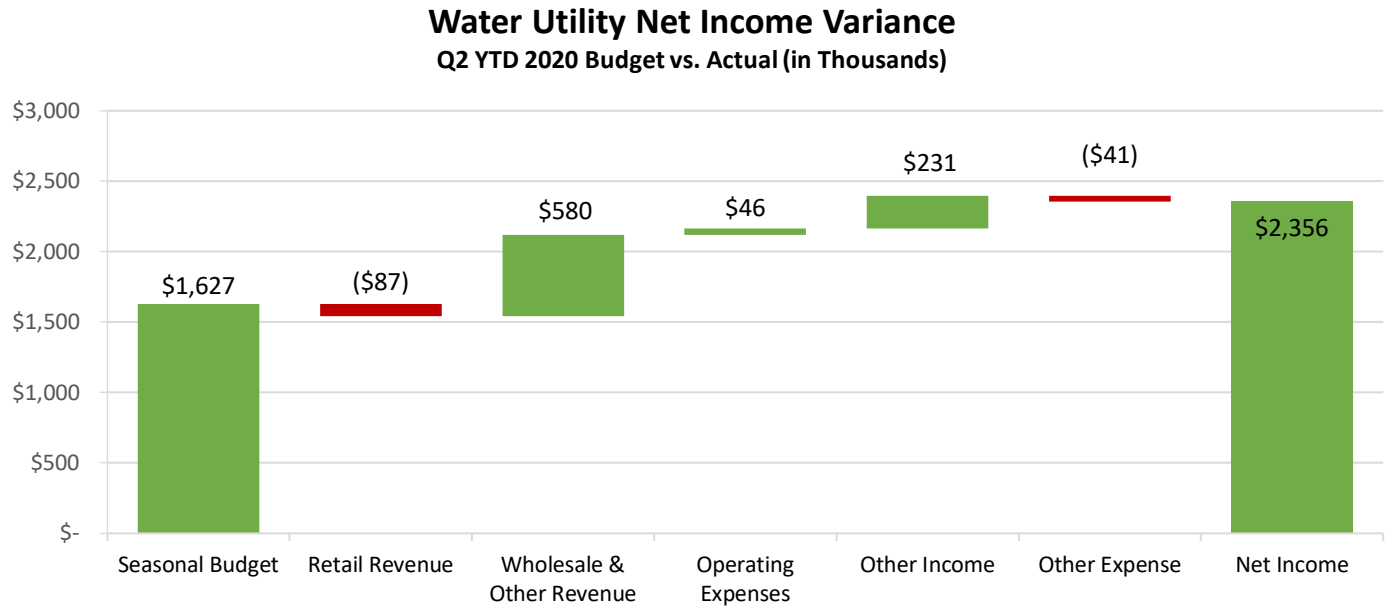
The O&M variance is favorable to budget by $1.4 million due to a combination of vacancy savings of $2.7 million partially offset by a $1.3 million unfavorable non-labor O&M variance.

Water Utility Financial Report
(Deborah Hart)

**See Appendix B – Water Utility Financial Statements.*

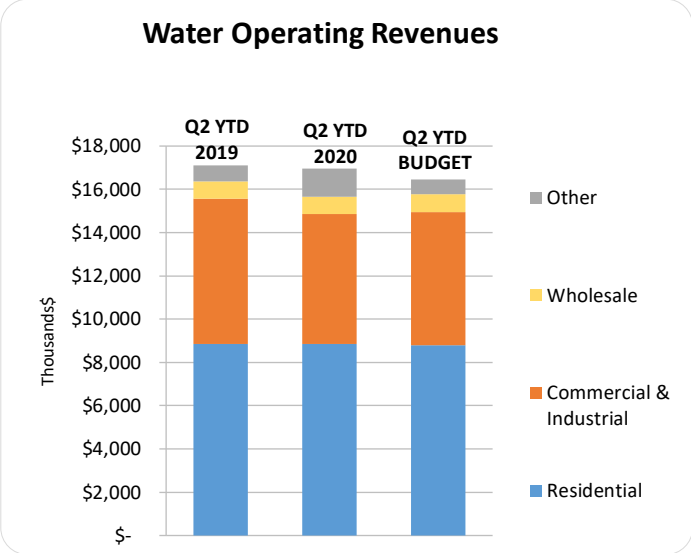
Net Income

For the quarter ended June 30, 2020, net income for the Water Utility was $2.4 million. Compared to the year-to-date seasonal budget, this was favorable by $729,000. The favorable position primarily results from other operating revenue that exceeded the budgeted amount as reflected in the chart below. Within the Water Utility, revenue and maintenance activities peak in the summer months, while production and delivery costs remain fairly constant throughout the year.

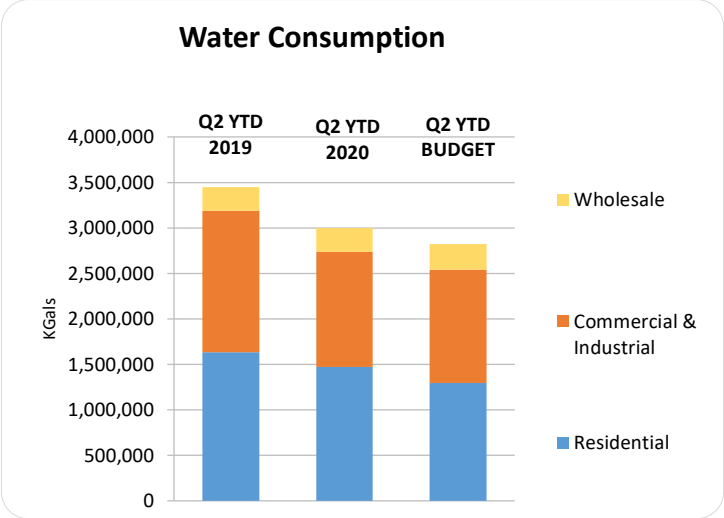


Water Operating Revenues and Consumption

Year-to-date total operating revenues were 3.0% ($493,000) higher than the seasonal budget. Retail revenue had an unfavorable variance of $87,000. Wholesale and other revenue was 38% ($580,000) above budget. This variance was primarily the result of billable work for the water districts, including meter installations for water district customers. Wholesale sales included sales to the Water Districts, City of Veneta, and the Willamette Water Company.



Overall consumption year-to-date was 6% above budget, driven by strong residential consumption. The Water Utility has not yet seen a decline in overall demand due to COVID-19 economic impacts. While consumption year-to-date exceeded the budgeted amount, overall demand declined 13% from 2019. This correlated to contrasts in weather from 2019 to 2020. In particular, June 2020 was cooler than June 2019 with an average high of 74 degrees as compared to 79 degrees in 2019. The historical average high in June is 73 degrees. The consumption budget was set using conservative assumptions of 95% of the prior five year's average. Consumption peaks during summer and above budget trends may change with weather or as customers consider their irrigation usage.



Water Capital

Through Q2, capital spending was $5.8 million of the total $18 million approved budget. See Appendix D – Water Utility EL1 Report.

Revenue Requirement

The 2020 budget was also developed without an increase in the overall revenue requirement.

Reserve Levels

Reserves are at or above board targets. The Board discusses the use of reserves above target each spring after the year-end audit. Q2 balances are presented below:

	Target	Balance 6/30/2020	In excess of Target
Working Cash	$ 3,400,000	$ 12,530,359	$ 9,130,359
Operating Reserve	1,000,000	1,012,184	12,184
Self-Insurance Reserve	280,000	288,712	8,712
Capital Improvement Reserve	7,000,000	12,375,901	5,375,901
Rate Stabilization Fund	1,000,000	1,000,000	-
Water Stewardship Fund- Septic Repairs	-	73,922	73,922
Business Growth & Retention Loan Fund (1)	-	209,546	209,546
Alternate Water Supply Fund	-	5,449,521	5,449,521
Pension Fund	-	393,000	393,000
Working Cash & Designated Funds Total	**$ 12,680,000**	**$ 33,333,144**	**$ 20,653,144**

(1) A resolution to transfer the Business Growth & Retention Loan Fund to Working Cash was approved at the July meeting.

Water Utility Financial Outlook

The Water Utility budget included a deposit to unrestricted reserves of $900,000. The forecast is now a year-end deposit of $2.6 million due to the following:

Initial Budgeted Deposit to Reserves	$900,000
Increased operating revenue	$500,000
Deferred Rate Funded Capital, net of O&M Shift	$1,200,000
Anticipated Year End Deposit to Reserves	$2,600,000

O & M expenditures are at budget. This is based on a $400,000 unfavorable variance for non-labor O&M which is offset by vacancy savings estimated to be $400,000 favorable to budget at the end of the year.

The deferral of $2.0 million of Type 1 and 2 capital, which causes overhead to shift back from capital to O&M reducing the savings.

The impacts of the COVID-19 pandemic and the impacts to retail water sales and the broader economics are still being evaluated and are anticipated to have more significant impacts on the Utility's financial condition. Past due receivables are higher and anticipated to remain high. In early July, staff began contacting customers to offer low or zero interest payment plans in order to bring customers current over time. To date, water retail revenue has tracked above budget. However, an economic downturn, resulting in a 5% reduction in consumption would reduce revenue by $500,000. Water consumption is highest in the summer months and we will continue to monitor and modify forecasts as more information becomes available.

Customer Programs & Services Report

Customer Operations

In the first half of 2020, Customer Service assisted 96,000 customers, down 15% from the first half of 2019. This decline can be attributed to both the lobby remaining closed to walk-in customers and the moratorium on disconnection of service for non-payment.

Customers continue to make ~60 payments each day at the HQ building using the dropbox. About 10 of those daily payments are in cash.

Table: Customer Response Performance YTD 2020

Performance Metric	Result	Comment(s)
Calls Serviced	67,000	Down 11% YoY
In-person Visits (incl. dropbox)	22,000	Down 32% YoY
Emails Answered	7,000	Up 4% YoY
Satisfaction Rating	96%	Rated Satisfied or Very Satisfied; 450 surveys
First Call Resolution	93%	Based on 450 surveys
Call Center Time to Answer	80 seconds avg	Not including ECC 1st of month
Call Abandonment Rate	9%	Not including ECC 1st of month

Financial Assistance, Energy Efficiency/Conservation Programs

Through Q2 EWEB has delivered over $1.1M in bill assistance ($1.08M to 4146 customers through Customer Care and $137k to 839 customers through Energy Share).

Table: EWEB Customer Care (ECC) Program Results

	Q1	Q2	YTD
2019 Actual	$254,000	$157,000	$411,000
2020 Orig.	$270,000	$270,000	$540,000
2020 Actual	$462,000	$547,000	$1,009,000
2019 Recipients	1,260	760	2,020
2020 Recipients	1,780	2,370	4,150

The agility of EWEB's internally managed Customer Care Program has been on display through the financial crisis. The Utility has delivered significantly higher monthly allocations to more customers and done so with shorter processing times. All this has been accomplished with staff working remotely, and in-person intake was discontinued due to lobby closure. Actual third-party administrative fees total less than $35k year to date, relative to a budget assumption of approximately $70k.

EWEB's deemed eligibility process has improved the efficiency of program delivery, both internally and in terms of customer experience. Initially, deemed applications represented were as high as nearly 80%. Deemed rates have been lower in recent months, even given expanded documentation options under the job loss credit. The positive highlight from this trend is that EWEB is serving more customers that have not received other forms of bill assistance in the past.

In April, EWEB approved the first Business Growth & Retention (BGR) Credit application since EWEB's Board of Commissioners approved policy changes to simplify and increase availability of this program to a broader range of customer projects. Valley Milling & Lumber received approval of a two-year credit based on facility expansion that is adding new processes using energy efficient equipment, creating jobs, and has demand response capability. The build out is estimated to be completed by October 1st. The partial year BGR credit for 2020 will be reported in the Q1 2021 Quarterly Report.

Table: Limited Income Energy Efficiency Results

Performance Metric	Result	Comment(s)
Total Residential EE Projects	748	
Income-Qualifying EE Projects	108	27 projects supplemented the grant with a loan
Residential Rental EE Projects	68	Some projects are Income-Qualifying rentals
Total Residential YTD Savings (MWh)	1,142	
Income-Qualifying YTD Savings (MWh)	214	
Residential Rental YTD Savings (MWh)	152	
Total Home Audits	126	95 LI energy education, 4 hi bill site visit, 8 home audits, 19 home energy score
Income-Qualifying electric repair grants	4	These are often related to a heating system upgrade
Income-Qualifying water leak repair grants	14	To replace water line or repair leaks inside the home

Education/Energy Audit

Energy efficiency Home Audits, including the Limited Income Energy Education and Home Energy Score programs have been suspended due to Covid-19 physical distancing guidelines. Prior to suspension, EWEB was on pace to meet organizational objectives. All other Energy Efficiency and Conservation targets are on track and on budget.

Community Involvement

EWEB has invested more than $9 million back into the community year-to-date. The bulk of these investments consist of board-directed education grants, energy assistance incentives and loans, limited income assistance and loans, and Contributions in Lieu of Taxes (CILT) to the cities of Eugene and Springfield. There were no requests for sponsorships, donations or system development charge (SDC) waivers in Q2.

Quarter 2 saw a significant reduction in community involvement through EWEB ambassador and volunteer efforts as the coronavirus pandemic resulted in the cancellation or postponement of most community events. EWEB volunteers were able to participate in the McKenzie River Clean-Up as the nature of the effort allowed for adequate physical distancing and mask wearing. Twelve volunteers including management and staff from EWEB's Water and Environmental departments cleared trash and debris from five areas around Leaburg Dam.

In May, EWEB proceeded with the annual Employee Giving Program campaign raising almost $13,500 for many worthy causes and charities, including United Way of Lane County and EarthShare Oregon. Due to the circumstances related to the coronavirus pandemic, this year's campaign was conducted virtually through electronic communications only.

Appendix F lists contributions through Q2 2020, categorized by type of giving.

Communications

During Q2, the Communications & Marketing team shifted to a nearly exclusive focus on internal and external COVID-related communications. EWEB's key message: *As a community-owned, nonprofit utility, we have always worked with our customers in crisis, and this time is no different*. Communications in available channels focused on EWEB crisis programs, protecting the health and safety of customers and employees, and continuing to provide essential services.

Even during crisis-response, we continued to focus on delivering content that aligns with EWEB's goals and customer priorities as much as possible, including:

1. **Saving energy and money** – Tips, tools and programs to help customers reduce energy/water usage and lower their monthly bills. **COVID-19 lens:** with more customers working from home and children attending school online, content included additional resources for managing utility usage to help lessen impact on bills.

2. **Income-based programs** – Assistance for customers who meet income guidelines or who have difficulty paying their EWEB bill and would like to reduce energy use. **COVID-19 lens:** content included information for customers left unemployed due to the pandemic.
3. **Climate & environment** – Information about electricity supply and programs that help stabilize the climate and protect natural resources**. COVID-19 lens:** to support online learning, we developed a webpage of learn-at-home resources with a focus on hydropower, natural resources and climate.
4. **Emergency preparedness & resiliency** – Steps EWEB is taking to improve electric and water resiliency, and information/programs that enhance household preparedness. **COVID-19 lens:** we shared information about how EWEB was responding to the crisis in order to maintain business continuity and continuing to promote participation in Pledge to Prepare using the pandemic as an example of the important of preparedness.

EWEB relies on a variety of tools and channels to communicate about these topics, primarily leveraging owned and earned (i.e. free) media. Following are the top performing communications by channel for each strategic theme:

Top Performing Communications by Channel & Theme				
	Social Media	*Email	Newsroom	Earned Media
Saving Energy & Money	View post People reached: 762	View email Open rate: 34%	View article Pageviews: 37	View article Focus on finances during pandemic
Income-based Programs	View post People reached: 4,112	View email Open rate: 35%	View article Pageviews: 158	View article EWEB doubles funding for customers
Climate & Environment	View post People reached: 1,046	View email Open rate: 45%	View article Pageviews: 113	N/A
Emergency Preparedness & Resiliency	View post People reached: 2,325	View email Open rate: 60%	View article Pageviews: 170	View article EWEB to replace water main on Chambers Street

*Considering the crisis, we suspended our routine distribution of topical email newsletters to focus efforts elsewhere.

Additional significant communication activities, challenges, results

Celebrating Drinking Water Week: Staff ramped up customer outreach and education activities throughout National Drinking Water Week (May 3-9). The 2020 theme "There When You Need It" was used to remind and inform customers about all the steps EWEB takes for source protection, treatment, testing and monitoring for Harmful Algae Blooms. All of these measures make our water outstanding, as shown in this year's Water Quality Report. The communications effort included several eweb.org Newsroom stories and several social media posts that generated positive feedback.

Connecting with Employees During the COVID-19 Crisis: The coronavirus pandemic created a need for EWEB to support employees in an unprecedented manner. In response to the crisis, the Communications & Marketing team shifted resources to support employee engagement and internal communication with focus on maintaining flow of information, enabling communication from leadership and demonstrating care for employee safety and wellness. Staff published 19 internal newsletters with an average open rate of 49 percent.

Supporting temporary suspension of disconnects for non-pay: We targeted additional communication efforts towards customers whose accounts were eligible for disconnection due to non-payment. The primary message: *Even if you can't pay your bill in full at this time, it is beneficial to make at least partial payments as you are able. This will help keep your accrued balance down and reduce your risk of future disconnection once the moratorium is over.*

Building & Renovations

EWEB continued to work on customer-driven construction projects throughout the quarter, including during the pandemic with special precautions around field visits to customer sites for public and staff safety.

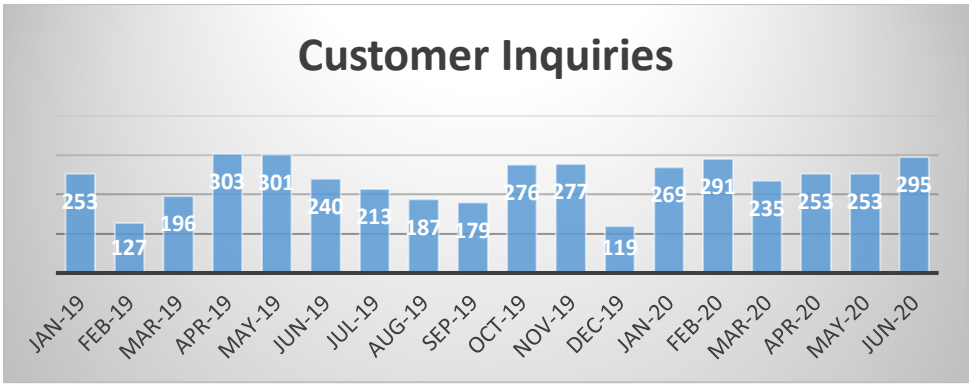
Distribution Engineering continues to innovate and adapt its workflow and processes to meet customer electric design requests. The following bullets speak to the statistics within the table below.

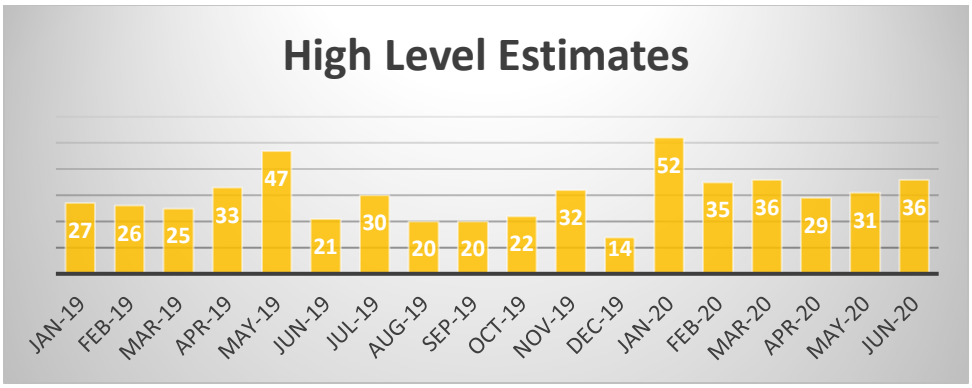
- Customer inquiries have increased compared to this time last year, indicating continued potential customer construction projects (small and large).
- Projects released for construction had decreased due design staffing constraints (-33%), as well as incremental output reduction due to adjustment to COVID related operational changes and onboarding of new staff.
- Projects assigned for design, but awaiting on additional customer project information had decreased due to limited design staff and efforts to ensure reporting accuracy
- Average wait time at end of Q2 was near target at 3.5 weeks, however, the wait time has increased to 6-7 weeks at the time of this report. New staff are in process of recruitment and re-prioritization of work is being completed to reduce this lead time to target.

Distribution Engineering Customer Performance Metrics

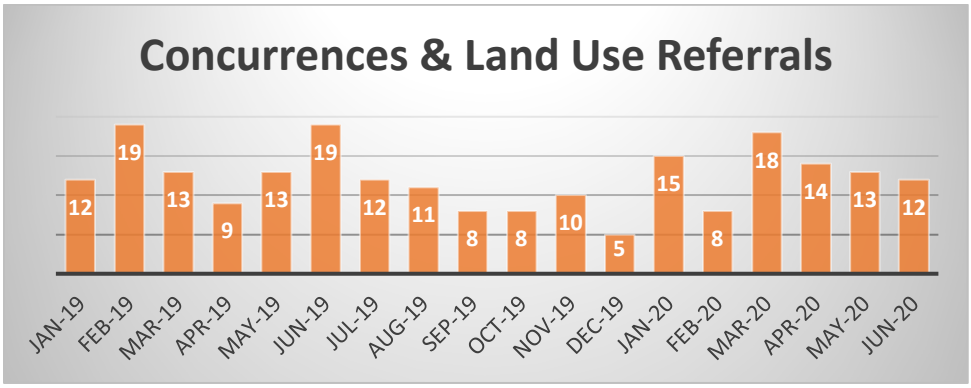
Performance Categories (Customer-Driven)	Year to date Q2 2019	Year to date Q2 2020	Percentage (+/-)
Customer Inquiries	1420	1533	+8%
Projects Release for Construction	203	163	-20%
Projects Waiting for Customer Information	61	33	-46%
Design Queue Wait Time (time from customer inquiry to start)	2.5 weeks	3.5 weeks	

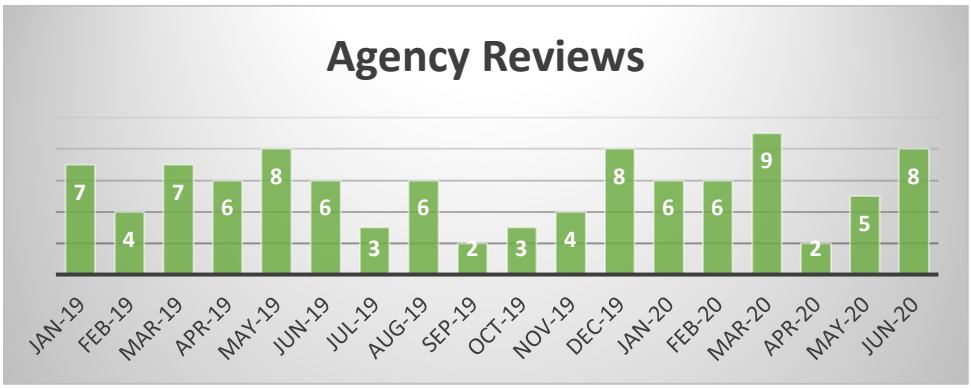
The below graphs show a 1.5-year trend from 2019 to Q2 of 2020. These graphs exhibit either stable or increasing customer work inflow from the community, even though the COVID pandemic. Customer inquiries are the first step in Electric Distribution project works, with some of these inquiries moving forward to the high-level estimate stage. Both tasks are expense tasks within the Distribution Engineer department with these services intended to provide a higher level of customer service.





Concurrent and Land Use Referrals and Agency Reviews are workflow inputs related to property and City or other agency project works that require review by internal staff. These work categories also have been stable over the course of 2020 except for April and May Agency reviews.





[Return to Type 1 Capital – Electric Transmission & Distribution]

Customer Programs & Services – Water

The Water Utility has started to track information related to the timeliness of its response to customer new service requests. This information will primarily be used to verify that resources are allocated correctly in our work. If our timeliness slips, then we may shift additional resources into this area and vice versa.

The information we are tracking includes:

- Design Time – the time it takes EWEB to complete the design of a new service once the customer makes an official service request.
- Time Waiting on Customers – the time EWEB spends waiting for customers to pay or complete the required paperwork for a new service.
- Construction Time – the time after which a new service is paid for to when construction starts on the service.

The table below shows this information for completed services for the first quarter of 2020. Due to the length of time the new service requests take to complete, the data reported will be for the prior quarter. Going forward as more data is gathered trendlines will be established to show any increases or decreases in the timeliness of our customer service requests.

Number of New Service Requests	33
Design Time (Avg)	6 Days
Time Waiting on Customer (Avg)	22 Days
Construction Time (Avg)	15 Days

Capital Investments & Projects

Electric Utility and Shared Services Capital Spending Summary & Project Updates

**See Appendix C – Electric Utility EL-1 Capital Report. Shared Services project updates are provided within the Electric Utility Capital section, but the project budget and costs are split between Electric and Water in the appendices.*

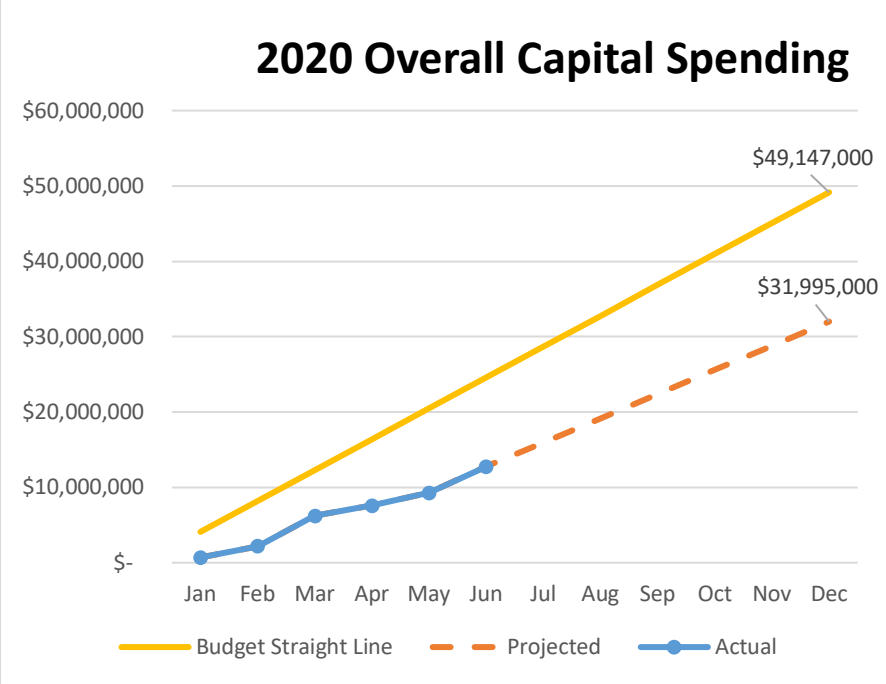
Summary

The Electric Capital Improvement plan (including Support Services and IS) ended the second quarter of 2020 at $12.8M, or 25% of budget. As shown in the EL-1 Report, it is anticipated that overall year end spending will end at $32M, or 65% of the $49M budget. The main drivers for the under-spend are an anticipated $8M variance associated with the Carmen Turbine-Generator work due to contractor delays, and approximately $9M of underspend associated with delays to Type 1 Reliability Work because of COVID delays and competing emergent work, and deferrals of Type 2 strategic work.

Major drivers in Type 1 and 2 work underspends are:

- Type 1 – $1.2M – COVID related due to reduction of internal work during initial pandemic shutdown; deferral of planned reliability work due to emergent equipment failures
- Electric AMI Deployment – $4M – COVID related due to halting deployment during initial shutdowns to limit staff interaction with customers, internal process improvements required for preparing for accelerated deployment, communication infrastructure limitations
- Leaburg Canal and Leaburg Substation Demo - $2.7M – work deferred until decision around future of Leaburg canal is finalized

Excluding Carmen Type 3, spending is currently projected at $21M or 71% of the $29.7M Type 1 and 2 combined budgets. Staff are currently monitoring project progress and customer driven work to determine 2020 project delays associated with COVID impacts related to community economic pressure, and also restrictions for personal safety which effect work progress. Even with some anticipated budget and schedule impacts, COVID specific related pressures have not significantly affected system reliability or long-term projects at this time.



TYPE 1 – General Capital Projects (Electric and Shared Services)

Type 1 General Capital is budgeted year-by-year for routine capital expenditures totaling less than $1 million and is funded with rates and customer contributions. Typical examples include "pole replacements" as part of Transmission & Distribution.

Substation Infrastructure (Risk Based Improvement)

Planned work for 2020 includes:

- IP Substation Transformer Replacement – This transformer has been replaced and will be carrying load in Q3. (Risk Based)
- Willow Creek Substation Upgrades –New Transformer with LTC has been installed and commissioning in progress. Schedule delays due to emergent Weyco 3 transformer replacement work but expected to be complete early Q3. (Compulsory/Risk Based)
- Westmoreland Substation Upgrades – Controls, Protection, High Voltage switch and bus replacement. The bulk of this project has been delayed until 2021 due to emergent work and limited resources (engineering and operations). Likely that the replacement of 2 switches and connected equipment, already procured, will be finished Q4.

Transmission & Distribution Infrastructure (Risk Based Improvement and Compulsory)

Work includes distribution system replacement and renewals, as well as customer reimbursable work. Customer driven work is currently trending as historical and will be monitored for effect of COVID due to community pressures (see Customer Operations Section). Delays associated with internal work has been experienced as a result of the EWEB Executive Orders to limit work under COVID restrictions. Below is a summary of key internal work planned in 2020:

- Live Front Switch Replacements - Safety
- Upriver distribution transformer replacements – Strategic/Risk-Based/Reliability
- Capital PUC & Pole Test & Treat – Compulsory
- Laurel-Currin Transmission Line Re-insulation – Risk-Based/Reliability

TYPE 2 – Rehabilitation & Expansion (Electric and Shared Services)

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. A summary of significant projects follows:

Downtown Distribution Network (Risk Based Improvement)

Project Initiation:	Sept-2010	Initial Scope Budget:	$ 15,000,000
Initial Planned Completion:	Dec-2015	Actual Project Costs To-Date:	$ 9,696,000
Projected Completion:	Dec-2028	Total Final Cost Projection:	$20,000,000

Summary of work for 2020:

- Installed the four 15kV manual tie switches for downtown network feeders & upgraded 6 of the 8 feeder cables and energized 2 of the switches. This project will substantially increase resiliency of the Downtown Network and will allow for reduced switching time from days to hours in the event of a source substation equipment or line failure (Resiliency).
- Continuation of additional Network Infrastructure planned replacement (Network Protectors and Transformers) is anticipated to resume Q2/3. (Risk Based)

ROC Consolidation (Shared – Electric share only shown) (Strategic)

Project Initiation:	Aug-2018	Initial Scope Budget:	$ 2,500,000
Initial Planned Completion:	May-2019	Actual Project Costs To-Date:	$ 4,863,000
Projected Completion:	May-2020	Total Final Cost Projection:	$5,285,000

Construction activities are complete. Furniture has been installed with only a few punch-list related items left to address. COVID19 related disruptions have caused delays with employee moves, however several have taken place, including

partial occupancy of the new Call Center. Additional employee moves are currently being coordinated, including Dispatch and Trading.

Transmission & Distribution - Master Plan (Strategic and Risk Based Improvement)

Project Initiation:	Mar-2017	Initial Scope Budget:	$ 1,250,000
Initial Planned Completion:	Dec-2018	Actual Project Costs To-Date:	$ 781,000
Projected Completion:	Dec-2020	Total Final Cost Projection:	$1,250,000

This work is part of the Resilient Spine initiative and captured the purchase of property for the Thurston Substation Expansion. The purchase was completed in September 2019. Engineering is working through scope details of new High Banks Substation with BPA and surrounding utilities. Construction of High Banks Substation is planned for 2023-24. Currin Substation Rebuild expected to start construction Q2 2022. Costs shown are preliminary design and preparations for scoping (i.e.: property procurement, neighboring utility agreements). When initial design activities are completed, an updated estimate including this work will be included in future EL-1 submittals and as part of the normal budget approval process.

Distribution Resiliency Upgrades

**Refer to the Emergency Preparedness and Recovery Report for a comprehensive update [Goal #4 – Enhance Emergency Management Programs]*

Grid Edge Demonstration (Howard Elementary Microgrid) requires a main controller upgrade to fully utilize the microgrid system and meet grant requirements as a final punch list Item. This controller upgrade is estimated to cost $150k and is planned for design in 2021, installation coordinated with 4J in 2022.

There are 15 FEMA 406-Funded projects for the Distribution Resiliency Upgrade Project:

- Twelve (12) were completed at end of 2019.
- Three (3) will be completed in 2020
- There is one FEMA 404 project yet to be approved by FEMA.

Upriver Re-Configuration/Holden Creek Substation (Strategic and Risk Based Improvement)

Project Initiation:	Jan-2014	Initial Scope Budget:	$3,000,000
Initial Planned Completion:	Oct-2015	Actual Project Costs To-Date:	$8,744,000
Projected Completion:	Dec-2022	Total Final Cost Projection:	$8,900,000

Construction at Leaburg Substation to reduce existing footprint and connect Leaburg to Holden Creek completed in November 2019. The final phase of the Leaburg Substation reduction (design and construction at a cost of $600k) has been put on hold pending completion of EWEB's internal investigation regarding the future of the Leaburg generation facility and approval of a path forward from FERC regarding the canal.

Advanced Metering Projects (Electric and Shared Services)

**Refer to the Advanced Metering Report for a comprehensive update [Goal #2 - Advanced Metering]*

Customer Experience Improvement Project (Shared)

**Refer to the Customer Experience Improvement Project section for a comprehensive update (Goal #3 – Streamline and simplify our most common customer interactions, including new self-service options, easy-to-understand bills, and secure ways to pay.)*

TYPE 3 – Strategic Projects & Programs (Electric and Shared Services)

Type 3 projects are large strategic programs with long term impacts and are generally bond-funded.

Carmen-Smith Powerhouse Improvements and License Deployment

Project Initiation:	Sept-2010	Initial Scope Budget:	$ 135,000,000
Initial Planned Completion:	Dec-2015	Actual Project Costs To-Date:	$ 78,940,000
Projected Completion:	Dec-2028	Total Final Cost Projection:	$ 129,500,000

Summary of work for 2020:

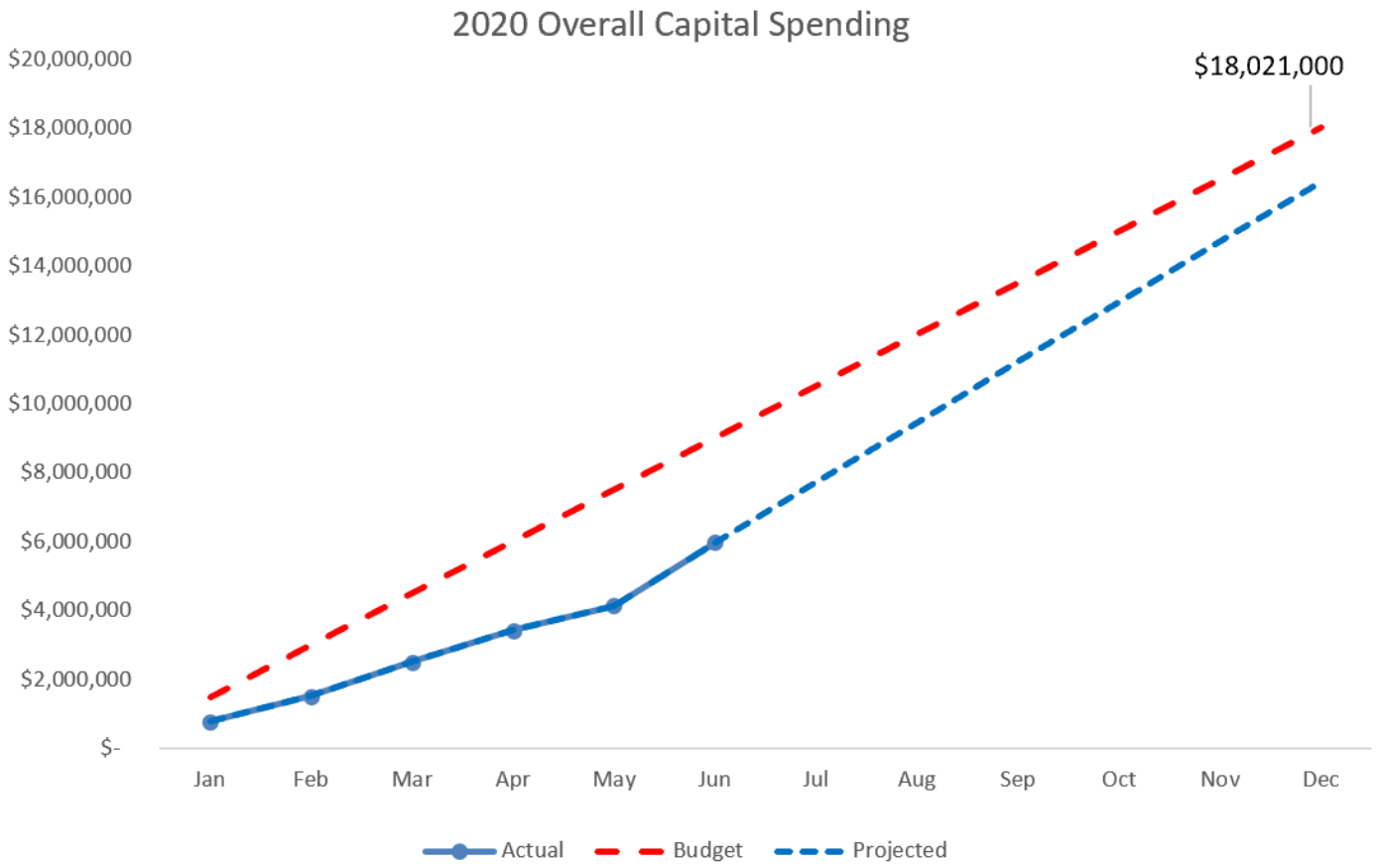
- Turbine Runner replacement and Generator Rewind for Unit 2 – Project delayed due to COVID-19 issues and contractor performance delays. Staff expects the project to restart in Q1/2021. During this gap year, EWEB plans to insert digital governor conversion and exciter upgrade work which was originally planned for 2022.
- Aquatics Management Plan: Fish passage design as required in the Aquatics Management Plan is at the 60% design stage and is expected to reach the 90% stage by the end of the year. Passage construction is expected to begin in 2022 and be complete in 2025. Staff are working closely with the regulatory agencies to shorten the design and construction durations.
- Other Management Plans: Work on the remaining management plans is focused on drafting the specific actions and management methods for the benefit of wildlife, vegetation, recreational and other supporting efforts for the project.
- Additional license-related projects underway in 2020 include installation of bird flight diverting devices on overwater transmission line spans, preparations for relocating the transmission line currently in Deer Creek out of the riparian area, planning and design for upcoming recreation improvements and preliminary design work for the bypass pipe at the Carmen powerhouse.

Water Utility Capital Spending Summary and Project Updates

**See Appendix D – Water Utility EL-1 Capital Report. Shared Services project updates are provided within the Electric Utility Capital section, but the project budget and costs are split between Electric and Water in the appendices.*

The Water Capital Improvement Plan is currently projected to end the year below the projected budget with expenditures being approximately 91% of budget. While one project saw a delay due to workload early in the year, this underage is primarily due to the work slowdown as a result of the pandemic. This primarily affected the Type 1 work and advanced metering project normally completed by EWEB staff. The advanced metering work is back on track however and the larger Type 2 projects were not really affected by the pandemic. These are projected to finish the year with expenditures closely matching budget.

In the first quarter, we saw a slowdown in service and development work. Service work came back and we are on track at the end of the second quarter. Development work is still down but we are seeing a lot of activity in this area as people are starting to ramp projects back up. We will be monitoring this area closely to see if this continues as work gets back on track.



TYPE 1 – GENERAL CAPITAL PROJECTS

Type 1 General Capital is budgeted year-by-year for routine capital expenditures totaling less than $1 million and is funded with rates and customer contributions. Typical examples include "main replacements" as part of Distribution & Pipe Services. A summary on two areas of Type 1 Work follows:

Source – Water Intakes & Filtration Plant (Risk Based Improvement and Compulsory)

This is one area of Type 1 work that will actually see an overage in 2020. As we wrap up our resiliency efforts at Hayden Bridge there are numerous smaller projects happening in 2020. These include some pipe improvements to the 'house water system', replacement of a variable frequency drive at the finish water pump station, and an upgrade of the filter control system. In addition, additional source water quality equipment will be purchased under the capital budget for this area.

Distribution Pipe and Services (Risk Based Improvements and Compulsory)

Water main replacements and improvements are the largest component of the Type 1 work with respect to expenditures. The work slowdown in the first two quarters affected this work however we have several large projects that will be contracted out in the second half of the year which should result in approximately 90% of budget to be spent at year end. Some of the large projects include a main replacement on Saratoga Ave which is being completed in conjunction with the electric utility and a large main replacement in the Willagillespie area in North Eugene.

TYPE 2 – REHABILITATION & EXPANSION PROJECTS

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. A summary of two significant projects follows:

A summary of two significant projects follows:

Hayden Bridge Lab and Back-Up Services Building (Risk Based Improvement)

Project Initiation:	2011	Initial Scope Budget:	$1,500,000
Initial Planned Completion:	Q4 2020	Actual Project Costs To-Date:	$ 661,000
Projected Completion:	Q4 2020	Q3 2019 Final Cost Projection:	$2,100,000

The replacement of the water quality lab at Hayden Bridge has been a planned project for almost ten years. The issues with the existing lab, the need for replacement, and initial plan were documented in a Lab Master Plan completed in 2011. During the subsequent planning for the second source Willamette Treatment plant, the new lab was incorporated in that plant as the location would facilitate sampling efforts. With the deferment of the second plant, in 2017 planning began for the new lab to be constructed at Hayden Bridge. Design was completed in 2019 and the Board approved a contract for the construction of the lab early this year. The Contractor broke ground on the new lab building the first week in April and construction is anticipated to be complete by year end.

Base Level Reservoirs (Compulsory)

Project Initiation:	2018	Initial Scope Budget:	$10,250,000
Initial Planned Completion:	Dec-2021	Actual Project Costs To-Date:	$ 316,700
Projected Completion:	Dec-2022	Total Final Cost Projection:	$12,000,000

In 2018 staff began planning work on the replacement of three of EWEB's base level reservoirs, College Hill, Hawkins Hill, and Santa Clara. These will be replaced with more resilient smaller reservoirs designed to current seismic standards. This work was derived from the Distributed Storage approach presented in the 2015 Water System Master Plan. Planning and conceptual design work is occurring for placement of new reservoirs at three locations; East 40th Ave. (the Elliot Site), College Hill, and Hawkins Hill. While planning and public outreach is occurring for all three sites, the first reservoir to be constructed will be at East 40th Ave. In the second quarter staff received concurrence from the City of Eugene that non-elevated water storage reservoirs are an allowed use and are exempt from the PUD process which allowed staff to prepare and advertise a request for proposals for detailed design. In early Q3, the Board should see a contract for the design of this facility. Construction is planned to start in Mid-2021 and be completed by the end of 2022.

Note that the cost projection shown in the table above is the estimated cost to complete the design and construction of just the storage tank at E. 40th Ave with some earthwork completed for a future second reservoir at that site. This estimated amount will be verified as design is completed and more accurate cost estimates are prepared. The Ten-Year Water Capital Plan includes approximately $57 Million to construct four base level reservoirs, including the first one at E. 40th.

Advanced Meter Upgrade (Water)

**Refer to the Advanced Metering Report for a comprehensive update (Goal #2 – Advanced Metering)*

TYPE 3 – STRATEGIC PROJECTS & PROGRAMS

Type 3 projects are large strategic programs with long term impacts and are generally bond funded.

Emergency Water Supply

**Refer to the Emergency Preparedness and Recovery Report for a comprehensive update (Goal #4 – Improve Resiliency)*

Water Operations Report

The Water Operations Section uses the Multiple Barrier Approach to Safe Drinking Water, an integrated system of procedures, processes and tools that collectively prevent or reduce the contamination of drinking water from source to tap. The purpose of this approach is to provide safe, reliable drinking water to customers 24/7/365 and to reduce the operational risks to public health while being good stewards of our customer/owner's infrastructure and funding resources.

Drinking Water Source Protection

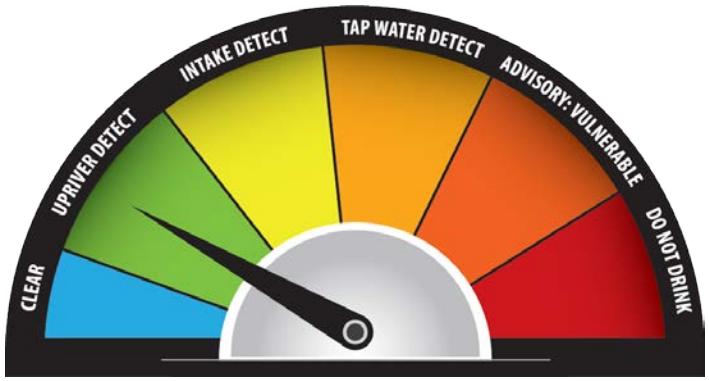
The purpose of the Source Water Protection Program is to minimize adverse impacts on the source of our community's drinking water. Specifically, the program aims to reduce the risk of pathogens and pollutants entering the treatment plant to in turn manage or reduce the degree of treatment required.

Q2 Project Updates

The Drinking Water Source Protection Program worked closely with City of Springfield, Willamalane, watershed councils and other partners to successfully secure $200,000 from EPA and $30,000 from Oregon Health Authority for design and implementation of green infrastructure projects to treat urban runoff. The initial project will focus on drainage and green infrastructure treatment of runoff from Oregon Industrial Lumber, Child Center, and Marcola Road near EWEB's intake.

Cyanotoxins

EWEB began monitoring for harmful algal blooms (HABs) and cyanotoxins in mid-March 2020. There were low levels of the cyanotoxin cylindrospermopsin detected in Blue River reservoir in late April/early May. No other cyanotoxins have been detected elsewhere in the watershed. EWEB's website is updated whenever new test data becomes available. The current status is "Upriver Detect" for the second quarter due to the Blue River Reservoir detections. For more information see: http://www.eweb.org/outages-and-safety/water-safety-in-your-home-or-business/drinking-water-quality/harmful-algae-blooms).



Cyanotoxin Detection Status

Pure Water Partners Program

The Pure Water Partners (PWP) program is an incentive-based strategy that aims to protect existing healthy riparian and floodplain areas and restore degraded riparian forests along the McKenzie River through voluntary actions with landowners. The PWP program was initially rolled out to McKenzie landowners in mid-2018. Landowner engagement workshops were cancelled due to Covid-19, but a webinar was organized and about a dozen landowners participated. The following landowner participation statistics reflect program activity to date.

Landowners in PWP Program	Cumulative Totals	2020 Totals	2020 Goal
Initial PWP Intake Phase	15	1	--
PWP Riparian Assessment Phase	20	5	--
PWP Management Plan Phase	6		--
Signed PWP Agreements	9	2	10
PWP Naturescaping Only	36	2	--

Total Landowners in PWP	89	10	20
Total Riparian Acres in PWP Program	616	178	--
Total Riparian Acres Under PWP Agreements	79	8.5	100

Water Treatment

McKenzie River water is treated to drinking water standards using conventional treatment trains that include redundancy to protect from treatment failures. The treatment process is closely monitored and constantly adjusted to ensure production of safe drinking water prior to delivery to customers.

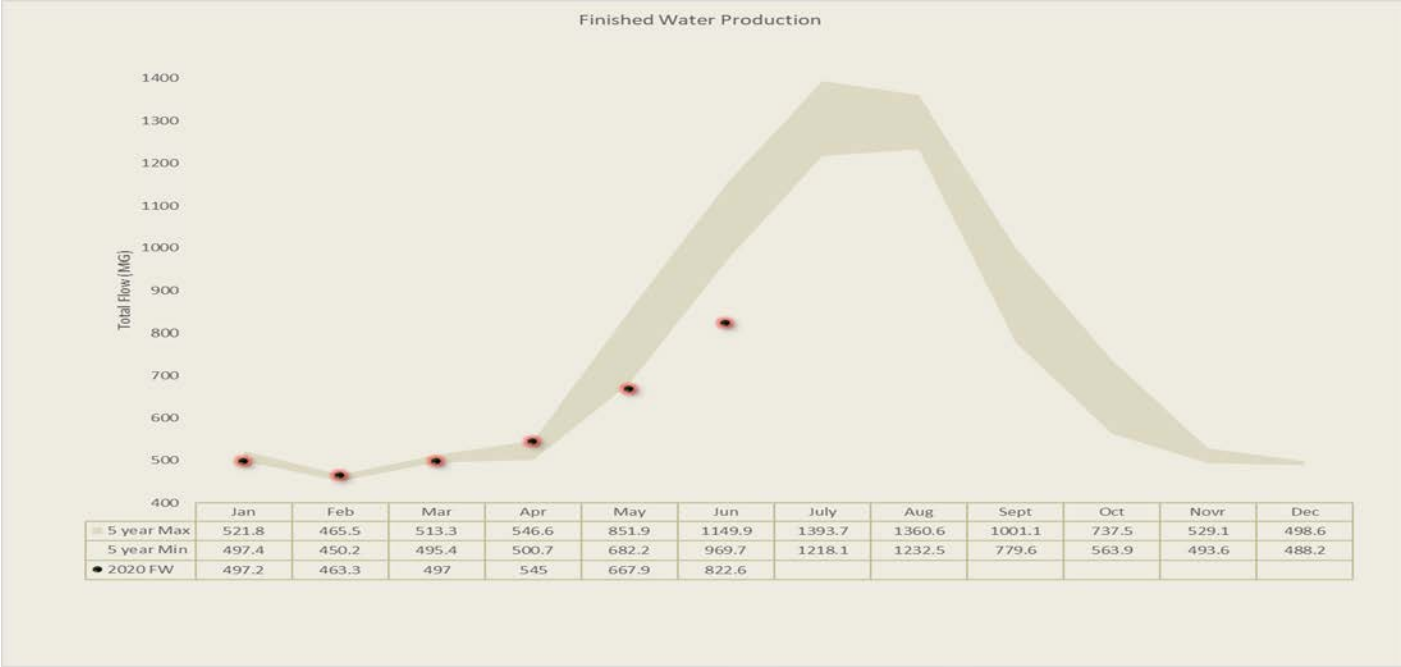
Q2 Project Updates

Full-scale tests continued in biofiltration to establish that the process is viable long-term. Results from enzyme testing showed that filter shutdown was associated with increasing enzyme activity in the effluent water, likely due to slough-off of the filter media. Common water quality parameters such as turbidity, dissolved organic carbon and disinfection by-production formation indicate that current operational strategies with respect to filter shutdown and filter-to-waste produce acceptable water quality, and despite the elevated enzyme activity in the samples, water quality achieved all regulatory requirements when the filters were put into service. Samples collected post-chlorination resulted in 0 enzyme activity, indicating that disinfection was capable of inactivating any biological components released from the filters. Based on these results it was determined that filter shutdown duration did not negatively impact filter performance and that the filter-to-waste process was acceptable with respect to treated water quality. This confirms the tests run during the pilot study.

During Q2 the pilot filter was repurposed as a platform for testing biofiltration's ability to treat cyanotoxins. Acquiring toxin standard to test effectiveness of treatment has proven cost prohibitive so the staff is collecting toxin from known blooms in the watershed. To date we have not identified toxin concentrated enough to test removal efficiency, however there have been several runs on the pilot filter and the procedure has been refined. Testing of this nature may take several years based on toxin availability. We will keep the process ready should an opportunity present itself.

Production

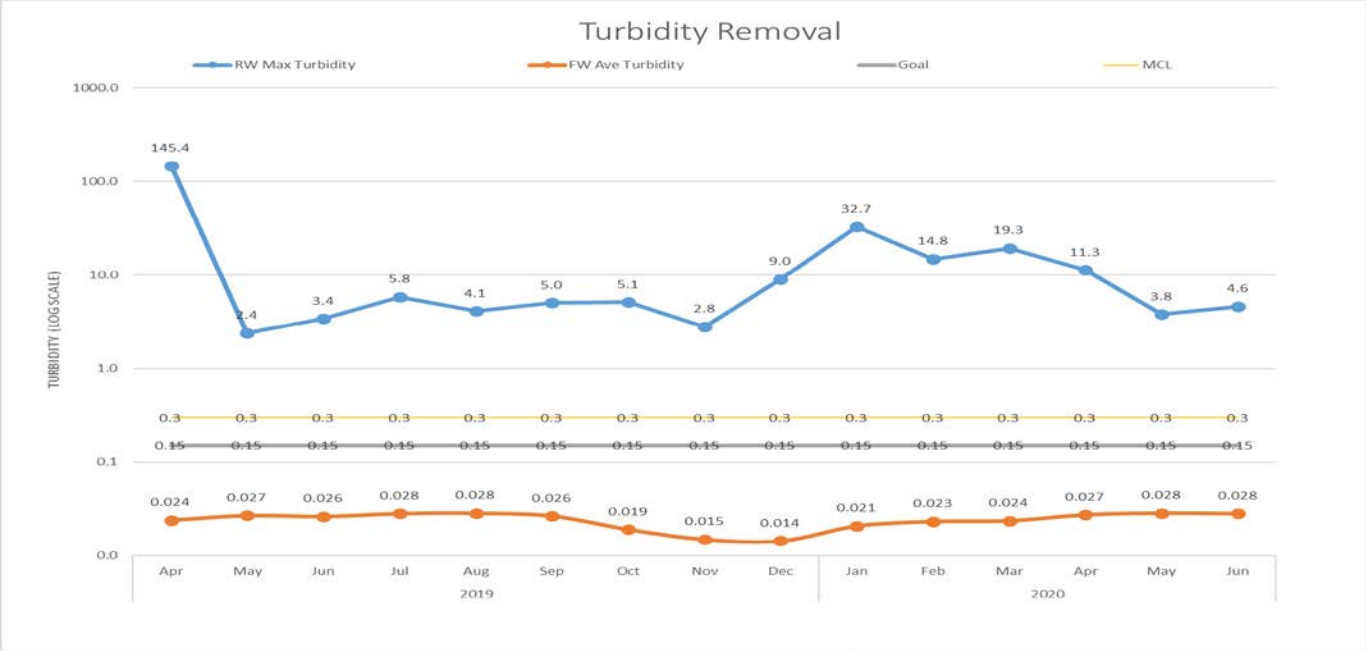
Production levels for the second quarter were below the 5-year minimum as shown in the chart below. June had the lowest water demand along with the coolest and wettest start to summer since 2012 with an average temperature of 62.2 °F and 1.41 inches of rainfall in the central Willamette Valley. Chlorine Usage and Electric Consumption are being monitored to determine what saving are realized for operating costs using the new chlorine system. Chlorine Usage and Electric Consumption goals are on track after lower than expected water demand.



	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Novr	Dec
5 year Max	521.8	465.5	513.3	546.6	851.9	1149.9	1393.7	1360.6	1001.1	737.5	529.1	498.6
5 year Min	497.4	450.2	495.4	500.7	682.2	969.7	1218.1	1232.5	779.6	563.9	493.6	488.2
2020 FW	497.2	463.3	497	545	667.9	822.6						

Filtration Performance

Turbidity is a measurement of the clarity of water, which is an important indicator of filter performance that tells us if we are effectively removing microorganisms in the water. The Maximum Contaminant Level (MCL) for turbidity in drinking water is 0.3 NTU in 95% of the samples. The national performance optimization goal for turbidity in drinking water is 0.15 NTU in 95% of the samples. Filtration performance continues to show our filtration process is optimized.



Water Supply System Reliability

Once the water is adequately treated, the quality must be maintained as it is delivered to EWEB customers. Replacing aging infrastructure, repairing leaks, flushing, maintaining a disinfectant residual and positive pressure, and protecting against cross-connections are critical aspects of the program to ensure water quality, reliability and adequate fire flow.

Significant Outages and EWEB Caused Boil Notices

On Sunday, June 28, the Water Construction crews worked on cutting in a 20" tee and valve into the existing 20" ductile iron water main near 8th and Hilyard Street. The extent of the work required an extended outage. A 16-hour outage was scheduled from 3:00 pm Sunday afternoon to 7:00 am Monday morning. The outage affected 28 properties between Hilyard and Pearl St. The crew did an outstanding job and was able to get the water turned on five hours ahead of schedule.

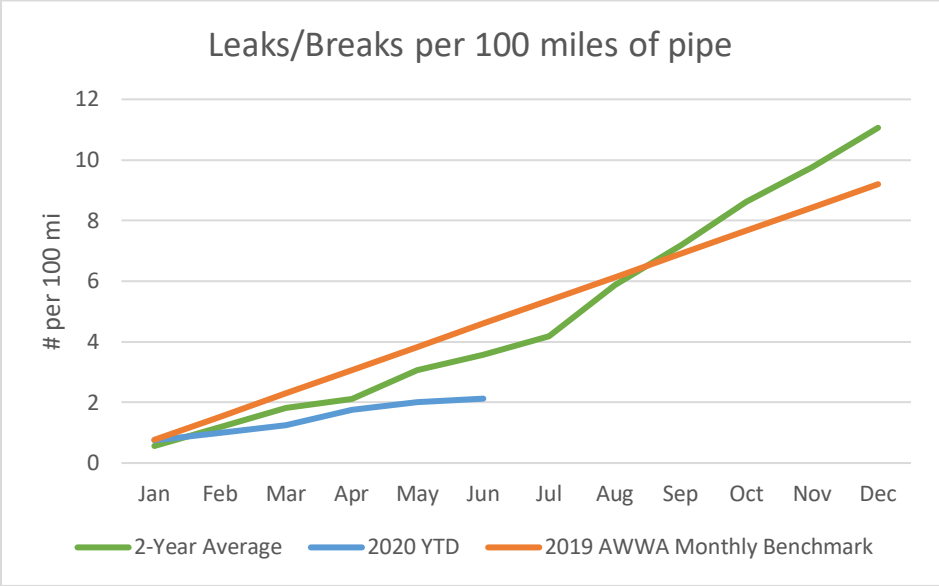
Leaks/breaks per mile & unplanned outages

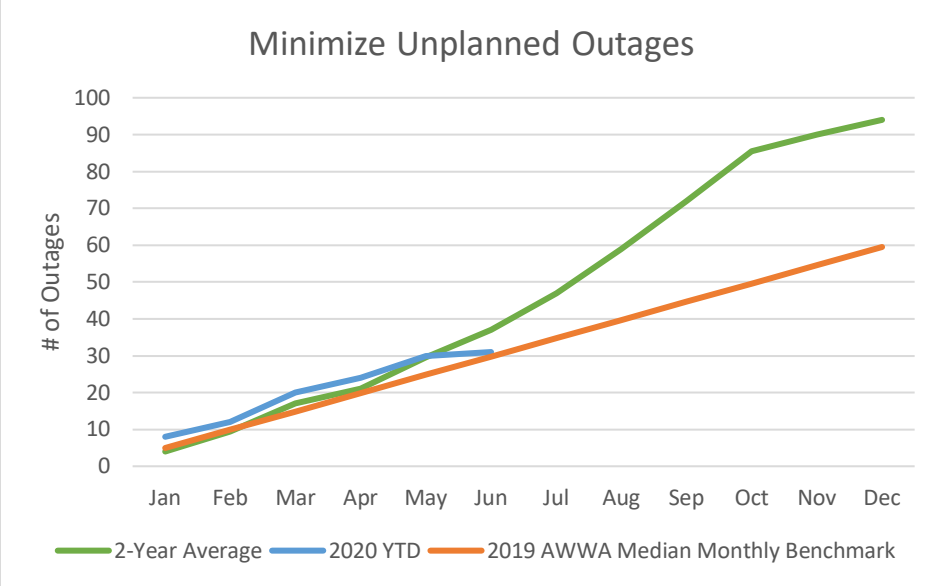
The two graphs below compare EWEB Leaks/Breaks per 100 miles of pipe and number of unplanned outages to the American Water Works Association (AWWA) benchmarks. These benchmarks represent the 'national average' amongst utilities for these two parameters.

Water is watching these metrics to see if the trend continues. Any action (i.e. increased investment in main replacements) will take a long time to have any real effect on the results shown below. There is a plan to increase investments in main replacements once the upgrade of water's Resilient Spine (Base Level Reservoirs/Transmission) is complete. If the below EWEB metrics change much for the worse, we may look to increase our investments in main replacements sooner.

Ensuring Reliability	Unit	AWWA Median Benchmark	YTD Results
Leaks and Breaks per 100 Miles of Pipe	#	9.2	1.4
Minimize Frequency of Unplanned Outages	#	59.5	31

Average Duration of Unplanned Outages	Minutes	150	85
Percentage of Customers who Experience a Planned or Unplanned Water Outage	%	N/A	0.33%
Boil Water Notices	# of Notices	None caused by EWEB	0





Water Quality Monitoring

Monitoring the quality of our raw, treated and distributed drinking water is essential to ensuring safe water for EWEB's customer/owners. Monitoring data gives water operations staff the ability to adjust treatment and system operation to safeguard quality for human consumption.

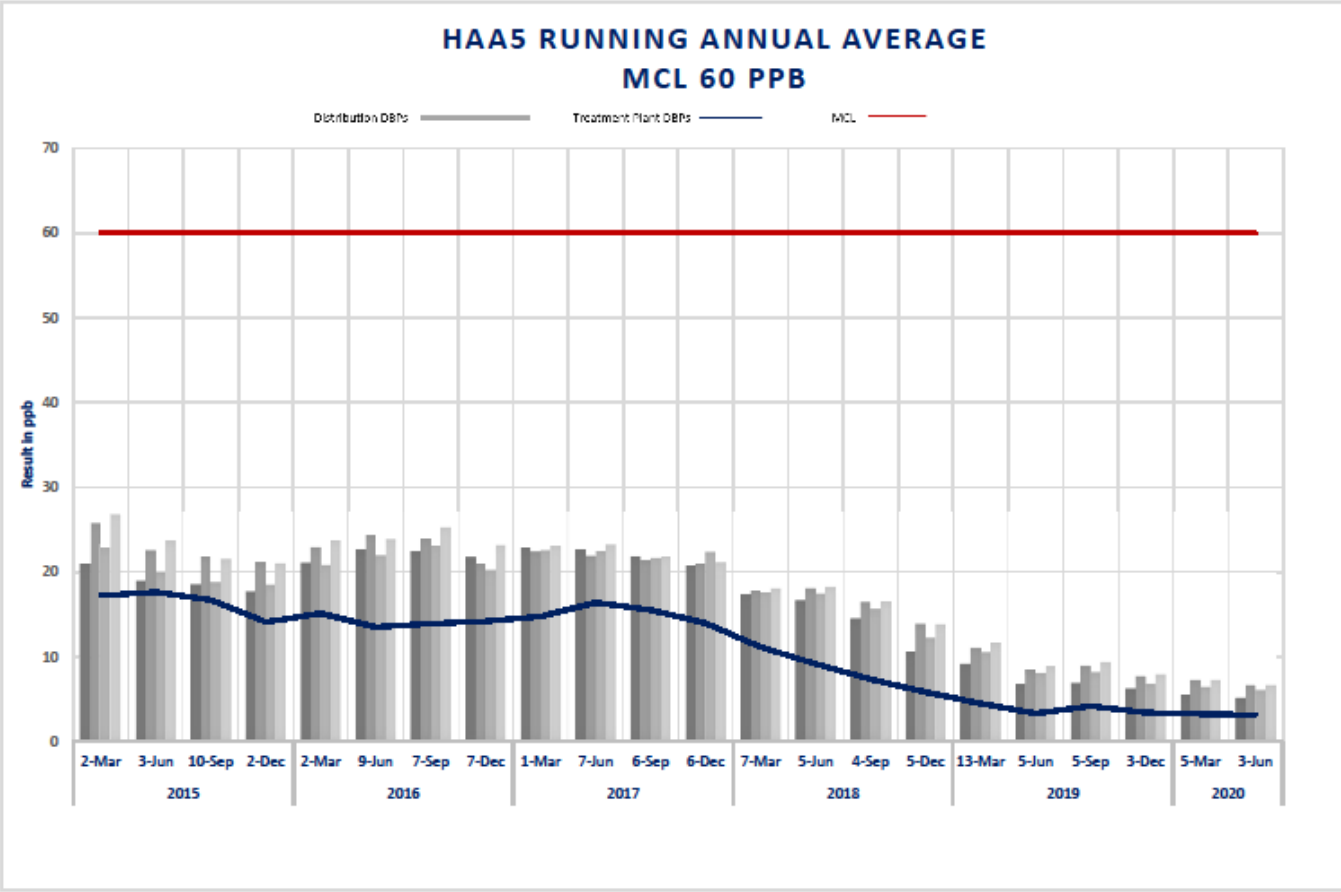
Q2 Project Updates

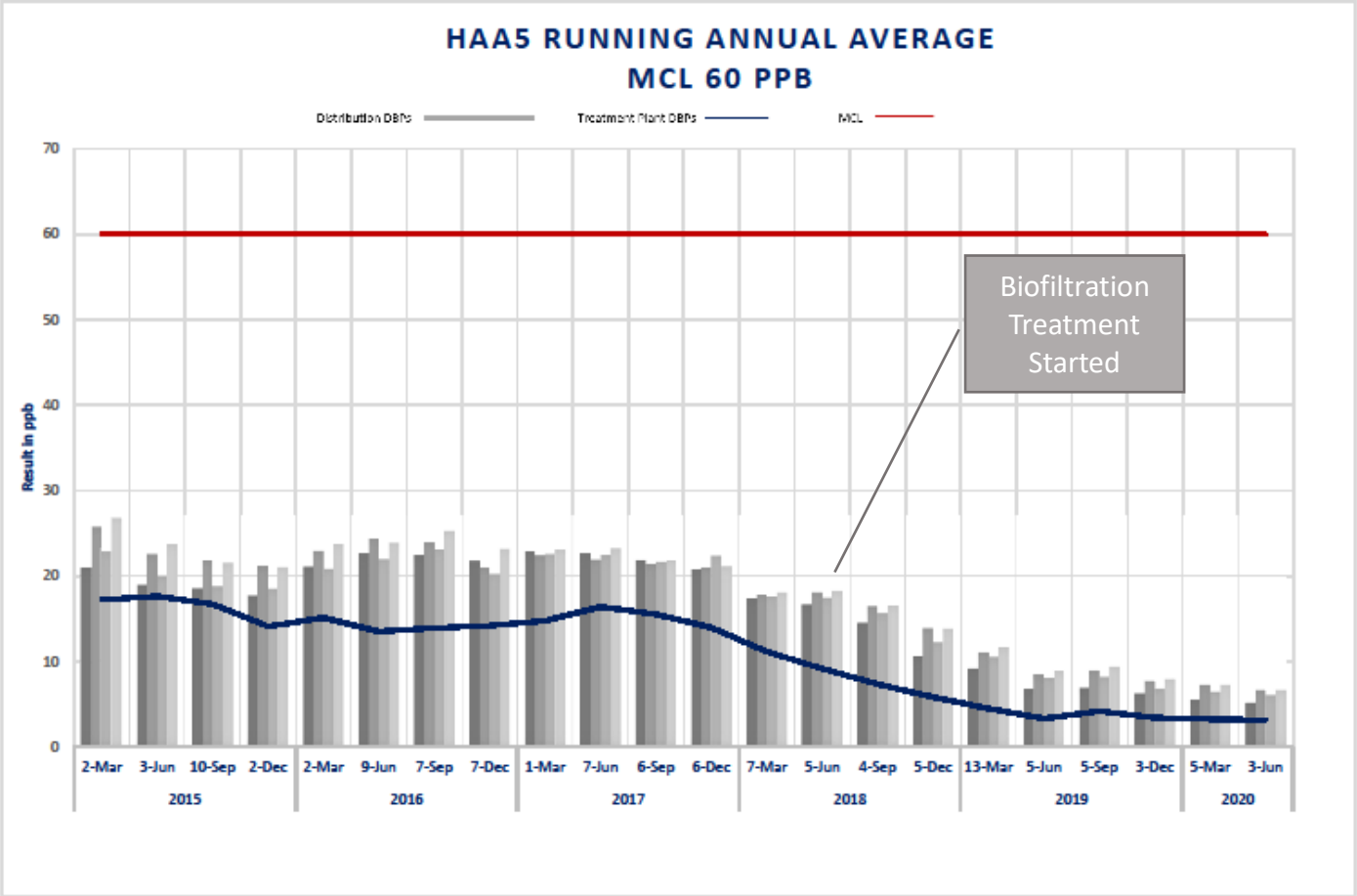
Water quality Staff worked with GIS and water coordinators to complete a new GIS-based customer water quality complaint system that allows coordination of calls, shows complaint patterns, and allows a more efficient response to our customers calling with water quality issues. System testing was finished in early July and will go live by mid-July.

Disinfection By-Products (DBPs)

Disinfection by-products are formed when chlorine is added to disinfect water supplies and reacts with organic matter producing haloacetic acids (HAAs) and total trihalomethanes (TTHMs) in the finished water. DBPs can increase with higher levels of organic matter, longer residence time in the system (water age), and higher water temperatures. Therefore, adequate water treatment and management of the distribution system flow and residence time can reduce DBP formation.

DBPs significantly decreased with the introduction of the biofiltration project at the water treatment plant which further removes organic matter before chlorination. DBP levels have stabilized over the last five quarters. The running annual average DBP graph below compares finished water DBP levels leaving the treatment plant with DBP levels found in the distribution system. All DBP levels are well below the EPA Maximum Contaminant Level (MCL) for Haloacetic Acids (60 ug/L), which is the lower of the two DBP MCLs (MCL for total trihalomethanes is 80 ug/L).





Water Resiliency Progress

Natural hazard and security response mitigation plans along with resiliency plans are a final barrier in place to protect the public if harmful contaminants should make it through the other water system barriers (source water protection, water treatment, water supply system reliability, and water quality monitoring). Refer to Emergency Preparedness Goal #4 – Enhance Emergency Management.

Energy Operations Report

EWEB Power Supply Performance

EWEB's owned generation was generally available and producing power during the second quarter of 2020. While the Leaburg Canal remains out of service during 2020, the remainder of EWEB's generating resources were operational and generating electricity for most if not all of the quarter. Because power prices are usually low during the spring in the northwest due to surplus generation and low demand, EWEB tends to schedule a number of plant outages during this quarter. In 2020, we had outages at Stone Creek and International Paper that took advantage of the low power prices but affected the production metrics for those units. Planned maintenance outage at Walterville and Wauna (WGA) were scheduled but delayed until the fall due to late work approvals (Walterville) or facility staffing issues (WGA) related to the COVID-19 pandemic. A delay in the start of the Unit 2 overhaul at Carmen-Smith enabled that plant to operate normally until late June when planned transmission line work related to license implementation took the plant offline.

Calendar year 2020 has remained generally warmer and dryer than normal in Oregon and as a result, while our hydroelectric units have been available, overall energy production is down due to a lack of water. Flows in both the McKenzie and Clackamas basins remained below normal through most of the first half of 2020. That trend is expected to continue at least until the fall, and the Walterville Project is once again be operating in "low flow" mode. It is expected that both the Walterville and Trail Bridge power plants will be offline due to a lack of water (fuel) by the end of Q3/2020.

Our utility-owned wind project, Harvest Wind, has been available and producing power throughout the first half of the year. Both availability and production continue to exceed planning metrics. The two thermal cogeneration facilities were also generally available and producing energy during Q2/2020. The IP facility was offline for much of June to allow for contractor repair work on the turbine control system. The Wauna turbine had several periods of lost production due to paper mill issues unrelated to the turbine.

Q2 2020 Generation Reliability by Fuel Type

Generation Type	Availability Factor (AF)	Forced Outage Factor (FOF)	Notes
Target	**>90%**	**<3.00%**	
Wind	94.77%	N/A	The Harvest Wind Project turbines were available and operating during the quarter.
Hydro	75.91%	10.54%	The Carmen-Smith, Stone Creek and Walterville projects were online and generating for most of the quarter. The Leaburg project remains offline through 2020.
Thermal	79.47%	14.33%	Both units were generally available and operating. Mill outages affected overall availability slightly, and the IP Unit was offline in June for turbine repair work.

June 2020 Generation YTD Performance Report

Unit	AF	FOF	GCF	GOF
Carmen #1	85.81	5.11	5.29	54.13
Carmen #2	84.72	5.84	32.41	53.68
Trail Bridge	86.65	4.79	47.70	55.08
Leaburg #1	0.00	100.00	0.00	0.00
Leaburg #2	0.00	100.00	0.00	0.00
Walterville	97.42	2.58	80.46	82.59
Stone Creek	98.52	0.01	46.03	46.73
EWEB Hydro	78.24	14.71	24.78	56.69
Harvest Wind	96.48	n/a	n/a	n/a
EWEB Wind	96.48	n/a	n/a	n/a
International Paper	78.15	15.63	66.05	85.11
Wauna Generation	96.85	2.20	55.31	57.11
EWEB Therm	89.09	7.78	59.77	67.27

AF: Availability Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were available for operation.
FOF: Forced Outage Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were forced offline due to an unplanned event.
GCF: Gross Capacity Factor. Multiplied by 100, this factor indicates the percentage of megawatt hours generated relative to the maximum number of megawatt hours that could have been generated if the generating unit had been operating continuously at full capacity.
GOF: Gross Output Factor. Multiplied by 100, this factor indicates the percentage of megawatt hours generated relative to the maximum number of megawatt hours that could have been generated if the generating unit had been operating at full capacity when available to generate.

Power Trading

COVID-19 & Loads: At the end of Q2 2020, the Trading Floor was closely watching loads as the COVID-19 hit and Stay at Home Orders were given. The shape of EWEB's daily energy consumption changed, resembling a Spring Break load (a morning peak later in the day), however daily consumption did not change.

Fish Spill: River levels continue to be low, and so EWEB will continue to avoid fish spill at Trailbridge in Q2 2020. We will continue to monitor this and go to spill when inflows increase from rain and snow melt.

Monitoring: Power Trading will continue to monitor load shapes and power consumption to keep EWEB's portfolio in compliance during the COVID-19 Stay at Home Order and the unwinding of the order.

Power Planning

Regional Policy Update: All in-person regional policy discussions have been converted to virtual formats (video or telephone conference). Regional staff are primarily telecommuting.

BPA Rate Case & 2028 Contract: BPA is expected to publish a report this fall on its 2028 contract efforts. It should highlight core themes, issues, and specific topics for further exploration, and signal BPA's move to the next phase in the process.

In response to customer request due to COVID-related financial pressures, BPA recently completed the BP-20E expedited rate case with the purpose of suspending the Financial Reserve Program (FRP) surcharge, saving public power utilities an estimated $39 million through September 30, 2021.

BPA is scheduled to publish its preliminary EIM Decision Document in August of this year, with the Rate Case Initial Proposal expected this coming November.

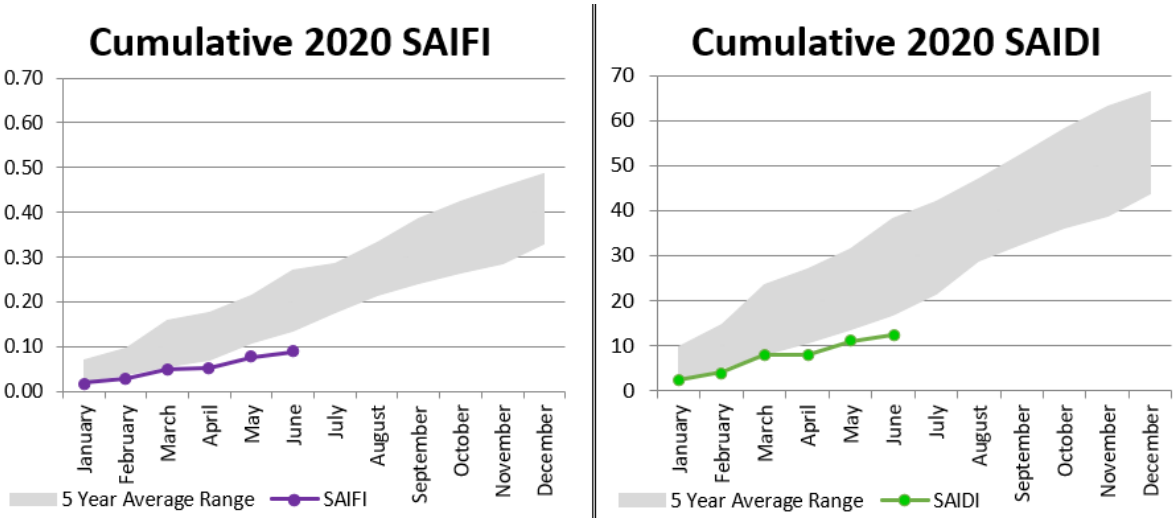
NWPP Resource Adequacy: Discussions around creating a regional capacity resource adequacy program have moved forward into the next phase of development. At this time, 18 funding members (including EWEB) agreed to fund Phase 2B, which is a detailed program development. We expect that there will be 18 full funders going forward. A program developer has been hired to assist with the detailed program design work. This effort includes work to develop an interim solution that can address capacity shortages that might appear prior to full design and implementation of the RA Program. EWEB joined with this effort. It might help, if we need assistance, but is very low risk to the Utility as we only voluntarily assist our utility neighbors if we have the ability to do that. The interim solution will go away once the full program is up and running.

Columbia River Treaty: A regional power group continues attempting to influence the Northwest Congressional delegation regarding US State Department negotiations with Canada over the Columbia River Treaty. Since the last quarterly update, the group funded an economic study of the value of the Canadian entitlement to BPA and its customers. Members also hosted a webinar for State Department and Corps of Engineers to explain the power system to help with issues understanding

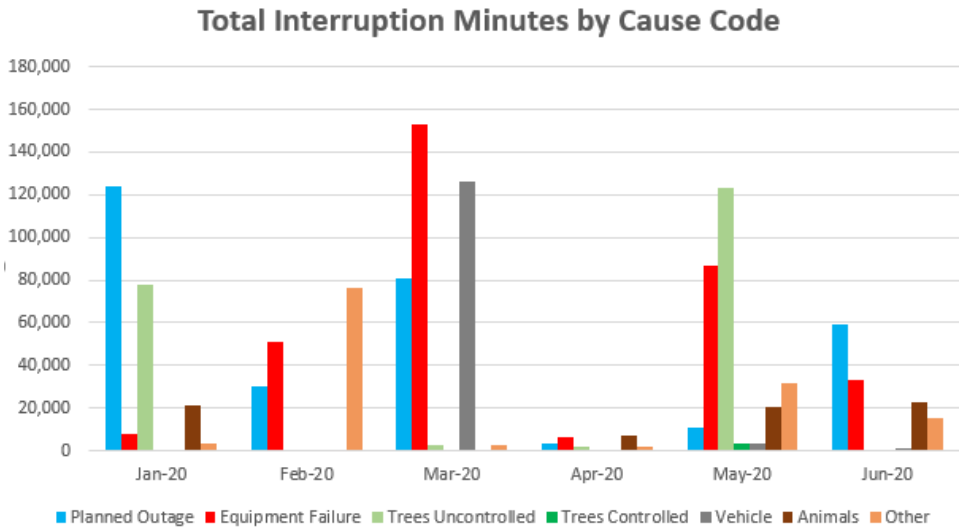
Electric Reliability Report

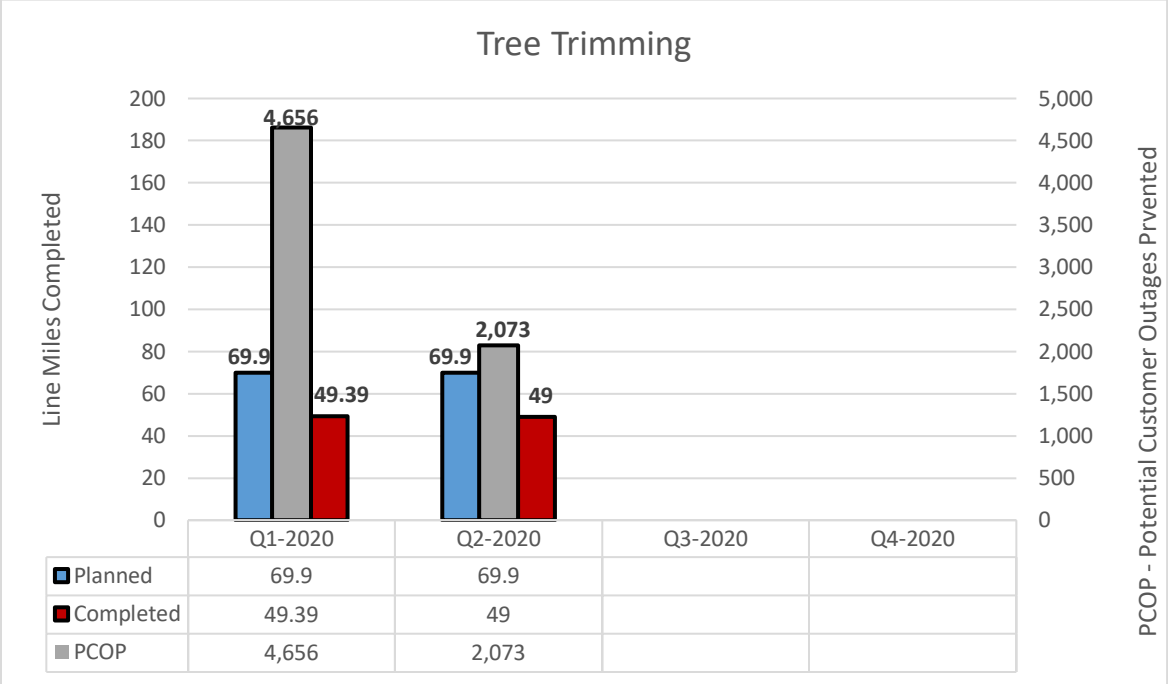
Electric Delivery Reliability

EWEB tracks electric system reliability using Institute of Electrical Electronic Engineers (IEEE) metrics, including System Average Interruption Frequency Index (SAIFI) & System Average Interruption Duration Index (SAIDI). Currently, EWEB is below the 5-year average of SAIFI and SAIDI in large part due to the COVID shutdown which resulted in a reduced number of planned outages and reduced traffic which almost eliminated car hit pole outages. The only significant outages occurred in May which were related to tree limbs contacting a feeder out of the Walterville substation, and an outage associated with an underground "tee body" connector failure following installation of an Automatic Transfer Switch (ATS) at Autzen Stadium.



Below is a chart that shows the breakdown of the outages for the quarter into the major causes of the outages. The outages are categorized by the interruption minutes, which is calculated as the (outage duration in minutes) x (number of customers interrupted). The large peak in uncontrolled trees was related to a small windstorm focused in the upriver service territory. This event required response from 4 out of 6 crews and had an outage count of around 800 customers, and with a majority restored within around 8 hours.





Proactive trimming efforts are on track with the plan for this year. The COVID Pandemic has not affected the vegetation management progress substantially. Progress is slightly behind currently, however this gap is planned for catch up in Q3. All foresters are inspecting daily in the field and the tree crew contractors are all working safely in the field. See *Wildfire Mitigation Plan* section for updates around additional trimming completed associated with fire protection.

Workforce Report

At this point no positive COVID-19 cases have been reported within EWEB's workforce. EWEB's pandemic response continued with Phase II Reintegration, beginning in Q2. EWEB introduced building entry requirements and implemented health checks based on factors of density and building occupancy. Much of EWEB's administrative workforce continues to telework. While EWEB's Covid-19 pandemic response has presented some challenges, workforce management programs continue to perform well against 2020 targets.

EWEB Management is beginning discussions surrounding the impacts of forthcoming school reopening plans. Models vary by district and grade-level, but most plans share some combination of distance and classroom learning and alternative scheduling. They also include the potential for school closure as a response to pandemic escalation. Additionally, the status of before and after school programs and other options for childcare remains uncertain.
The impact to EWEB could be considerable, as parents of children under age 18 represent just under half of its workforce. EWEB leaders will be challenged to find new, and perhaps unconventional, ways to continue to serve customers while constrained by limited workforce availability.

The FFCRA, a COVID-related federal protected leave program, will provide some relief for parents in terms of maintaining their EWEB employment while attending to responsibilities associated with alternative school arrangements. The program is set to expire at the end of this year. An extension is being debated but nothing definite has emerged. EWEB is beginning to analyze the actual impacts to EWEB workers and the jobs they perform. Once the impact is understood, divisions can begin exploring strategies that will enable business continuity and continued reliable customer service delivery while also providing some flexibility to parents with school-aged children so they can balance work and family responsibilities.

Safety, Health & Wellness

COVID-19

The Safety Team continues its work directly with Leadership and Management throughout the Utility to identify and address varying work exposures and to introduce and educate the workforce on EWEB's COVID Safety Guidelines. Other response mitigation strategies include training, social distancing measures, telework, alternating crews, procurement and distribution of varying levels of personal protective equipment and cleaning supplies, enhanced janitorial services, periodic deep cleaning by an industrial cleaning services contractor, and outfitting individual vehicles with interior cleaning kits.

SAIF established a Coronavirus Worker Safety Fund to provide financial assistance to clients in their efforts to mitigate employee COVID exposure. EWEB's proactive pandemic response, including the timely acquisition of PPE and preventative personal hygiene and cleaning supplies, enabled EWEB to receive $30,500 toward those expenses.

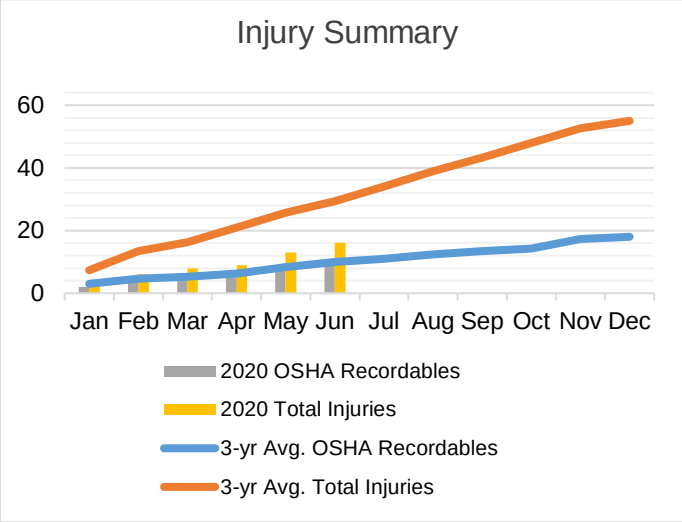
Safety

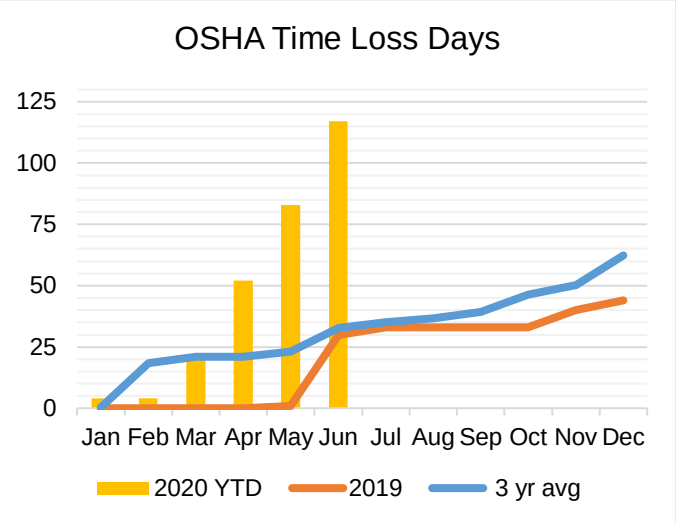
YTD injuries are at 16, a 43% reduction over the same time period in 2019 and a 45% reduction against the 3-year average. Eight of the injuries occurred in Q2. The YTD total for OSHA recordable* injuries is 11, consistent with the 3-year average and a reduction over last year at this time.

Total OSHA time-loss days were 117, a significant increase over 2019 (30) and the 3-year average (33). A single incident resulting in a continuous leave of absence represents 87% of the total time loss reported for the period. A secondary driver of the increase is the postponement of medical procedures due to the closure of medical facilities and the temporary suspension of medical procedures due to COVID-19.

EWEB's initial pandemic response measures, including shelter-in-place and alternating crews, etc., also impacted time loss by limiting EWEB's ability to leverage light duty assignments for injured workers.

Injury Summary YTD and OSHA Time Loss Days

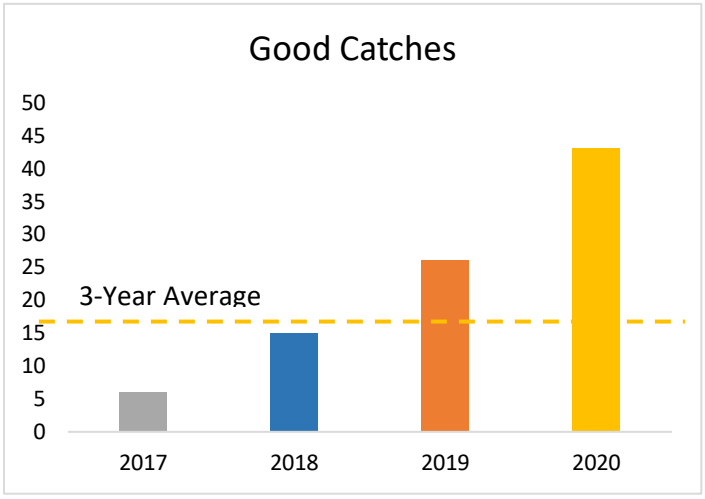




**OSHA Recordable Injury: Death, any injury resulting in days away from work "OSHA time loss days," any injury resulting in restricted duty or job transfer, or any injury requiring medical treatment beyond first aid.*

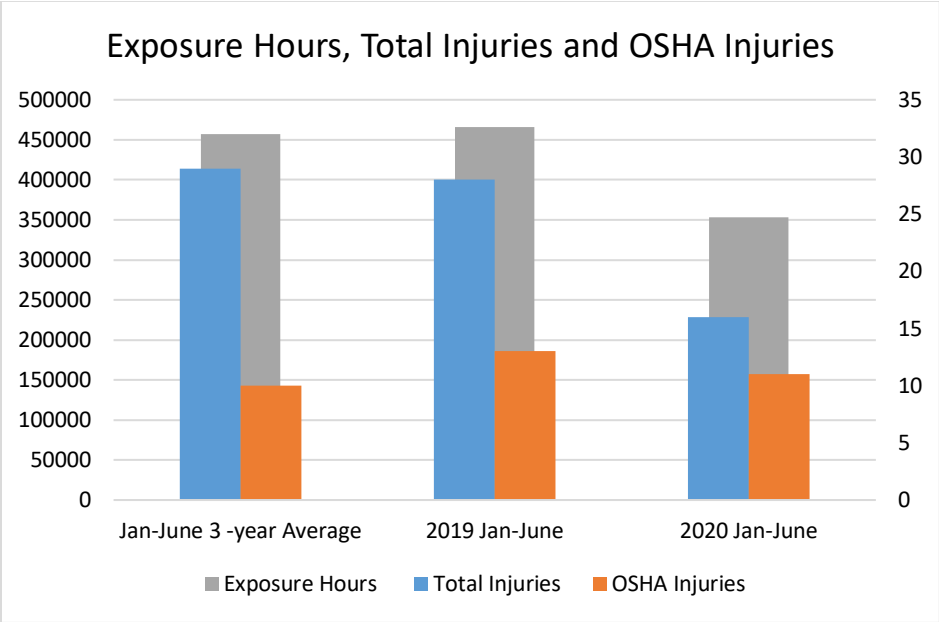
Good Catch Program

EWEB continues to focus on the Good Catch Program to identify and address potential hazards before injuries occur. Safety continues to look for ways to increase Good Catch reporting. For example, in Q2, a text message reporting system was introduced, making it easier for employees to report potentially hazardous conditions directly from the field as they are encountered.



Exposure Hours and Incidents

This quarter's report includes information in the following graph illustrating "exposure hours" against incidents. The graph is included in this report specifically because EWEB's response to COVID initially decreased the number of EWEB employees working in the field, translating to lessened exposure to potential injury.



Compensation

Compensation activities for 2020 are focused on gathering competitive wage and benefits information to support upcoming bargaining efforts and to develop strategies to ensure EWEB's competitive position for hard-to-fill jobs.

Labor Relations

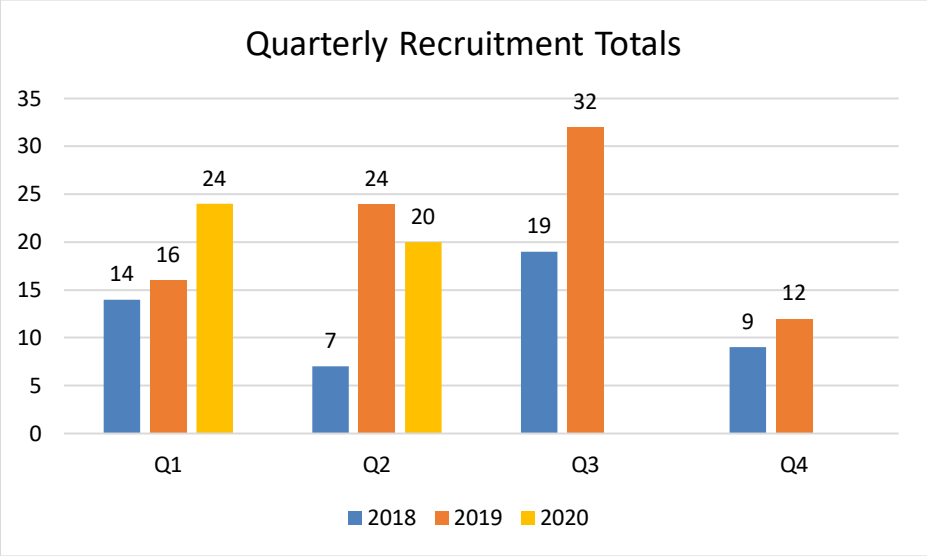
This quarter, there were two grievances. The Union's stated contract violation was related to recent internal recruitment and selection processes, which Management considered to be outside of the parameters of grievance. Regardless, the submission of the grievances was determined to be untimely. The grievances progressed through Step Two, where they remained denied by Management. The Union withdrew its grievances, forgoing their opportunity to advance the matter to arbitration on the condition that the IBEW and EWEB would sign an agreement further clarifying contract language.

Overall cooperation between the IBEW and Management remains positive regarding pandemic mitigation; two Letters of Agreement were created in response to COVID-19 and holiday on-call scheduling practices.

EWEB's Collective Bargaining Agreement with the IBEW is set to expire in March of 2021. Normally, EWEB would be entering into contract bargaining discussion with the IBEW at this time. Based on projected COVID economic impacts, the Utility has suggested to the Union that it may be in the interest of both parties to extend the current contract for some mutually agreed-upon period, with an updated wage provision, rather than enter into full contract bargaining at this time. At this writing, EWEB has not presented the Union with a proposal of contract extension terms but intends to do so over the next month or two as the Board's budget process unfolds.

Recruiting

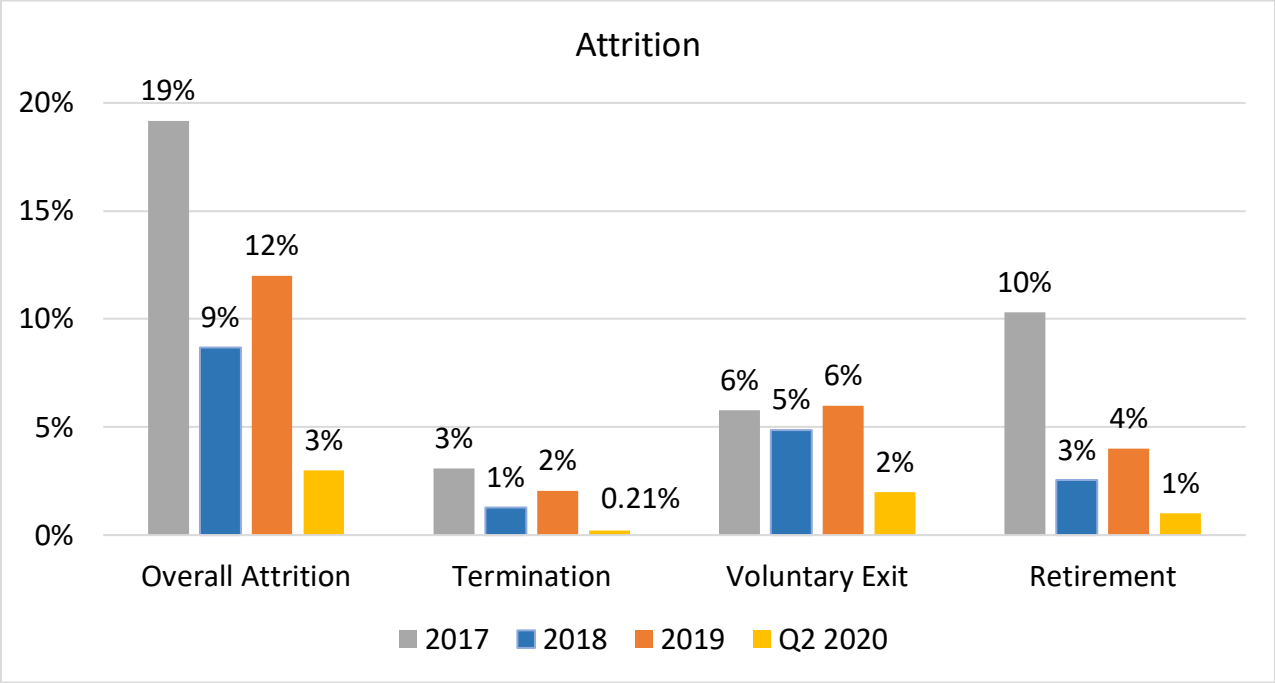
Recruitment volume remains consistent with 2019. So far in 2020, 44 positions have been posted and filled, including 17 internal promotions.



In spite of disruptions as a result of the COVID-19 pandemic, average time-to-fill YTD was 44 days, an improvement over 2019's average of 48. Hiring pools for Customer Service, Meter Reading and Line Construction were established in Q2. Ready pools of qualified candidates will reduce waiting times to fill vacancies and improve business continuity.

Attrition

Attrition rates for the quarter are reflected in the chart below. Voluntary non-retirement attrition is an indicator of an employer's ability to retain workers based on work management practices, benefits, and compensation. The voluntary attrition rate is very favorable at only 2% for Q2 of 2020.



Health Insurance

COVID-19 impacts have been felt as reductions in claims utilization rates for all plans for 2020, largely due to the temporary closure of medical and dental facilities and outpatient surgical facilities. As health care providers turned to the delivery of virtual medical services, Teladoc utilization for EWEB plan participants saw a 6.5% increase over Q2 2019. Pharmaceutical claim utilization was considerably reduced over last year.

Claims utilization for May was above the 85% target, likely because some of the restrictions for medical procedures were lifted. Dental utilization was 13% lower than in Q1, also likely driven by the closure of dental offices due to COVID-19. The vision plan is running at 66.5% for 2020 YTD.

It is still too early to project how the 2021 renewal will look. At this writing, there's nothing about EWEB's claims experience to suggest that utilization will be out-of-line with previous years.

Wellness Program

EWEB continues to do what it can to support Wellness programming under COVID restrictions. For example, since building access was restricted, virtual training and educational opportunities were made available to fulfill program requirements in lieu of in-person events. Submission deadlines were also extended to allow extra time to complete 2020 requirements. EWEB will continue to evaluate the program and work on modifications as adjusted work arrangements dictate.

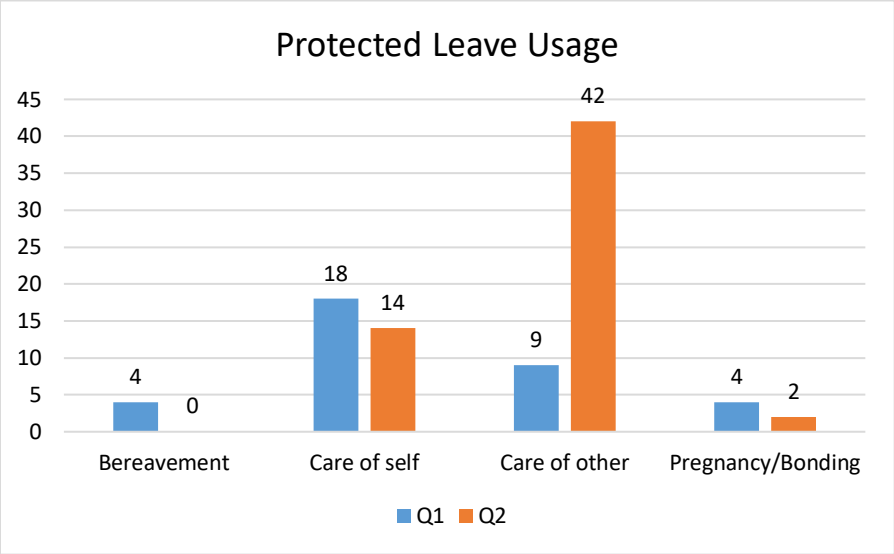
Protected Leave Management

In an early move to ensure employees had sufficient leave to manage COVID-19-related absences, EWEB advanced 2020 sick leave accruals. The advance of leave accruals was followed by the April 1 implementation of the Families First Coronavirus Response Act (FFCRA), providing expanded protected leave for workers directly impacted by school and daycare closures and illness due to COVID-19.

As anticipated, leave usage increased in this quarter:

- 58 new claims were initiated in Q2, as compared to 37 in Q1 (57% increase in claims)
- 67% of those were for FFCRA leave, primarily for childcare closure reasons
- Approximately 8.6% of employees are currently leveraging the FFCRA leave

The graph below illustrates protected leave claims by reason for YTD 2020. The increase in 'Care of Other' claims includes FFCRA leave for childcare and school closures.



Workforce Composition

EWEB's workforce composition remains essentially the same as Q1 2020. Detailed charts can be found in the appendix.

Continuous Improvement

Continuous Improvement (CI) and Change Management (CM) efforts are ongoing throughout the Utility and are focused primarily on supporting AMI and CEI initiatives. In addition, in response to the many challenges brought on by the COVID 19 pandemic, CM support was provided to the Communications & Marketing team as additional internal support of employee engagement initiatives during this time of uncertainty and rapid change.

The table below illustrates both completed and in-progress work.

	COMPLETE	ONGOING
Electric Meter Shop	• Completed As-Is Route Based Deployment of Smart Electric Meters process map to prepare for further work sessions	• Process mapping and PDCA of current processes • Collaborations and teamwork between ELMS and other departments
Water	• Completed As-Is Water smart meter Scouting and Prep process maps • Completed As-Is Route Based Deployment of Smart Water Meters process map to prepare for further work sessions • Completed Non-Deployment Meter Exchanges and Install process map	• Process mapping and PDCA of current processes • Special project – analyze separation of water and electric department for turn-on and turn-off
Water & Electric	• Completed PDCA and documentation of CSA Appointment process for customers desiring an appointment rather than our standard smart meter install process	
CEI	• Just learning and assisting with transition from contractor to new project manager • Process improvement session complete working with Whitlock Consulting – final changes are in process	• Process mapping and PDCA of current processes • General project management support

Other Operational Updates

Information Services

Microsoft 365: With a plan established to move to a more mobile working environment there was concerted effort to move email and office applications to a new more collaborative toolset. IS staff migrated over 600 email accounts and upgraded over 700 devices in 6 weeks allowing for a new consistent collaboration environment all while improving the security. Through this migration effort staff using two factor authentication to access email increased 40%.

Security – Physical & Cyber

The table below depicts Security Patrol Team activity in and around our properties within the EWEB Service Area, and reflects issues related to transient activity (citizen contacts).

	20Q1	20Q2
Citizen Contacts	164	84
Trespass	65	63
Drug Activity	11	5
Property Nuisance	24	36

The *citizen contact* numbers show a marked decrease from 20Q1, due to our temporary protocols of no-contact/non-intervention for campers at our sites in response to COVID-19. Our officers followed local agency procedures and only contacted campers and trespassers who were damaging property or creating a risk or nuisance. Even so, we still issued 63 trespass notices due to concerns for the safety of our apparatus and structures. On May 25, we joined the City of Eugene in lifting the moratorium on citizen contacts. Simultaneously, the local temporary housing and shelter options were closed, which will return many more citizens to an unhoused/unsheltered status. During Q3, we anticipate a large uptick of chronically homeless persons utilizing our properties. We still exercise appropriate officer safety and social distancing practices when contacting illegal campers and trespassers, but we have resumed our normal policy of zero tolerance at substations, reservoirs, and pump stations. Drug activity, which includes needles and other paraphernalia found at our sites, was down mainly because we maintained a safe distance and did not look closely at campsites for such hazards. *Illegal dumping* and *Vandalism* and *graffiti* have now been combined into the Property Nuisance statistic category. The 50% increase from 20Q1 to 20Q2 is likely due to schools being closed from COVID-19 and idle hands being free to cause mischief.

Due to recent protest activity and the potential for civil unrest to compromise our facilities, the Security Patrol Team has developed action plans for responding to threats to the HQ and ROC buildings. With Real Time Traders and Transmission & Distribution Dispatch personnel being sequestered in the HQ building for 24/7 operation, our team has plans for emergency evacuation and movement to a safe location if the HQ building becomes unsafe. We will continue to develop these procedures to best prevent disruption or loss of service to the community.

The Security Systems team has been replacing some aging cameras, updating monitoring systems, and is also partnering with the Water Division for exploring video coverage of the Santa Clara Reservoir. Recent intrusion activity and theft of minor materials from the reservoir highlighted the vulnerability of that site. Evidence was found of unknown persons walking on the canvas reservoir bladder, which could lead to a catastrophic failure of the integrity of the reservoir top and possible entrapment if someone were to fall through the surface. Details will be presented during upcoming meetings with the reservoir operations team for proposed monitoring and response by the Security Team. Maintenance and replacement of equipment at the end of its service life must continue on-schedule to prevent catastrophic failure of the critical systems.

Compliance

NERC Compliance

During the second quarter, the following compliance violations were self-reported, or are outstanding:

1. Generator modeling and testing of control function requirements remained behind schedule due to conflicts with ongoing construction activities at the Carmen power plant. These schedule delays have been self-reported to NERC as of late April 2020. It is anticipated the violation will end when EWEB decommissions Unit 2 for rebuild; EWEB will verify the unit when it is commissioned again, which is currently scheduled for 2021.

Additional Compliance

During the past quarter, staff begun development of a program for addressing a backlog of residential overhead electric service drop work that is associated with PUC compliance. This work will require a multi-year effort to remedy the applicable locations. Currently the work is being scoped, and the plan to return to compliance is being created in coordination between Engineering and Operations.

Dam Safety

The Dam Safety Program continues to make progress in building a robust Owner's Dam Safety Program (ODSP) in accordance with the Federal Energy Regulatory Commission (FERC) requirement. An EWEB-specific dam safety policy was adopted by the EWEB Board in the second quarter and is now guiding our direct efforts. We are currently in the process of drafting procedures and implementing other elements of the ODSP. Recruiting efforts are on-going to fill the remaining dam safety engineering associate/staff engineer position. We expect to fill the position in the third quarter and will at that time have a fully staffed and operating dam safety program.

The COVID-19 pandemic did not significantly affect dam safety activities during Q2/2020. Dam Safety Program staff managed to respond to all dam safety concerns and incident reports that could potentially affect performance of the dams, reservoirs, and canals. Daily inspections of our facilities continued unabated. We continued to correspond and meet with FERC staff as necessary using phone calls and video conferencing.

Dam Safety regulatory compliance met all obligations and requirements during the quarter. We continue to improve our relationship with FERC and establish credibility in regulatory compliance. The quarterly conference call with the FERC Portland Regional Office (PRO) staff was conducted in May via Skype, with the agenda covering EWEB's ODSP and priority project items. In addition, conferences and workshops were conducted with the PRO on several major projects such as Smith Reservoir overtopping issue due to Probably Maximum Flood (PMF), Carmen Diversion dam break analysis, Leaburg Canal risk analysis work plan, and impact to the Trail Bridge dam due the proposed fish passage systems.

Mitigation alternatives to address the potential for Smith Dam overtopping during a PMF has been combined with the license-required powerhouse bypass flow project. The Carmen Diversion sinkhole investigation data report has been reviewed by FERC, and staff will now move to developing mitigation measures to address the sinkhole issue. EWEB continues to operate the Carmen Diversion Reservoir at a lower than normal water level as required by FERC, but this has only minimally affected production at Carmen-Smith. The Leaburg Canal risk-informed alternative analysis is well underway (see Goal #7). Dam Safety staff works as part of the project team to provide necessary engineering assistance and communication with FERC PRO staff.

Legislative

The COVID-19 Pandemic Outbreak continues to be the focus of ongoing state and federal policy response to address public health impacts, as well as economic and social impacts. EWEB is actively engaging with state and federal decisionmakers and will continue that work throughout 2020.

Federal Cares Act Covid-19 Relief Package **--** The Federal CARES Act was signed into law on March 27th. This legislation appropriated $900 million for supplemental LIHEAP funding, of which the 1% share for Oregon would be $9 million.

The CARES act created the Paycheck Protection Program, which authorizes up to $349 billion for new small business loans. These loans are available at low rates for up to 10 years and will be forgiven insofar as small business can document funds are used for qualifying purposes.

While wages are one qualifying purposes for these loans, another qualifying purpose is electric utility payments.

State Covid-19 Relief Funds for Utility Bill Assistance -- June 5th, the Oregon Legislature's Emergency Board appropriated $15 million to Oregon Housing and Community Services (HCSD) to make available for energy bill assistance, utilizing the existing framework for the distribution of the federal LIHEAP program. Furthermore, the legislature authorized the use of categorical eligibility (i.e. proof of assistance such as TANF/SNAP) which should lead to reduced overhead and speedier processing of assistance applications.

The E-Board/Legislature has not yet acted on similar water/wastewater bill assistance, primarily due to the lack of an existing distribution formula and method of disbursement comparable to the LIHEAP framework. There are ongoing conversations between water utilities, social service agencies and state agencies on how to develop a sufficient framework for the E-Boards consideration later this year.

On July 14th an allocation of $25 million for assistance to small businesses of less than 25 employees who have not received federal assistance to date was approved by the Emergency Board. It is expected that paying utility bills will be an authorized use of funds received by a business through this program.

State and Federal Utility Shutoff Moratoriums **--** Governor Kate Brown has been lobbied by some to issue an executive order declaring a moratorium on utility shutoffs like policies enacted in neighboring states. The Governor has not issued any shutoff moratorium thus far due to the cooperation from utilities in voluntary moratoriums this spring and summer and effective ongoing utility efforts to put customers with unpaid balances on payment plans. Congress has also declined thus far to enact a federal utility shutoff moratorium.

Legal Matters

Central Lincoln PUD v. Oregon Department of Energy et al.: EWEB has joined with other utilities, including cooperatives and people's utility districts, to challenge aspects of the Energy Supplier Assessments imposed by the Oregon Department of Energy (ODOE). ODOE has appealed the trial court's decision; oral arguments were presented to the Court of Appeals in December 2018, and the matter has been taken under advisement. The Court of Appeals commonly issues written decisions within 12-18 months.

N. Harris Computer Corporation v. EWEB: In May 2018, EWEB issued a letter notice of termination on a vendor contract with a division of N. Harris Computer Corporation, relating to the installation and configuration of a replacement customer information system (CIS). Despite efforts to resolve the conflict by mediation, N. Harris Computer Corporation filed a lawsuit against EWEB on December 17, 2018, asserting Breach of Contract, seeking approximately $740,000. EWEB filed an answer and counter complaint based on misrepresentation, breach of contract, and seeking rescission with restitution for financial damages. EWEB's response to the plaintiff's motions for summary judgment has been filed, and the court took the motions under advisement July 2019. The schedule for discovery and trial will be dependent upon the timing and scope of the court's decisions on the pending motions.

Public Records Requests

During Q2 2020 EWEB received and responded to 4 public record requests, all for Purchasing records.

Board Activity Report

During the second quarter, the Board of Commissioners emphasized the Utility's commitment to its Dam Safety Program by adopting a new Strategic Direction Board Policy to guide the management of EWEB's hydroelectric assets and infrastructure.

Additionally, the Board held a number of meaningful discussions including, but not limited to, the following:

- EWEB's response to the COVID-19 pandemic in relation to safety, customer assistance and financial position
- Capital Improvement Plans and priorities for the Electric and Water Utilities
- Evaluation of the Leaburg/Waterville Project and potential options to resolve infrastructure issues and plan for the long-term management of the Project.
- Initial Electric Cost of Service Analysis for the Upriver Service Territory

Commissioners also reviewed EWEB's 2019 Audited Financial Statements and Management Letter.

Quarterly Update – Customer Confidence – Advance Metering (Annual Goal #2)

Goal #2 Using continuous improvement and good utility practice, standardize and scale the integration of advanced metering infrastructure (AMI) and existing metering technology for the purpose of effective (accurate, timely, secure) and efficient revenue billing, and move-in/out processing.

Q2 Overall Status: **On Schedule**

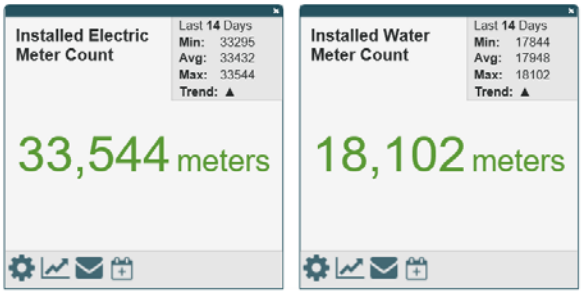
Key Indicators & Measurements
Meter Installations
Tower/Communications
Bills Successfully Processed (timely, accurate, secure)

After a pause in deployment due to Covid-19, electric and water meter installations began again in June. The AMI Program Team is developing work plans for the remainder of 2020, through 2021 to facilitate meeting our stated goals. The overall AMI program consists of four separate projects, each of which is reported on below. In addition, a steering committee has been formed to ensure the tactical work of the program team is well aligned with EWEB's top level strategic plan. Details and progress by project are shown below.

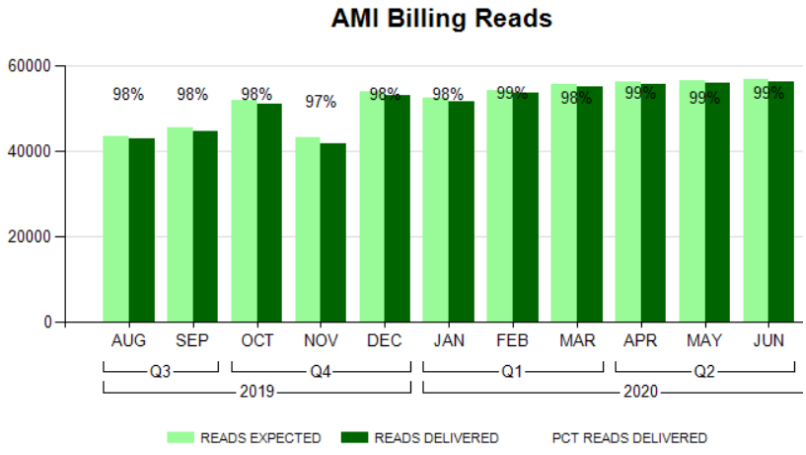
Project 1: Meter Deployment (Jon Thomas, Project Manager) – Status: On Schedule

Deployment resumed in June and will be planned on a monthly basis through the end of 2020. Electric meters installations started on June 8th and are planned to continue at a rate of 50-100/month through the end of the year. This lower rate will allow for testing of process improvements and new field devices. Water meter installations began on June 15th and are planned to continue at a rate of 200-250/week through the end of 2023.

Meters Installed to date:



Successful meter reads remain consistently within targets at 98-99% for the last seven months.



Project 2: Information Services Upgrades (Kris Moe, Project Manager) – Status: On Schedule

EWEB's cross-functional Project team is working with Sensus professional services to improve the computer systems that support the AMI program.

- RNI 4.6 PROD go-live scheduled late August/early September 2020.
- Plug and Play changes – initial discussions with Sensus professional services completed to help determine Plug and Play options. Next steps to build high level business requirements, build Sensus Plug and Play SOW, begin Plug and Play project to streamline electric meter installation.
- Sensus Resource SOW completed – provides a guaranteed block of Sensus professional services hours to help EWEB expedite the resolution of AMI system and meter support tickets.

Project 3: AMI Facilities Project – Radio Tower Installations (Kris Moe) – Status: On Schedule

Installing and upgrading a series of AMI Facilities to improve AMI radio coverage to support AMI meter installation.

- Planned, scheduled and built AMI Facilities at the Spring Creek substation off River Road and the substation near Delta highway. Included engineering, design, procurement, construction (trenching, pole placement) and radio/networking equipment installation and configuration. To be online and receiving meter reads mid-July, 2020.
- Planning and design phase of Crest Reservoir AMI Facility underway. Estimated completion September 2020.
- Planning for upgrading existing AMI Facilities to begin September 2020.

Project 4: Meter to Cash (M2C) (Julie "Jules" Smith – Contractor) – Status: On Schedule

The M2C team has completed core process maps for water deployment including scouting, prep and smart meter deployment and has begun mapping core processes for smart electric meter deployment. This facilitates identifying areas that will require modifications to accommodate increasing meter deployment volumes for both utilities. Completed activities included working with Customer Operations to update the meter exchange appointment process to improve customer experience

Advanced Metering Information Services Improvement Project Financial Dashboard (Shared)

Information regarding the combined project budget and costs for all three projects is below.

Advanced Metering Upgrade (Water)

Project Initiation:	Feb-2018	Initial Scope Budget:*	$17,828,000
Initial Planned Completion:	Dec-2021	Actual Project Costs To-Date:	$8,796,050
Projected Completion:	Dec-2023	Total Final Cost Projection**	$18,800,000

Advanced Metering Projects (Electric)

Project Initiation:	Feb-2018	Initial Scope Budget:*	$13,695,000
Initial Planned Completion:	Dec-2021	Actual Project Costs To-Date:	$ 11,618,962***
Projected Completion:	Dec-2021	Total Final Cost Projection:**	$16,850,000

* Prior to February 2018, meter upgrades were performed only when requested by a customer. When the Board approved an accelerated installation approach, the budget was updated. The February 2018 meter upgrade budget is being used for comparability to actual and projected costs. No budget is included for the 2019 emergent projects.

** Due to the 2019 emergent projects, the total projection is currently under review. Staff expect to have updated projection information for 2020 reporting.

***Includes $3 million of in-stock meters.

See Appendix C – Electric Utility EL-1 Capital Report. Shared Services project updates are provided in the Advanced Metering Report, but the project budget and costs are split between Electric and Water in the appendices.

[Return to Capital Projects Section – Advanced Metering/Electric & Shared Services]
[Return to Capital Projects Section – Advanced Meter Upgrade/Water]

Quarterly Update – Customer Confidence – Customer Interactions (Annual Goal #3)

Goal #3 Streamline and simplify our most common customer interactions, including new self-service options, easy-to-understand bills, and secure ways to pay.

Q2 Overall Status: **Behind Schedule**

Key Indicators & Measurements
Project Milestones – Scope, Schedule, Budget

Project Initiation:	Oct-2019	Initial Scope Budget:	$1,985,000
Initial Planned Completion:	Dec-2020	Actual Project Costs To-Date:	$1,069,200
Projected Completion:	Apr-2021	Total Final Cost Projection:	$2,222,500

**Budget & Project Costs exclude overhead*

In support of EWEB's initial part of the Strategic Plan to enhance customer confidence, EWEB is implementing a customer self-service solution (CSS), as well as updating the Electronic Bill Payment and Presentment System (EBPP) and bill print and mail services (BPM). The project goal is to improve and simplify how we serve our customer owners by improving the delivery of information and making it easier to interact with EWEB on common customer issues. Due to logistical changes and global health issue (COVID-19) impacts – there have been several delays in completing work.

Quarter 2 Milestones included:

- Builds 2-3A testing run 90% of the deliverable code/builds have been accepted and or validated as ready for go-live.
- Final Configuration requirements, development, and subsequent testing.
- Train-the-Trainer sessions conducted with 6 staff to date – additional sessions scheduled
- Soft go-live planning scheduled for Oct 1st with employee participation

Upcoming Activities include:

- Remaining build development, testing and final acceptance
- 'Soft Go-Live' – an internal to EWEB soft-launch of the new Customer Self-Service platform wherein EWEB staff will preview and develop more internal awareness and understanding of the new Customer Experience
- Customer Go-live – customer release is currently scheduled for Nov pending test results and acceptance

Improved business processes being implemented to take advantage of the new functionality:

- Streamline logic on credit points to determine risk and deposit requirements.
- Start using Co-applicant functionality in CIS.
- Streamline how customers start/stop/transfer service online.
- Put audit functionality in place so more incorrect bills are caught before they go to bill print vendor.

[Return to Capital Projects section Customer Experience Improvement Project]

Quarterly Update – Emergency Preparedness (Annual Goal #4)

Goal #4 - Enhance emergency management programs by improving partnerships and public awareness of neighborhood emergency sites, improving electric system resiliency and outage management, and adopting a wildfire mitigation plan.

Q2 Overall Status: **On Schedule**

Key Indicators & Measurements
Project Milestones – Scope, Schedule, Budget

Emergency Site Status

In the first two quarters, water worked on four additional emergency water distribution sites. The status of each site is discussed below:

1. Eugene Science Center. This site is complete.
2. Lane Events Center (Fairgrounds). This site is essentially complete with minor electrical work occurring in the second quarter. A live run will be scheduled when EWEB and its partners are comfortable with a group gathering.
3. Sheldon Fire Station. In the second quarter, water continued to coordinate with the City on the site layout and improvements. These discussions have been hindered by the pandemic. Prior to the work slowdown, a new well was constructed at the site along with some site improvements. This site will be completed in the third quarter.
4. South Eugene. Water worked with the City, 4J, and the YMCA to finalize a well location and prepared contracts for well construction. Bids were opened for the well construction at the end of the second quarter and a contract was approved at the July Board Meeting. Future work at this site will be depend on the amount of water found.

Water Resiliency Mitigation Assessment/Plan

In the first quarter, Water completed the requirements for the Risk & Resiliency Assessment per the 2018 American Water Infrastructure Act. The completed assessment identified numerous potential vulnerabilities related to the Water Utility including cybersecurity. Most vulnerabilities were relatively minor and overall the consultant retained for the work thought EWEB was in fairly good shape.

In the second quarter the focus was on the next step in the process, the preparation of an Emergency Response Plan to correct identified deficiencies. Staff prepared a request for proposals from Consultants to assist EWEB with this effort. By the end of the quarter a consultant was retained, and a kick-off meeting recently occurred for the work. The updated Emergency Response Plan is also required by the 2018 American Water infrastructure Act and due September 30, 2020.

[Return to Capital Projects Section – Emergency Water Supply]
[Return to Water Operations Report – Water Resiliency]

Electric System Resiliency/Outage Management (Tyler Nice)

Updates to bugs and efficiencies to Responder have been implemented.

During Q2, EWEB staff coordinated with the University of Oregon in testing their campus backup electric generation. An outage was simulated to EWEB power for the entire campus in coordination with the University to test that all backup systems worked as designed.

Electric Resilient Spine Update

EWEB is in the process of identifying blackstart capabilities for local generation facilities to serve critical loads in the event that external resources, such as BPA, are unable to supply the Eugene area after a natural disaster. It has been determined that both Leaburg and certain University of Oregon generators are capable of providing startup power to the Eugene grid, and staff is gathering data to understand the effort required to functionalize blackstart capabilities. This effort has been delayed due to COVID pandemic effects and staffing changes at UO. EWEB will re-engage this effort in late Q3 or Q4.

See Appendix C – Electric Utility EL-1 Capital Report.
[Return to Capital Projects Section – Distribution Resiliency Upgrades]

Wildfire Mitigation Plan

EWEB's fire mitigation program focuses on forested areas in the McKenzie Valley, south Eugene, anywhere outside of city limits, and anywhere with one entry access to an area or neighborhood. Ninety-nine percent (99%) of fire program areas have been completed. Crews have finished all but one property of fire season work. This is due to wet conditions to get into a field to trim roughly 60 trees. It is expected this will be completed by mid-July. During Q2, an additional 37.42 miles of pre-fire season work was completed, that was not part of the original plan and completed on an opportunistic basis. This additional trimming increased reliability for an additional 6495 customers.

Staff are developing additional wildfire mitigation measures under a holistic Wildfire Mitigation Plan for future Board approval. This will include environmental triggers for action, and risk mitigations in the form of operational changes, and protection system upgrades for later implementation. This plan will satisfy future regulatory requirements for plan implementation. The Plan work was put on hold during the COVID response.

[Return to Capital Projects Section – Distribution Resiliency Upgrades]
[Return to Electric Reliability Report]

Quarterly Update – Emergency Preparedness – Cooperative Water Approach (Annual Goal #5)

Goal #5 –Work with Springfield Utility Board to explore a more robust and cooperative water resiliency plan, including potential backup treatment options, interties, and sharing of water resources.

Q2 Overall Status: **Behind Schedule**

Key Indicators & Measurements
Project Milestones – Planning

Progress on this goal was reduced in Q2 primarily due to the pandemic changing focus for both utilities. Research on potential for EWEB to obtain additional water rights on the Middle Fork Willamette River concluded the water rights available would not meet the capacity needs. Research continues on options for long-term certificating of water rights for both utilities.

Negotiations with Springfield Utility Board for the division of the EWEB Glenwood property continued. Renderings of possible alternative secondary water treatment plants were developed based on the potential Glenwood property outcomes.

Quarterly Update – Electric Resource Decisions – Electrification Analysis (Annual Goal #6)

Goal #6 – As part of electricity supply planning, develop and publish an Electrification Impact Analysis Report that assesses the effects of electrification, and related ordinances/legislation, on EWEB's loads, generation mix, reliability, costs, compliance, energy/efficiency efforts, and community GHGs.

Q2 Overall Status: **On Schedule**

Key Indicators & Measurements
Key 2020 Milestones August—Analytical Analysis, Board Presentation October—Electrification Analysis White Paper, Board Report & Presentation 2021(Future)—Impacts & Mitigation: distribution system & supply portfolio.

The Electrification study is **on schedule** for the first milestone of a presentation to the Board of initial analytical results in August. Scenarios will focus on space and water heating, and electrification of light-duty transportation, and will assess the impacts to EWEB's load, local infrastructure, and community greenhouse gas emissions.

In Q2, staff analyzed load shapes for newly electrified residential and commercial space and water heating and small electrical vehicle use. Understanding the timing of when various electrified end-uses (like heat pumps or electric vehicles) consume electricity will help EWEB to better understand the impacts of widespread electrification. To estimate these impacts, EWEB is utilizing a bottom-up approach by compiling an end-use database of the following information:

- Customer segmentation (accounts by class)
- Saturation (how many of each equipment type per account)
- Fuel Shares (percentage natural gas vs. electric)
- Efficiency Share (quantities of each equipment category by vintage)
- Equipment Stock (quantities of each equipment category)
- Equipment Load shape (quantities of each by customer class)

The original end-use data was based on regional surveys and staff has worked to refine the data and improve the accuracy of end-use modeling for EWEB's service territory. Further, staff has worked to calculate greenhouse gas reductions associated with electrifying end-uses like EV's and space heating. As EWEB developed initial assumptions and estimates, staff began to do outreach with NWNG and CoE subject matter experts to share initial findings and seek feedback. In Q3, staff will continue to validate and refine assumptions to improve confidence in the forecasted impacts of electrification. This work is the first step in providing the Board and executives with an initial framework for understanding the impacts of future electrification on EWEB. These future impacts still remain uncertain as end-use technologies continue to evolve, and potential policy/legislation changes are still being developed. Staff plan to bring initial results to the Board in August.

Quarterly Update – Electric Resource Decisions – Lower McKenzie Hydro (Annual Goal #7)

Goal #7 –Work with the EWEB Commissioners, FERC, and the McKenzie Valley community to develop a TBL-based plan for the lower McKenzie River Hydroelectric Projects by the end of 2020.

Q2 Overall Status: **On Schedule**

Key Indicators & Measurements
Project Milestones – Planning Scope, Schedule, Budget
Q2: Establish the NPV for the Project, provide Board update. Status - Complete
Q2: Collaborate with the FERC on process and content for Risk Analysis Workshops in Q3. Status - Complete

The goal to complete a Triple Bottom Line (TBL) analysis of the lower McKenzie hydroelectric projects remains on schedule. Work is underway to determine the most beneficial approach to resolving the infrastructure issues and plan for the long-term management of the Project by conducting a TBL analysis. Second quarter activities included a Board presentation on the financial position of the plant assuming it returns to historic power production levels. Cornforth Consultants and EWEB staff also completed preparations to conduct risk- analysis workshops focusing on the Leaburg Canal. The bulk of the risk analysis work, two five-day workshops, is taking place in July. Findings from the workshops will inform the subsequent alternative analysis work which will establish the feasibility and cost of alternative paths forward ranging from a 'return to service' to 'conversion to storm water conveyance'.

Q2 2020 Milestones:

The Cornforth Consultant team joined EWEB for a hybrid local/remote risk workshop planning session with the FERC in mid-May. This workshop positioned EWEB and Cornforth to complete preparations for the formal Level 3 Semi-Quantitative Risk Assessment (SQRA) workshops planned for July. Due to increasing virus concerns, the July workshop approach was converted to an entirely virtual format and the remote videoconferencing tools were successfully tested with participants in late June.

Q3 and Q4 Planned Activities:

Following identification of viable alternative paths forward during the July risk workshops, the societal and environmental aspects can be established. While on-going Covid-19 restrictions may alter the methods for public outreach, staff will establish opportunities for lower McKenzie River valley residents to provide input on the impact of the viable alternatives. Opportunities to provide input for Eugene area residents will also be provided. Additionally, the environmental impacts likely focused on the impact of changes to water temperature and water supply to hatchery operations will similarly be incorporated in the review of viable alternatives.

[Return to Dam Safety]

Quarterly Update – Community – Climate Change/Carbon Mitigation (Annual Goal #8)

Goal #8 – Pursuant to SD15 Climate Change Policy, execute Resolution 1938 supporting State carbon pricing policy, reduce operational GHGs to 40% below 2009 levels, and achieve conservation/energy efficiency and peak-energy reductions in combination with smart electrification to equitably and cost-effectively facilitate the reduction of community carbon emissions by 8,500 MTCO2e.

Q2 Overall Status: **On Track or Exceeding**

Key Indicators & Measurements
Carbon Legislative Activity (Jason Heuser)
Operations GHG Fleet Savings (Lisa Krentz, Gary Lentsch)
Conservation & Energy Efficiency (Rene Gonzalez)
Smart Electrification Results (Rene Gonzalez)

State Carbon Legislation and Power Markets Landscape

Executive Order 20-04 on Climate **--** Governor Kate Brown issued EO 20-04 on March 10th. The order updates the state's carbon reduction goals, setting targets of a 45% reduction below 1990 levels by 2035, and an 80% reduction by 2050.

EO 20-04 issues several directives to accomplish these statewide carbon reduction goals and take effect by the beginning of 2022, including:

- carbon polluters in the industrial, transportation and natural gas sectors would have their emissions capped and reduced over time by the state's Environmental Quality Commission and Department of Environmental Quality (DEQ).
- Brown is directing DEQ to ratchet up restrictions in the existing Clean Fuels Program (CFP) for how emissions intensive fuel can be. She has set a new CFP goal of reducing emissions "per unit of fuel energy" to 20% below 2015 levels by 2030, and 25% by 2035.
- directs state agencies to alter building codes to prioritize energy efficiency.
- provisions for updated state energy efficiency standards for appliances and directives for reducing food waste.
- a plan to swap out the state's existing automobile fleet with zero-emissions vehicles and add charging stations at state buildings, a statewide analysis of what infrastructure Oregon needs to expand use of EVs, mandatory evaluation of GHG impacts in state planning of transportation projects

Pre-Rulemaking Advisory Workgroup meetings on these topics are now underway. EWEB staff are actively participating, particularly on the revamping of the Clean Fuels Program. The CFP Rulemaking Advisory Workgroup held its first meeting on July 15th. Both electricity and renewable hydrogen are eligible for the generation of CFP "credits" that can be sold to entities with a compliance obligation to reduce or offset GHG emissions from fuel. These credits help monetize carbon-free attributes and accelerate the growth of zero or low carbon fuels.

Operations Carbon Report

With the State of Oregon's mandated transportation fuel blends of E10 and B5, a typical fleet's use of alternative fuel use would be around 7.8%. Because EWEB's fleet operations took the initiative several years ago to use low carbon intensity alternative fuels, and by blending those fuels at higher levels, our percentage of alternative fuels use for the Utility was at 64.2% at the end of Q2.

Currently, the types and blends of fuels that are used in EWEB's fleet consist of:

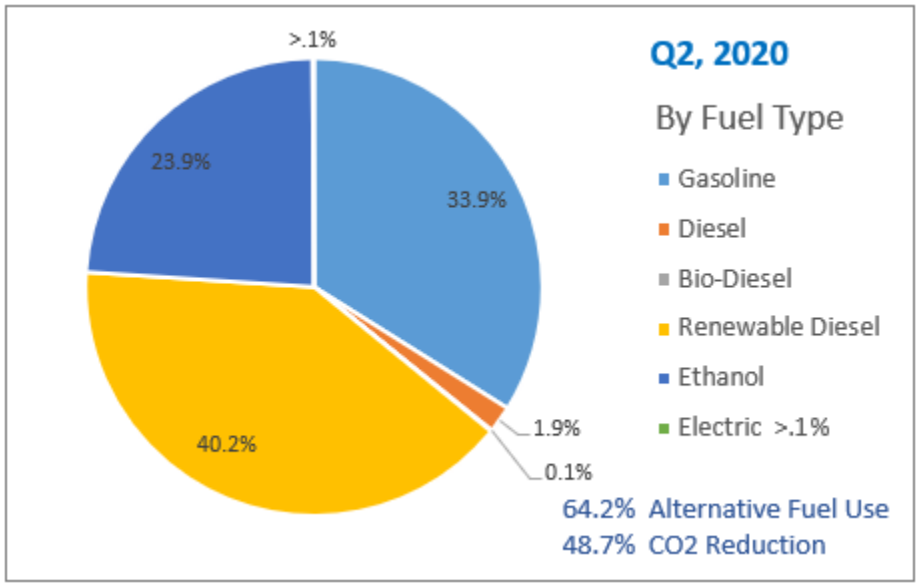
- R99 (99% Hydrogen-Derived Renewable Diesel) for our on-site fueling for our diesel vehicles at ROC, Leaburg, and Carmen-Smith locations.
- E20 (20% Ethanol blended gasoline) for on-site fueling at ROC for our gasoline vehicles.
- E85 (85% Ethanol blended gasoline) for our on-site fueling at ROC for our EPAct flex-fuel vehicles.

By using these types of drop-in replacement fuels in our fleet operations, we have been able to effectively reduce our footprint pertaining to GHG's in the fleet operations at 48.7% below our 2009 levels (at the end of Q2). A few more notable items include:

- EWEB was the first fleet operation in the Pacific Northwest to switch over to Hydrogen-Derived Renewable Diesel (September 2015).*
- EWEB continues to be the only public agency in the Pacific Northwest using E20 fuel.*
- EWEB is the largest user of E85 fuel in the State of Oregon (and the only public-agency in Lane County, Oregon to use E85 fuel).*

  * confirmed by Columbia-Willamette Clean Cities Coalition

Due to COVID-19, EWEB vehicles have been driven far fewer miles than they would have otherwise. To date, our fuel usage is 13.1% less than the same period last year, contributing substantially to the reduction in GHG emissions. Had this been a normal year, we estimate GHG emissions would be 36.8% below 2009 levels, rather than 48.7%.



Energy Efficiency, Conservation and Electrification

Energy efficiency targets are on track and on budget, except for Energy Efficiency Home Audits. Limited Income Energy Education and Home Energy Score programs were suspended to adhere to Covid-19 physical distancing guidelines. Prior to suspension, EWEB was on pace to meet organizational objectives. Due to timing of Oregon DEQ transportation electrification reporting, carbon reduction actuals do not reflect reductions from electric vehicles in Q1 and Q2.

Energy efficiency activity in the community has not slowed over the past quarter due to Covid-19. EWEB applied for and received an allocation of almost $31,000 in unassigned account funds to supplement our energy efficiency budget.
Staff have created remote forms that contractors can submit to EWEB, along with digital images, to complete residential site inspections in lieu of an in-person visit from EWEB. Staff recently resumed commercial site visits, with added safety, PPE and distancing precautions. However, non-essential residential site visits continue to be temporarily suspended to protect the health and safety of EWEB staff and customers.

Performance Metric	YTD	Annual Target	Comments
BPA Reimbursements	$1,357,327	$2,430,483	56% attained. $323k of YTD total was included in 2019 financial reporting.
Conservation Incentives	$1,046,095	$2,421,000	Slightly below budget, 43% spent.
Conservation Savings (MWh)	5,837	9,200	Achieved 63% of annual target.
Peak Savings (MW)	0.9	1.25	Achieved 70% of annual target.
Total Residential EE Projects	693		
Income-Qualifying EE Projects	105		
Residential Savings (MWh)	1,142		
Income-Qualifying Savings (MWh)	214	17%	Currently exceeding target at 19%
Total Home Audits	126	500	95 LI energy education, 4 hi bill site visit, 8 home audits, 19 home energy score
Carbon Reduction ($MTCO_2e$)	1,276*	10,000	EVs are not yet included – reported from ODEQ 2x/yr

Staff have begun actively planning and promoting commercial heating and cooling (HVAC) measures and are making progress on projects that include advanced rooftop controls (ARC) and a new measure for programmable thermostats. With economic hardships and occupancy changes due to Covid-19, it is an opportune time to implement low-cost measures for EWEB's business customers. We have also added an array of simple calculator-based efficiency measures, such as efficient forklift chargers, generator block heaters and welders, to help business customers save energy. During Q2, 17 solar projects were completed in our community, bringing the annual total to 37.

Also, during Q2, EWEB provided technical assistance and financial commitment to aid the City of Eugene's efforts in converting existing natural gas and potent greenhouse gas (CFC-12) AC systems to efficient electric heat pump systems. Projects include the Echo Hollow Pool Renovation, Police and Fire Training Facility, Amazon Park Community Center, and Campbell Senior Center.

In April, the first billing statement was sent out to "Arkham Industries", the company that purchased the Corning/Hynix site. The parent company, Stratacache, is a digital signage and software company headquartered in Dayton, Ohio. While future plans for the site are still vague, EWEB has created a high-level estimate for the company to install for a redundant fiber loop. When asked about short-term electric load needs, Arkham representatives estimated a 25% increase in 2021 over current usage.

On the transportation electrification front, EWEB initiated a partnership with Forth Mobility (a non-profit agency advancing electric transportation) and Emerald People's Utility District on a pilot dealership referral program to increase electric vehicle (EV) adoption. Because of the current pandemic, this effort includes an innovative component that will allow virtual access to both customer education and EV sales. Also, EWEB began exploring options for electric vehicle Supply Equipment (EVSE) upgrades and installations at the its Roosevelt Operations Center and at other potential EWEB-owned locations. This work will offer customers more cost-effective charging options and increased electric vehicle travel access.

*For our emissions factor, we use the NW WECC number of 0.20 MTCO2e/MWh.

Glossary

AF: Availability Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were available for operation.
BLM: Business Line Manager
CI: Continuous Improvement
CIA: Contributions in Aid of Construction
CIS: Customer Information System
CIP: Capital Improvement Plan
CIP: Critical Infrastructure Protection
CRM: Customer Relationship Manager
CSU1 and CSU2: Carmen-Smith turbine units 1 & 2
FERC: Federal Energy Regulatory Commission
FCRPS: Federal Columbia River Power System
FOF: Forced Outage Factor. Multiplied by 100, this factor indicates the percentage of time that the generating units were forced offline due to an unplanned event.
GCF: Gross Capacity Factor. Multiplied by 100, this factor indicates the percentage of megawatt hours generated relative to the maximum number of megawatt hours that could have been generated if the generating unit had been operating continuously at full capacity.
GIS: Geographical Information System
GOF: Gross Output Factor. Multiplied by 100, this factor indicates the percentage of megawatt hours generated relative to the maximum number of megawatt hours that could have been generated if the generating unit had been operating at full capacity when available to generate.
HW - Harvest Wind
ICS: Incident Command System
IP: International Paper
KPI: Key Performance Indicator
LBU1 and LBU2 - Leaburg turbine units 1 & 2
NERC: North American Electric Reliability Corporation
PERS: Public Employees Retirement System
PUC: Public Utility Commission
RCP: Retail Cash Payment
RMC: Risk Management Committee
SAIDI: System Average Interruption Duration Index
SAIFI: System Average Interruption Frequency Index
STC - Stone Creek
TB - Trail Bridge
WGA: Western Generation Agency (WGA) is the name of the intergovernmental entity formed by EWEB and Clatskanie People's Utility District (CPUD). The WGA steam turbine generator is located at the Georgia Pacific paper mill named Wauna.
WV – Walterville

Appendices

Appendix A: Electric Utility Financial Statement
Appendix B: Water Utility Financial Statement
Appendix C: Electric Utility and Shared Services EL-1 Report
Appendix D: Water Utility EL-1 Report
Appendix E: Contracts Awarded Report
Appendix F: Community Investment Report (EL-3)
Appendix G: Workforce Composition

Disclaimer: The unaudited financial statements provided in this report are intended for management purposes only.

[Return to Table of Contents]

APPENDIX A

ELECTRIC CONDENSED STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION (Unaudited)

(In millions)

	Six Months Ended June 30,		YTD Budget Comparison	
	2020	2019	Budget $	Variance
Operating revenues	$ 122.3	$ 137.5	$ 123.8	$ (1.5)
Operating expenses	118.2	135.3	116.5	(1.7)
Net operating income (loss)	4.1	2.2	7.3	(3.2)
Non-operating revenues	4.2	4.1	3.0	1.2
Non-operating expenses	3.9	3.6	3.5	(0.4)
Income before capital contributions	4.4	2.7	6.8	(2.4)
Capital contributions	4.1	2.9	1.1	3.0
Increase/(Decrease) in net position	$ 8.5	$ 5.6	$ 7.9	$ 0.6

ELECTRIC CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)

	June 30,		December 31,
	2020	2019	2019
Current assets	$ 229.4	$ 213.6	$ 153.7
Net utility plant	407.7	390.1	407.8
Other assets	59.9	80.8	87.4
Total assets	697.0	684.5	648.9
Deferred outflows of resources	52.3	44.7	52.4
Total assets and deferred outflows	$ 749.3	$ 729.2	$ 701.3
Current liabilities	$ 32.1	$ 32.5	$ 38.4
Long-term debt	236.3	199.8	190.1
Other liabilities	73.0	93.9	73.1
Total liabilities	341.4	326.2	301.6
Deferred inflows of resources	21.0	11.4	21.3
Total net position	386.9	391.6	378.4
Total liabilities, deferred inflows, and net position	$ 749.3	$ 729.2	$ 701.3

ELECTRIC CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In millions)

	YTD	Annual Working Budget	
	6/30/2020	Budget $	% of Budget
Type 1 - General capital	$ 5.8	$ 13.5	43.0%
Type 2 - Rehabilitation and expansion	3.8	15.7	24.2%
Type 3 - Strategic projects	3.1	19.4	16.0%
Total capital	$ 12.7	$ 48.6	26.1%

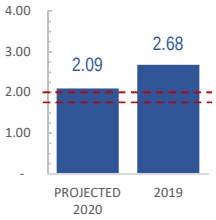
FINANCIAL STRENGTH MEASUREMENTS

Target line

Debt service coverage

Target: 1.75 to 2.0x

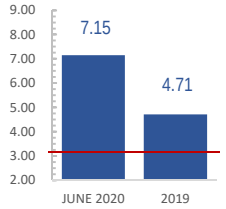
Measures the utility's ability to meet its annual long-term debt obligation.



Current ratio

Target: Minimum of 3.250x

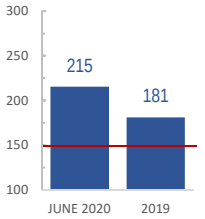
Measures the utility's short-term liquidity (ability to pay bills).



Working capital days cash

Target: Greater than 150 days

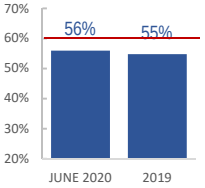
Estimates the number of days the utility can pay its daily O&M before running out of cash.



Age of system

Target: Less than 60 percent

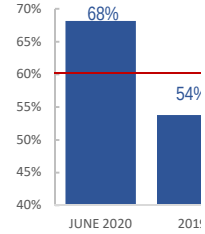
Measures age of system compared to how much has been depreciated.



Debt as a % of NBV

Target: Less than or equal to 60 percent.

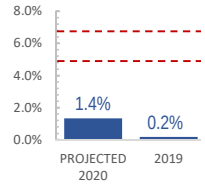
Measures overall leverage of the system by aligning debt service with the useful lives of assets.



Rate of return

Target: 5 - 7%.

Measures the utility's ability to pay current and future infrastructure costs.



APPENDIX B

WATER CONDENSED STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION (Unaudited)

(In thousands)

	Six Months Ended June 30,		Budget Comparison	
	2020	2019	Budget $	Variance
Operating revenues	$ 16,947	$ 17,110	$ 16,454	$ 493
Operating expenses	14,028	12,393	14,074	46
Net operating income (loss)	2,919	4,717	2,380	539
Non-operating revenues	515	808	284	231
Non-operating expenses	1,078	1,188	1,037	(41)
Income before capital contributions	2,356	4,337	1,627	729
Capital contributions	1,117	2,713	680	437
Increase/(Decrease) in net position	$ 3,473	$ 7,050	$ 2,307	$ 1,166

WATER CONDENSED STATEMENT OF NET POSITION (Unaudited)

(In millions)

	June 30,		December 31,
	2020	2019	2019
Current assets	$ 67.0	$ 49.2	$ 46.7
Net utility plant	187.8	181.4	185.7
Other assets	10.5	8.6	9.9
Total assets	265.3	239.2	242.3
Deferred outflows of resources	15.8	9.6	15.2
Total assets and deferred outflows	$ 281.1	$ 248.8	$ 257.5
Current liabilities	$ 5.4	$ 5.1	$ 5.8
Long-term debt	78.4	60.8	58.1
Other liabilities	22.7	20.7	22.5
Total liabilities	106.5	86.6	86.4
Deferred inflows of resources	6.4	2.5	6.4
Total net position	168.2	159.7	164.7
Total liabilities, deferred inflows, and net position	$ 281.1	$ 248.8	$ 257.5

WATER CONDENSED CAPITAL BUDGET COMPARISON (Unaudited)

(In thousands)

	YTD	Annual Working Budget	
	6/30/2020	Budget $	% of Budget
Type 1 - General capital	$ 2,251	$ 8,003	28.1%
Type 2 - Rehabilitation and expansion	3,105	9,606	32.3%
Type 3 - Strategic projects	477	412	115.7%
Total capital	$ 5,833	$ 18,021	32.4%

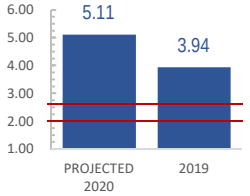
FINANCIAL STRENGTH MEASUREMENTS

Target line

Debt service coverage

Target: 2.0 - 2.50x

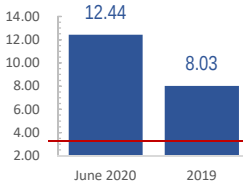
Measures the utility's ability to meet its annual long-term debt obligation.



Current ratio

Target: Minimum of 3.25x

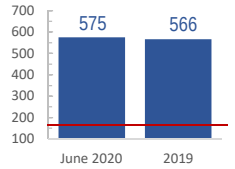
Measures the utility's short-term liquidity (ability to pay bills).



Working capital days cash

Target: Greater than 150 days

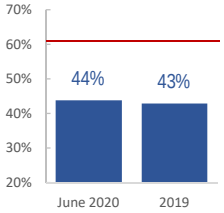
Estimates the number of days the utility can pay its daily O&M before running out of cash.



Age of system

Target: Less than 60 percent

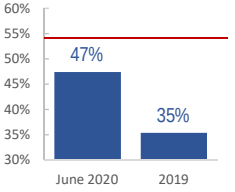
Measures age of system compared to how much has been depreciated.



Debt as a % of NBV

Target: Less than or equal to 60 percent.

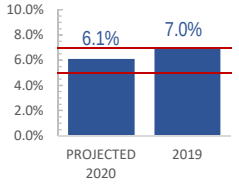
Measures overall leverage of the system by aligning debt service with the useful lives of assets.



Rate of return

Target: 5 - 7%.

Measures the utility's ability to pay current and future infrastructure costs.



EUGENE WATER & ELECTRIC BOARD
ELECTRIC UTILITY EL-1 CAPITAL REPORT
Q2 2020

	ANNUAL BUDGET		2020	% OF	YEAR-END
	APPROVED	WORKING	ACTUAL	BUDGET	PROJECTION
TYPE 1 - GENERAL CAPITAL					
Generation Infrastructure	$ 2,100,000	$ 2,100,000	$ 458,900	22%	$ 1,000,000
Substation Infrastructure	1,700,000	1,700,000	1,952,300	115%	2,510,000
Transmission & Distribution Infrastructure	7,473,000	7,081,001	2,495,200	35%	6,454,000
Telecommunications	748,000	748,000	126,200	17%	555,000
Information Technology	1,590,000	1,590,000	508,900	32%	1,590,000
Buildings, Land, & Fleet	810,000	810,000	212,600	26%	735,000
TOTAL TYPE 1 PROJECTS	**$ 14,421,000**	**$ 14,029,001**	**$ 5,754,100**	**41%**	**$ 12,844,000**
TYPE 2 - REHABILITATION & EXPANSION PROJECTS					
Downtown Network	$ 958,000	$ 1,350,000	$ 757,700	56%	$ 1,112,000
Consolidation of Operations	-	-	670,900	0%	854,000
Electric T&D - Master Plan	-	625,000	55,500	0%	424,000
Distribution Resiliency Upgrades	2,756,000	1,331,000	845,400	64%	1,875,000
Infrastructure - Generation	2,000,000	2,000,000	-	0%	-
Upriver Reconfiguration/Holden Creek	625,000	625,000	26,700	4%	26,700
Electric Meter Upgrade	5,555,000	7,055,942	506,700	7%	1,118,000
Telecommunications	-	-	5,300	0%	20,000
Information Technology	3,422,000	1,921,536	909,100	47%	1,921,536
Hayden-Bridge Lab & Backup Services Building	-	800,000	157,000	20%	800,000
TOTAL TYPE 2 PROJECTS	**$ 15,316,000**	**$ 15,708,478**	**$ 3,934,300**	**25%**	**$ 8,151,236**
TYPE 3 - STRATEGIC PROJECTS & PROGRAMS					
Carmen-Smith Relicensing	**$ 19,410,000**	**$ 19,410,000**	**$ 3,052,900**	**16%**	**$ 11,000,000**
TOTAL ELECTRIC CAPITAL PROJECTS	**$ 49,147,000**	**$ 49,147,480**	**$ 12,741,300**	**26%**	**$ 31,995,236**

Type 1 - General Capital is budgeted Year-by-Year for recurring capital expenditures from January through December. Type 1 Capital includes categorized collections of projects of less than $1 million, and typically involves dozens of individual projects that add up to $3.5-4.5 million per year.

Type 2 projects have "discrete" scopes, schedules (launch through completion), and cost over $1MM during the project life, and project life can span multiple years.

Type 3 projects are large strategic programs with long term impacts and are typically bond-funded.

EUGENE WATER & ELECTRIC BOARD
WATER UTILITY EL-1 CAPITAL REPORT
Q2 2020

	ANNUAL BUDGET		2020	% OF	YEAR-END
	APPROVED	WORKING	ACTUAL	BUDGET	PROJECTION
TYPE 1 - GENERAL CAPITAL					
Source - Water Intakes & Filtration Plant	$ 282,000	$ 283,000	$ 122,100	43%	$ 400,000
Distribution & Pipe Services	5,769,000	5,768,002	1,462,800	25%	$ 4,540,000
Distribution Facilities	1,195,000	1,195,000	49,600	4%	$ 400,000
Information Technology	180,000	180,000	110,200	61%	$ 180,000
Buildings, Land, & Fleet	577,000	577,000	506,100	88%	$ 576,000
TOTAL TYPE 1 PROJECTS	**$ 8,003,000**	**$ 8,003,001**	**$ 2,250,800**	**28%**	$ 6,096,000
TYPE 2 - REHABILITATION & EXPANSION PROJECTS					
Source - Water Intakes & Filtration Plant	$ 2,060,000	$ 2,060,000	$ 416,700	20%	$ 2,100,000
Distribution Facilities	3,090,000	3,090,000	172,400	6%	$ 300,000
Distribution & Pipe Services	-	-	485,700	0%	$ 3,900,000
Water Meter Upgrade	3,600,000	3,975,236	1,635,500	41%	$ 2,500,000
Information Technology	856,000	480,384	227,300	47%	$ 480,000
Consolidation of Operations	-	-	167,700	0%	$ 269,000
TOTAL TYPE 2 PROJECTS	**$ 9,606,000**	**$ 9,605,620**	**$ 3,105,300**	**32%**	**$ 9,549,000**
TYPE 3 - STRATEGIC PROJECTS & PROGRAMS					
Emergency Water Supply	**$ 412,000**	**$ 412,000**	**$ 476,600**	**116%**	**$ 750,000**
TOTAL WATER CAPITAL PROJECTS	**$ 18,021,000**	**$ 18,020,621**	**$ 5,832,700**	**32%**	**$ 16,395,000**

Type 1 - General Capital is budgeted Year-by-Year for recurring capital expenditures from January through December. Type 1 Capital includes categorized collections of projects of less than $1 million, and typically involves dozens of individual projects that add up to $3.5-4.5 million per year.

Type 2 projects have "discrete" scopes, schedules (launch through completion), and cost over $1MM during the project life, and project life can span multiple years.

Type 3 projects are large strategic programs with long term impacts and are typically bond-funded.

Quarterly Contract Report for Q2 2020

APPENDIX E

Contracts between $40,000-$150,000

Contract Execution Date	Contractor	City, State	Description	Contract Term Including Expected Renewals	Contract Amount Including Expected Renewals	Contract Process	ET Manager
4/10/2020	Brothers Cleaning	Springfield, OR	COVID-19 Deep Cleaning Facilities	12/31/2020	$ 75,000	Direct Negotiation	Rod Price
4/10/2020	Energy + Environmental Economics	San Francisco, CA	AURORA Outputs and Assumptions	6/30/2020	$ 40,000	Direct Negotiation	Rod Price
4/14/2020	Energy + Environmental Economics	San Francisco, CA	Strategic Advisory Services for Electrification Study	6/1/2021	$ 90,000	Direct Negotiation	Rod Price
4/16/2020	Backflow Specialties	Eugene, OR	Backflow Services	4/15/2025	$ 85,000	Informal Bid	Rod Price
4/16/2020	Eugene Backflow/ David Doerr	Eugene, OR	Backflow Services	4/15/2025	$ 140,000	Informal Bid	Rod Price
4/21/2020	Cornforth Consultants, Inc	Portland, OR	Leaburg Canal Inclinometer & Piezometer Readings	6/30/2022	$ 98,200	Direct Negotiation	Rod Price
4/28/2020	Ward Insurance	Eugene, OR	Workers Compensation Broker Services	4/27/2025	$ 125,000	Direct Negotiation	Rod Price
5/6/2020	OS Engineering	Eugene, OR	Integrator - Filter HMI Upgrade (HB)	8/28/2020	$ 67,120	Informal Request for Proposals	Rod Price
5/20/2020	Island Fence and Window Guard, Inc	Junction City, OR	On-Call Fencing Services	5/19/2025	$ 45,000	Informal Bid	Rod Price
5/27/2020	Pacific Excavation	Eugene, OR	Finish Water to House Water Supply at Hayden Bridge	7/28/2020	$ 93,900	Formal Invitation to Bid	Rod Price
5/28/2020	Wildish Construction	Eugene, OR	Walterville Toe Drain	6/30/2020	$ 56,300	Informal Bid	Rod Price
5/28/2020	RailPros	Irving, TX	Utility Construction Inspection (for Railroad)	7/22/2020	$ 60,000	Direct Negotiation	Rod Price
6/5/2020	Black & Veatch	Lake Oswego, OR	Smith Spill Lift	11/30/2020	$ 89,545	Direct Negotiation	Rod Price
6/8/2020	TICE Electric	Portland, OR	Install New Emergency Generator	6/26/2020	$ 41,266	Direct Negotiation	Rod Price
6/8/2020	University of Oregon	Eugene, OR	Carbon Sequestration	3/1/2025	$ 140,000	Direct Negotiation	Rod Price
6/12/2020	Carollo Engineers	Portland, OR	Water System Emergency Response Plan	5/1/2021	$ 128,160	Direct Negotiation	Rod Price
6/15/2020	Ready Rooter	Eugene, OR	Customer Side Plumbing Repairs	5/31/2025	$ 48,000	Informal Bid	Rod Price
6/15/2020	Peterson Plumbing	Eugene, OR	Customer Side Plumbing Repairs	6/15/2025	$ 48,000	Informal Bid	Rod Price

EWEB association for listed contracts-None

Small Procurement Overage Report

Water Engineering had a breach of the $10,000 small procurement threshold in April 2020. The purchase was for $11,372.08 for a software upgrade to the Hayden Bridge HMI (Human-to-Machine Interface), which provides the ability to control 14 filters at the Hayden Bridge Filtration Plant. The initial quote was less than $10,000, however two of the four additional licenses required for the Hayden Bridge network architecture were inadvertently omitted in the quote and the additional licenses caused the total purchase to exceed the small procurement threshold. The appropriate purchasing processes have been reviewed with the employee, and their supervisor and manager.

For questions please contact Sarah Gorsegner, 541-685-7348

Community Investment - Q2 2020

Total investment in Q2 - **$9,085,487** (not including Energy Efficiency loans, Water Truck deployments, or volunteer/ambassador efforts and events)

APPENDIX F

Community Investment Program guidelines are in place to ensure consistency and transparency for how we invest our customers' dollars for the betterment and well-being of the community we serve. Requests that provide strong alignment between EWEB's discretionary community investment criteria and the Strategic Plan are vetted through the General Manager's office for consideration. Sponsorship dollars are focused on initiatives that are both closely connected to EWEB's core mission and provide the broadest benefit to our customers.

Sponsorships, Donations, Grants

	AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q2	No new sponsorships, donations or grants in Q2.							
				Q2 SUBTOTAL	$0			
Q1	The Eugene Science Center	2018 Greenpower grant winner - will receive up to $50,000	03/25/20	N/A	$12,500	ENVIRONMENTAL: Greenpower	Customer Voluntary	Installation of 32.5-kilowatt photovoltaic array project - Phase 2 partial disbursement of $6,000 (Phase 1 disbursements paid and reported in previous quarters). Subsequent installments will be made as project progresses.
	Eugene 4J School District	Jan-June 2020 Education Grant	02/27/20	N/A	$123,500	ECONOMIC: Education	Board Directed	
	Lane County Fair	Co-Sponsorship of Comfort Station Water Booth	02/27/20	07/22-07/26	$900	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	Booth Fee / Use of EWEB drinking water fountain w/chiller.
	Oregon Environmental Council	2020 Oregon World Water Day	02/20/20	3/22/2020	$500	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	A month-long online educational campaign to promote greater awareness of the importance of protecting our water resources. EWEB's sponsorship includes both financial support and community engagement via social media. Visit http://www.oregonworldwaterday.org/ to learn more.
	Washington & Oregon Higher Education Sustainability Conference (Hosted by University of Oregon in 2020)	2020 Washington & Oregon Higher Education Sustainability Conference	01/30/20	03/02-03/04	$2,500	ECONOMIC: Education	Discretionary	2020 Theme: Root Causes to Sustainability Challenges and Positive Actions to Address Them. Experts and leaders in higher education and sustainability will share their experiences on topics ranging from meaningful projects that impact the community and the environment to climate resilience, social permaculture and much more. Event sponsorship - 2 SMEs staffed table at conference.
	Homes for Good	2016 Greenpower grant winner -$50,000 total grant	01/22/20	N/A	$12,500	ENVIRONMENTAL: Greenpower	Customer Voluntary	Photovoltaic system installed at their facility located at Parkview Terrace (255 High St; offers 1 and 2-bedroom units for Seniors and people with disabilities). They were a 2016 Greenpower Grant recipient ($50,000) and had delays in their project, but completed this year. First two payments of $37,500 paid on 12/16/19 and reported for that quarter. Final payment.
	Bethel School District	Jan-June 2020 Education Grant	01/16/20	N/A	$38,500	ECONOMIC: Education	Board Directed	
	McKenzie School District	Jan-June 2020 Education Grant	01/16/20	N/A	$10,500	ECONOMIC: Education	Board Directed	
	Springfield School District	Jan-June 2020 Education Grant	01/16/20	N/A	$23,500	ECONOMIC: Education	Board Directed	
				Q1 SUBTOTAL	$224,900			
				SPONSORSHIPS, DONATIONS, GRANTS YTD TOTAL	$224,900			

Customer Solutions Products and Services

	AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
	ENERGY EFFICIENCY INCENTIVES							
Q2	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Residential	Q2	N/A	$309,504	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	337 residential customers took advantage of energy efficiency incentives (15% limited income projects for 52% of dollars invested).
	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Non-residential	Q2	N/A	$81,222	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	18 non-residential customers took advantage of energy efficiency incentives. 96% of non-residential incentives were for lighting projects with the remaining for HVAC. A large compressed air project was also completed at the pulp mill under the rate credit agreement. Non-residential customers include businesses, schools, city and county facilities, medical buildings and manufacturing facilities.
	EWEB Energy Efficiency Programs	Electric Vehicles (EV)	Q2	N/A	$11,888	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	16 residential and 1 commercial (4 units) customers received rebates for Level 2 EV Chargers.
	EWEB Greenpower Program	Solar Electric Incentives	Q2	N/A	$29,132	ENVIRONMENTAL: Greenpower	Customer Voluntary	14 residential net-metered projects received incentives funded by the Greenpower Program year to date. An additional 4 residential projects were installed but did not qualify for incentives.
	EWEB Water Conservation Programs	Hand Valve and Toilet Rebates, Septic Maintenance Incentives	Q2	N/A	$5,450	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	23 customers received hand valve rebates, 4 toilet rebates and 13 septic maintenance rebates.
				Q2 SUBTOTAL	$437,196			
Q1	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Residential	Q1	N/A	$433,469	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	422 residential customers took advantage of energy efficiency incentives (18% limited income projects for 44% of dollars invested).
	EWEB Energy Efficiency Programs	Energy Efficiency Incentives - Non-residential	Q1	N/A	$221,901	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	44 non-residential customers took advantage of energy efficiency incentives. 93% of non-residential incentives were for lighting projects with the remaining for HVAC, refrigeration, weatherization and manufacturing processes. Non-residential customers include businesses, schools, city and county facilities, hospitals, etc.
	EWEB Energy Efficiency Programs	Electric Vehicle (EV) Clean Ride Rebate Program	Q1	N/A	$13,438	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	26 residential and 2 commercial (1 public) customers received rebates for Level 2 EV Chargers.
	EWEB Greenpower Program	Solar Electric Incentives	Q1	N/A	$35,559	ENVIRONMENTAL: Greenpower	Customer Voluntary	14 residential and 2 commercial net-metered projects received incentives funded by the Greenpower Program year to date. An additional 3 residential and 1 commercial projects were installed but did not qualify for incentives.
	EWEB Water Conservation Programs	Hand Valve and Toilet Rebates, Septic Maintenance Incentives	Q1	N/A	$4,750	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	34 customers received hand valve rebates, 9 toilet rebates and 4 septic maintenance rebates.
				Q1 SUBTOTAL	$709,116			
				ENERGY EFFICIENCY INCENTIVES YTD TOTAL	$1,146,312			

LIMITED INCOME ASSISTANCE

Q2	EWEB Customer Care Program	Limited Income Energy Assistance	Q2	N/A	$595,837	PEOPLE: Safety Net	Board Directed	The EWEB Customer Care (ECC) program credited $546,520 in Q2 to 2107 customer accounts. Energy Share contributed a total of $49,317 to 282 customer accounts in Q2. EWEB also credited federal LIHEAP funds to 440 accounts. *Note: Amount does not include federal LIHEAP funds.
	EWEB Limited Income Assistance	Electric Line Repair Grants (Income eligible)	Q2	N/A	$0	PEOPLE: Safety Net	Discretionary	0 customers received electric repair grants.
	EWEB Water Conservation Programs	Water Line Repair Grants (Income eligible)	Q2	N/A	$11,915	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	8 customers received water line repair grants.
				Q2 SUBTOTAL	**$607,752**			
Q1	EWEB Customer Care Program	Limited Income Energy Assistance	Q1	N/A	$549,005	PEOPLE: Safety Net	Board Directed	The EWEB Customer Care (ECC) program credited a total of $461,760 in Q1 to 1771 customer accounts. Energy Share contributed a total of $87,245 to 521 customer accounts. EWEB also credited federal LIHEAP funds to 1,143 accounts. *Note: Amount does not include federal LIHEAP funds.
	EWEB Limited Income Assistance	Electric Line Repair Grants (Income eligible)	Q1	N/A	$10,235	PEOPLE: Safety Net	Discretionary	4 customers received electric repair grants.
	EWEB Water Conservation Programs	Water Line Repair Grants (Income eligible)	Q1	N/A	$21,830	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	6 customers received water line repair grants.
				Q1 SUBTOTAL	**$581,070**			
				LIMITED INCOME ASSISTANCE YTD TOTAL	**$1,188,822**			

ENERGY AND WATER LOANS

Q2	EWEB Energy Efficiency Programs	Energy Efficiency Loans - Residential	Q2	N/A	$420,980	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	69 residential customers participated in Energy Efficiency Loan programs.
	EWEB Water Conservation Programs	Water Line Repair & Septic Repair/Replacement Loans	Q2	N/A	$18,991	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	EWEB continues to monitor and detect continuous flow through AMI data and makes approximately 10 customer contacts per week to advise of leaks. 3 customers received water line repair loans, and 1 received a septic loan.
	EWEB Resiliency Program	Generator Loan Program	Q2	N/A	$3,038	PEOPLE: Emergency Preparedness	Discretionary	2 Residential customer participated in the Generator Loan Program
	EWEB Electric Service Line Upgrade Loan Program	Electric Service Line Upgrade Loan Program	Q2	N/A	$2,331	PEOPLE: Safety Net	Discretionary	1 residential customer took advantage of electric service upgrade loans.
				Q2 SUBTOTAL	**$445,340**			
Q1	EWEB Energy Efficiency Programs	Energy Efficiency Loans - Residential	Q1	N/A	$330,633	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	62 residential customers participated in Energy Efficiency Loan programs.
	EWEB Water Conservation Programs	Water Line Repair & Septic Repair/Replacement Loans	Q1	N/A	$12,470	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	EWEB continues to monitor and detect continuous flow through AMI data and makes approximately 10 customer contacts per week to advise of leaks. 4 customers received water line repair loans.
	EWEB Resiliency Program	Generator Loan Program	Q1	N/A	$9,592	PEOPLE: Emergency Preparedness	Discretionary	5 Residential customer participated in the Generator Loan Program
	EWEB Electric Service Line Upgrade Loan Program	Electric Service Line Upgrade Loan Program	Q1	N/A	$5,550	PEOPLE: Safety Net	Discretionary	2 residential customers took advantage of electric service upgrade loans.
				Q1 SUBTOTAL	**$358,245**			
				ENERGY AND WATER LOANS YTD TOTAL	**$803,585**			

System Development Charge (SDC) Waivers

AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q2	**No new SDC waivers in Q2.**						
			Q2 SUBTOTAL	**$0**			
Q1	Homes for Good	Taney Place	Mar-20	N/A	$18,200		Board Directed	49 unit development in the Bethel area.
	St. Vincent de Paul	Iris Place	Feb-20	N/A	$18,200		Board Directed	53 unit development in the River Road area.
				Q1 TOTAL	**$36,400**			
				SDC WAIVERS YTD TOTAL	**$36,400**			

Contributions in Lieu of Taxes (CILT)

AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q2	City of Eugene	Contribution in lieu of taxes (CILT)	Q2	N/A	$2,759,857	Required	Mandated	
	City of Springfield	Contribution in lieu of taxes (CILT)	Q2	N/A	$139,873	Required	Mandated	
				Q2 SUBTOTAL	**$2,899,730**			
Q1	City of Eugene	Contribution in lieu of taxes (CILT)	Q1	N/A	$3,451,550	Required	Mandated	
	City of Springfield	Contribution in lieu of taxes (CILT)	Q1	N/A	$137,773	Required	Mandated	
				Q1 SUBTOTAL	**$3,589,324**			
				CILT YTD TOTAL	**$6,489,054**			

EWEB Ambassador Efforts and Events (Paid)

AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q2	**No new events in Q2.**						
Q1	Washington & Oregon Higher Education Sustainability Conference (Hosted by University of Oregon in 2020)	2020 Washington & Oregon Higher Education Sustainability Conference	N/A	03/02-03/04	N/A	ECONOMIC: Education	Discretionary	2020 Theme: Root Causes to Sustainability Challenges and Positive Actions to Address Them. Experts and leaders in higher education and sustainability will share their experiences on topics ranging from meaningful projects that impact the community and the environment to climate resilience, social permaculture and much more. Event sponsorship - 2 SMEs staffed table at conference.
	Environmental Law Alliance Worldwide (ELAW)		N/A	02/26/20	N/A		Discretionary	Generation Manager hosted 2 attorneys and ELAW Fellow / Chief Executive Officer of Africa Institute for Energy Governance (AFIEGO) for a discussion of EWEB's electric energy resources and generation system.
	University of Oregon	Solar Project Ribbon Cutting Ceremony	N/A	02/14/20	N/A	ENVIRONMENTAL: Greenpower	Customer Voluntary	Ribbon Cutting Ceremony for photovoltaic system installed at 205 Exmoor Pl (a non-profit corporation supporting adults who experience developmental disabilities at home and in the community). U of O received Solar Electric Program incentive.

	Good Earth Home, Garden & Living Show		N/A	01/24-01/26	N/A	ENVIRONMENTAL: Energy Efficiency/Renewable	Discretionary	EWEB hosted booth highlighting heat pump technology and special promotions, electric vehicles, resiliency (Back-up Generator Program and Pledge to Prepare) and peak power.
	Homes for Good	Greenpower Grant Ribbon Cutting Ceremony	N/A	01/21/20	N/A	ENVIRONMENTAL: Greenpower	Customer Voluntary	Ribbon Cutting Ceremony for the photovoltaic system installed at their facility located at Parkview Terrace (255 High St; offers 1 and 2-bedroom units for Seniors and people with disabilities). They were a 2016 Greenpower Grant recipient ($50,000) and had delays in their project, but completed this year.
EWEB Ambassadors have provided over 90 hours of services to the Community YTD								

Volunteer Efforts and Events (Unpaid)

	AGENCY	EVENT/DESCRIPTION	PAYMENT DATE	EVENT DATE	AMOUNT	INVESTMENT AREA	CATEGORY	NOTES
Q2	McKenzie Watershed Council	Annual McKenzie River Clean-Up	N/A	6/27/2020	N/A	ENVIRONMENTAL: Water Quality/Reliability	Discretionary	Twelve volunteers, including management and staff from EWEB's Water and Environmental departments, picked up trash in five areas around Leaburg Dam.
Q1	Bloodworks Northwest	Onsite Blood Drive	N/A	01/27/20	N/A	PEOPLE: Safety Net	N/A	
EWEB employees, friends and families have volunteered 25 hours YTD								

Q2 2020 Workforce Composition

The following charts are demographic snapshots of EWEB's workforce composition as compared to that of the State of Oregon and Lane County, as reported by the US Census Bureau in Q3 of 2019, the most recent quarter for which they have data.