



Fiscal Year 2024

Adopted
Annual Budget



Rely on us.



EUGENE WATER & ELECTRIC BOARD

Rely on us.

Board of Commissioners

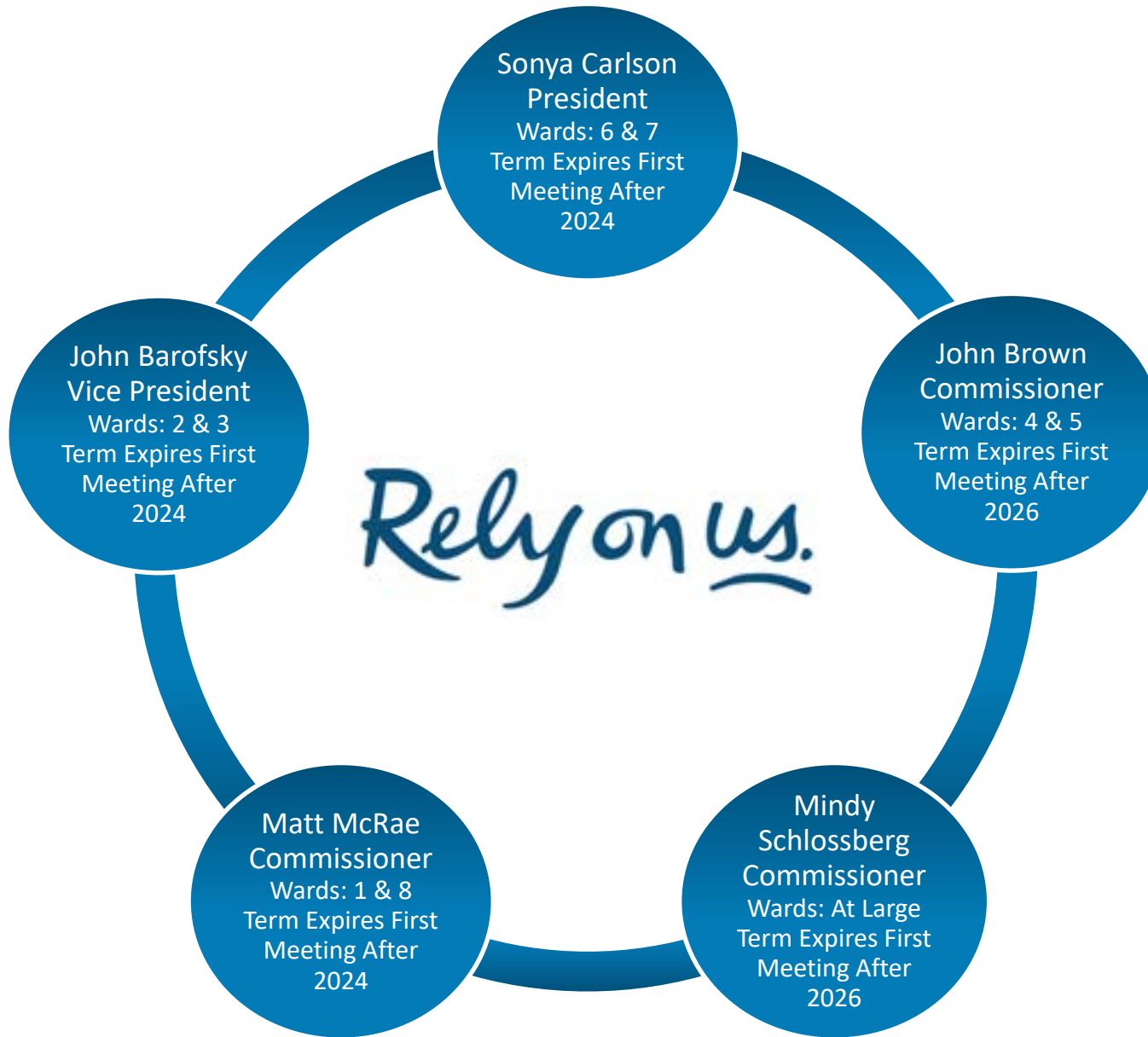


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LETTER TO THE BOARD OF COMMISSIONERS

Board of Commissioners,

The 2024 Eugene Water & Electric Board Operations & Maintenance (O&M) and Capital & Debt Service budgets are submitted for your consideration and approval. The combined total for both Utilities is \$471.5 million, representing a decrease of 0.4% compared to the 2023 budget. Individual utility budgets are \$400.3 million for the Electric Utility and \$71.2 million for the Water Utility. Both Utilities' have increases in the overall revenue requirement and consequently, price increases are proposed among customer classes.

Financial planning is a means of targeting EWEB's strategic direction to *Foster Customer Confidence, Position for Flexibility, and Resilient Delivery*. Organizational values are also modeled through the allocation of resources in the proposed budgets for 2024.

Safe — Through best practice methods and continuous improvement, we prioritize employee and community safety. Our budget reflects investments in providing clean, healthy water, safeguarding the community during power outages, and preparing for emergencies.

Reliable — The electric grid and drinking water systems our customers rely on everyday are threatened by aging infrastructure, natural disasters, and climate change. Our budget reflects necessary investments to provide constant, reliable power and water under both normal operating conditions and disruptive events.

Affordable — We understand the economic pressures facing so many customers and we work hard to control costs and operate as efficiently as possible.

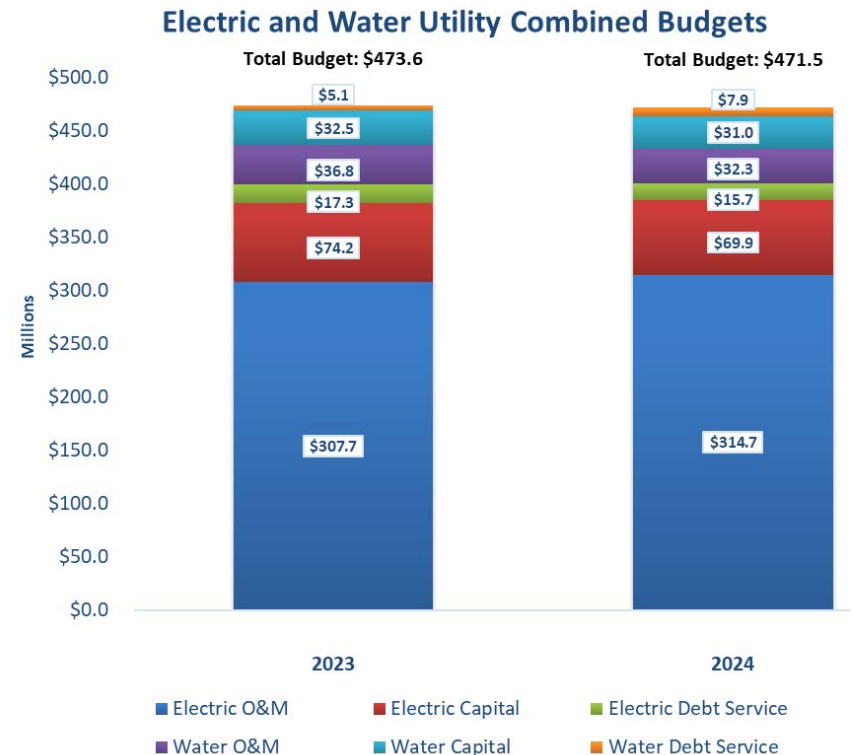
Environmental — Our environmentally-conscious community wants us to provide clean, renewable energy and to protect our watersheds. We continue to offer comprehensive energy and water efficiency incentives along with voluntary programs to help customers reduce greenhouse gas emissions and finance projects that benefit the environment.

Community — We transfer a portion of revenues to local schools, programs to support limited income customers, and the Cities of

Eugene and Springfield General Funds to help pay for services such as police, fire, and parks.

EWEB continues to be a strong community partner as evidenced by its Community Care Program, which seeks to mitigate the utility burden of annual average water and electric expenses for at least 5% of the residential customer base. EWEB also provides \$450,000 annually in grants to local schools and \$230,000 annually for green power and solar programs. In addition, incentive programs to encourage electrification of the transportation sector as well as building heating and cooling systems continue with additional resources proposed in 2024.

The following chart depicts the combined Electric and Water budgets for 2023 and 2024.



ELECTRIC UTILITY

Overview and Revenue

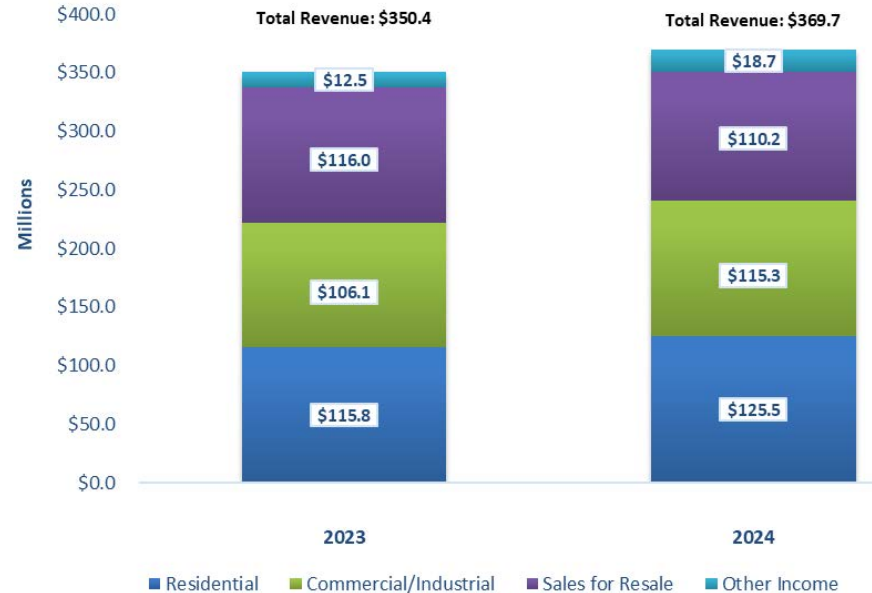
The Electric Utility faces challenges related to evolving retail demand patterns, infrastructure investment and replacement needs, and volatile power markets in which it buys and sells energy. To navigate these challenges EWEB has invested in energy efficiency and electrification incentive programs, employed conservative demand and hydro assumptions, increased capital budgets for aging infrastructure replacement, and continued an active hedging and risk management program to mitigate market risk.

For the 2024 Budgets, electric retail load increased 1.5% relative to 2023. The 2024 budget assumes a contribution margin risk tolerance of \$14.3 million, which protects the Utility against revenue declines beyond its control. Given its surplus power position, EWEB has a strong hedging program designed to protect the Utility from falling wholesale prices and budget impacts. In recent years, extreme weather events have led to changing demand for electricity. Summer temperatures have consistently exceeded historical conditions and cooling loads have approached winter peaks. These weather patterns also affect hydroelectric generation. Wholesale revenue decreased by \$5.8 million between 2023 and 2024. The decrease is due to lower budgeted volumes and consistent wholesale market price assumptions year-over-year.

In the future, as EWEB continues to assist customers with achieving their greenhouse gas (GHG) emission reduction goals as directed by EWEB’s Climate Change Policy, there will likely be impacts on retail demand for electricity. Long-term conservation, energy efficiency, and demand-response goals are established as part of the Utility’s Integrated Resource Planning (IRP) process, and EWEB will continue to monitor the impacts on peak demand and energy sales.

The following chart presents the Electric 2023 and 2024 revenue budgets.

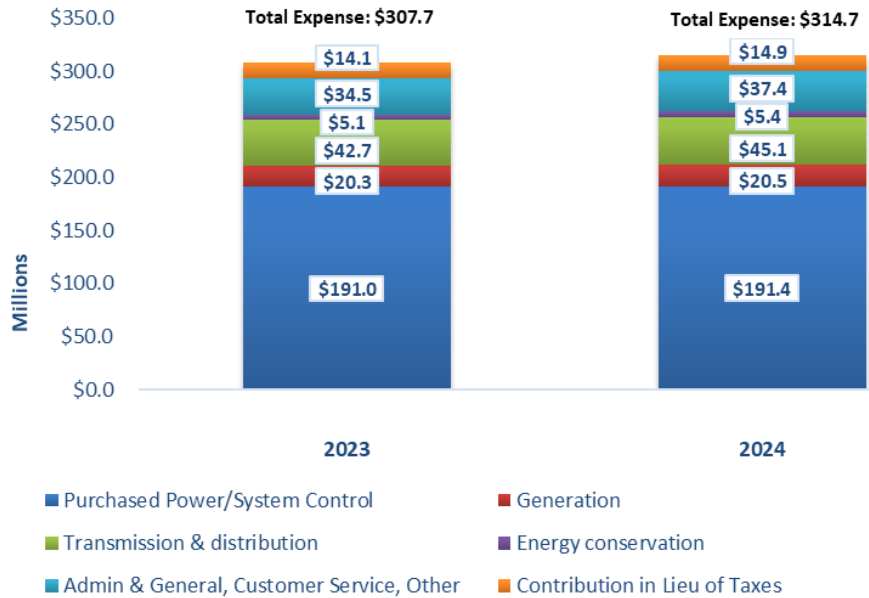
Electric Utility Budgeted Revenues



Operations & Maintenance Budget

The 2024 Electric O&M budget is \$314.7 million compared to the 2023 O&M budget of \$307.7 million. The budget for purchased power and system control expense represents the majority of costs and remained relatively flat year over year. Increases in other operational areas are driven by labor market changes and increases supporting strategic initiatives. The O&M budget projects a \$7.1 million deposit to reserves, while the Capital budget anticipates a \$33.6 million draw on reserves including use of bond proceeds. The following chart presents the Electric 2023 and 2024 O&M expense budgets.

Electric Utility Budgeted Operations & Maintenance Expenses



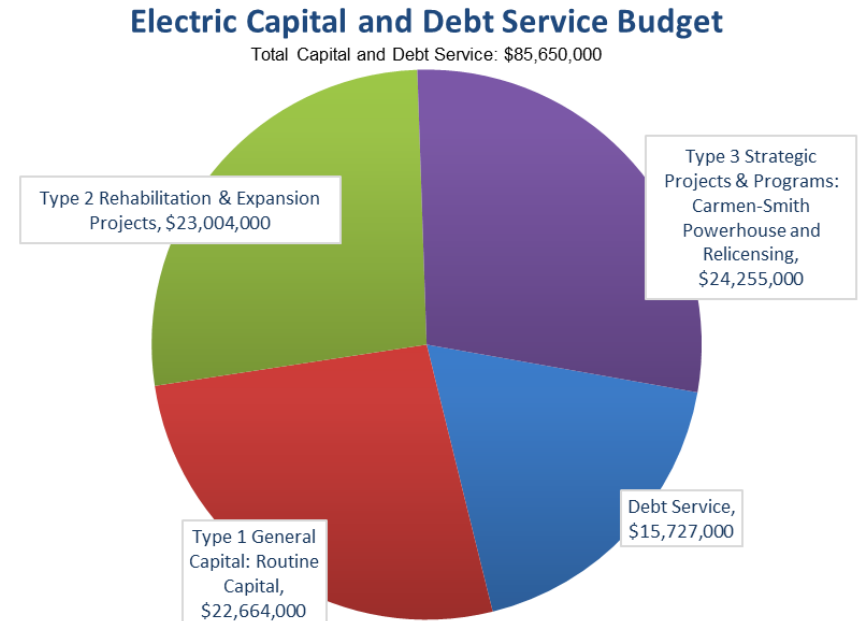
Capital and Debt Service Budget

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

Following a robust investment plan in 2023, the Electric Capital & Debt Service budget of \$85.6 million is \$5.8 million lower. \$32.1 million of the 2024 capital work is funded with electric retail revenue, which is an increase from \$19.8 million funded from retail revenue in 2023. Additional detail on the capital budget is included in Attachment 1.

The 2024 budget includes \$15.7 million to service existing debt and plans for a \$64 million bond issuance to support capital projects through the next few years. The overall debt amount following the additional borrowing would be approximately \$240 million in principal at the end of 2024.

The following chart details the budget by type of cost.



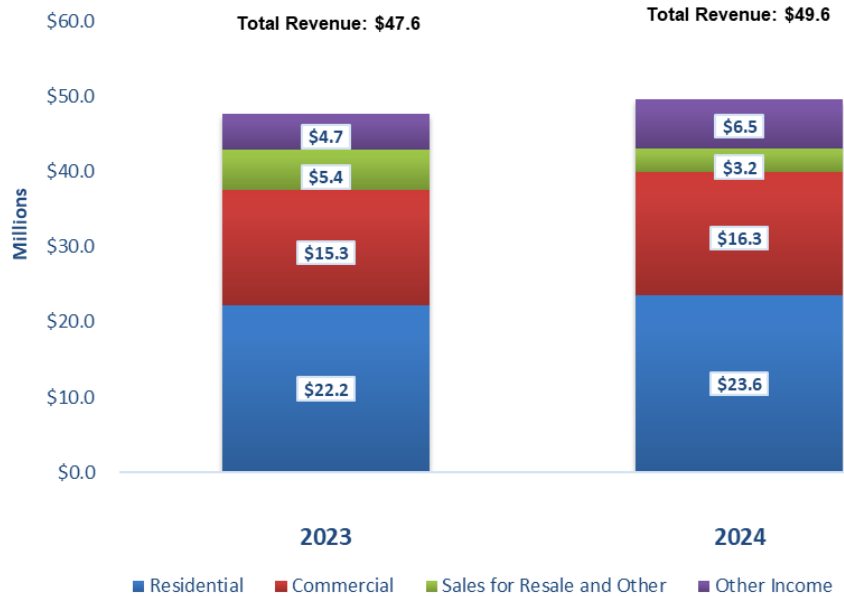
WATER UTILITY

Overview and Revenue

The Water Utility faces challenges such as, replacement of aging infrastructure, water source protection, and developing a second source water treatment facility.

2024 budgeted sales are 7.8 billion gallons, which is 0.6% lower than was budgeted in 2023. The sales forecast assumes 95% of historical 5-year average water consumption for the first five years, resulting in a contribution margin risk tolerance of approximately \$1.2 million in 2024. Residential revenue makes up 48% of the Water Utility's total revenues, while 33% is from commercial.

Water Utility Budgeted Revenues

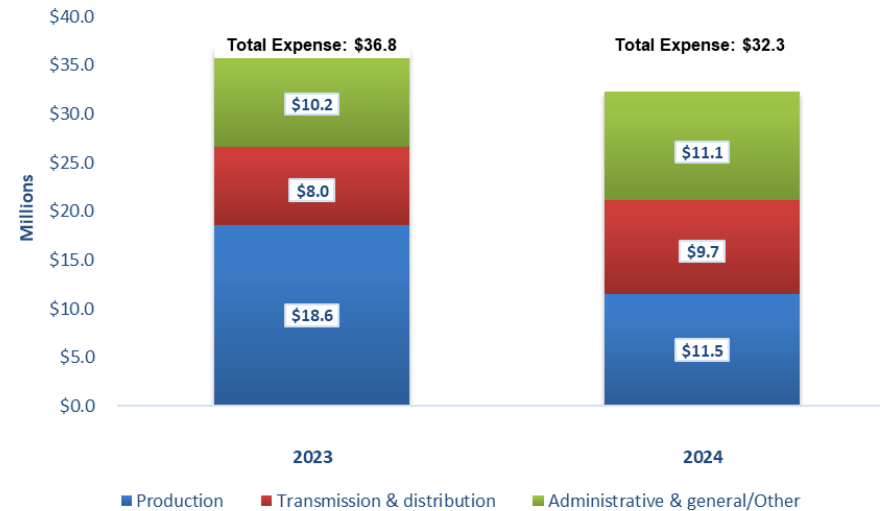


Operations & Maintenance Budget

The 2024 Water Utility O&M budget is \$32.3 million compared to \$36.8 million in 2023. The budget assumes \$2.4 million for Watershed Recovery work, to be funded by Watershed Restoration Fee revenues.

The O&M budget projects a \$5.4 million deposit to reserves, while the Capital budget projects a draw of \$24.6 million on reserves including the use of bond proceeds. The 2024 budget does not include potential funding from grants not yet awarded to support watershed restoration projects. Changes in production budgets are due to the reduced watershed restoration spending levels. In the event project grants are secured, a budget amendment would be proposed to the Board to accommodate increased spending. Increases in other categories are driven by changes in labor. The following chart compares the 2024 and 2023 Water Utility Operations & Maintenance budgets.

Water Utility Budgeted Operations & Maintenance Expenses



Capital and Debt Service Budget

The Water Utility’s investment priority is in base level storage and in-town transmission infrastructure. The East 40th storage project is planned for completion in 2023 with final earthwork and landscaping continuing into 2024. Additional base level storage facilities, such as College Hill, will be renewed in coming years. In addition, 2024 budgets incorporate plans for EWEB to continue design and permitting efforts for construction of a treatment plant on the Willamette River.

The Water Capital & Debt Service budget of \$38.9 million reflects a \$1.4 million increase from the 2023 budget. Depending on the type of project, funding is through water retail prices, customer contributions, or bonds.

The 2024 budget includes \$7.9 million to service existing debt. The overall principal debt amount will be approximately \$95 million at the end of 2024.

The 2024 budgets position both the Electric and Water Utilities to maintain their financial resiliency and flexibility. EWEB faces the challenge of effectively planning and operating in an environment of a changing climate, new technology, developing markets, political and regulatory flux, natural and human-caused threats, and evolving community expectations. In this environment, we need to embed resiliency into all of our operations, processes, and decision making – from how we upgrade aging infrastructure, to planning for our community’s energy future, and transforming the technology and programs that build customer trust and enable operational consumption flexibility. I am pleased how EWEB has rallied around this focus, and I want to thank EWEB management, staff, and Commissioners for their assistance in helping EWEB achieve its mission “to enhance our community’s vitality by delivering drinking water and electric services consistent with the values of our customer-owners”.

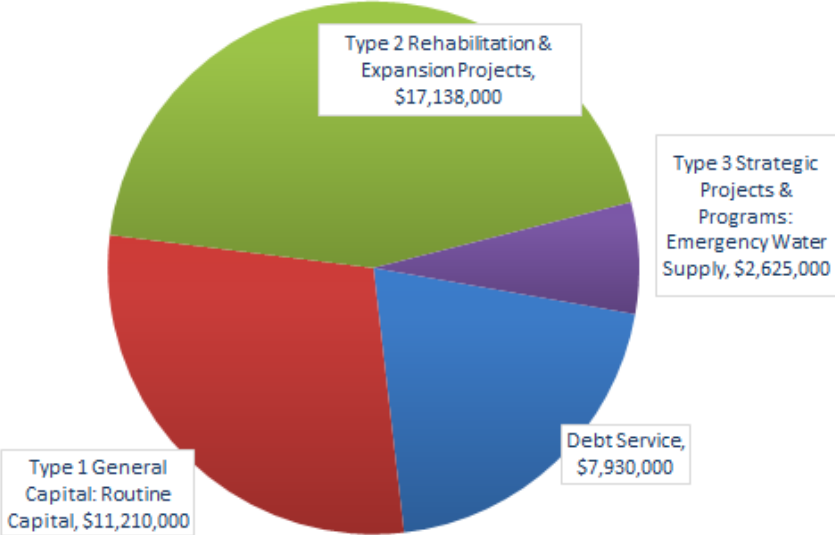
Respectfully submitted,



Frank Lawson, General Manager

Water Capital and Debt Service Budget

Total Capital and Debt Service: \$38,903,000



DID YOU KNOW?



EWEB's Source Water Protection Team led partners in a drill simulating an emergency response to an oil spill on the McKenzie River – the sole source of drinking water for 200,000 people in Eugene and Springfield. More than 40 volunteers from a dozen local, State, and Federal agencies who are part of the McKenzie Watershed Emergency Response System answered the call to join the drill. Their primary objective is to develop strategies and techniques to get oil or diesel out of the water to protect the watershed.

ATTACHMENT 1

2024 ADOPTED BUDGET



DID YOU KNOW?

EWEB sold the former headquarters located at 500 East Fourth Avenue to the City of Eugene in 2023. The Eugene City Council plans on utilizing the riverfront property as a new location for its city hall. EWEB will maintain a small customer service center on the site.

EUGENE WATER & ELECTRIC BOARD

ELECTRIC UTILITY OPERATIONS & MAINTENANCE BUDGET AND REVENUE REQUIREMENTS 2024 ADOPTED BUDGET COMPARED WITH 2023 ADOPTED BUDGET AND 2022 ACTUAL

	2024 Adopted Budget		2023 Adopted Budget		2022 Actual	
	MWH	Revenue and Expense	MWH	Revenue and Expense	MWH	Revenue and Expense
Residential	970,000	\$ 125,450,000	947,000	\$ 115,789,000	985,000	\$ 115,117,000
Commercial	873,000	90,281,000	862,000	84,930,000	864,000	82,281,000
Industrial	490,000	25,023,000	490,000	21,137,000	501,000	24,884,000
Retail sales	2,333,000	240,754,000	2,299,000	221,856,000	2,350,000	222,282,000
Wholesale sales	1,351,000	110,202,000	1,582,000	116,018,000	1,620,000	91,193,000
Other Operating Revenues		9,991,000		9,346,000		13,725,000
	<u>3,684,000</u>	<u>360,947,000</u>	<u>3,881,000</u>	<u>347,220,000</u>	<u>3,970,000</u>	<u>327,200,000</u>
Other revenue		1,857,000		1,602,000		3,737,000
Interest earnings		6,850,000		1,557,000		(1,023,000)
Non-operating revenues		8,707,000		3,159,000		2,714,000
Total revenues		<u>369,654,000</u>		<u>350,379,000</u>		<u>329,914,000</u>
Purchased Power		184,937,000		185,698,000		164,546,000
System control		6,438,000		5,277,000		4,546,000
Generation		20,497,000		20,294,000		17,012,000
Wheeling		12,840,000		12,795,000		12,976,000
Transmission & distribution		32,365,000		29,963,000		26,746,000
Customer accounting		9,973,000		8,783,000		9,185,000
Energy conservation		6,972,000		6,521,000		4,853,000
Administrative & general		28,459,000		27,086,000		26,185,000
Operating expenses		<u>302,481,000</u>		<u>296,417,000</u>		<u>266,049,000</u>
Contributions in lieu of taxes		14,851,000		14,138,000		13,463,000
Change in balance sheet accounts/ other expenses		(2,650,000)		(2,811,000)		51,612,000 ¹
Non-operating expenses		12,201,000		11,327,000		65,075,000
Total operations and maintenance expenses		<u>314,682,000</u>	59%	<u>307,744,000</u>		<u>331,124,000</u>
Rate funded capital		32,100,000		19,803,000		
Rate funded debt service		15,727,000		17,273,000		
Total rate funded capital related expenses		<u>47,827,000</u>		<u>37,076,000</u>		
Total rate funded expenses		<u>362,509,000</u>		<u>344,820,000</u>		
Revenues over/(under) expenses		<u>\$ 7,145,000</u>		<u>\$ 5,559,000</u>		
Deposit to Leaburg Reserve		4,200,000		-		
Deposit to Unrestricted Reserves		2,945,000 ³		5,559,000		
Net change in reserves from operations		<u>\$ 7,145,000</u>		<u>\$ 5,559,000</u>		
Change in Net Position						<u>\$ (1,210,000) ²</u>

¹Includes depreciation, other revenue deductions, interest and amortization expense, contribution in aid, and contributed plant assets

²Actual results are not directly comparable to budget due to a difference in accounting treatment

³Board will allocate working cash above target to specific designated funds after annual audit

Dollars rounded to nearest thousand.

EUGENE WATER & ELECTRIC BOARD

ELECTRIC UTILITY CAPITAL AND DEBT SERVICE BUDGET

2024 ADOPTED BUDGET COMPARED WITH 2023 ADOPTED BUDGET

	2024 Adopted Budget	2023 Adopted Budget
Funding Source by Type		
<u>Source of Funds</u>		
Retail Revenue	\$ 32,100,000	\$ 19,803,000
Draw on Rate Stabilization Reserves	9,336,000	11,629,000
Bond Proceeds (Type II & III)	24,255,000	38,661,000
Customer Contributions in Aid	3,019,000	4,001,000
Grant Funding	1,213,000	63,000
Total Source of Funds	69,923,000	74,157,000
Expenditures by Type		
<u>Type 1- General Capital</u> ¹		
Downtown Network	1,198,000	1,093,000
Electric Infrastructure- Generation	1,937,000	2,202,000
Electric Infrastructure- Substations	2,966,000	2,793,000
Electric Infrastructure- Transmission & Distribution	8,561,000	9,698,000
Electric Meters	-	525,000
General Plant- Information Technology	4,039,000	4,656,000
General Plant- Buildings & Land	233,000	359,000
General Plant- Fleet	2,790,000	1,486,000
Telecommunications	940,000	992,000
Total Type 1	22,664,000	23,804,000
<u>Type 2- Rehabilitation & Expansion Projects</u> ²		
General Plant- Buildings & Land	5,270,000	2,593,000
Resiliency	3,717,000	12,075,000
Information Technology	9,006,000	2,866,000
Electric Infrastructure- Generation	1,050,000	3,629,000
Electric Meters	3,961,000	1,594,000
Total Type 2	23,004,000	22,757,000
<u>Type 3- Strategic Projects & Programs</u> ³		
Carmen Smith Relicensing	24,255,000	27,596,000
Total Type 3	24,255,000	27,596,000
Total Electric Capital Budget	69,923,000	74,157,000
Rate Funded Debt Service	15,727,000	17,273,000
Total Electric Capital and Debt Service Budget	\$ 85,650,000	\$ 91,430,000

¹ Type 1 capital is routine capital work for projects totaling less than \$1 million and is primarily funded with rates and customer contributions

² Type 2 capital projects are discrete, with a defined completion period, and lifetime expenditures over \$1 million. Depending on the project, this work may be funded with rates, customer contributions, or bond funds

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

Dollars rounded to the nearest thousand

EUGENE WATER & ELECTRIC BOARD
WATER UTILITY OPERATIONS & MAINTENANCE BUDGET AND REVENUE REQUIREMENTS
2024 ADOPTED BUDGET COMPARED WITH 2023 ADOPTED BUDGET AND 2022 ACTUAL

	2024 Adopted Budget		2023 Adopted Budget		2022 Actual	
	Gal (000)	Revenue and Expense	Gal (000)	Revenue and Expense	Gal (000)	Revenue and Expense
Residential	3,835,000	\$ 23,556,000	3,858,000	\$ 22,195,000	3,771,000	\$ 20,483,000
Commercial	3,305,000	16,316,000	3,316,000	15,282,000	3,423,000	15,435,000
Sales for Resale and Other	646,000	3,214,000	656,000	5,392,000	630,000	8,144,000
Operating revenues	<u>7,786,000</u>	<u>43,086,000</u>	<u>7,830,000</u>	<u>42,869,000</u>	<u>7,824,000</u>	<u>44,062,000</u>
Other revenue		3,999,000		4,412,000		1,745,000
Interest income		2,541,000		330,000		(425,000)
Non-operating revenues		<u>6,540,000</u>		<u>4,742,000</u>		<u>1,320,000</u>
Total revenues		<u>49,626,000</u>		<u>47,611,000</u>		<u>45,382,000</u>
Production		11,520,000		18,580,000		12,909,000
Transmission & distribution		9,687,000		8,040,000		7,756,000
Customer accounting		3,000,000		2,699,000		1,845,000
Conservation		933,000		841,000		581,000
Administrative & general		7,590,000		6,991,000		4,929,000
Operating expenses		<u>32,730,000</u>		<u>37,151,000</u>		<u>28,020,000</u>
Change in balance sheet accounts/ other expenses		(408,000)		(386,000)		8,424,000 ¹
Non-operating expenses		<u>(408,000)</u>		<u>(386,000)</u>		<u>8,424,000</u>
Total operations and maintenance expenses		<u>32,322,000</u>		<u>36,765,000</u>		<u>36,444,000</u>
Rate funded capital		4,928,000		12,267,000		
Rate funded debt service		7,020,000		4,355,000		
Total rate funded capital related expenses		<u>11,948,000</u>		<u>16,622,000</u>		
Total rate funded expenses		<u>44,270,000</u>		<u>53,387,000</u>		
Revenues over expenses		<u>\$ 5,356,000</u>		<u>\$ (5,776,000)</u>		
Deposit to Unrestricted Reserves		4,406,000		1,204,000		
Deposit/(Draw) on Rate Stabilization Fund		950,000		(6,980,000)		
Net change in reserves from operations		<u>\$ 5,356,000</u>		<u>\$ (5,776,000)</u>		
Change in Net Position						<u>\$ 8,938,000</u> ²

1. Includes depreciation, other revenue deductions, interest and amortization expense, contribution in aid, and contributed plant assets

2. Actual results are not directly comparable to budget due to a difference in accounting treatment

Dollars rounded to nearest thousand.

EUGENE WATER & ELECTRIC BOARD

WATER UTILITY CAPITAL AND DEBT SERVICE BUDGET

2024 ADOPTED BUDGET COMPARED WITH 2023 ADOPTED BUDGET

	2024 Adopted Budget	2023 Adopted Budget
Funding Source by Type		
<u>Source of Funds</u>		
Retail Revenue	\$ 4,928,000	\$ 12,267,000
Draw on Capital Reserve	350,000	5,270,000
Draw on Rate Stabilization Reserves	7,320,000	-
Draw on AWS Reserve	1,625,000	1,050,000
Bond Proceeds	15,294,000	12,600,000
Customer Contributions in Aid	1,166,000	1,166,000
System Development Charges, Improvements	290,000	115,000
Total Source of Funds	30,973,000	32,468,000
Expenditures by Type		
<u>Type 1 - General Capital¹</u>		
Source - Water Intakes & Filtration Plant	1,075,000	1,359,000
Distribution & Pipe Services	4,852,000	6,385,000
Distribution Facilities	3,290,000	1,365,000
Information Technology	1,070,000	1,134,000
Buildings, Land & Fleet	923,000	763,000
Total Type 1	11,210,000	11,006,000
<u>Type 2- Rehabilitation & Expansion Projects²</u>		
Distribution	11,760,000	16,695,000
Water Meters	1,500,000	2,000,000
Information Technology	2,844,000	905,000
Buildings, Land & Fleet	1,034,000	812,000
Total Type 2	17,138,000	20,412,000
<u>Type 3- Strategic Projects & Programs³</u>		
Willamette Water Treatment Plant	2,625,000	1,050,000
Total Type 3	2,625,000	1,050,000
Total Water Capital Budget	30,973,000	32,468,000
Rate Funded Debt Service	7,020,000	4,355,000
SDC Reimbursement Funded Debt Service	910,000	720,000
Total Water Capital and Debt Service Budget	\$ 38,903,000	\$ 37,543,000

¹Type 1 capital is routine capital work for projects totaling less than \$1 million and is funded with rates and customer contributions.

²Type 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.

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

Dollars rounded to nearest thousand.

ATTACHMENT 2

DEPARTMENT OPERATIONS & MAINTENANCE

2024 BUDGET COMPARED TO PRIOR YEARS



DID YOU KNOW?

In 2023, EWEB published a new resource for staff, partner agencies, businesses, and the community at large to learn more about how EWEB is confronting climate change and the progress we're making to reduce emissions. It's called the EWEB Climate Guidebook. Specifically, the guidebook provides clarity around EWEB's climate impact, what EWEB is doing to fight climate change, and how EWEB's climate strategy fits into the City of Eugene's climate strategy. Find it at eweb.org/environment-and-climate/climate-guidebook.

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

	2024 Adopted Budget Dollars	2023 Adopted Budget Dollars	2022 Actual Dollars
Business Continuity	\$8,231,000	\$5,584,000	\$4,293,000
Customer Service	17,451,000	14,525,000	12,815,000
Electric	30,074,000	28,250,000	25,234,000
Energy	223,742,000	223,565,000	198,118,000
Finance	14,650,000	13,242,000	10,689,000
General Manager	2,029,000	1,704,000	1,449,000
Information Services	14,242,000	12,335,000	12,787,000
Support Services	15,165,000	15,256,000	13,176,000
Water	20,197,000	26,135,000	20,761,000
Workforce Services	3,685,000	4,055,000	3,504,000
Total Operations and Maintenance Budget	\$349,466,000	\$344,651,000	\$302,826,000

Note: Due to re-organization, prior year numbers have been restated for comparability. Business Continuity previously was included with the General Manager division.

Business Continuity Operations & Maintenance Budget

	2024 Adopted Budget Dollars	2023 Adopted Budget Dollars	2022 Actual Dollars
Wages / Benefits	\$4,790,000	\$2,932,000	\$2,169,000
<u>Purchases</u>			
Stores Materials and Supplies	3,000	5,000	2,000
EWEB Equipment	94,000	76,000	68,000
Materials and Supplies	107,000 ¹	16,000	16,000
Technology / Office Equipment	95,000	85,000	28,000
Total Purchases	\$299,000	\$182,000	\$114,000
<u>Services</u>			
Contract Labor	5,000	5,000	5,000
Miscellaneous Services	143,000	71,000	73,000
Professional and Technical Services	376,000 ¹	119,000	198,000
Software/Hardware Maintenance and Services	16,000	40,000	25,000
Legal Services	95,000	180,000	90,000
Insurance	2,385,000 ²	2,005,000	1,608,000
Training and Travel	122,000	50,000	11,000
Total Services	\$3,142,000	\$2,470,000	\$2,010,000
Total	\$8,231,000	\$5,584,000	\$4,293,000

Note: Due to re-organization, prior year numbers have been restated for comparability. Business Continuity previously was included with the General Manager division.

¹ Includes employee recruitment and wellness program, cyber security, and fire mitigation initiative previously budgeted in other divisions

² Insurance premium increases for property, liability, and cyber security coverages

Customer Service Operations & Maintenance Budget

	2024 Adopted Budget Dollars	2023 Adopted Budget Dollars	2022 Actual Dollars
Wages / Benefits	\$9,104,000	\$6,934,000	\$6,604,000
<u>Purchases</u>			
EWEB Equipment	16,000	19,000	21,000
Materials and Supplies	7,000	17,000	4,000
Technology / Office Equipment	13,000	15,000	6,000
Total Purchases	\$36,000	\$51,000	\$31,000
<u>Services</u>			
Conservation Measures and Incentives	3,650,000 ¹	3,650,000	2,656,000
Electrification Incentive ²	1,530,000	1,250,000	809,000
Miscellaneous Services	90,000	54,000	33,000
Professional and Technical Services	645,000 ³	316,000	201,000
Printing and Postage	43,000	48,000	7,000
Training and Travel	95,000	69,000	58,000
Grants	958,000	953,000	847,000
Limited Income Services	1,300,000	1,200,000	1,569,000 ⁴
Total Services	\$8,311,000	\$7,540,000	\$6,180,000
Total	\$17,451,000	\$14,525,000	\$12,815,000

¹ Conservation Incentives based on eligibility for reimbursement by BPA

² Load Growth Incentive for Transportation and Building Electrification augmented by increased Clean Fuel Credit revenue

³ Demand side optimization study for IRP initiative

⁴ Customer Care Program supplemented by customer donations

Electric Operations & Maintenance Budget

	2024 Adopted Budget Dollars	2023 Adopted Budget Dollars	2022 Actual Dollars
Wages / Benefits	\$21,270,000	\$18,879,000	\$16,053,000
<u>Purchases</u>			
Stores Materials and Supplies	689,000	547,000	739,000
EWEB Equipment	1,860,000	1,762,000	1,586,000
Maintenance and Repairs	19,000	27,000	59,000
Equipment	5,000	15,000	2,000
Materials and Supplies	413,000	405,000	449,000
Technology / Office Equipment	61,000	45,000	73,000
Total Purchases	\$3,047,000	\$2,801,000	\$2,908,000
<u>Services</u>			
Contract Labor	26,000	170,000	19,000
Construction Agreements	4,211,000	4,781,000 ¹	4,353,000
Miscellaneous Services	140,000	189,000	199,000
Professional and Technical Services	734,000 ²	838,000 ²	371,000
Software/Hardware Maintenance and Services	70,000	14,000	58,000
Property Rent	15,000	5,000	15,000
Legal Services	2,000	2,000	855,000 ³
Fees and Licenses	260,000	250,000	193,000
Training and Travel	299,000	321,000	210,000
Total Services	\$5,757,000	\$6,570,000	\$6,273,000
Total	\$30,074,000	\$28,250,000	\$25,234,000

¹ Single year increase in scale of services to address vegetation management work

² Wildfire mitigation initiative and resiliency program

³ 2022 legal service expenses related to the Holiday Farm Fire now covered by insurance due to self-insurance limit coverage reached

Energy Operations & Maintenance Budget

	2024 Adopted Budget Dollars	2023 Adopted Budget Dollars	2022 Actual Dollars
Wages / Benefits	\$11,852,000	\$10,391,000	\$9,157,000
<u>Purchases</u>			
Stores Materials and Supplies	7,000	8,000	39,000
EWEB Equipment	690,000	574,000	497,000
Maintenance and Repairs	126,000	104,000	110,000
Equipment	44,000	40,000	23,000
Energy	185,127,000	185,893,000	164,719,000 ¹
Fuels ²	2,678,000	2,843,000	3,042,000
Materials and Supplies	241,000	301,000	244,000
Total Purchases	\$188,913,000	\$189,763,000	\$168,674,000
<u>Services</u>			
Contract Labor	195,000	257,000	80,000
Wheeling	12,840,000	12,795,000	12,976,000
Construction Agreements	3,407,000 ³	5,200,000 ⁴	2,722,000
Miscellaneous Services	82,000	136,000	145,000
Professional and Technical Services	3,509,000 ⁵	2,801,000	2,103,000
Software/Hardware Maintenance and Services	816,000	776,000	650,000
Memberships and Dues	748,000	697,000	556,000
Legal Services	684,000 ⁶	105,000	122,000
Fees and Licenses	451,000	419,000	818,000 ⁷
Training and Travel	245,000	225,000	115,000
Total Services	\$22,977,000	\$23,411,000	\$20,287,000
Total	\$223,742,000	\$223,565,000	\$198,118,000

¹ Lower wholesale market prices

² Fuel cost for shared co-generation facility

³ Reduced services for Trail Bridge remediation work that is delayed until 2025

⁴ Higher contracted costs for wind and co-generation facilities and Trail Bridge sinkhole remediation

⁵ Increasing due to BPA contract negotiation and organized market readiness

⁶ Implementing requirements from regulatory changes to the power industry

⁷ 2022 Actual higher due to the timing of renewal fees and Trail Bridge geological survey

Finance Operations & Maintenance Budget

	2024 Adopted Budget Dollars	2023 Adopted Budget Dollars	2022 Actual Dollars
Wages / Benefits	\$11,331,000	\$9,762,000	\$8,420,000
<u>Purchases</u>			
Stores Materials and Supplies	26,000	20,000	7,000
EWEB Equipment	164,000	180,000	193,000
Materials and Supplies	50,000	36,000	25,000
Technology / Office Equipment	43,000	120,000	-
Total Purchases	\$283,000	\$356,000	\$225,000
<u>Services</u>			
Contract Labor	90,000	87,000	32,000
Miscellaneous Services	29,000	77,000	51,000
Professional and Technical Services ¹	2,121,000	2,241,000	1,522,000
Software/Hardware Maintenance and Services	40,000	7,000	8,000
Legal Services	35,000	10,000	12,000
Fees and Licenses	90,000	47,000	51,000
Training and Travel	231,000	130,000	51,000
Uncollectable Accounts	400,000	525,000	317,000
Total Services	\$3,036,000	\$3,124,000	\$2,044,000
Total	\$14,650,000	\$13,242,000	\$10,689,000

¹ Merchant processing and collection services fees

General Manager Operations & Maintenance Budget

	2024 Adopted Budget Dollars	2023 Adopted Budget Dollars	2022 Actual Dollars
Wages / Benefits	\$1,845,000	\$1,565,000	\$1,378,000
<u>Purchases</u>			
Materials and Supplies	21,000	20,000	5,000
Technology / Office Equipment	6,000	6,000	1,000
Total Purchases	\$27,000	\$26,000	\$6,000
<u>Services</u>			
Miscellaneous Services	39,000	41,000	37,000
Professional and Technical Services	46,000	11,000	7,000
Training and Travel	62,000	51,000	17,000
Grants	10,000	10,000	4,000
Total Services	\$157,000	\$113,000	\$65,000
Total	\$2,029,000	\$1,704,000	\$1,449,000

Note: Due to re-organization, prior year numbers have been restated for comparability. Business Continuity previously was included with the General Manager division.

Information Services Operations & Maintenance Budget

	2024 Adopted Budget Dollars	2023 Adopted Budget Dollars	2022 Actual Dollars
Wages / Benefits	\$8,683,000	\$6,885,000	\$6,586,000
<u>Purchases</u>			
Stores Materials and Supplies	405,000	389,000	411,000
Technology / Office Equipment	510,000	221,000	1,291,000 ¹
Total Purchases	\$915,000	\$610,000	\$1,702,000
<u>Services</u>			
Contract Labor	25,000	25,000	-
Miscellaneous Services	486,000	553,000	437,000
Professional and Technical Services	608,000	503,000	1,045,000 ¹
Software/Hardware Maintenance and Services	2,925,000	3,285,000 ²	2,626,000
Printing and Postage	420,000	324,000	336,000
Fees and Licenses	11,000	11,000	10,000
Training and Travel	169,000	139,000	45,000
Total Services	\$4,644,000	\$4,840,000	\$4,499,000
Total	\$14,242,000	\$12,335,000	\$12,787,000

¹ Software as a services (SaaS) contracts related to EWEB Enterprise Solutions. Some SaaS contracts will be capitalized moving forward.

² Anticipated increases to maintenance agreements

Support Services Operations & Maintenance Budget

	2024 Adopted Budget Dollars	2023 Adopted Budget Dollars	2022 Actual Dollars
Wages / Benefits	\$8,543,000	\$8,814,000	\$7,886,000
<u>Purchases</u>			
Stores Materials and Supplies	63,000	31,000	44,000
EWEB Equipment	1,377,000	1,342,000	1,307,000
Maintenance and Repairs	23,000	22,000	8,000
Energy	252,000 ¹	477,000	485,000
Water	102,000 ¹	155,000	161,000
Fuels	110,000	72,000	102,000
Vehicle Fuel and Oil	713,000	757,000	754,000
Materials and Supplies	423,000	390,000	346,000
Technology / Office Equipment	60,000	56,000	17,000
Total Purchases	\$3,123,000	\$3,302,000	\$3,224,000
<u>Services</u>			
Construction Agreements	2,067,000 ²	1,764,000	1,022,000
Miscellaneous Services	197,000	234,000	231,000
Professional and Technical Services	482,000	468,000	299,000
Software/Hardware Maintenance and Services	110,000	105,000	94,000
Property Rent	134,000	128,000	128,000
Legal Services	90,000	90,000	56,000
Printing and Postage	17,000	17,000	12,000
Fees and Licenses	208,000	205,000	181,000
Training and Travel	194,000	129,000	43,000
Total Services	\$3,499,000	\$3,140,000	\$2,066,000
Total	\$15,165,000	\$15,256,000	\$13,176,000

¹ Reduced due to sale of HQ building

² Shift of Capital activity to Operations & Maintenance

Water Operations & Maintenance Budget

	2024 Adopted Budget Dollars	2023 Adopted Budget Dollars	2022 Actual Dollars
Wages / Benefits	\$11,050,000	\$9,778,000	\$9,978,000
<u>Purchases</u>			
Stores Materials and Supplies	285,000	300,000	416,000
EWEB Equipment	1,130,000	1,132,000	1,053,000
Maintenance and Repairs	52,000	46,000	36,000
Equipment	19,000	18,000	11,000
Energy	1,195,000	1,181,000	1,091,000
Water	18,000	22,000	17,000
Materials and Supplies	917,000	1,062,000 ¹	2,261,000
Technology / Office Equipment	44,000	42,000	28,000
Total Purchases	\$3,660,000	\$3,803,000	\$4,913,000
<u>Services</u>			
Contract Labor	62,000	58,000	42,000
Conservation Measures and Incentives	35,000	1,220,000 ²	322,000
Construction Agreements	2,250,000	5,521,000 ²	2,231,000
Miscellaneous Services	130,000	203,000	288,000
Professional and Technical Services	2,596,000	5,078,000 ^{1,2}	2,698,000
Software/Hardware Maintenance and Services	134,000	205,000	71,000
Printing and Postage	25,000	22,000	17,000
Fees and Licenses	109,000	119,000	116,000
Training and Travel	128,000	103,000	60,000
Grants	18,000	25,000	25,000
Total Services	\$5,487,000	\$12,554,000	\$5,870,000
Total	\$20,197,000	\$26,135,000	\$20,761,000

¹ A realignment of budget among resources between Materials and Supplies and Professional and Technical Services

² Increased for watershed recovery efforts through collaborative agreements with agencies such as USGS (United States Geological Survey) and LCOG (Lane Council of Governments). Staff continue to pursue grant opportunities that could expand the 2024 watershed recovery budget.

Workforce Services Operations & Maintenance Budget

	2024 Adopted Budget Dollars	2023 Adopted Budget Dollars	2022 Actual Dollars
Wages / Benefits	\$3,126,000	\$3,265,000	\$2,920,000
<u>Purchases</u>			
EWEB Equipment	-	12,000	11,000
Materials and Supplies	38,000	121,000	61,000
Technology / Office Equipment	2,000	6,000	2,000
Total Purchases	\$40,000	\$139,000	\$74,000
<u>Services</u>			
Contract Labor	10,000	-	6,000
Construction Agreements	7,000	7,000	-
Miscellaneous Services	58,000	70,000	106,000
Professional and Technical Services	202,000	300,000	235,000
Software/Hardware Maintenance and Services	9,000	15,000	9,000
Legal Services	130,000	130,000	85,000
Training and Travel	103,000	129,000	69,000
Total Services	\$519,000	\$651,000	\$510,000
Total	\$3,685,000	\$4,055,000	\$3,504,000

DID YOU KNOW?

EWEB forecasts that electricity demand in Eugene is going to grow as people replace gasoline-powered cars and gas furnaces with electric vehicles and heat pumps. But where will EWEB get this additional electricity? To assess the options, EWEB is developing an Integrated Resource Plan (IRP). The plan forecasts Eugene's electricity needs for the next 20 years and uses advanced modeling software to determine which combination of energy resources – such as wind, hydropower, solar, natural gas, and others – might best meet Eugene's needs.

ATTACHMENT 3

LABOR & EMPLOYEE BENEFIT COSTS



DID YOU KNOW?

Each year the McKenzie Watershed Council and McKenzie Flyfishers organize the McKenzie Cleanup. Volunteers patrol on the river and on the shore, from Finn Rock to Armitage Park, to pick up litter at the end of the summer recreation season. EWEB volunteers take the Lloyd Knox Park and clean along both shores of Leaburg Lake. This year, they collected 300 gallons of litter. Volunteers throughout the watershed reported less trash in 2023 than in previous years - a good sign for our watershed health.

**EUGENE WATER & ELECTRIC BOARD
LABOR AND EMPLOYEE BENEFITS
2024 ADOPTED BUDGET COMPARED WITH PRIOR YEARS**

	2024 Adopted Budget		2023 Adopted Budget		2022 Actual	
	Budget	% of Total wages	Budget	% of Total wages	Actual	% of Total wages
Wages & benefits						
Regular Wages	\$ 62,771,000	97.7%	\$ 58,452,000	98.3%	\$ 49,949,000	92.3%
Premium Wages	1,468,000	2.3%	1,026,000	1.7%	4,192,000	7.7%
Total wages	<u>64,239,000</u>	<u>100.0%</u>	<u>59,478,000</u>	<u>100.0%</u>	<u>54,141,000</u>	<u>100.0%</u>
Public employees retirement fund	15,825,000	24.6%	13,776,000	23.2%	11,682,000	21.6%
Other benefits – employer contribution ¹	6,311,000	9.8%	5,559,000	9.3%	4,018,000	7.4%
Health insurance ²	15,162,000	23.6%	12,398,000	20.8%	10,121,000	18.7%
Post-retirement medical	279,000	0.4%	350,000	0.6%	405,000	0.7%
Long-term disability	367,000	0.6%	332,000	0.6%	311,000	0.6%
Life insurance	443,000	0.7%	402,000	0.7%	405,000	0.7%
Total benefits	<u>38,387,000</u>	<u>59.7%</u>	<u>32,817,000</u>	<u>55.2%</u>	<u>26,942,000</u>	<u>49.7%</u>
Total wages & benefits	<u>\$ 102,626,000</u>		<u>\$ 92,295,000</u>		<u>\$ 81,083,000</u>	

¹ Includes Social Security/Medicare tax, Unemployment Insurance, Workers' Compensation Insurance

² Includes Voluntary Employee's Beneficiary Association (VEBA) expense

ATTACHMENT 4

RESERVE INFORMATION



DID YOU KNOW?

Thirty-eight substations, often called EWEB's "resilient spine," connect the utility's electric grid. The redundancy of substations in the system ensures reliable power flows to homes and businesses despite unexpected equipment failures and routine maintenance. Substations step down high voltage electricity from power generation stations to levels that can be safely distributed to homes and businesses.

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

	Electric System			Water System		
	Target	12/31/23 Projected ¹	12/31/24 Projected ¹	Target	12/31/23 Projected ¹	12/31/24 Projected ¹
Reserves						
Operating and Self-Insurance	\$ 5,720	\$ 5,720	\$ 5,720	\$ 1,280	\$ 1,280	\$ 1,280
Power Operating	23,000	23,000	23,000			
Capital Improvement ²	25,000	25,000	26,000	8,000	8,350	8,000
Total Reserves	53,720	53,720	54,720	9,280	9,630	9,280
Board Designated Funds³						
Rate Stabilization Fund	5,000	26,700	17,400	1,000	15,300	8,930
Water Stewardship Fund - Septic Repairs					80	80
Alternative Water Supply					3,890	2,260
Leaburg Reserves		-	4,200			
Pension and Medical Funds		1,450	1,450		700	700
Total Designated Funds	5,000	28,150	23,050	1,000	19,970	11,970
Working Cash ⁴	42,000	46,690	52,790	3,400	4,190	8,600
Total Working Cash and Unrestricted Funds	\$ 100,720	\$ 128,560	\$ 130,560	\$ 13,680	\$33,790	\$29,850
Legally Restricted						
Bond Funds - Capital ⁵		\$ -	\$ 39,750		\$ 34,520	\$ 19,230
Harvest Wind Reserve		500	500			
System Development Charge Reserves ⁶					230	170
Reserves for Debt Service		6,100	6,100		1,590	1,590
Customer Care/Customer Deposit		2,200	2,200			
Total Restricted Funds		\$ 8,800	\$ 48,550		\$ 36,340	\$ 20,990

* After completion of the annual audit, the Board of Commissioners reviews cash balances and may make transfers between funds.

¹ Projections as of November 15, 2023

² Capital Improvement reserves includes funds set aside for Meter replacements. 2024 balances include transfers from working cash to be approved by the Board

³ Designated funds are used for one-time expenses

⁴ 2023 changes to unrestricted reserves are included in working cash. The Board will officially transfer funds in the second quarter of 2024

⁵ The Electric Utility is planning to issue bonds in 2024 to fund capital investments; anticipated issuances are \$64 million.

⁶ SDC Reimbursement Reserve is funding \$0.9 million of debt service payments in 2024

ATTACHMENT 5

BUDGETED FINANCIAL RATIOS & STATISTICS



DID YOU KNOW?

At the October 2023 Board meeting Commissioners approved a new Diversity Equity & Inclusion (DEI) policy. The principles of diversity, equity, and inclusion are foundational to the consistent application of EWEB's values in the pursuit of our vision and fulfillment of our mission.

Furthermore, EWEB recognizes and strives to celebrate our human differences and will ensure representation across a wide spectrum of characteristics and experiences, combat bias and discrimination that negatively impacts members of our community and foster an inclusive culture that welcomes people and leads to a sense of belonging and shared commitment.

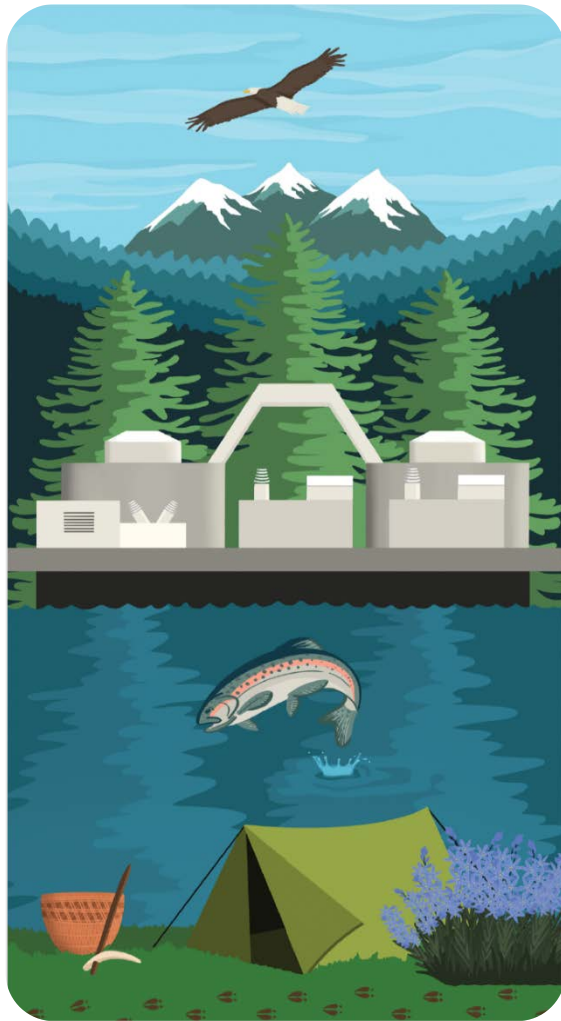
EUGENE WATER & ELECTRIC BOARD
BUDGETED FINANCIAL RATIOS
December 31, 2024

Financial Ratios	Electric Utility	Water Utility
Debt Service Coverage Ratio ¹	3.92	3.30
Days Cash ²	159	337
Target		
Debt Service Coverage Ratio	1.75 to 2.00	2.00 to 2.50
Days Cash	> 150 days	> 150 days

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

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

² Ratio of total available cash to adjusted average daily cash requirements for operating and other non-capital expenses. This measures the length of time the utility can carry projected non-capital related operations with readily available cash. Calculations include rate stabilization funds. In 2024, Management will be recommending options for the Board to consider for reserves above Board target



EWEB



EUGENE WATER & ELECTRIC BOARD

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