



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners Brown, Carlson, Barofsky, McRae, and Schlossberg
FROM: Deborah Hart, CFO; TiaMarie Harwood, Financial Services Manager
DATE: June 29, 2022
SUBJECT: Treasury Services Contract Update
OBJECTIVE: Information Only

Issue

The Board maintains several contracts with financial institutions to facilitate treasury functions. Contract thresholds require the request for proposal (RFP) process and present an opportunity to evaluate existing and potential service providers. Treasury service contracts are expiring in conjunction with vendor selection for the EWEB Enterprise Solution (EES) project which will change business and depository processes.

Background

Current contracts for US Bank and First Interstate Bank were executed in 2017, and together they represent primary depository operations. US Bank also provides trustee and custody account services separate from the primary depository contract. Other local depository relationships are maintained with Summit Bank and Oregon Community Credit Union. Financial institution relationships are outlined in the table below:

Financial institution	Service provided/ Purpose	Approx. amount of deposit
US Bank*	Primary depository/ Operations	\$ 20 million
First Interstate Bank*	Remittance and lockbox depository/ Operations	\$ 4 million
US Bank	Trustee services/ Debt service	\$ 7 million
US Bank	Custody account services/ Investing	\$ 145 million
Oregon State Treasury	Local Government Investment Pool/ Investing	\$ 51 million
Summit Bank	Local depository/ Investing	\$ 3 million
OCCU	Local depository/ Investing	\$ 1 million

* Primary depository operations

Discussion

Management is pursuing a one-year extension of US Bank and First Interstate Bank contracts to further evaluate capabilities with newly demonstrated financial systems as part of the EES project. Vendor selection for EES is anticipated in the coming months and will inform technical requirements and business processes with future banking relationships. Following vendor selection, requirements for the banking RFP will be refined, seeking to maintain the security and integrity of controls over cash deposits as well as emphasizing environmental, social, and governance factors of responsive financial institution's business practices to make sure they align with EWEB's core values.

Recommendation and Requested Board Action

There is no recommendation or requested Board action.