



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

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TO: Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM: Sue Fahey, Assistant General Manager/CFO; Deborah Hart, Financial Services Manager
DATE: July 26, 2019
SUBJECT: Resolutions for Appointment of Assistant Treasurer and Financial Depositories
OBJECTIVE: Board Action

Issue

The Assistant Treasurer, Susan Eicher, is retiring in August. Her retirement requires the Board appoint a new Assistant Treasurer and approve updated signatories for EWEB financial institutions.

Background

All financial institutions with which EWEB maintains accounts require a listing of signatories authorized to conduct business on the account. Signatories are appointed by resolution by the Board of Commissioners and include the Assistant Treasurer. The Assistant Treasurer position will be vacant in August 2019.

Discussion

EWEB maintains depository accounts with financial institutions for operational purposes, for trust and custodial services, for escrow accounts, and for investments with local financial institutions.

For operational purposes, EWEB's primary financial institution is U.S. Bank, N.A., where accounts are maintained for deposits from customer payments, and for payment to employees and vendors. First Interstate Bank provides services for deposit and settlement of payments from customers who pay by check to EWEB's lockbox service. The Local Government Investment Pool, operated by the Oregon State Treasury, is used for short-term investment of cash generated by operations.

For payment of debt service, and the safekeeping of investment securities, EWEB has contracted with U.S. Bank Global Corporate Trust. EWEB transfers funds to accounts designated to pay debt service. When EWEB purchases investment securities, they are held in EWEB's name in a custodial account.

EWEB also maintains escrow accounts with U.S. Bank Global Corporate Trust and with Wells Fargo Corporate Trust Services. An escrow account to hold funds required by contracts relating to the founding of the Harvest Wind Project was established at Wells Fargo, then transitioned to US Bank when they became the EWEB trustee. A second account, relating to the provision of transmission facilities for Harvest Wind by Klickitat County PUD was established at Wells Fargo. Since all parties to the Harvest Wind escrow account are required to agree to a transition of trustee,

EWEB has been unable to move this legacy escrow account to U.S. Bank.

In 2016, EWEB conducted a Request for Information (RFI) of financial institutions headquartered in Oregon, with at least one office in EWEB service territory, to solicit interest in having EWEB as an investment customer. Based upon the results of the RFI, the Board of Commissioners approved adding nine local institutions as depositories for investments. EWEB then established investment accounts with Summit Bank and Oregon Community Credit Union. Several of the approved financial institutions have been acquired by companies headquartered outside of Oregon and EWEB does not maintain accounts with them. Accordingly, they are not included as depositories in Resolution No. 1916.

Recommendation and Requested Board Action

Management is requesting approval of Resolutions No. 1914, appointing the Assistant Treasurer, and Resolutions No. 1915, 1916 and 1917, authorizing EWEB signatories to accounts with financial institutions.