



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Mital, Schlossberg, Helgeson, Brown and Carlson  
FROM: Julie McGaughey, Chief Customer Officer; Jeannine Parisi, Customer Relationship Manager  
DATE: October 23, 2020  
SUBJECT: Intergovernmental Agreement for Billing Services  
OBJECTIVE: Board Action

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## **Issue**

The Board is being asked to authorize the General Manager to enter/approve an Intergovernmental Agreement (IGA) with the City of Eugene for Collection of City Stormwater and Wastewater Service Charges.

## **Background**

City Charter Section 44, Part 5 requires EWEB to bill and collect the City service charges for ‘collecting and disposing of liquid and solid wastes,’ otherwise known as stormwater and wastewater charges. Eugene Code allows EWEB to withhold a reasonable fee for its actual costs of billing, collecting, and remitting these charges to the City. This fee, as well as roles and responsibilities, non-disclosure requirements, and other stipulations are documented in an IGA. The IGA was last updated in November 2013 and expires this month (November).

## **Discussion**

Representatives from the City of Eugene and EWEB have met numerous times over the past several months to develop an updated IGA reflecting current billing practices and other minor changes. The methodology used to calculate the per-bill fee charged to the City for collection of stormwater and wastewater charges needed revision to align with current accounting practices and available data. The intent was to establish a methodology that was greatly simplified, fair, and repeatable.

In general, the per bill fee is based on a proportional share of EWEB’s billing costs, such as customer service, meter reading, information technology, vendor contracts and direct billing costs like postage. It should be noted that the per bill charge also includes the City’s full participation in EWEB’s Customer Care program. The methodology now applies EWEB’s standard indirect overhead charge as well.

The resulting per bill fee is slightly higher than the previously calculated cost. While the number of bills with City charges fluctuates monthly, it is estimated that EWEB will receive about \$1.15 M in 2021, with CPI adjustments automatically applied each year. Due to a number of variables that could materially impact EWEB’s billing costs, a mid-point evaluation is planned during the five-year term of the IGA. See Attachment A for the proposed Utility Service Charge Collection IGA.

**Recommendation**

Both parties have negotiated an updated agreement in good faith recognizing that there are efficiencies gained with a shared billing process and that the new bill and other customer experience improvements can support other goals, including clear identification of city charges on the bill.

**Requested Board Action**

Management requests Board approval authorizing the General Manager to approve the Utility Service Charge Collection IGA with the City of Eugene.

**INTERGOVERNMENTAL AGREEMENT (IGA)  
UTILITY SERVICE CHARGE COLLECTION**

**Between:** The City of Eugene, a unit of local government of the State of Oregon  
**And:** The Eugene Water & Electric Board, a municipal utility of the City of Eugene  
**CONTRACT NO.:** 2020-02

The City of Eugene, (City) and the Eugene Water & Electric Board (EWEB), are collectively referred to as the “Parties”.

**WHEREAS:**

- A. ORS 190.010 provides that units of local government may enter into agreements for the performance of any and all functions and activities that any party to the agreement, its officers, or agents have the authority to perform;
- B. Per Eugene City Charter Section 44 Part 5, the City Council may require EWEB to bill and collect the city service charges for collecting and disposing of liquid and solid wastes, otherwise known as stormwater and wastewater charges;
- C. Per Eugene Code 6.436 Charges – Cost of Collection, the water utility collecting the sewer service charges may withhold from payments received a reasonable fee for its actual costs of billing, collecting and remitting stormwater and wastewater service revenue. The fee is based on a proportional share of EWEB’s actual billing costs and established by agreement between the Parties.
- D. The Parties find that shared billing of utility services facilitates efficient and cost-effective delivery of services to the public and revenue collection;

**NOW THEREFORE:**

The City desires to enter into a contract with EWEB for the purpose of providing billing services as described herein and EWEB will provide such services per the terms and conditions set forth in this Agreement.

**AGREEMENT**

- 1. EWEB agrees to provide the following services (the “Work”):
  - 1.1. Billing and collection for local and regional wastewater and stormwater user charges.
    - 1.1.1. Customer payments are allocated across all unpaid charges, paying oldest charges first; per policy EWEB does not allocate payments to include or exclude specific charges.
  - 1.2. Monthly remittance of stormwater and wastewater charges to the City. Credit card fees, write-offs for uncollectable balances, and the agreed to per-bill fee will be deducted from

this remittance.

- 1.3. Provide access to billing system and other necessary integrated systems to designated City staff for purposes of reviewing account information, making adjustments to City stormwater and wastewater accounts, and providing customer service to City stormwater and wastewater customers.
    - 1.3.1. Access permissions to specific systems for City staff will be defined by business purpose and user needs.
  - 1.4. Routine data transfers for use in the City's utility administration management information system. Except for extenuating circumstances, transfers will be conducted on a daily basis.
  - 1.5. At least one opportunity each year to include information in customer bills about City stormwater and wastewater rates and services. The City is responsible for all related incremental costs including shipping the information to the bill print vendor.
  - 1.6. Opportunities for City utility administration and other designated staff to participate in trainings, upgrades and design modifications to the billing system and other integrated systems/programs.
  - 1.7. Maintenance, upgrades and timely troubleshooting and repair of billing and accessory systems as needed for implementation of this agreement.
    - 1.7.1. Implementation of data security, back-up and recovery procedures consistent with industry standards and best practices.
  - 1.8. Perform updates as necessary to reflect adjustments to City charges and/or changes to charge descriptions in support of accurate billing.
2. Term. Upon the signature of all parties, this Agreement is effective on November 1, 2020 and is renewable for two succeeding five-year terms upon written 90-day notice and agreement that both Parties intend to renew the Agreement. Unless extended or terminated earlier in accordance with its terms, this Agreement will terminate on October 31, 2025.
  3. Per-Bill Cost Methodology. The City and EWEB agree that the methodology used to calculate a per-bill cost is attached to and made part of this Agreement by reference as Attachment A.
    - 3.1. The initial rate upon execution of this contract will be \$1.62 per billing. This cost will be adjusted annually based on the West Class A CPI as of the prior April, with changes taking effect in July.
    - 3.2. Parties agree to a mid-point re-assessment of the per-bill fee calculation to account for anticipated changes in cost that could materially affect the charge. Any agreed-upon changes from this mid-point evaluation would apply to the July 2023 remittance statement.

- 3.3. Parties agree that changes to the per-bill fee, whether for annual CPI or other adjustments, do not constitute or require an amendment to the Agreement.
4. Other Payment Considerations.
- 4.1. The Parties agree that bill payment assistance for limited income customers is a shared value and that contributions from the City to support this program relative to storm water and wastewater charges will be included in the per-bill cost.
- 4.2. EWEB reserves the right to request compensation from the City for a portion of costs associated with, but not limited to, major billing system upgrades, system acquisitions, and other items that directly benefit stormwater and wastewater fee collection. This could include, but not be limited to, a lump sum fee for services, per-bill additional cost, or a pass-through cost to a third-party vendor.
5. Contract Administration. Each Party designates the following as its representative for purposes of administering this contract:
- EWEB: Jeannine Parisi, Customer Relationship Manager  
Jeannine.parisi@eweb.org
- City: Susan Weixelman, Public Works Financial Manager  
SWeixelman@eugene-or.gov
- Either Party may change its designated representative by giving appropriate notice to the other Party as provided for in this contract.
6. Termination. The Parties may jointly agree to terminate this Agreement at any time with twelve months written agreement documenting mutual consent.
- 6.1. In the event of termination, City shall pay EWEB for work performed to the date of termination and EWEB shall create a final remittance payment statement for City.
7. Records/Inspection. Upon execution, EWEB shall maintain records of its charges to City under this Agreement in accordance with applicable State or Federal record retention requirements.
- 7.1. With reasonable advance notice and workload coordination, City or its authorized representatives may from time to time inspect, audit and make copies of EWEB records related to this Agreement.
8. Confidentiality/Non-Disclosure. EWEB requires Non-Disclosure Agreements (NDA) covering all City of Eugene staff that will have access to EWEB customer information. The NDA, attached to and made part of this Agreement by reference as Attachment B, must be completed and returned to EWEB's Contract Administrator.
- 8.1. If requested, the City shall provide to EWEB a copy of its policies, procedures and/or training designed to detect, prevent, and mitigate the risk of identity theft that may arise in the performance of this Agreement.
9. Remote and Mobile Access Policy. To ensure that a secure method of system access and data transfer is provided between Parties, the City agrees to follow the provisions set forth in the

Remote and Mobile Access Policy, attached to this Agreement by reference as Attachment C, and other standard cyber-security practices.

10. Amendments. Except as stated in section 3.2 of this Agreement, no Amendments to this Agreement shall be effective unless made in writing and signed by both Parties.
11. Anti-discrimination. The Parties agree to and will require that their contractors and sub-Contractors shall not discriminate based on race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, source of income, or political affiliation in programs, activities, services, benefits or employment. City of Eugene shall require its contractors and sub-contractors to not discriminate against minority-owned, women-owned or emerging small businesses.
12. Compliance with Applicable Law. The Parties agree to comply with all federal, state, and local laws applicable to the work under this Agreement, and all regulations and administrative rules established pursuant to those laws. The City of Eugene agrees that it will require its sub-contractors to perform all work according to all laws, rules, and local regulations and code.
13. Dispute Resolution. The Parties agree to promptly and diligently cooperate in an attempt to resolve any disagreements that may arise under this Agreement. This may be done at any management level, including at a level higher than the persons directly responsible for administration of this Agreement. In the event that the Parties alone are unable to resolve any conflict under this Agreement, they are encouraged to resolve their differences through mediation or arbitration.
14. Indemnification. To the extent permitted by the Oregon Constitution, and to the extent permitted by the Oregon Tort Claim Act, each Party agrees to indemnify, defend and hold harmless the other Party and its officers, employees, and agents from and against all damages, losses, and expenses, including but not limited to attorney fees, and to defend all claims, proceedings, lawsuits, and judgments arising out of or resulting from the indemnifying party's negligence in the performance of or failure to perform under this Agreement.
15. Integration. This Agreement, together with Attachments A – C, embodies the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements and understandings of the Parties, written or verbal, relating to the subject matter hereof.
16. Interpretation and Venue. Oregon law shall govern the interpretation of this Agreement. Lane County shall be the venue of any mediation, arbitration, or litigation arising out of this Agreement.
17. Non-waiver. Failure of the parties to enforce any provision of the Agreement shall not constitute a waiver or relinquishment of the right to such performance in the future nor the right to enforce that or any other provision of this Agreement.

18. Notices. All notices required in connection with this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, sent by United States mail, electronic mail or overnight delivery, each with proof of receipt, to the other Party.
19. Severability. If any provision of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.
20. Subcontracts and Assignment. Neither Party shall assign or otherwise transfer all or any part of any right or obligation under this Agreement without the prior written consent of the other Party, which consent shall not unreasonably be denied or delayed. In the event of any permitted assignment or transfer hereunder, the assignor or transferor shall to the extent of the assignment or transfer be relieved of obligations accruing from and after the effective date of such assignment or transfer; provided, however, that under no circumstances shall any assignment or transfer relieve the assignor of any liability for any Event of Default or breach of this Agreement occurring before the effective date of such assignment or transfer.

Each signatory represents they are authorized to execute this Agreement on behalf of the Party for whom they sign.

**City of Eugene**

**Eugene Water & Electric Board**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_