



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Brown, Mital, Helgeson, Manning and Simpson  
FROM: Steve Mangan & Tom Williams, Key Account Managers  
Mark Freeman, Energy Management & Customer Services Manager,  
DATE: Oct 17, 2014  
SUBJECT: Business Growth & Retention (BG&R) loan limit adjustment  
OBJECTIVE: Information Only

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## Issue

Current EWEB policy requires customers to pay 100% of projected costs for utility services prior to establishing or expanding EWEB services. This upfront financial obligation can be a high hurdle and a deterrent to economic development. The current Business Growth & Retention (BG&R) loan program only addresses projects above \$50,000.

Staff plans to lower the BG&R loan limits to assist customers finance utility service costs associated with establishing or expanding EWEB services for projects under \$50,000.

## Background

The current BG&R loan program has been successful assisting customers with large project costs. We also have many existing customers looking to expand or upgrade but require less financial assistance from EWEB. This proposed adjustment of the BG&R program would assist new and existing electric, water and/or telecom customers by providing financing options for EWEB service costs including equipment purchase, construction cost, engineering services and service connection fees. The burden of payment would continue to rest with the customer requesting service and not with general ratepayers.

## Discussion

Just like the current BG&R program, customers would need to meet two levels of program criteria. The first level of eligibility would consist of a project review based on benefits to EWEB and its customers. A point system matrix with the following categories would be applied to determine program eligibility. Criterion, focused on retaining and assisting existing customers, include:

1. Alignment with Big Look goals
2. Ability to or past participation in EWEB programs
3. Social Equity
4. Environmental Health
5. Economic Prosperity & EWEB customer history

The next step in eligibility would be a review of the applicant's credit worthiness. This step would be accomplished using EWEB's established loan program criteria where the program applicant would need to satisfactorily demonstrate the ability to meet loan payment obligations.

Proposed Loan Terms

|          |          |
|----------|----------|
| Minimum  | Maximum  |
| \$5,000  | \$50,000 |
| One year | 5 years  |

- The BG&R interest rate is currently 4%.
- Loan amount and repayment terms would be determined by project economics.
- A simplified process has been established to streamline procedures.
  - Credit check and possible approval by loan administrator or two credit committee members.

The Business Growth & Retention loan pool is replenished by repayment and used to fund future projects.

The program would not require any new FTE. Promotion, marketing, program management and implementation would be accomplished through the Key Accounts Team with the existing budget.

**Recommendation and Requested Action**

No action required information only. Please contact us if you have any questions:

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