

**Eugene Water & Electric Board**  
**Board Policy Manual**  
**Approved as of March 1, 2011**

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Note: Draft policies are not included here, although they are included in the numbering scheme.

## Governance Process Policies

**Policy Number:**       **GP1**  
**Policy Type:**         **Governance Process**  
**Policy Title:**        **Governing Style**  
**Date Approved:**      **May 16, 2006**

The Board will govern with an emphasis on (1) outward vision, (2) encouragement of diversity in viewpoints, (3) strategic leadership, (4) clear distinction of Board and General Manager Roles, (5) collective decisions, (6) future, and (7) proactively.

Specifically,

1. The Board will cultivate a sense of group responsibility. The Board will be responsible for excellence in governing. The Board will be an initiator of policy. The Board will use the expertise of individual members to enhance the ability of the Board as a body. The Board will allow no officer, Commissioner, or committee of the Board to hinder or be an excuse for not fulfilling Board commitments.
2. The Board will direct, evaluate and inspire the organization through the careful establishment of written policies reflecting the Board's values and perspectives about desired results. The Board's major policy focus will be on the intended long-term effects inside and outside the organization.
3. The Board will establish and adhere to the standards needed to govern with excellence. Standards will apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capacity. Continual Board development will include orientation of new Commissioners in the Board's governance process and periodic Board discussion of process improvement.
4. The Board will monitor and discuss the Board's process and performance during the last quarter of the year. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-GM Linkage categories.

Source: Patrick Lanning, Board, Approved 05/16/2006. Revised 12/15/2009 (Resolution 0930).

**Policy Number: GP2**  
**Policy Type: Governance Process**  
**Policy Title: Board Job Description**  
**Date Approved: April 19, 2005**

The job of the Board is to represent EWEB's customer/owners in determining and assuring appropriate organizational performance.

Accordingly, the role of the Board includes:

1. Providing a conduit with the community
2. Representing the community to EWEB and representing EWEB to the community
3. Determining and reviewing the Mission (purpose), Vision, Operating Principles, Policies and Strategic Goals of EWEB (within the context of the City Charter and statutory mandates) and approving staff's plans to implement all of the above
4. Establishing clarity around Board decisions
5. Delegating authority and responsibility to the General Manager for utility operations (within legal parameters and in accordance with the Bylaws)
6. Assuring accountability and measurement of success, on a ongoing basis

Source: Working Definition Developed by Board 05/08/2003, Board Ratified 04/19/2005

**Policy Number: GP3**  
**Policy Type: Governance Process**  
**Policy Title: Board Strategic Plan Development**  
**Date Approved: October 3, 2006**

The role of the Board includes approval and oversight of the utility's strategic plan.

Prior to approving the strategic plan as submitted by staff, the Board will evaluate the plan's consistency with and potential effectiveness in advancing EWEB's adopted Mission, Statement of Legacy, and strategic priorities. In addition, the Board will consider and balance the needs and points of view of EWEB's customers, owners and the community.

In order to provide effective oversight, the Board will require submittal of high-level performance measures with the strategic plan. Throughout each year, staff will provide periodic updates on strategic plan progress and the Board will direct changes in focus and priority as appropriate.

Source: Debra Smith/SMUD, Board Approved 10/3/2006

**Policy Number:** GP4  
**Policy Type:** Governance Process  
**Policy Title:** Agenda Planning  
**Date Approved:** April 19, 2005

## **BACKGROUND:**

The Board will follow an annual agenda that:

1. Focuses on policy review and
2. Continually improves Board performance through Board education and enriched input and deliberation.

Accordingly, the following additional assumptions and procedures apply regarding agenda planning and Board background material preparation:

### Assumptions:

- The Board owns its agendas.
- Board agendas will emphasize policy development, goal status and the future direction of the utility.
- The Board President and Vice President sets the agendas with the General Manager (GM).
- The GM has the authority to schedule agenda items which relate to the Board's charter role or responsibility, or which provide critical, interim information on important work.
- Board priorities take precedence over individual Commissioner Priorities.

## **AGENDA FORMATION:**

- **Regularly scheduled Board items** established by charter, by-laws or Board policy, i.e. budget development, budget amendments, rate setting. Can be both Board and staff driven.
- **Informational or review items** initiated by the Board, i.e. policy discussion, revision or review. **Note:** Takes a majority of Board members to place an item on the agenda.
- **Informational, policy updates or review items**, i.e. annual customer survey results, interim reports that are staff driven.
- **Consent calendar.** A group or routine items that have either been discussed previously or don't need discussion before a vote of the Board. Board members can elect to remove an item for discussion by notifying the Board Chair ahead of time.
- **Contract awards.** Contract awards or increases over \$1M must be an agenda item on the regular Board meeting agenda. Contract awards for \$1M or less can be placed on consent calendar.
- **Backgrounders.** Content based documents prepared by staff that supports an agenda item in order to inform and educate Board. Backgrounders are often in response to:
  - Board requests.
  - Agenda items initiated by staff.
  - Agenda items that require interim or status reports.
  - Unusual items appearing on the consent calendar, i.e. large contract awards or budget amendments.

## **AGENDA FORMAT:**

- **Work Session.** The work session is designed for the Board to gather, discuss, review and inform on issues, policy and discussion that may eventually become action items at the regular Board meeting. As a result the Board doesn't take action during work sessions.

- **Regular Board Meeting.** The business meeting of the Board whereby the Board takes action on various agenda items.

#### **AGENDA MANAGEMENT:**

- The President and the GM will meet prior to each Board meeting to develop and prioritize agenda items.
  - Staff will maintain a list containing potential future background and agenda items.
- Agenda management will be broken out as a regularly occurring agenda item.
  - The time will be used to gauge the Board's interest in topics raised by Commissioners or staff and to discuss the trade-offs involved in using Board time for that issue.
- Board Agenda Reports. An agenda report is kept and provided with each Board Agenda and tracks the status of outstanding and future agenda items. The report is made up of the following components:
  - Outstanding items for staff prepared backgrounders that may result in Board action.
  - Items that may be added to future Board agendas.
  - Annual agenda calendar and agenda items if known.
- Public notice. All Board agendas, including all backgrounders, correspondence, and other supportive documentation for regular meetings, special meetings, and work sessions shall be made available to the Board in hardcopy or other suitable form; and all non-confidential supportive documentation will be made available to the public via EWEB's website four full business days in advance of the meeting unless mitigating circumstances prevail. If an emergency meeting is necessary, notice shall be given to the Board and the public at least 24 hours prior to the meeting unless emergency circumstances prevail.

Source: Board Approved 10/20/03, Revised 02/13/2004, Revised 04/19/2005; Revised 12/15/2009 (Resolution 0931); Revised 3/1/2011 (Resolution 1112).

**Policy Number: GP5**  
**Policy Type: Governance Process**  
**Policy Title: Role of Board President**  
**Date Approved: October 3, 2006**

The Board president assures the integrity of the Board's process and is the only person authorized to speak for the Board, unless there is formal designation by the president or Board majority.

Specifically,

1. The president shall preside over all meetings of the Board.
  - a. Meetings shall be conducted in accordance with Board policies (including GP7). If the Board is unable to resolve procedural issues, the president shall implement the use of Robert's Rules of Order.
  - b. The president's role shall be primarily procedural and the president shall have no greater vote on substantive matters than other members of the Board.
  - c. The Board president is responsible for setting Board meeting agendas with the General Manager and for facilitating Board meetings in a way that encourages the Board to remain proactive, forward looking, and value-added in its deliberation.
  - d. The Board president will explain at outset of public input about the process for Board comment and response per Board Policy GP10.
  - e. The Board president may call special meetings of the Board as required.
2. The president will assume other responsibilities as determined by Board policies or by-laws.
  - a. The Board president or his/her designee will sign written communication concerning Board decisions or positions consistent with Board Policy GP9.
  - b. The Board president has no individual authority to supervise or direct the General Manager.
  - c. The Board president or his/her designee is responsible for orientation of new Commissioners per Board Policy GP15.
  - d. The vice president will assume the responsibilities of the Board president in the event the president is absent or unable to serve.
  - e. The Board president and Board vice president will be elected at the annual meeting in January, in accordance with the by-laws.

Source: John Carver/Patrick Lanning, By-laws, Board, Board Approved 10/03/2006

**Policy Number: GP6**  
**Policy Type: Governance Process**  
**Policy Title: Rules of Conduct**  
**Date Approved: April 19, 2005**

The Board of Commissioners adopts as its own the following rules of conduct:

1. Commissioners will treat each other with courtesy, civility and respect despite differences of opinion; Commissioners will treat staff with the same level of respect.
2. In public, Commissioners will talk positively about the organization, fellow Board members, staff and employees.
3. Commissioners and the General Manager will keep each other informed about all situations, which may directly affect them, or the organizational status of the utility.
4. Commissioners will be respectful of limited meeting time; Board priorities will take precedence over individual priorities.
5. Commissioners will be active team members, be prepared for the various Board decision issues, and fulfill their responsibilities to participate in decisions.
6. Commissioners will listen, discuss and try to understand one another's views.
7. Once a decision is reached, Commissioners will support the Board decision even though they might hold a minority viewpoint.
8. Commissioners will speak only for themselves unless authorized to speak for the Board.
9. Commissioners may authorize the President to represent their point of view if absent from a meeting.
10. Commissioners will attempt to understand their legal obligations and if unclear, will seek the advice of legal counsel.
11. Personal issues between Commissioners will be dealt with individually and privately, and if needed, a third party will be used to help with the issue.

Source: Board Approved 09/02/2003, Ratified 04/19/2005

**Policy Number:** GP7  
**Policy Type:** Governance Process  
**Policy Title:** Board Parliamentary Procedures  
**Date Approved:** November 1, 2005

The Board shall conduct meetings in accordance with Board policies. If the Board is unable to resolve procedural issues, the Board shall use Robert's Rules of Order. The following policies and procedures shall apply:

**President's Role:**

The president presides over all meetings of the Board. The President's role shall be primarily procedural and the president shall have no greater vote on substantive matters than other members. The president will also represent the Board as required within the community and coordinate among the Board as necessary in the conduct of Board functions.

**Vice President's Role:**

The Vice President's role is to perform the duties and responsibilities of the president in his/her absence or as agreed upon by the Board.

**General Manager-Secretary Role:**

The General Manager – Secretary reports to the Board as a whole and is responsible for implementing policies and directions established by the Board.

**Meeting Start Times:**

The organizational meeting of the Board will be held at the first regular meeting of each calendar year. The primary purpose of this meeting is the election of Board officers and other routine annual business. The regular meeting of the Board will be held at 7:30 p.m. on the first Tuesday of each month, unless that Tuesday is a holiday in which case the meeting will be on the next business day. If an additional meeting is required, it will be held at 7:30 p.m. on the third Tuesday of the month. The Board President and General Manager-Secretary may reschedule these meetings, schedule additional meetings, or cancel any meeting of the Board by mutual agreement. Work sessions may be rescheduled prior to regular meeting by mutual agreement of the Board President and General Manager-Secretary.

**Public Meetings:**

Except as otherwise provided by law; all meetings of the Board shall be open to the public and all persons shall be permitted to attend. No quorum of the Board shall meet in private for the purposes of deciding or deliberating toward a decision on any matter; an executive session may be held only for those purposes allowed by law (ORS – 192.610.690). All regular and special meetings of the Board shall be held whenever possible within the utility service district.

**Quorum:**

A quorum shall consist of three members of the Board. In order to pass a resolution, motion or other measure, an affirmative vote of at least 3 commissioners (a majority of the 5 commissioner positions) is required.

**Vacancy on the Board:**

Should a vacancy occur on the Board, the remaining Commissioners will appoint a qualified elector to fill such a vacancy. The appointment shall be made within 90 days.

**Board Attendance:**

Attendance at all meeting of the Board is required of Commissioners. Prior notification of absence should be given to the Board or the Secretary whenever possible. The Board shall have the power to declare vacant the office of a member who shall absent himself/herself from three consecutive regular meetings without an excuse satisfactory to the Board.

**Record of Board Meetings:**

With the exception of Executive Sessions, all regular and special meetings of the Board, including work sessions, will be recorded on audiotapes and a written record prepared, in the form of minutes. The minutes will be a summary of remarks made and discussion undertaken by Board members, staff and other presenters including consultants, and members of the public who address the Board. Written minutes shall be reviewed and adopted by an affirmative vote of the Board, consistent with the Bylaws, and made available to the public.

**Minute Corrections and Additions:**

Corrections – Individual Board members may make suggested corrections to the minutes of prior meetings if the proposed meeting minutes are factually incorrect in recording discussion or statements made at the meeting. If there is disagreement as to the accuracy of the requested correction, a verbatim transcription of that portion of the audio tape(s) will be requested and used to determine the appropriateness of the request. If a majority of the Board agrees that the requested correction is accurate, the minutes will be corrected without use of a verbatim transcription.

If the minutes accurately reflect what was said, regardless of the accuracy of the statement itself, the minutes will not be corrected. In this instance, a Commissioner may ask that a clarifying statement be entered into the minutes of the current meeting.

Additions - A Commissioner may request that a point of discussion or statement made during the meeting covered by the minutes be entered into the minute's record. If there is disagreement as to the accuracy of the requested statement or fact, a verbatim transcription of that portion of the audio tape(s) will be requested and used to determine the appropriateness of the request. If a majority of the Board agrees that the requested inclusion is accurate, the minutes will be edited and the additional information included without use of a verbatim transcription.

**Use of Resolutions for Board Actions:**

Formal resolutions will be required when the Board takes actions of the following types:

- 1) Rate increases or decreases;
- 2) Approval of contracts for purchased power with a term of one year or more;
- 3) Adoption of an Integrated Electric Resource Plan or update;
- 4) Adoption of the Water Supply Plan or update;
- 5) Adoption of a Water Master Plan or update;
- 6) Adoption of Board Policies;
- 7) Approval of the annual budget;
- 8) Issuance of bonds or other debt instruments.
- 9) Committees created and adopted by Board.
- 10) Outside appointments adopted by the Board.
- 11) Liaison appointments adopted by the Board.
- 12) Advisory assignments adopted by the Board.

All other actions can be taken in accordance with the Bylaws using a simple motion and affirmative vote.

Source: Bylaws, Board Discussion, Board Approved 11/01/2005; Revised 12/15/2009 (Resolution 0932).

**Policy Number: GP8**  
**Policy Type: Governance Process**  
**Policy Title: Meetings and Executive Sessions**  
**Date Approved: May 17, 2005**

Consistent with the Board Bylaws, and except as otherwise provided by law; all meetings of the Board shall be open to the public and all persons shall be permitted to attend, no quorum of the Board shall meet in private for the purpose of deciding on or deliberating toward a decision on any matter; an executive session may be held only for those purposes allowed by law. ORS 192.660 provides a list of purposes for which an executive session may be held, including but not limited to:

- Employment of Public Officers, Employees and Agents
- Discipline of Public Officers and Employees
- Performance Evaluations of Public Officers and Employees
- Labor Negotiations
- Discussions Regarding Exempt Public Records
- Discussions with Legal Counsel on Pending or Threatened Litigation
- Real Property Transactions

(ORS 192.610-690)

Source: Bylaws/Debra Smith, Board Approved 05/17/2005

**Policy Number: GP9**  
**Policy Type: Governance Process**  
**Policy Title: External Communications**  
**Date Approved: April 19, 2005**

It is the policy of the Board to use the following guidelines in communicating with members of the public, other government agencies and the media:

1. Day to day communications about the Eugene Water & Electric Board are the responsibility of the Public Affairs Department. All oral and written communication should be developed and coordinated through Public Affairs.
2. As the elected body that leads the utility, the Board of Commissioners has a strong role to play in the communication efforts of the utility. Such communication can include, but not be limited to planned presentations, response to media inquiries, or comments received from customers.
3. Public Affairs staff will coordinate interactions with the news media. Such interactions may involve Commissioners or other utility staff members. Individual Board members may be approached directly by the media to comment on a particular issue. In these instances, the individual Board member should follow the protocol listed in this policy.
4. Communications about Board decisions or positions on issues are generally prepared and coordinated by staff, reviewed by the full Board, and, if written, distributed under the signature of the President or the Board's designee. Such procedures are applicable in the drafting of "letters to the Editor" and op-ed responses to newspaper editorials and the preparation of positions to other entities. The Board may also designate a Commissioner to represent the Board on a particular issue.
5. A Commissioner may issue communications about which the Board has not taken a position or which is in opposition to the Board's position. In this case, the Commissioner may request staff time to review the communication for accuracy.
6. Any communications issued by a Commissioner which espouses an individual viewpoint should be represented the Commissioner's own viewpoint, and not represented as a position of the Board.
7. Public Affairs staff will coordinate public appearances by individual Commissioners, including logistical planning, contact with the public group, and preparing talking points to be used in the presentation.
8. The Board shall review this policy periodically, in conjunction with review of other Board Governance Policies.

Source: Board Approved 06/01/2004, Ratified 04/19/2005

**Policy Number: GP10**  
**Policy Type: Governance Process**  
**Policy Title: Public Input**  
**Date Approved: November 1, 2005**

Public Input is a regular feature of every formal meeting of the Board of Commissioners. The item usually appears near the beginning of the agenda. Members of the audience wishing to speak fill out a sign-up sheet at the meeting. Individuals are called by the presiding officer in the order they signed up.

Prior to the start of public input, the presiding officer makes a brief announcement about the process for comment and Board response, and sets a time limit for individual input, which is generally three minutes.

Commissioners do not interact with the speakers during the Public Input period. The presiding officer may ask clarifying questions, but Commissioners refrain from engaging in a dialogue with the speakers while they are addressing the Board.

At the conclusion of the Public Input agenda item, individual Board members have an opportunity to address any point that was made during Public Input. Board member comments may include direction to the General Manager to further investigate a specific issue, clarification from the General Manager regarding a specific issue, or simply a response to a public comment just presented.

In certain instances, particularly at rate hearings, there is a considerable amount of public comment. If the Board directs staff to respond to specific questions posed by the public, those responses will be posted on EWEB's Internet site.

Source: Marty Douglass, Public Affairs, Draft Provided to Board 11/11/2004, Board Approved 07/05/2005, Modified 11/01/2005

**Policy Number: GP11**  
**Policy Type: Governance Process**  
**Policy Title: Use of Bill Stuffers**  
**Date Approved: April 19, 2005**

It is the policy of the Board that the content of the bill stuffer (see note) must reflect material directly related to EWEB business. An exception to this policy is the City of Eugene stuffer inserted into EWEB bills once per year reflecting City sewer and storm water rate information.

Exceptions to this policy will only be allowed with specific approval by the Board of Commissioners.

Note: The Eugene Water & Electric Board maintains a monthly billing system for its customers. The utility routinely includes an information brochure, or “bill stuffer” in each monthly bill. Bill stuffers serve as an excellent medium for communicating with customers, a conclusion validated by past customer surveys.

Source: Policy drafted by Marty Douglass based on Board Discussion 03/02/2004, Board Approved 04/19/2005

**Policy Number:** GP12  
**Policy Type:** Governance Process  
**Policy Title:** Board Committees, Outside Appointments, Liaisons to Staff Projects, and Advisory Committees  
**Date Approved** October 3, 2006

The Board may use committees, outside appointments and liaisons to staff work as a means of gathering and disseminating information, representing the Board and providing preliminary input to Board decisions.

Specifically,

1. The Board may choose to appoint standing (permanent) and temporary committees.
  - a. All committees will be created and defined by Board Resolution and formally adopted by the Board. The resolution will state the purpose, composition, membership (term and succession), and in the case of temporary committees, the expected dissolution date. Committees may include members from outside the organization if the Board so chooses.
  - b. Committees will be used to discuss and refine information and to make recommendations to the full Board.
  - c. All committee meetings (except where exempt under Oregon Revised Statutes) shall be open to the public.
  - d. When Board committees are used, Commissioners will be assigned so as to reinforce the wholeness of the Board's job and so as never to interfere with delegation from Board to the General Manager.
2. The Board may appoint a Commissioner to an outside organization or entity.
  - a. All outside appointments will be made by Board Resolution and formally adopted by the Board. The resolution will state the purpose of the appointment, the nature of the Commissioner's role, the term of the appointment and the succession if applicable.
  - b. As an appointee to an outside organization, it is the responsibility of the Commissioner to represent policies and resolutions adopted by the Board. If an issue arises in which the Board has not previously taken a position, it is the responsibility of the Commissioner to represent what he/she believes the Board majority would be. Should the majority of the Board decide that any action taken by an appointee did not represent the view of the majority; the Board can send a written notice modifying the previous action.
3. The Board may designate Commissioners to act as formal or informal liaisons to staff managed projects or work assignments.
  - a. All liaison assignments will be made by Board Resolution and formally adopted by the Board. The resolution will state the purpose of the liaison assignment, the term of the assignment and the expected completion date.
  - b. As a liaison to a staff managed project or work assignment, Commissioners will participate as other project team members, with no more or less authority than other team members. It is the responsibility of the Commissioner to bring important information back to the full Board and to represent the views of the Board, to the best of the Commissioner's ability.
  - c. Commissioners assigned, as formal or informal liaisons will not direct staff or manage the work of the team or group. Decisions requiring action from the Board will be brought to the full board in accordance with the by-laws.

4. The Board may designate Commissioners to participate in outside advisory committees whose purpose is to gather information from the community on projects or work currently engaged by or under consideration by the utility.
  - a. All advisory assignments will be made by Board Resolution and formally adopted by the Board. The resolution will state the purpose of the advisory committee, the term of the assignment and the expected completion date.
  - b. As a member of a community advisory committee, Commissioners will participate as other committee members, with no more or less authority than other members. It is the responsibility of the Commissioners to bring important information back to the full Board and to represent the views of the Board, to the best of the Commissioners ability.

Source: John Carver/Patrick Lanning, Board, Board Approved 10/03/2006

**Policy Number: GP13**  
**Policy Type: Governance Process**  
**Policy Title: Board Role In Legislative Sessions**  
**Date Approved: October 3, 2006**

The primary objective of the Board as it relates to legislative activities, is to develop, guide and enforce EWEB's position relative to legislation the utility attempts to influence and put into practice. Prior to the start of each session, the Board will adopt general policy directives with broad application. Those directives will be adopted by Board Resolution after presentation to and discussion with the Board. The adopted directives will guide the work of EWEB's lobby activities. When political considerations test the applicability of those directives, the General Manager will make a determination as to whether a fundamental shift in direction is required. The Board may be asked to reaffirm their policy or direct staff to make necessary adjustments.

During each legislative session, the General Manager or his/her designee will provide the Board with a periodic report of significant legislation, generally on a monthly basis. The report will include the type and number of bills being reviewed by staff, a prioritized sense of risk for the utility and a sense of timing for the resolution of key legislation. The report will also include staff contact information to allow Commissioners to track specific areas of issue or concern.

At the close of each legislative session, the General Manager or his/her designee will provide the Board with a review of significant legislation with potential impact on the utility,

Source: Libby Henry/Debra Smith, Board, Board Approved 10/03/2006

**Policy Number: GP14**  
**Policy Type: Governance Process**  
**Policy Title: Litigation Reporting**  
**Date Approved: April 19, 2005**

The Board has a need to stay informed of significant litigation involving the utility. The types of litigation reported under this policy would be significant lawsuits as determined in the discretion of the General Manager and/or EWEB's General Counsel.

Accordingly, the General Manager or his/her designee will provide the Board periodic reports on significant litigation, generally on a quarterly basis, generally including the following:

- Caption or Title of Claim, including identity of main parties involved
- When filed or asserted
- Brief description of claim (one paragraph or less, including the amount of money or other legal exposure to EWEB raised by the suit)
- "Next steps" in the litigation process
- Expected trial or resolution date
- Such other information as the Board, General Counsel, or General Manager may deem appropriate

As new litigation is filed, the General Manager, General Counsel, or their designees will alert Board members as to the fact of the filing and appropriate limited information, given time and information constraints.

The Board, from time to time, may request additional information to be provided in writing, or through meetings with legal counsel, regarding more details and/or analysis of pending or potential litigation.

Source: Win Calkins, Board Approved 06/15/2004, Ratified 04/19/2005

**Policy Number: GP15**  
**Policy Type: Governance Process**  
**Policy Title: New Commissioner Orientation**  
**Date Approved: April 19, 2005**

The focus of new Commissioner orientation is to create familiarity with policy and provide an overview of the utility's operations and key staff. New Commissioners have diverse learning needs and styles, different backgrounds and motivations for being on the Board, and varied schedules and availability for learning about the utility. Therefore, orientation to the Commissioner position will be different for each new Commissioner.

The time and effort involved in providing a substantive overview and discussion of EWEB's operations, as well as Commissioner roles, will reap future benefits. New Board members will be well informed and more able to participate effectively in the Board's governance role.

#### Phase 1 - During the election process or pre-appointment period

Requests for information from candidates seeking a Board seat will be dealt with in accordance with Oregon public records and public meetings laws. Specifically:

- Requests for Board runs and other information available to the public will be honored.
- Requests for information concerning upcoming Board meetings and retreats will be provided.
- A meeting with the General Manager to gain a better understanding of the Board role and to obtain general information about EWEB, will be scheduled, if requested by the candidate.

All such requests for information, as well as questions regarding public meetings, and scheduling issues should be directed to the General Manager's Executive Assistant.

#### Phase 2 - After the election or appointment

After the election or appointment, but prior to swearing in the new Commissioner, the EWEB General Manager will:

- Provide information to the Commissioner Elect, Nominee, or Appointee (see definitions at the end of this document):
  - Board Policy Manual
  - Board Information Manual
  - General information about EWEB
- Invite the Commissioner Elect, Nominee, or Appointee to:
  - Tour EWEB facilities
  - Attend Board meetings held prior to being sworn in to observe and be introduced
  - Attend strategic planning, budget and other retreats as an observer
- Inform the Commissioner Elect, Nominee, or Appointee about upcoming association and/or Public Power orientations and workshops (EWEB would not cover expenses until the candidate has been sworn in as an EWEB Commissioner)

### Phase 3 - After the new Commissioner takes office

After the new Commissioner has been sworn in and seated on the Board, the EWEB General Manager will:

- Design a series of orientation sessions for the new Commissioners to include:
  - Information and discussion sessions with or introductions to:
    - The Board President
    - Experienced Board members
    - The General Manager
    - Executive Team
    - Program Managers
  - Tours and visits to major programs and facilities
- Provide reading materials about the Board. Identify the documents that are high priorities. Help new Commissioners set up an information filing system. Common materials are:
  - Board Policy Manual and Bylaws
  - Board Reference Manual
  - Strategic and Master plans
  - Annual Financial Reports
  - Website Review
  - Organizational charts and lists of key personnel
- Help new Commissioners strengthen their links to the external community and public:
  - Invite new Commissioners to accompany Commissioners who have been appointed to community or agency groups as the Board's liaisons, to community meetings. Be sure they are introduced as new Commissioners.
  - Provide information about trends and public power and water needs in the community
  - Provide information about EWEB to help new Commissioners become knowledgeable representatives
- Maintain ongoing communication links:
  - The Board President or General Manager should initiate contact with new Commissioners and:
    - Encourage new Commissioners to ask questions and seek information prior to Board meetings; offer to meet with them prior to Board meetings for the first few months
    - Call new Commissioners before Board meetings to see if they have any questions
    - Discuss lines of communication and who to ask for what information
    - Ask new Commissioners what their preferred mode of communication is; use that style to the extent practical
    - Set up an e-mail address and include them in routine communication
- Encourage new Commissioners to seek educational opportunities:
  - Notify them of upcoming state and national conferences
  - Establish an expectation for new Commissioners to attend conferences; explain how to obtain travel support
  - Strengthen partnerships and teamwork by arranging for the GM and/or other Board members to accompany new Commissioners to conferences and introduce them to others

Definitions:

- Commissioner Elect – Individual has completed the election process (primary and general elections) and has won the seat in the general election. Individual has not been sworn into office.
- Nominee – Individual has won in the primary election and will either run uncontested in the general election or will run against another candidate.
- Appointee – Individual has been selected to fill a vacant or soon to be vacant seat but has not been sworn into office.

Source: Board Approved 07/06/2004, Ratified 04/19/2005

**Policy Number: GP16**  
**Policy Type: Governance Process**  
**Policy Title: Travel Policy for Board Commissioners**  
**Date Approved: April 19, 2005**

EWEB Board members shall follow the same travel and expense reporting procedures as those followed by regular EWEB employees, with the following additional guidelines:

1. A Travel & Expense (T&E) report should be submitted to the General Manager's office as soon as possible upon return from EWEB-related travel. All expenses should be listed on the T&E report. Receipts should be provided whenever possible; however, receipts are required for expenditures of \$25 and over. No reimbursement can be made without required receipts.
2. Within a reasonable amount of time following an EWEB-related workshop, conference, seminar, etc., the Board member attending shall give a verbal (or written, if preferred) summary of the information gathered at the session and its potential impact on the utility.
3. Arrangements for travel and/or meeting attendance by the Board members shall be handled through the General Manager's office. When possible, requests should be made early in order to take advantage of potential discount rates.
4. EWEB Board members will be allowed an annual budget for travel and expenses related to utility business. Any amount in excess of the total amount allotted for all Board Members shall be reviewed and considered by the Board.
5. Board members may use their personal vehicles when automobile transportation is necessary. Reimbursement shall be made at the current state government reimbursement rate for mileage, or coach class airfare, whichever is lower. Fines assessed for parking or traffic violations are not reimbursable.

Source: Board Adopted 04/22/1985, Amended 11/10/1986, 04/08/1991, Ratified 04/19/2005

**Policy Number: BL1**  
**Policy Type: Board-Staff Linkage**  
**Policy Title: Global Board-General Manager Linkage**  
**Date Approved May 17, 2005**

The Board's sole official connection to EWEB's staff will be through the General Manager.

Consistent with the Board Bylaws, the General Manager shall report to the Board as a whole and is responsible for implementing policies and directions established by the Board. The General Manager acts as chief executive officer of the operation of the organization and shall have all authority to: operate all utilities, hire, appoint, terminate or remove employees, organize and, as the General Manager deems necessary, disband and reorganize departments, act as contracting and purchasing agent for EWEB and award contracts for which there is an appropriation (except as otherwise provided in EWEB Purchasing Policies), prepare budgets, and enforce resolutions of the Board. The General Manager shall also be responsible for preparing reports requested by the Board, representing the utility to the public, other agencies and organizations, and performing such other duties as the Board directs. The General Manager may lawfully delegate any or all of the responsibilities within his/her authority.

Source: John Carver/EWEB Bylaws, Board Approved 05/17/2005

**Policy Number: BL2**  
**Policy Type: Board-Staff Linkage**  
**Policy Title: Unity of Control**  
**Date Approved: October 3, 2006**

Only decisions of the Board acting as a body are binding on the General Manager.

Accordingly,

1. Decisions or instructions of individual Board members, officers, or committees are not binding on the General Manager except in rare instances when the Board has specifically authorized such exercise of authority.
2. In the case of Board members or committees requesting information or assistance without Board authorization, the General Manager may refuse such requests that require, in the General Manager's opinion, a material amount of staff time or funds; are disruptive, unethical, or illegal; are in direct opposition to Board Policy, or assume a level of responsibility beyond that created by statute or charter.

Source: John Carver, Compensation Committee, Board Approved 10/03/2006

**Policy Number: BL3**  
**Policy Type: Board-Staff Linkage**  
**Policy Title: Accountability of the General Manager**  
**Date Approved: October 3, 2006**

The General Manager is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is the authority and accountability of the General Manager.

Accordingly,

1. Neither the Board, nor individual Commissioners will give instructions to persons who report directly or indirectly to the General Manager without the General Manager's permission.
2. The Board will refrain from evaluating, either formally or informally, any staff other than the General Manager.

Source: John Carver, Compensation Committee, Board Approved 10/03/2006

**Policy Number:** BL4  
**Policy Type:** Board-Staff Linkage  
**Policy Title:** Delegation to the General Manager  
**Date Approved** October 3, 2006

The Board will instruct the General Manager through written policies that define the results that the organization is to achieve, and which describe the delegation of authority to the General Manager.

Accordingly,

1. The Board shall identify and define those results or conditions that are acceptable and not acceptable to the Board and communicate them in the form of policy.
2. The General Manager is authorized to establish all further practices and procedures, make all decisions, take all actions, and develop all activities.
3. The General Manager must bring to the Board's attention circumstances that affect the policies and goals established by the Board or materially impact the Board and may request the Board to take appropriate actions.
4. The General Manager may lawfully delegate any or all of the responsibilities within his/her authority.

Source: EWEB By-laws/Patrick Lanning, Compensation Committee, Board Approved 10/03/2006

**Policy Number:** BL-5  
**Policy Type:** Board Staff Linkage  
**Policy Title:** Evaluating the General Manager's Performance  
**Date Approved:** September 18, 2007

The General Manager's job performance shall be evaluated by comparing the organization's operating results and the General Manager's individual performance to the policies established by the Board.

Accordingly:

1. The Board has responsibility for establishing its priorities for the coming year and providing that direction to the General Manager. The General Manager shall draft new goals that contain relative success measures. Draft goals are for the New Year and represent the General Manager's reasonable interpretation of achieving the priorities defined by the Board.
2. The Board will use performance metrics adopted each year to determine the degree to which Board policies are being met.
3. The Board shall evaluate the General Manager's performance on an annual basis.
4. The General Manager's interim performance shall be monitored at a frequency and by a method chosen by the Board.

Source: Compensation Committee and Jean Meyers, Human Resources Manager. Developed: 9.20.06,  
Revised: 3.20.07 Board approved: 9.18.07

**Policy Number: BL6**  
**Policy Type: Board-Staff Linkage**  
**Policy Title: Board-Staff Working Relationship**  
**Date Approved: May 17, 2005**

The Board's direct link to the organization is through the General Manager. Nonetheless, the Board has frequent contact and interaction with various staff members. The following policy governs the Board's working relationship with staff other than the General Manager.

1. Staff's role with the Board is to consult, problem solve, and provide information and support.
2. Commissioners may consult directly with staff or make direct requests for information. Commissioners may also channel requests through the General Manager or ask the General Manager for a referral to the appropriate staff member.
  - a. Staff is responsible for informing the General Manager of significant information requests from Commissioners. Staff is further responsible for informing the General Manager if a specific request becomes overly time consuming, or if cumulative requests from an individual Commissioner become overly time consuming.
  - b. If the Board, or an individual Commissioner, makes a request of staff that staff knows or believes will be overly time consuming, the General Manager is empowered to notify the Board or Commissioner and to review the priority of the request.
3. Commissioners and staff will treat each other with courtesy, civility and respect despite differences of opinion. When communicating with or presenting information to the Board or individual Commissioners, staff is expected to remain objective and professional, despite differences of opinion.
4. The President of the Board is the appropriate conduit for concerns raised by Commissioners regarding the Board/staff working relationship. The General Manager is the appropriate conduit for concerns raised by staff regarding the Board/staff working relationship. The President of the Board and the General Manager are collectively charged with resolution of these concerns raised by Commissioners or employees.
5. New Commissioners are to be briefed on these procedures before taking their oath of office.

Source: Board Approved 07/06/2004, Updated 05/17/2005

## **Strategic Direction Policies**

**Policy Number:** SD1  
**Policy Type:** Strategic Direction  
**Policy Title:** Mission and Legacy  
**Date Approved:** April 19, 2005

The mission of the Eugene Water & Electric Board is “To be an outstanding provider of energy and water products that meet customers’ needs and benefit the citizens of Eugene.”

The purpose of our Legacy is to develop a creative tension between where we are and where we want to be. These goals guide us in our choice of paths and our desired destination.

### **We meet our customers’ needs by:**

- Providing reliable and high quality utility products
- Providing services in a responsive manner
- Providing rates and fees that are reasonable and stable

### **The organization:**

- Uses an integrated planning process based on vision, strategic direction, critical success factors and results management.
- Uses innovation and creativity to develop solutions to complex and challenging issues
- Is flexible, adaptive, and learns from prior experiences
- Is financially stable
- Supports excellence in the workforce by providing competitive wages, benefits and development opportunities

### **We meet the community’s needs by:**

- Dealing effectively with tensions between social, economic and environmental factors
- Demonstrating concern and responsiveness to social issues involving the provision of energy and water services
- Supporting a sound economy through fiscally prudent rates
- Demonstrating sensitivity and responsiveness to environmental concerns; recognizing the importance of a healthy ecosystem to its operations

### **The Board of Commissioners:**

- Effectively governs, resulting in clear leadership at a policy level
- Provides direction and makes decisions anchored in a sound assessment of priorities and strategic risks
- Maintains a strong connection to customers and the community

Source: Board Approved 05/04/2004, Ratified 04/19/2005

**Policy Number: SD2**  
**Policy Type: Strategic Direction**  
**Policy Title: Environmental Policy**  
**Date Approved: April 19, 2005**

EWEB takes responsibility for the environmental consequences of our actions. The Board believes that environmental protection and enhancement are sound business practices that are beneficial to the economy, our community, that support a sustainable future for our world and that enhance EWEB's success as a publicly owned utility. EWEB conducts business in an environmentally sensitive and responsible manner while providing our customers with safe, reliable and responsive utility service. We are committed to innovative, cost effective approaches to environmental challenges, to integration of environmental considerations in all aspects of our activities, and to continual improvement of our efforts to protect and enhance the environment.

The objectives for EWEB's environmental commitment are to:

- Prevent, minimize, or mitigate the environmental impacts of EWEB's products and services.
- Meet or exceed compliance with the letter and spirit of applicable environmental statutes, regulations and standards.
- Actively support our customers with technical and financial assistance to improve their efficient use of energy and water.
- Strive to provide resources that are renewable, sustainable, and have minimal environmental impact to meet our customer's needs.
- Safeguard human health in the conduct of our business.
- Focus on pollution prevention throughout EWEB's facilities and operations.
- Recycle and reuse materials to reduce waste generated by EWEB's activities.
- Foster stewardship of the McKenzie River watershed resources to ensure sustainable watershed health.

Source: Board Approved 11/04/1997, Ratified 04/19/2005

**Policy Number:** SD3  
**Policy Type:** Strategic Direction  
**Policy Title:** Customer Service Policy  
**Date Approved** May 17, 2005

The full body of policy and procedure regarding provision of service to customers is contained in EWEB's Customer Services Policies and Procedures. The Board periodically reviews this document, (available at [www.eweb.org](http://www.eweb.org), and at EWEB's administrative offices), and approves all substantive changes. The following information is provided in summary.

It shall be the policy of EWEB that the utility needs of the consumer will be reliably met without discrimination and in accordance with sound business principles; that rates will be uniform to all consumers within various service classifications; and that pricing for utility services and products will be based on providing the lowest reasonable rates to all consumers without special rate categories for selected social or economic classes of consumers.

Further, it shall be the policy of EWEB to consider the aesthetic and environmental effects of its activities in conjunction with full utilization of its resources while providing utility services to its customers.

Policies, maintenance, repair and installation procedures are founded on standards of safety, economy and efficiency. Some are a requirement for service, others are optional and others are recommended.

It is the intent of EWEB that the Customer Services Policies and Procedures will provide instructional information to the customer; many segments of the electrical, plumbing and building industries, and EWEB staff for the purpose of achieving the common goal of efficient and safe utility service.

Source: Customer Services Policies and Procedures Manual, available at [www.eweb.org](http://www.eweb.org), Board Approved 05/17/2005

**Policy Number: SD4**  
**Policy Type: Strategic Direction**  
**Policy Title: Public Use of Meeting Rooms Policy**  
**Date Approved: April 19, 2005**

As a service to the community, the Eugene Water & Electric Board makes the meeting rooms and the cafeteria dining room in the North Headquarters Building available to community organizations, public bodies, and any recognized non-profit, non-discriminatory organization with open membership.

The rooms are available only during evening hours and weekends, when not required for utility purposes, and are free of charge with the following exceptions:

- Meeting Rooms: A trash disposal and cleanup fee is charged if food is to be served.
- Cafeteria: A rental fee and a refundable deposit are required.

Groups using the facilities will be subject to the following guidelines:

- No admission fee can be charged.
- No commercial activities that result in monetary gain or that will invite public participation are allowed.
- No alcoholic beverages are allowed.
- No smoking is allowed.

Rooms are available on a first come, first-served basis.

Source: Board Approved 05/09/1988, Revised 04/20/2004, Ratified 04/19/2005

**Policy Number:** SD5  
**Policy Type:** Strategic Direction  
**Policy Title:** Public Plaza Policy  
**Date Approved:** April 19, 2005

The River edge Public Plaza is a public place for the enjoyment of all. It cannot be reserved and must remain open to the public 24 hours a day, except for closures related to public safety. Any use by organized groups must not infringe upon public access.

#### Conditions of Use

- The River Edge Public Plaza is available to community organizations; public bodies and any recognized nonprofit, non-discriminatory organization with open membership.
- EWEB parking spaces are not available for use by event participants between 6:00 a.m. and 6:00 p.m., Monday through Friday.
- EWEB does not provide furniture or audiovisual equipment of any kind.
- Activities that pose a threat to public safety or damage the plaza are prohibited.
- Firearms or fireworks of any kind are not permitted.
- Consumption of any alcoholic beverages or illegal substances is not permitted.
- Noise disturbance interfering with the working environment of the EWEB headquarters building or which otherwise annoys or disturbs a reasonable person of normal sensitivities is prohibited.
- The event organizers will be expected to clean up the site after use. If required, event organizers should arrange for garbage cans and trash removal.

Source: Board Approved 11/27/1989, Revised April, 2004, Ratified 04/19/2005

**Policy Number: SD6**  
**Policy Type: Strategic Direction**  
**Policy Title: Financial Policies**  
**Date Approved: July 19, 2005**

The following financial policies shall govern staff's operation of the utilities:

1. Rate Sufficiency Policy - Rates And Charges Will Be Adequate To Provide Revenues Sufficient To Maintain A High Degree Of Financial Soundness Over And Above Requirements For Compliance With Existing Bond Covenants. (Fp 1.1)
2. Rate Stability Policy - Certain Funds Will Be Held In Reserve For The Purpose Of Mitigating The Customer Rate Impact Of Unanticipated Events. (Fp 1.2)
3. Capital Reserve Policy - Net Investment In Utility Plant Assets Will Be Maintained, Including Such Capital Additions And Reserves As May Be Necessary To Support Growth In Loads And Customer Base. (Fp 1.3)
4. Pension Liabilities Funding Policy - All long-term liabilities that must be either disclosed or accounted for in the financial statements will be funded according to a rational and consistent plan that targets full funding of the liabilities over a specified period of time. (FP 1.4)
5. Cost Management Policy - EWEB Will Take Cost Management Actions That Provide For Authorized Budgets And Include Actions To Maintain Expenditures Within Authorized Budget Levels. (Fp 2.1)
6. Budget Policy - The authorized annual spending plan will be balanced such that resources meet or exceed requirements in each fiscal year. (FP 2.2)
7. Debt Policy - Funds to acquire major capital improvements will be provided in accordance with the estimated useful lives of such assets. (FP 2.3)
8. Billing and Collection Policy - Services will be billed in an accurate and timely manner and collected with fair and equitable consideration for all customers. (FP 2.4)
9. Enterprise Risk Management Policy - Risks Associated With EWEB's Operations Will Be Proactively Managed In A Cost-Effective And Efficient Manner Consistent With Prudent Utility Practice. (Fp 3.1)
10. Power Risk Management Policy – Purchases and sales of electric power and related financial instruments will be managed to maximize the benefits to customers from wholesale transactions while minimizing the risk that wholesale activities will adversely affect retail prices. (FP 3.2)

11. Investment Policy - EWEB's Investment Portfolio Will Be Managed To Achieve Safety Of Capital, Achieve Market Rates Of Return, And Provide Sufficient Liquidity To Meet Disbursement Schedules. (Fp 3.3)
  
12. Financial Entity Policy - EWEB Will Account For Separate Financial Entities And Will Clearly Define Relationships Among Those Entities To Facilitate Management Decision-Making. (Fp 4.1)
  
13. Capitalization Policy - Major utility expenditures for labor, materials and/or services that result in revenue or benefit in future reporting periods will be capitalized and allocated to match such future revenue or benefits through periodic amortization or depreciation. (FP 4.2)

Source: Board Approved 01/18/2000, Ratified 04/19/2005, Amended 07/19/2005

**Policy Number: SD7**  
**Policy Type: Strategic Direction**  
**Policy Title: Purchasing Policies**  
**Date Approved: May 17, 2005**

The full body of policy and procedures regarding EWEB's procurement process is contained in the Purchasing Policies and Procedures Manual. The Board periodically reviews this document, (available at [www.eweb.org](http://www.eweb.org), and at EWEB's administrative offices), and approves all substantive changes. The following is provided in summary.

Pursuant to ORS 279A.060, EWEB's Board of Commissioners acts as EWEB's Local Contract Review Board (LCRB), and has all power and authority to exercise the authority granted it under ORS 279A.050, 055, and 070 to adopt rules necessary to carry out the provision of the Public Contracting Code, including but not limited to rules for the procurement, management, disposal and control of goods, services, personal services and public improvements.

The LCRB, therefore, has adopted rules consistent with the statutes referred to as the "EWEB Public Contracting Rules." The Board periodically reviews this document and approves all substantive changes. The rules provide specific information regarding bidding requirements, appeals process, and the Board's responsibility as the LCRB.

To the degree feasibly and responsibly possible, and in observing the intent of ORS 279A, B, and C, EWEB works within the adopted public contracting rules to procure the more advantageous products and services possible in order to carry out its charter. EWEB is very diligent to select materials, equipment, and services that will insure that our customers' needs are, to the best of its ability, constantly met.

Source: EWEB Public Contracting Rules, Adopted 01/04/2005, Effective 03/01/2005, Board Approved 05/17/2005

**Policy Number:** SD8  
**Policy Type:** Strategic Direction  
**Policy Title:** Power Risk Management Policies  
**Date Approved:** September 19, 2006

## **1. Formation of Risk Management Committee**

A Risk Management Committee (RMC) will be established to provide oversight control and guidance to the trading operation.

The RMC will be comprised of the General Manager, Power Resources Director, Customer and Financial Services Director, Power Management and Planning Manager, and the Fiscal Services Supervisor. This committee, which will meet as necessary, will be responsible to the Board of Commissioners for prudent implementation of these policies and oversight of the trading operation to ensure compliance with this policy and overall good industry practices. On an annual basis, the RMC will present a report to the Board covering the trading compliance with this policy and the financial results obtained. Detailed responsibilities of the RMC include:

- Oversee the approval of all wholesale power trading accounts and counterparties to insure creditworthiness.
- Establish and periodically review the exposure and trading limits for trading operations, which shall not exceed the overall trading limits established by this Policy Statement.
- Authorize physical and financial wholesale power trading representatives to conduct trades pursuant to this policy.

## **2. Compliance with Anti-Speculation Statutes**

EWEB must comply with ORS statutes stipulating the appropriate scope of investments for “surplus funds.” Accordingly, EWEB’s activities in the power markets must be associated with the provision of electricity to meet anticipated sales and generation forecasts. These criteria will be applied:

### **Real Time (a 24 hour day)**

EWEB will manage its Real Time position so that its exposure to market prices for the balance of the day is no greater than 50 average megawatts surplus or deficit.

### **Short Term (balance of month and following month)**

EWEB will manage its Short Term position so that its exposure to market prices for the balance of the month and the following month is no greater than 75 average megawatts surplus or deficit.

### **Mid Term (period beyond short term)**

EWEB will manage its Mid-Term position so that firm power supplies are within 25 average megawatts of expected firm sales.

This criteria will be applied to Mid Term time periods beyond the short term:

- For each month within the current and next prompt quarter
- For each of the next three quarters
- For each year within the next three years

The Board may grant exception to this policy to deal with specific circumstances, such as long-term resource acquisitions.

### **3. Financial Exposure Limitation**

In addition to the megawatt position limits set forth in the Compliance with Anti-Speculation Statutes policy above, EWEB will implement additional controls to further limit financial risk associated with its market positions. The function of these additional controls would be to ensure that EWEB's projected contribution margin, when combined with available reserves and borrowing authority, will provide funding capabilities to cover other budgeted/projected expenditures at the Electric Utility.

#### **Real Time (a 24 hour day)**

Because total volumes and resulting exposure is small no financial exposure limits required.

#### **Short Term (balance of month and following month)**

EWEB will manage its Short-Term position such that there is a 95% probability an adverse market price movement will result in no more than a \$2 million risk exposure. The Board delegates the setting of methodologies for determining financial risk to be used to the Risk Management Committee.

#### **All Traded Periods**

At least on a monthly basis, Fiscal Services with the assistance of Power Management and Planning and General Accounting will monitor the contribution margin and resulting impact on reserves and available borrowing authority for each month over the succeeding 18 to 36 months. In addition, a probability analysis will be conducted. The target is to have a contribution margin which when combined with available Power Operating Reserve and borrowing authority will meet or exceed the funding needs of the Electric Utility in each month with at least 90 percent probability and leave an appropriate safety margin. Currently, that safety margin is determined to be at least \$20 million. The contribution margin is calculated by summing wholesale, retail and service revenue from the trading floor and subtracting purchased power, transmission and generation costs, as well as CILT expense. The RMC may establish tighter exposure limits to effectively manage the overall position.

### **4. Development of Detailed Control Procedures**

Consistent with Generally Accepted Risk Principles, detailed control procedures will be developed by EWEB and approved by the RMC. These procedures will incorporate strong dual controls between those groups initiating trades and the risk management/accounting functions.

The Policy and Procedures Guide will further establish the roles and responsibilities of the trading group, accounting personnel, and the Fiscal Services Supervisor. The detailed policies and procedures will incorporate a credit approval and monitoring process to manage and measure credit exposure. The Policy and Procedures Guide, and its inherent controls will be approved by the RMC and reviewed on an ongoing basis.

### **5. Authorized Activities**

The following types of price risk management instruments/transactions are authorized for trading activities:

- Physical delivery contracts with a term up to and including one year.
- Financial agreements with approved counterparties with a term up to and including one year.

The Policy and Procedures Guide as approved by the RMC will specify a process for determining the appropriate use of physical and financial hedge instruments. The Guide will also stipulate the types of swaps and options approved for use by the trading operation. The list of approved products and appropriate uses will likely change as the market changes and EWEB's trading operation gains experience with their use.

Source: Power Risk Management Policies and Procedures, Adopted 08/17/1999, Revised 03/05/2002, Ratified 04/19/2005, Revised 9/19/2006

**Policy Number: SD9**  
**Policy Type: Strategic Direction**  
**Policy Title: Rate Setting Policy**  
**Date Approved: October 4, 2007**

The EWEB Board has exclusive jurisdiction to approve annual operating budgets and establish rates for electric service.

Although EWEB's electric rates are not subject to regulatory review by any federal or state utility commission or similar agency, the Board must comply with the requirements of applicable state and federal statutes as they pertain to the development of rates and the general conduct of utility business. Current statutes and related case law provide two general standards concerning the establishment of retail electric rates.

The first of these rate making standards allows EWEB to set rates at a level sufficient to recover the ongoing costs of utility operation. These costs include annual operating expense, requirements for capital additions, interest and amortization of outstanding debt, and applicable tax obligations. This standard is intended to ensure the financial integrity of the utility, while defining the costs of operation, which can be lawfully recovered through rates.

The second standard requires that rates and charges for utility service be fair and nondiscriminatory. Rates are considered nondiscriminatory when customers receiving like and contemporaneous service under similar circumstances are treated equally in the development and application of specific rates. This second standard protects the equity concerns of individual utility customers, based on established utility policies and practice for allocating costs among customers and customer classes.

Cost of service consideration was mandated by Congress, pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA). By resolution on May 7, 1979, the Board adopted specific policy guidelines and costing procedures for use by staff in the development of retail electric rates. In April of 1980 in concert with PURPA provisions, the Board also adopted the cost of service standard as the primary mechanism for rate development. The Board's adoption of the PURPA order addresses cost allocation and rate design principles as well as public notification and involvement in rate deliberations.

A copy of the resolution of adoption and final PURPA order is attached.

The above standards, and approved policies allow EWEB to maintain rates at the lowest possible level consistent with sound financial principles and traditional utility ratemaking practice. They also give EWEB's elected Board of Commissioners complete authority to approve rates which are cost-based, nondiscriminatory, and in concert with the needs of EWEB's customers.

Source: May 2004 Electric Rate Proposal, PURPA Final Order, Ratified 04/19/2005, Modified October 4, 2007

**Policy Number: SD10**  
**Policy Type: Strategic Direction**  
**Policy Title: Power Cost Recovery Policies**  
**Date Approved: May 17, 2005**

The following Power Cost Recovery Policies are contained in the rate schedules that cover Residential Service (R-6), Residential Windpower Service (Schedule RW-6), Small General Service (Schedule G-1), Small General Windpower Service (Schedule GW-1), Medium General Service (Schedule G-2), Medium General Windpower Service (GW-2), Large General Service (Schedule G-3), Very Large General Service (Schedule G-4), Customer-Owned Street Lighting Service (Schedule J-3), Customer-Owned Street Lighting (Schedule J-4) and Private Lighting Service (Schedule L-3).

#### Power Cost Recovery Adjustment

At the discretion of the Board, the rates may be adjusted for 12 months beginning with April bills to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual kilowatt-hour sales in that calendar year, and then decreasing or increasing the energy or power component of the rate accordingly.

#### BPA Power Cost Adjustment

At the discretion of the Board, the rate may be adjusted for 6 months beginning in either April and/or October to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale rates. The adjustment is determined by dividing the amount to be rebated or recovered by the projected kilowatt-hour sales in the six-month period and then decreasing or increasing the energy or power component of the rate accordingly.

Source: Approved initially with rate tariff adopted on September 18, 2001 and with each subsequent rate tariff, Board Approved 05/17/2005

**Policy Number: SD12**

**Policy Type: Strategic Direction**

**Policy Title: Sick Leave Incentive Policy**

**Date Approved: April 19, 2005**

Unless retiring from EWEB, an employee forfeits all accrued sick leave upon termination of employment. Retiring employees may elect to receive a cash payment equivalent to 25% of the employee's unused sick leave hours at rate of pay at time of retirement.

Source: Board Approved 06/13/1973, Ratified 04/19/2005

**Policy Number:** SD13  
**Policy Type:** Strategic Direction  
**Policy Title:** Carmen-Smith Hydroelectric Project Relicensing  
**Date Approved:** January 17, 2006

The Eugene Water & Electric Board (EWEB) owns and operates the Carmen-Smith Hydroelectric Project (Project) on the McKenzie River, in Linn and Lane counties, Oregon, approximately 113 km (70 mi.) east of the Eugene-Springfield Metropolitan Area. The Project provides power to Eugene and area residents (over 83,000 customers) and represents almost half of EWEB's total generation capacity. The Project is strongly associated with the history of Eugene, Oregon, and the growth of the environmental movement in Oregon. Historically, the Project was designed and built in response to debate over the appropriate balance between power development and recreation and scenic values. The success of the Project in striking that balance and maintaining it over a 45-year period of time is remarkable.

To retain the benefit of the Project as a source of power, EWEB is applying for a new operating license for the Project. The new license will allow continued operation of the Project for a 30 to 50 year period.

### **Goal**

To obtain a new operating license for the Carmen-Smith Hydroelectric Project, thus allowing the Project to continue operating in an environmentally, socially and economically sustainable manner.

### **Objectives**

To accomplish this goal through relicensing, EWEB has identified the following objectives:

- Submit a license application and obtain a license that is consistent with EWEB's Statement of Legacy (Policy #SD1) and the organization's Environmental Policy (Policy #SD2).
- Comply with all federal, state, and local laws, rules and regulations, with FERC as the lead agency defining the licensing products and schedules.
- Use a collaborative, transparent approach that includes the sharing of information and the solicitation of public and regulatory agency participation.
- Identify, propose, and implement cost-effective measures that reduce negative impacts of the Project on the environment and the community, based on scientific study, engineering analysis and investigation.
- Consider capital additions and operational modifications that will maximize the generation capability of the Project in terms of capacity, efficiency and production.

### **Success Criteria**

Ultimately, the success of the relicensing effort will be based on receiving a new FERC license that meets the stated objectives, represents an appropriate balance of river uses, and includes:

- Long term economic viability  
Goal: The Project remains economically beneficial under the terms of the new license.
- Operational flexibility  
Goal: EWEB receives a license that allows for flexibility in Project operation to meet changing environmental, social, and economic requirements.
- No significant uncertainties  
Goal: The new license limits the amount of uncertainty regarding the financial stability of the Project while meeting the needs of our customers, minimizing environmental impacts and providing a reliable source of power.
- Minimize environmental impacts  
Goal: Consistent with the Long Term Resource Policy Objectives contained in EWEB's 2006 Integrated Electric Resource Strategy, the new license results in a reduction of the environmental impacts from the project.
- Maintain credibility with stakeholders  
Goal: EWEB's relicensing application development process is open and transparent so that the utility's owners, customers, the general public, resource agencies and other stakeholders feel they have been given adequate opportunity to express their ideas and viewpoints.

## **Roles & Responsibilities**

### **Board's Role:**

- Obtain a new license that allows continued operation of the Project in a manner that balances the many facets of EWEB's Statement of Legacy and Environmental Policy.
- Represent the interests of and advocate on behalf of EWEB's owners and customers.
- Provide direction to staff if the proposed or final license requirements appear to conflict with the Board's stated objectives.

### **Staff's Role:**

- Develop a license application that is based upon scientific study, engineering analysis and investigation.
- Evaluate the license application against the established success criteria each time there is a submittal or significant amendment during the relicensing process.
- Develop alternatives and provide recommendations that achieve the optimal balance between environmental enhancement and mitigation, social or non-generating interests, and economic sustainability of the Project.
- Maintain flexible, positive working relationships with the regulatory agencies and non-governmental organizations that have an interest in the future operation of the Project while advocating the Board's policy direction.

- Implement a process for resolving conflicts that may arise between interested parties.
- Provide the Board with proactive and periodic updates on the status of the relicensing process.

## **Glossary of Terms**

- **Operational Flexibility:** This definition includes limited operation and maintenance flexibility that will allow for changes that take place over the life of the license to respond to changes in power generation, environmental, social, and economic needs. Environmental needs would include changes such as listing or de-listing of endangered species, and/or changes in recreational uses. Operating and maintenance flexibility would maintain the economic and environmental viability of the project.
- **Environmental:** In this context, the term environmental is used as defined by FERC and includes various species and life stages of fish, aquatic resources, wildlife, botanical, and historical and cultural values, recreational uses, socioeconomics, wetlands and riparian vegetations, water quality, geology and soils, aesthetics, and land uses. This broad definition is inclusive of economic and social considerations that are often viewed separately from environmental consideration when discussing sustainability.
- **Mitigation:** The term mitigation means the reduction or elimination of the negative impacts on other river uses when new facilities or operational changes are implemented at the project.
- **Enhancement:** The term enhancement means the reduction or elimination of negative ongoing impacts on other river uses caused by the project without new facilities or operational changes at the project. The difference in the terms mitigation and enhancement is small, but has significance in FERC relicensing. Mitigation is seen as almost mandatory while enhancement is more flexible.
- **Non-Generation Interests:** Non-generation interests would include all environmental or other interests not related to generation.
- **Non-Governmental Organizations:** Non-governmental organizations refers to organizations that have an interest in the project, but are private or non-profit in nature. This would include organizations such as the McKenzie Watershed Council, McKenzie River Guides, American White Water Boating, American Rivers, etc.

Source: Staff, Board Approved 01/17/2006

**Policy Number: SD14**  
**Policy Type: Strategic Direction**  
**Policy Title: Real Property Policies**  
**Date Approved July 5, 2005**

The following property policies shall govern the acquisition, management, and disposal of EWEB property and property rights.

1. Property Acquisition – To ensure that facilities are available for the production and distribution of useable energy water and steam products, EWEB will consider the purchase of fee property. The decision to purchase fee property rather than lesser rights such as easements, shall be based on the extent of control necessary to adequately protect the utility system.
2. Property Management – EWEB’s property shall be managed to comply with City, County, State and Federal ordinances, statutes, laws and EWEB’s Charter, Mission and Statement of Legacy.
3. Property Disposal – The Board may declare any real property surplus. The decision to declare a parcel surplus will be based on current and future utility needs land use and environmental considerations. The Board may direct staff to dispose of any properties declared surplus. Any properties disposed shall be disposed in accordance with applicable ordinances, statutes, laws and other Board policies.
4. Easement Acquisition – Easements will be obtained for all EWEB facilities located on private property, exclusive of electric service lines for the property owner’s sole use.
5. Easement Management – EWEB will provide customers with easement information when requested. EWEB may provide limited landscape maintenance within an easement only under certain circumstances.
6. Permits – EWEB will obtain permits for temporary uses on private property and on City of Eugene property where easements are not available.
7. Leases – EWEB staff, with Division Director approval, may lease property for utility purposes when purchase of the property is not possible or in the best interest of EWEB.

Source: Property Program Policies & Procedures, Approved 10/93, Revised 07/05/2005

**Policy Number:** SD15  
**Policy Type:** Strategic Direction  
**Policy Title:** Climate Change Policy  
**Date Approved** September 18, 2007

For at least 25 years EWEB has recognized the benefit of planning for the future and has recognized that environmental protection and enhancement are sound business practices as well as part of the public trust responsibility we assume as the electricity and water provider for our community. Future climate change represents an environmental, economic and social risk to EWEB, our customers, and others. To address these risks EWEB resolves to:

- Participate in local, state, national and international efforts to encourage mitigation of emissions that contribute to global climate change.
- Support equitable distribution of mitigation efforts between power production and consumption, fuel producers, utilities, and consumers, recognizing there are other sources of emissions that must also be addressed including those from manufacturing and transportation
- EWEB will continue collaborative efforts to develop legislative policies that ensure costs are fairly distributed, mitigation incentives actually result in reduction of Greenhouse Gases (GHGs) and a reasonable cost of power is maintained.

These efforts will focus on State and Local policies recognizing that we believe development of a national policy will follow on successes at regional levels.

- EWEB recognizes the importance of education, research and adaptation to potential climate change scenarios.
- We support development of specific strategies to identify and cope with effects of local climate change.
- We will continue to fund and support academic research on local climate change effects and educational efforts in the schools to inform and encourage the next generation of citizens.

EWEB will continue our work to reduce or offset the greenhouse gas emissions of our energy resource portfolio by providing resources and technical assistance to support energy conservation, acquiring more renewable energy resources when possible and by reducing the energy consumption and consequent GHG emissions from our own facilities and fleet.

EWEB further recognizes that a successful climate change policy must include consideration of all socio-economic sectors of our community. Our community efforts will include working with businesses, institutions, and individual customers to ensure that disproportionate impacts to low and fixed income customers are avoided.

Staff will develop a three to five year operational plan that moves the utility toward the overall objectives of mitigation and adaptation to climate change. This plan will be updated on an annual basis to reflect EWEB priorities and will include the following initiatives:

- 1.) Conduct a preliminary inventory of EWEB operational GHG emissions as the first step to developing a reduction strategy.
- 2.) Develop a specific plan for compliance with Oregon legislation that would establish a CO2 cap and trade regulatory system.
- 3.) Develop specific low and fixed-income programs that provide climate change responses and opportunities for people and families least able to plan and prepare for it.
- 4.) To address supply side opportunities for GHG reductions and liabilities in terms of resource performance, EWEB will update its IERP during 2009
- 5.) To address operational impacts of climate change
  - a. Assess climate change exposures for EWEB physical plant/facilities
  - b. Develop water supply model for the McKenzie Basin
  - c. Study impacts of water supply scenarios on demand for and treatment of water, conveyance and storage
  - d. Study changes in electricity demand and supply scenarios and effects on operations
- 6.) Continue to support conservation, efficiency and ways to increase the value of electric and water services.
- 7.) Support development and implementation of innovative technologies or solutions that result in economic opportunities for our community.

Source: Steve Newcomb, Environmental Manager Date approved: 09.18.2007

**Policy Number: SD16**  
**Policy Type: Strategic Direction**  
**Policy Title: Information Technology**  
**Date Approved: January 2, 2008**

The Board recognizes the importance of information management technology (IT) in supporting utility operations and providing services to customers.

Accordingly,

- The Board authorizes, delegates, and directs the General Manager to establish and maintain a governance framework including strategies for implementing information management technology.
- As part of this governance framework, the General Manager will periodically report on the status of strategy development and the implementation of information management initiatives.

Discussion:

IT governance consists of the leadership and organizational structures and processes that ensure the EWEB's information technology sustains and extends the organization's strategies and objectives.

The pervasive use of technology has created a critical dependency on IT that calls for a specific focus on IT governance.

Fundamentally IT governance is concerned about two things: 1) Delivery of value to the business, and 2) mitigation of IT risks.

Delivery of value to the business is driven by strategic alignment of IT with the business.

Mitigation of IT risks is driven by embedding accountability into the organization.

Consequently there are five main focus areas of IT Governance:

- Strategic Alignment: the IT organization is aligned with the Board and meets the needs of the business
- Value Delivery: sufficient benefits are obtained for the dollars invested in IT functions.
- Risk Management: the degree to which IT assets are safeguarded and continuity of operations is assured through disaster recovery and other means.
- Resource Management: optimizing the knowledge and use of the IT infrastructure
- Performance Measurement: tracking project delivery and monitoring the efficiency and effectiveness of IT services

Source: Origliosso, Corporate Services Division, Draft Provided to Board 12/18/2007, Approved 01/02/2008

**Policy Number: SD17**  
**Policy Type: Strategic Direction**  
**Policy Title: NERC Reliability Standards**  
**Date Approved: April 15, 2008**

The Board recognizes the importance of maintaining the reliability of the Bulk Electric System (BES) for its customers. Because EWEB generation, transmission and distribution facilities are interconnected and integrated with the Western United States regional electric grid, the Board bears certain responsibilities for maintaining the integrity of the EWEB system such that reliability of the western interconnection is maintained. These responsibilities are regulated by the Federal Energy Regulatory Commission (FERC) as specified in certain electric reliability standards promulgated by the North American Electric Reliability Corporation (NERC).

Accordingly,

1. The board authorizes, delegates and directs the General Manager to conform EWEB operations to the applicable NERC standards, including the documentation and auditing thereof, and;
2. The General Manager will periodically report on the status of compliance with the applicable NERC standards.

Source: Ahlsten & Origliosso, Board Approved 04/15/08, Resolution No. 0822

**Policy Number: SD18**  
**Policy Type: Strategic Direction**  
**Policy Title: Steam Utility Transition Policy**  
**Date Approved: September 16, 2008**

The purpose of this policy to provide guidance and immediate direction for the decommissioning of the Eugene Water & Electric Board Steam Utility. The recent increase in the cost of natural gas is being compounded by EWEB's largest steam customer's imminent reduction of their load, which will shift a greater portion of system operating costs to an eroding customer base. This situation is expected to push steam rates above what could be considered competitive in comparison with other fuel alternatives. In addition, EWEB's aging steam distribution system will need significant capital investments under any future operating scenario, which would put further upward pressure on rates. With the steam utility being an electric utility asset, the electric utility provides the funding for capital improvements and any operating losses. To that end, the Steam Utility Transition Plan follows a concentrated effort since 1990 to hold costs down for the 109 customers EWEB served at that time through aggressive cost reduction and plant efficiency improvements. The customer base has now eroded to 78, with several more planning to switch fuels, further contributing to a near term unfavorable operating environment.

The Board directs the General Manager to ensure a managed transition out of the steam business in a socially responsive, environmentally and financially responsible manner, while balancing all considerations listed below to the fullest extent possible, including steam customers, the downtown community, the community at large and EWEB's electric utility interests.

## **Considerations**

- **Public Involvement:** Proactively engage customers, the community and appropriate stakeholders in a public process to develop the transition approach to shut down the steam system.
- **Financial Assistance:** Provide reasonable financial assistance to assist customers with transitioning to another fuel source. Seek to leverage programs and services available within EWEB and with other public and private entities to apply toward a coordinated steam customer transition effort.
- **Environmental Stewardship:** Provide appropriate funding as needed for when future downtown developments require steam distribution lines located within public rights of way to be addressed, such as in cases where asbestos abatement actions need to be taken.
- **Reasonable Transition Period:** To allow more time for steam customers to transition to an alternative fuel, pursue strategies to make it more feasible to continue operating the steam utility throughout the desired transition period.
- **Electric Utility Cost Considerations:** Be cognizant that the steam utility is an electric utility asset, and that continuing to operate a transition period beyond 2 - 5 years is highly unlikely without a significant financial impact to the electric utility.
- **Social and Community Considerations:** Minimize the impacts to the downtown area by coordinating steam customer system conversion construction efforts to the fullest extent possible.
- **Encourage Energy Efficiency:** Encourage customers to make wise choices, both from energy efficiency and environmental perspective.

Source: Logan, Board Approved 09/18/08, Resolution No. 0826

**Policy Number: SD19**  
**Policy Type: Strategic Direction**  
**Policy Title: Sustainability Policy**  
**Date Approved: November 4, 2010**

**Background:**

EWEB's Statement of Legacy (SD1) describes the Board's commitment to:

- Demonstrating concern for and responsiveness to social issues involving the provision of energy and water services.
- Supporting a sound economy through fiscally prudent rates.

In addition, Strategic Direction Policy SD1 describes the Board's intent to demonstrate sensitivity and responsiveness to environmental concerns; recognizing the importance of a healthy ecosystem to its operations.

**Policy:**

The Board desires to make policy and major decisions from a proactive, comprehensive perspective that positions EWEB in a leadership role with the community in creating a sustainable future. As such the Board will:

- Adopt a triple bottom line decision making approach that considers environmental, social and economic impacts;
- Be transparent and when appropriate develop partnerships within the community to help surface and consider the risks, possibilities, benefits, impacts and potential mitigation options of policy and major decisions.

The General Manager or designated staff will report periodically on the effectiveness of this policy by reviewing key decisions to assure a balanced holistic approach was used that considered environmental, social and economic impacts along with any mitigation efforts to offset harmful impacts.

Source: Fahy, Felicity, Board Approved 11/04/10, amended 12/21/10, Resolution No. 1023

**Policy Number: EL1**  
**Policy Type: Executive Limitations**  
**Policy Title: Financial Controls**  
**Date Approved: May 16, 2006**

Consistent with the Financial Policy on Budget (SD4), staff will bring a balanced budget to the Board for approval on an annual basis. In its totality, the annual budget is the absolute maximum level of expenditure authorized by the Board. In addition to the annual budget, staff will bring a Five-Year Capital Improvement Plan for each utility to the board for approval on an annual basis. Conditions may arise during any given budget year that cause projected expenditures for either utility as a whole to be higher than those approved by the Board in the annual budget. In the following circumstances executive management is required to propose a budget amendment:

1. The operating budget of either the water or the electric utility is projected to exceed the authorized budget amount.
2. The total EWEB labor and benefit expenditures are expected to be more than the budgeted labor and benefit costs.
3. The capital budget of either the water or the electric utility is projected to exceed the authorized budget amount; or
  - a. Expenditures for a major capital project are projected to exceed or are actually expended in excess of the budgeted amount for that project by the lesser of 25%, or \$250,000 for Electric or \$125,000 for Water; or
  - b. A project that is not in the approved Five-Year Capital Improvement Plan that is projected to cost in excess of \$500,000 for Electric or \$250,000 for water in the current year.
  - c. Budget amendments required under either “a” or “b” above will be accompanied by an updated view of the Five-Year Capital Improvement Plan, with the impact of the proposed amendment reflected in the plan. The update is for review purposes only; the Five-Year Capital Improvement Plan will only be approved once per year.

The Board will consider each proposed budget amendment and either approve or disapprove. In the event of disapproval, the General manager will exercise established authorities in taking actions necessary to curtail spending within authorized levels.

All other budget variances will be managed at the discretion of the General Manager.

Note: Major Capital Budget Projects are defined as those projects in excess of \$500,000 for the Electric Utility or \$250,000 for the Water Utility. Lists of projects that meet this criteria are included in the budget document approved by the Board for both the Electric and Water Utilities.

Source: Jim Origliosso, Board Approved 2000, Ratified 04/19/2005, Amended 07/19/2005, Amended 01/17/2006, Amended 05/16/2006

**Policy Number:** EL2  
**Policy Type:** Executive Limitations  
**Policy Title:** Purchasing Controls  
**Date Approved:** April 19, 2005

### Board Approval Thresholds

1. The Board shall have the sole authority to approve the award of all contracts that meet or exceed the following thresholds:

Purchase of all Goods, Equipment and Construction	\$100,000 or greater
Services and Personal Services	\$ 20,000 or greater

2. The Board shall have the sole authority to approve all change orders to Board awarded contracts that cause the contract to exceed 25% of the last Board approved amount. The Board shall also have the sole authority to approve any change orders where the change order would cause the contract to exceed the Board approval thresholds in provided above.
3. Procurements that do not apply to this rule are as follows:
  - a. Board appointed consultants and attorneys, which shall be reported to the Board annually;
  - b. Required sole-source contracts, which includes only the following: governmentally required taxes, fees, permits and payments; software licenses, upgrades, and fees; equipment and software maintenance agreements; and other sole-source contracts required to meet governmental requirements or required to maintain existing software and equipment.
  - c. State of Oregon and State of Washington contracts established for use by Oregon Cooperative Public Purchasing (ORCPP) members for the purchases of goods and services; and
  - d. Contracts established by the Western States Contracting Alliance (WSCA) as adopted by the State for use by ORCCP members.
  - e. This exception from Board approval does not apply to ORCPP contracts for:
    - i. Services not directly associated to (3)(b) or which cannot be defined as required, routine services or as services for the maintenance of existing equipment; examples include cell phones, copiers, armored car services, software programs, etc.
    - ii. Application of this exception (3) is at the sole-judgment and discretion of the Purchasing Manager and shall only be applied to required sole-source contracts and routine ORCPP contracts for goods, equipment, and supplies.

Source: EWEB Public Contracting Rules, Division 2, Approved 01/04/2005, Effective 03/01/2005, Ratified 04/19/2005

**Policy Number:** EL3  
**Policy Type:** Executive Limitations  
**Policy Title:** Public Requests for Board Expenditures  
**Date Approved** May 17, 2005

The Board may authorize the expenditure of funds or in-kind services for purposes of research, community support, and other activities. In considering such requests, the Board's decisions will be guided by:

- A determination that the proposed expenditure supports the purposes of EWEB pursuant to the Eugene City Charter, and
- A determination that EWEB or its utility consumers can reasonably be expected to receive sufficient and readily accessible benefits from the proposal to justify the expenditure.
- A determination that funds are available within the appropriated budget. Requests will be considered as submitted.

The General Manager, who will recommend approval or disapproval, shall screen solicitations of funds or services by outside agencies or individuals. The General Manager is authorized to act on the Board's behalf for expenditures or in-kind value of up to \$2,000.

The General Manager shall require specific information from the proposers requesting EWEB funds or services. Such information should include a clear and detailed written description of the proposal, a description and quantification of benefits to EWEB or its utility consumers, the qualifications of the principals, plans for shared funding, and description of how research findings and services will be distributed and used, and by whom, etc.

At its discretion, the Board may impose additional requirements, including contractual agreements, upon any proposer as a condition of funding or continued funding.

Source: Board Approved 04/13/1987, Ratified 04/19/2005

**Policy Number: EL4**  
**Policy Type: Executive Limitations**  
**Policy Title: Compensation and Benefits**  
**Date Approved: November 18, 2008**

In order to protect the fiscal integrity and public image of EWEB, with respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the General Manager shall not:

1. Change his or her own compensation and benefits.
2. Promise or imply unconditional permanent or guaranteed employment.
3. Administer compensation and benefits that fail to address individual accountability, motivate and reward for knowledge and skills, encourage organization flexibility and responsiveness, or are inconsistent with the geographic and professional markets for the skills employed.
4. Establish compensation practices that fail to take into account the following parameters:
  - a. Data sources, which include comparably sized and situated utilities
  - b. Annual revenues, which typically fall within the range of EWEB's annual revenues
  - c. The inclusion of multi-service utilities, when appropriate
  - d. An appropriate balance of public and private organizations
  - e. A mix of custom market survey data and available published survey sources
  - f. Data sources, which include local and regional data, as appropriate
  - g. Non-discriminatory practices
5. Establish benefits practices that fail to take into account the following parameters:
  - a. Data sources, which include comparably sized and situated organizations
  - b. An appropriate balance of public and utility organizations
  - c. Health care plan designs that emphasize prevention and consumer accountability
  - d. Consideration for ease of administration
  - e. The inclusion of emerging health care trends

Executive Compensation:

Executive compensation market pricing studies shall also adhere closely to these guidelines as possible and shall be comparable to pricing studies used for other EWEB employees. Additionally, all appropriate data sources may be used when such parameters are not clearly spelled out or vary slightly. The appropriateness of data sources will be evaluated to include sources that have good job matches or relevant industry data, using established criteria whenever possible.

Source: Christina Bennett, Board Approved November 18, 2008, Resolution No. 0843