

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
500 EAST 4TH AVENUE
July 11, 2017
5:30 P.M.**

Commissioners Present: Dick Helgeson, President; John Brown, Vice President; Sonya Carlson, Steve Mital, John Simpson, Commissioners

Absent: None

Others Present: Mel Damewood, Chief Water Engineering & Operations Officer; Sue Fahey, Chief Financial Officer; Deborah Hart, Fiscal Services Supervisor; Frank Lawson, General Manager; Wally McCullough, Water Engineering Supervisor; Tyler Nice, Systems Engineering Supervisor; Rod Price, Chief Electric Engineering & Operations Officer; Jerry Reller, Senior Financial Analyst; Nate Schultz, Senior Financial Analyst

President Helgeson called the Regular Session to order at 5:28 p.m.

Agenda Check

There were no changes to the Agenda

Items from Board Members and General Manager

- Commissioner Mital wondered if any other Commissioners would like to sit down with him and Mr. Lawson to discuss local transmission and distribution.
- Vice President Brown expressed concern about a more recent property inventory, stating that the last such inventory was done in May of 2009. He also wondered why EWEB was not selling off property that it does not use. Vice President Brown stated that he would like updates on the pentachlorophenol plume moving toward the McKenzie, and emergency preparedness. Finally, President Brown was concerned about the recent ramping-up of the McKenzie; he said that the flow was increased too suddenly, and without enough notification to local residents.
- Commissioner Simpson stated that he had recently met with Eugene City Councilor Emily Semple, and was scheduled to meet with other Councilors. He added that EWEB was considering a shuttling service for fish at the Carmen Smith facility. Commissioner Simpson stated that Lane County would be taking the lead role in upriver broadband.
- Commissioner Carlson announced that she recently attended the American Public Power Association Conference.
- President Helgeson reported that he and Commissioner Simpson would be taking a trip together to the McKenzie Trust property that was recently acquired from Rosboro. He also recognized Erin Erben for her service to EWEB.

- Mr. Lawson said electric system training would be a great idea for Commissioners. He added that looking at surplus properties was not currently part of EWEB's short term plan, and that it sounds like a good opportunity. Mr. Lawson said he would like the Board to consider issuing a Record of Decision around the flow of the McKenzie through Walterville, and the ramping of the McKenzie itself. He reported that the Oregon Legislature took no action on the residential energy tax credit; he said that it is set to expire at the end of the year.

Commissioner Mital stated he was unclear on the point of the Record of Decision concerning Walterville.

Mr. Lawson said it would be good to have decisions on record, even if the Board did not vote on said decision.

Vice President Brown asserted that ramping up the McKenzie to twice its normal flow in four hours was unnatural and dangerous.

Public Input

Mary Ellen Bennet of Eugene and Lane County Health and Human Services, thanked EWEB for the utility's low income customer programs.

Will Rutherford of Vida thanked EWEB for revisions to their Alternative Water Source strategy.

Zach Mulholland of Eugene reported that Eugene City Council recently adopted a Transportation System Plan (TSP) with an amendment to look at the TSP in one year to gauge the TSP's effects on Eugene's current Climate Recovery Ordinance (CRO). He thanked EWEB for working to reduce their own greenhouse gas emissions.

BOARD ACTION ITEMS

Approval of Consent Calendar

MINUTES

1.a. May 16, 2017 Strategic Planning Work Session

1.b. June 6, 2017 Regular Session

CONTRACTS

2. Moss Adams LLP - for Audit Services. \$670,000 (over 5 years). Contact Person is Sue Fahey 541-685-7688.

RESOLUTIONS

3. Resolution No. 1718 - Requesting Electric Bond Sale Authorization. Contact Person is Sue Fahey 541-685-7688.

Items Removed from Consent Calendar

Commissioner Carlson wished to pull number 2 from the Consent Calendar.

Commissioner Simpson moved to approve the Consent Calendar without #2. The motion carried unanimously 5:0.

Commissioner Carlson wondered if EWEB's current Request for Proposal (RFP) would allow them to seek an auditor besides Moss Adams LLP, which has been contracting with EWEB since 2004.

Ms. Fahey replied that due to EWEB's size, auditing contracts are not attractive to smaller firms than Moss Adams.

Commissioner Simpson moved to approve #2 on the Consent Calendar.

Commissioner Mital opined there was value in having a different perspective as per auditing the utility.

President Helgeson stated that he was happy with the services provided by Moss Adams.

Commissioner Simpson echoed President Helgeson's sentiment.

Vice President Brown wondered how EWEB would know if it's getting the best deal possible as per auditing services, if they have been contracting with the same firm for so long.

Commissioner Simpson's motion to approve #2 on the Consent Calendar passed unanimously 5:0.

Strategic Plan Update

Mr. Lawson offered the Board an update and Power Point presentation on the utility's Strategic Plan.

Commissioner Mital was glad to see the low-carbon fuel mix for electricity was in the Strategic Plan.

Vice President Brown asked if EWEB was going to become a regional water provider.

Mr. Lawson replied that the statement Vice President Brown was referencing, was more to do with the capacity of the plant, and the understanding that if more filtration capacity was needed, the revenue would be there to support it.

Commissioner Carlson said she appreciated the simplicity of the Strategic Plan. She added that the Strategic Plan should be revised as needed.

Commissioner Mital opined that the Board should take a month to review the Strategic Update before voting on in, due to potential disagreements in language.

The Board agreed they would address it again at the August meeting.

Electric & Water 10-Year Capital Improvement Plan

Mr. Damewood, Mr. McCullough, Mr. Nice, and Mr. Price offered the Board a report and Power Point presentation on the Electric and Water 10-Year Capital Improvement Plan (CIP).

Commissioner Simpson wondered what the water quality lab mentioned in the presentation was.

Mr. McCullough replied it was a new water quality lab at the Hayden Bridge facility.

Commissioner Carlson wondered what exactly was done in order to turn the CIP around so that reserve needs were met.

Mr. Nice responded that they had been working closely with the staff of each individual project, and working to level out costs to ensure reserves were met annually.

Commissioner Mital wondered how the utility would expand along with the expansion of the Urban Growth Boundary (UGB).

Mr. Price said EWEB had already purchased land for transmission infrastructure expansion, should that become necessary.

Mr. Damewood further clarified that if it was building or expansion benefitting only one entity, that entity would bear the cost, but if it was beneficial to multiple customers, EWEB would pick up those costs.

Mr. Lawson reported that the utility had planned for a certain amount of incremental growth.

Commissioner Mital moved to approve the first 5 years of the 10 year capital plan for Water/Electric (including shared services) with the Year 2018 being the approved amounts for the 2018 Capital Budget. The motion carried 5:0.

President Helgeson called for a Break at 7:54 p.m. The meeting reconvened at 8:04 p.m.

GENERAL BUSINESS ITEMS

Electric & Water Long Term Financial Plan Update & 2018 Budget Assumptions

Ms. Fahey, Ms. Hart, Mr. Reller, and Mr. Schultz offered the Board a long term financial plan update and Power Point presentation on the long term financial plan and 2018 budget assumptions.

Vice President Brown asked if the accrued AWS reserves would stay in reserve status until 2026 or could a portion be used for water reliability initiatives other than a treatment plant on the Willamette River.

Ms. Hart responded that is a board choice.

Mr. Schultz said that in this particular proposal, the AWS reserves represented a draw down was as per the new CIP.

Commissioner Simpson wondered if the health insurance pool for utilization assessment was only for EWEB, or if it included other agencies.

Ms. Fahey replied that it was only EWEB.

Commissioner Simpson asked if the manner in which the ROC move costs were split between the water and electric sides of the utility represented a traditional ratio, or a reflection of the actual anticipated costs.

Ms. Hart reported the split was an estimate generated by the manner in which the building would be used.

Commissioner Simpson wondered how the discontinuance of the 2014 3% price increase dedicated to AWS would manifest.

Staff replied that it would be manifest as a rate reduction.

Commissioner Mital asked if the projected 2.3% rate increase in future years was there in case the utility decided to pick up where it left off with AWS.

Ms. Fahey said that was correct.

President Helgeson suggested the Board revisit its conversations concerning previous water rate actions.

Ms. Fahey referred commissioners to the related correspondence for this meeting.

President Helgeson asked the Board if there were any objections to the Electric & Water Long Term Financial Plan being carried forward into the budget process.

There were none.

Correspondence & Board Agendas

Mr. Lawson offered the Board a report on Correspondence and Board Agendas.

Commissioner Mital warned against the Board being too hasty in its decision making where Leaburg forest management was concerned.

Mr. Lawson said he and staff would explore slowing that process in order for staff, and the Board, to study it further.

President Helgeson said in his recollection, there was never a complete conversation concerning the Leaburg forest management contract. And any context from past conversations on said topic was virtually lost.

Board Wrap Up

Commissioner Mital questioned the amount of EWEB resources being allocated for rate payer surveys, due to low survey participation.

Adjournment

President Helgeson adjourned the Regular Session at 8:50 p.m.

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the General Manager to approve contract after completion of competitive process.

Board Meeting Date: August 1, 2017

Project Name/Contract#: 042-2017 Carmen Power Tunnel Repairs

Primary Contact: Mike McCann Ext.7379

Purchasing Contact: Sandra Hahn Ext.7163

Contract Amount:

Original Contract Amount: Not to exceed \$150,000

Additional \$ Previously Approved: \$

Invoices over last approval: \$

Percentage over last approval: %

Amount this Request: Not to exceed \$150,000

Resulting Cumulative Total: Not to exceed \$150,000

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: Duration through completion of project

Option to Renew? No

Approval for purchases "*as needed*" for the life of the contract No

Proposals/Bids Received (Range): To be Determined

Selection Basis: Lowest, Responsive and Responsible Bidder

Narrative:

The Carmen Power Tunnel must be dewatered in the spring of 2018 for the replacement of turbine shutoff valves at the Carmen Plant. Dewatering the tunnel in the spring, when groundwater is likely to be at its highest elevation, will require that the pressure relief valves within the tunnel liner are properly functioning. To ensure proper functioning of the valves, EWEB plans to inspect them this fall.

The Carmen Smith Power Tunnel was last inspected in 2003. While the tunnel and pressure relief valves were found to be in "good to excellent condition", there were a few minor observations of deterioration. Staff and consulting engineers will inspect the tunnel to clarify the details of any needed concrete repairs during a September 2017 outage. If concrete repairs are required they will be completed concurrently with the replacement of the turbine shutoff valves in the summer of 2018. At the same time as the structural inspection, this contract will allow a contractor to conduct inspections and replacements of pressure relief valves as needed. The contractor will also install two pressure transducers within the tunnel to allow staff to continuously monitor the groundwater pressures on the tunnel liner.

A contractor has not yet been selected. If the contract were not submitted to the Board until September, work could not begin until early October, which would result in an extended outage and/or lost generation during a higher power price period. Additionally, delay of the outage until October increases the chance that heavy rains set in, thus increasing the risk of high groundwater conditions during the work. This project is in the capital improvement plan for 2017.

ACTION REQUESTED:

Management requests that the Board authorize the General Manager to sign the resulting contract up to \$150,000 and report back to the Board with the actual contract value as necessary to permit timely performance of the work and minimize lost generation revenue. Funds for this work were budgeted for 2017 in the Capital Improvement Plan.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the use of two cooperative contracts for **computer hardware, software, and support** from **Dell Marketing**.

Board Meeting Date: August 1, 2017

Project Name/Contract#: Hardware/Software/Support / NCPA and MHEC Contracts with Dell Marketing

Primary Contact: Matt Barton Ext. 7109

Purchasing Contact: Tracy Davis Ext. 7468

Expected Spend: \$1.2M over three years

Narrative:

The Board is being asked to approve the purchase of **computer hardware, software, and support** from **Dell Marketing** of Round Rock, TX, for three years.

EWEB purchases hardware (laptops, monitors, keyboards, etc.) from Dell. Dell also provides warranty support for this hardware in the event of hardware failure.

Dell is our Value Added Reseller (VAR) for software solutions, including Microsoft, Adobe, and some Oracle products and services. Dell assists in EWEB's licensing with these vendors to ensure we get the best value from our contracts. It is an industry practice for organizations of EWEB's size to use a VAR to purchase software and hardware from vendors.

EWEB also uses Dell to consult on software implementations. The consulting is used to augment staff knowledge when implementing new technology. The most recent example of EWEB's engagement of Dell for consulting was the Office 365 implementation.

The hardware, software, and support are available under two existing cooperative contracts: National Cooperative Purchasing Alliance (NCPA); Midwestern Higher Education Cooperative (MHEC).

ACTION REQUESTED:

Management requests the Board authorize the use of the contracts for computer hardware, software, and support from **Dell Marketing** for three years. Funds for these purchases were budgeted for 2017, and will be budgeted annually through the term of the proposed contracts.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an increase to an existing contract with **Manzo, Inc.** for **Implementation Services** for an Integrated Software as a Service (SaaS) Human Capital Management Services (HCMS) solution.

Board Meeting Date: August 1, 2017

Project Name/Contract#: SaaS HCMS Implementation Services/RFP 012-2016

Primary Contact: Lena Kostopulos Ext. 7466

Purchasing Contact: Ramie Alkire Ext. 7413

Contract Amount:

Original Contract Amount: \$ 460,000

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ 113,690

Percentage over last approval: 24.7 %

Amount this Request: \$ 370,000

Resulting Cumulative Total: \$ 943,690

Contracting Method:

Method of Solicitation: Formal RFP

If applicable, basis for exemption: N/A

Term of Agreement: July 11, 2017 – July 10, 2022

Option to Renew? Annually up to 5 years

The Board is being asked to approve an increase to an existing contract with **Manzo, Inc.** of Atlanta, GA for **Implementation Services** for an Integrated Software as a Service (SaaS) Human Capital Management Services (HCMS) solution.

In April 2016, the Board approved a contract with Manzo Inc. for implementation services for EWEB's new Software as a Service (SaaS) HCMS Solution, Ultipro. A new HCMS solution was prioritized in order to mitigate the risk of remaining on a poorly supported critical system. Contract activities include identification of business requirements and documentation of gaps; documenting business processes; development and execution of test scripts; development of supervisor and employee training and communication; and post production support.

The original resource plan for project completion relied on a combination of vendor, internal, and 3rd-party implementation consulting resources. Over the last year numerous events have occurred which have resulted in considerable unplanned work and have diverted, and will continue to divert, internal resources from this project to high priority emergent items that include replacing EWEB's benefit provider with four new vendors, supporting Utility-wide reorganizations, succession planning, implementing new IBEW contract terms, changing retiree health benefits, and the affordability initiatives. These initiatives have resulted in substantial savings to the organization, the change in health care providers, for example, resulted in saving the Utility \$700,000 annually in health care costs, and changing retiree benefits resulted in annual savings of \$380,000.

In May 2017, the Manzo contract was amended within the limits allowed by purchasing policy to include work planned to be performed by internal resources. Continued use of Manzo, Inc. to complete work previously planned for completion by internal resources is necessary. This will allow modules to be implemented timely and provide savings to the organization including \$68,500 of support for the old HRIS system to be discontinued, and support the workforce transition plan savings for both Human Resources and Finance. Staff have prepared a second Contract Amendment to add additional consulting hours and costs required to complete the implementation of modules to support time management, open enrollment, year-end processing, recruiting, and onboarding activities.

ACTION REQUESTED:

Management requests the Board approve an increase to an existing contract with **Manzo, Inc.** of Atlanta, GA for **Implementation Services** for an Integrated Software as a Service (SaaS) Human Capital Management Services (HCMS) solution. For the remainder of 2017, funding for the cost of the expanded consulting services will come from vacant FTE. Funding for the continued work in 2018 will be included in the proposed 2018 budget.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **Retail Lockbox, Inc. in partnership with Bank of the Cascades** for **Lockbox Services** (check payment processing).

Board Meeting Date: August 01, 2017

Project Name/Contract#: Lockbox Services / RFP 053-2016

Primary Contact: Sue Fahey Ext. 7688

Purchasing Contact: Ramie Alkire Ext. 7413

Contract Amount:

Original Contract Amount: \$ 450,000 (Over 5 years)

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 450,000

Resulting Cumulative Total: \$ 450,000

Contracting Method:

Method of Solicitation: Formal Request For Proposals

If applicable, basis for exemption: N/A

Term of Agreement: August 02, 2017 – August 01, 2022

Option to Renew? Annual up to 5 years

Approval for purchases "as needed" for the life of the contract Yes

Proposals Received (Range): 4 (\$87,000 – 249,000 annually)

Selection Basis: Highest Ranked Proposer

Narrative:

The Board is being asked to approve a new contract with **Retail Lockbox, Inc. (RLI) in partnership with Bank of the Cascades** for the purchase of lockbox services and associated banking services. RLI will perform the processing of customer checks in partnership with Bank of the Cascades which will manage the electronic banking required to process checks.

Lockbox services include transport from EWEB's remittance postal box to a secured processing facility, automated check payment processing, electronic banking and fund transfers, financial reporting, record retention, and secured on-line web access.

In January 2017, staff issued a Formal Request for Proposals (RFP) for a suite of Financial Processing Services, including Lock Box Services. EWEB received four (4) proposals for Lockbox Services from: Retail Lockbox, Inc. in partnership with Bank of the Cascades (Bank of the Cascades will complete a merger with First Interstate Bank on August 14, 2017), respectively of Seattle, WA and Bend, OR; US Bank of Portland, OR; Wausau of Wausau, WI; and Bank Up, Inc. of Alameda, CA. The responses were evaluated on criteria including: products and services, experience of key staff, conversion, implementation and training plan, references, and cost (including preference for local businesses).

RLI in partnership with Bank of the Cascades was found to be responsive and received the highest score with particularly high scores in the products & services and cost criteria.

Staff has successfully negotiated a contract and issued a Notice of Intent to Award the contract to **RLI in partnership with Bank of the Cascades**, pending Board approval. The standard lockbox and bank fee services for this work represent a decrease of approximately \$20,000 annually from current costs. While a Eugene postal box could be accommodated by the vendors, payment posting to customer accounts would be delayed by several days, additional handling increases the risk of errors and costs would be higher. EWEB staff recommends a Washington based postal box near the RLI processing center for quickest mail pick-up and bank deposit times. The total contract amount will be approximately \$450,000 over the total five year period, based on estimated annual spend of \$87,000.

ACTION REQUESTED:

Management requests the Board approve a contract with **Retail Lockbox, Inc.** of Seattle, WA, in partnership with **Bank of the Cascades** of Bend, OR, for lockbox services. Funds for these services were budgeted for 2017 and will be budgeted annually in the Financial Services Division budget.

SIGNATURES:

Project Coordinator: _____
Manager: _____
Purchasing Supervisor: _____
Executive Officer: _____
Board Approval Date: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **US Bank, NA** for Treasury and Depository Services.

Board Meeting Date: August 1, 2017

Project Name/Contract#: Treasury and Depository Services / RFP 053-2016

Primary Contact: Sue Fahey Ext. 7688

Purchasing Contact: Ramie Alkire Ext. 7413

Contract Amount:

Original Contract Amount: \$ 420,000 (Over 5 years)

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 420,000

Resulting Cumulative Total: \$ 420,000

Contracting Method:

Method of Solicitation: Formal RFP

If applicable, basis for exemption: N/A

Term of Agreement: August 2, 2017 – August 1, 2022

Option to Renew? Annually up to 5 years

Approval for purchases "as needed" for the life of the contract Yes

Proposals/Bids Received (Range): 3 (\$84,000 to \$144,000 – estimated annual fees)

Selection Basis: Highest Ranked Proposer

The Board is being asked to approve a new contract with **US Bank, NA** of Portland, OR for Treasury and Depository services.

EWEB requires the services of a financial institution capable of providing a range of services, including processing payments from customers, payments to vendors, and daily cash management.

In January 2017, EWEB issued a Formal Request for Proposals (RFP) for a suite of financial processing services, including Treasury and Depository Services. Proposers were invited to respond on part or all of the services. Purchasing staff informed financial institutions of the RFP, including our current bank, other national banks, and all of the local banks and credit unions that were invited to respond to an earlier RFI for local investments. For the treasury and depository services section of the RFP, EWEB received three (3) responses. Proposals were submitted by Bank of America of San Francisco, CA; US Bank of Portland, OR; and Bank of the Cascades of Bend, OR. Bank of the Cascades will complete a merger with First Interstate Bank of Billings, MT on August 14, 2017. All proposers met the minimum qualifications, including requirements for providing banking services to governments in Oregon. Proposers were reviewed based on the evaluation criteria which included products and services, experience of key staff, implementation plan, terms and conditions, references, pricing, and efficiencies in product mix.

US Bank was found to be responsive and received the highest score in the evaluation of proposals. Staff has successfully negotiated a contract, and has issued a Notice of Intent to Award, pending Board approval.

US Bank scored high in:

- Providing a variety of customer payment options and vendor payment methods.
- Ability to administer internal controls and segregation of duties for access to and movement of funds required to comply with EWEB internal controls.

- Competitive pricing - Proposed fees are approximately 40% less than current charges. A fee analysis based on a typical month resulted in fees of \$7,000, compared to current fees of \$12,000. Estimated annual fees are approximately \$84,000.
- US Bank also offered a very attractive Earnings Credit Rate (ECR). The ECR is calculated based upon funds in the depository account, and will offset fees charged for services. The ECR proposed by US Bank would result in a credit of \$75,000 annually on an average balance of \$10 million and is three times higher than our current rate.

All products and services will be supported by staff located in the Eugene and Portland, Oregon offices of US Bank. EWEB currently contracts with US Bank for trustee and custodial services. Their selection for depository and treasury services allows for efficiencies in the use of a single online platform to access services and reporting.

While not a part of the formal RFP criteria, EWEB has also evaluated materials submitted, and publicly available information on US Bank's environmental policies. US Bank updated their environmental responsibility policies in May 2017. The updated policy affirms a commitment to investments in initiatives, such as wind power, reforestation, and waste recycling. The policy outlines the types of investments they will not make, including financing of oil and gas pipelines, and direct financing of coal-fired power plants.

ACTION REQUESTED:

Management requests the Board approve a new contract with **US Bank, NA** of Portland, OR for Treasury and Depository services. Funds for these services were budgeted for 2017 and will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson
FROM: Sue Fahey, Chief Financial Officer; Sarah Gorsegner, Purchasing & Warehouse Supervisor
DATE: July 24, 2017
SUBJECT: Update to EWEB's Public Contracting Rule 2-0150 and Board Policy EL2, Purchasing Controls
OBJECTIVE: Approval of Resolution No. 1706

Issue

The Board requested clarification regarding the approval of settlement agreements and has requested review of policy to ensure transparency to contract activities.

Background

On June 6, 2017, the Board reviewed proposed changes to EWEB's Public Contracting Rule 2-0150 and Board Policy EL2 that addressed previous requests for clarification of the Board Appointed Consultants approval and the Quarterly Contract Report processes. Further clarification was requested on settlement agreements.

In July the Board asked for Management to review reporting and approval processes to ensure that contract activities, including commission based and revenue generating activities, receive transparency to the Board and Customer-Owners.

Discussion

Regarding the settlement agreements clarification, staff proposes that the Board receive a Quarterly Claims Report and Rule 2-0150(6)c has been modified to include that proposed language. The report will provide an opportunity for the Board to routinely review claims activity. Unsettled claims are conditionally exempt from public records requests due to potential litigation and accordingly, the information will be provided under attorney-client privilege. For large claims and those with the potential for significant community impact, the Board will be provided an opportunity to review and approve claims as indicated in (6)a. of the proposed policy changes.

To address the Boards concerns for transparency, the phrase "including sales and revenue generating activities" is proposed to be added to 2-150(6)a. Adding this phrase expands Board authorization to include commissioned or revenue generating activities such as timber harvesting or personal property sales.

The exhibits, listed below, reflect these revisions.

Exhibit A: Redlined existing EWEB Contracting Rule 2-0150

Exhibit B: Proposed revised EWEB Contracting Rule 2-0150

Exhibit C: Redlined existing Board Approved EL2
Exhibit D: Proposed revised Board Approved EL2
Exhibit E: Resolution No. 1706

Recommendation/Requested Board Action

Approval of Resolution No. 1706 to reflect the changes to EWEB's Public Contracting Rules, 2-0150 and Board Policy, EL2.



Public Contracting Rules

GENERAL PROVISIONS

Adopted: 1/4/2005

Effective: 3/1/2005

Revised: 2/38/1/2017

Approved: _____

Division 2: Authority; General Provisions; Protests and Remedies

2-0150 Board Approval Thresholds

- (1) The Board shall have the sole authority to approve ~~award of all~~ contracts where the value of the Goods, Services, Personal Services, Construction, or Equipment that meet or exceed \$150,000, the following thresholds:

~~— Purchase of all Goods, Services, Personal Services and Equipment: \$150,000 or greater
— Construction — \$100,000 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 percent 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, as provided in (1) of this rule.

- (3) The Board shall provide authorization to use a cooperative procurement contract when purchases exceed \$150,000.

- (34) The Board shall be notified of any proposed contract(s) with any known Leadership Team (LT) member's immediate Household Member or Relative, as defined in ORS 244.020 (11 and 16), family prior to that contract being placed on the Board's consent calendar for Board approval.

~~Notification to the Board of the proposed contract(s) shall initially be given to the General Manager as soon as practical. At a minimum, the notification shall include:~~

~~The name of the Leadership Team Manager,
The name of the proposed contractor,
That the Leadership Team Manager and proposed contractor are immediate family members,
A description of the proposed work,
Staff's findings,
The estimated potential cost of the contract, and
The contract term.~~

~~The General Manager will provide the information to the Board at his or her earliest convenience, by whatever means he or she determines to be most appropriate.~~

~~"Immediate Family Member," as used in this rule, means any spouse, domestic partner, child, sibling (of any kind, including in-law), parent (including in-law), or grandchild.~~

- (5) This rule does not apply to the following procurements:

a. ~~Contracts for Existing Board Appointed Consultants and Attorneys, professional services, which that are retained beyond the initial contract term shall be reported to the Board annually for their ratification.- The initial contract with any new consultants and attorneys shall be submitted to Board for approval.- Any contracts with those persons thereafter will be ratified by the Board annually; Any contracts with those persons thereafter will be ratified by the Board annually; Board appointed professionals may include attorneys, auditors, and other consultants appointed by and/or working directly for the Board. The Board will be asked for feedback on these consultants annually.~~

b. Required **sole-source/single seller** contracts, which includes the following:

- Governmentally required taxes, fees, permits and payments;
- Software licenses, upgrades, and fees;
- Equipment and software maintenance ~~agreements; and~~
- ~~Commonly used f~~Financial reporting and credit agencies selected because of their unique, reliable reporting capabilities, ~~and~~
- ~~Other sole-source contracts required to meet governmental requirements, required to maintain existing software and equipment, or in which EWEB has no choice, but to use to maintain business operations.~~

c. ~~Cooperative Procurement Contracts established for multiple-agency use by:~~

~~State of Oregon,~~

~~State of Washington~~

~~Western States Contracting Alliance (WSCA),~~

~~U.S. Communities,~~

~~The federal General Services Administration, or~~

~~Other governmental entity that is legally sufficient for EWEB's use.~~

d. ~~Board approved price agreements that specifically identify the contract as a price agreement and the purchases as being made on an "as needed" basis for the life of the contract (e.g. the purchase of stores items "as needed" to perform the utility's regular work).~~

~~These~~ exceptions ~~from Board approval does~~ not apply to ~~any~~ contract(s) ~~as~~ set forth in section 34, above.

(6) Board approval thresholds applicable under this EWEB Contracting Rule are for contracts subject to Oregon Public Contracting Code and EWEB Purchasing Rules.

a. Board approval will be required for the following exempted contracts when the contract amount exceeds \$150,000: real property, qualified rehabilitation facilities, grants, intergovernmental agreements for goods or services, and other agreements, including sales and revenue generating activities, with significant community impacts as determined by Management.

b. The following exempt contracts or agreements will not require Board approval: Contracts under \$150,000; mutual aid; emergency declaration; personal services for issuance of bonds; investments; employee benefit plans; insurance policies; wholesale power contracts not requiring Board approval as per SD8; customer design, extension, and modification agreements; joint use agreements; settlement agreements; and power exchange contracts. Exempt contracts over \$150,000 will be included in the quarterly financial statements, annual approved budgets and/or reported to the Board as part of

an after action report.

- c. -Contracts over \$40,000 that are not approved by the Board or exempted by Oregon Public Contracting Code and claims reports will be provided to the Board quarterly. The Board will receive these quarterly reports unless they determine that the reports are no longer needed or that the reports should be provided at a different frequency.

~~Application of exception 4 above is at the sole judgment and discretion of the Purchasing Manager and shall only be applied to required single seller/sole source contracts.~~

 Public Contracting Rules	Adopted: 1/4/2005 Effective: 3/1/2005
GENERAL PROVISIONS	Revised: 8/1/2017 Approved: _____

Division 2: Authority; General Provisions; Protests and Remedies

2-0150 Board Approval Thresholds

- (1) The Board shall have the sole authority to approve contracts where the value of the Goods, Services, Personal Services, Construction, or Equipment meet or exceed \$150,000.
- (2) The Board shall have the sole authority to approve all change orders to Board awarded contracts that cause the contract to exceed 25 percent 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, as provided in (1) of this rule.
- (3) The Board shall provide authorization to use a cooperative procurement contract when purchases exceed \$150,000.
- (4) The Board shall be notified of any proposed contract(s) with any known Leadership Team (LT) member's Household Member or Relative, as defined in ORS 244.020 (11 and 16), prior to that contract being placed on the Board's consent calendar for Board approval.
- (5) This rule does not apply to the following procurements:
 - a. Contracts for Board Appointed professional services that are retained beyond the initial contract term shall be reported to the Board annually for their ratification. Board appointed professionals may include attorneys, auditors, and other consultants appointed by and/or working directly for the Board. The Board will be asked for feedback on these consultants annually.
 - b. Required **sole-source/single seller** contracts, which includes the following:
 - Governmentally required taxes, fees, permits and payments;
 - Software licenses, upgrades, and fees;
 - Equipment and software maintenance; and
 - Financial reporting and credit agencies selected because of their unique, reliable reporting capabilities.

These exceptions from Board approval do not apply to contract(s) set forth in section 4, above.

- (6) Board approval thresholds applicable under this EWEB Contracting Rule are for contracts subject to Oregon Public Contracting Code and EWEB Purchasing Rules.
 - a. Board approval will be required for the following exempted contracts when the contract amount exceeds \$150,000: real property, qualified rehabilitation facilities, grants,

intergovernmental agreements for goods or services, and other agreements, including sales and revenue generating activities, with significant community impacts as determined by Management.

- b. The following exempt contracts or agreements will not require Board approval:
Contracts under \$150,000; mutual aid; emergency declaration; personal services for issuance of bonds; investments; employee benefit plans; insurance policies; wholesale power contracts not requiring Board approval as per SD8; customer design, extension, and modification agreements; joint use agreements; settlement agreements; and power exchange contracts. Exempt contracts over \$150,000 will be included in the quarterly financial statements, annual approved budgets and/or reported to the Board as part of an after action report.
- c. Contracts over \$40,000 that are not approved by the Board or exempted by Oregon Public Contracting Code and claims reports will be provided to the Board quarterly. The Board will receive these quarterly reports unless they determine that the reports are no longer needed or that the reports should be provided at a different frequency.

Policy Number: EL2
Policy Type: Executive Limitations
Policy Title: Purchasing Controls
Effective Date: August 6, 2013; Revised August 1, 2017

Board Approval Thresholds

1. The Board shall have the sole authority to approve ~~the award of all~~ contracts where the value of the Goods, Services, Personal Services, Construction, or Equipment meet or exceed \$150,000. ~~that meet or exceed the following thresholds:~~

~~Purchase of all Goods, Services, Personal Services and Equipment \$150,000 or greater~~
~~Construction \$ 100,000 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 percent 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, as provided in (1) of this rule.

3. The Board shall provide authorization to use a cooperative procurement contract when purchases exceed \$150,000.

~~3.—~~4. -The Board shall be notified of any proposed contract(s) with any known Leadership Team (LT) member's Household Member or Relative, as defined in ORS 244.020 (11 and 16) immediate family, prior to that contract being placed on the Board's consent calendar for Board approval. ~~Notification to the Board of the proposed contract(s) shall initially be given to the General Manager as soon as practical.~~
~~At a minimum, the notification shall include:~~

- ~~• The name of the Executive Manager,~~
- ~~• The name of the proposed contractor,~~
- ~~• That the Executive Manager and proposed contractor are immediate family members,~~
- ~~• A description of the proposed work,~~
- ~~• Staff's findings,~~
- ~~• The estimated potential cost of the contract, and~~
- ~~• The contract term.~~

~~The General Manager will provide the information to the Board at his or her earliest convenience, by whatever means he or she determines to be most appropriate.~~

~~"Immediate Family Member," as used in this rule, means any spouse, domestic partner, child, sibling (of any kind, including in-law), parent (including in-law), or grandchild.~~

5. This rule does not apply to the following procurements:

a. ~~Contracts for Existing~~ Board appointed ~~consultants and attorneys~~ professional services, which that are retained beyond the initial contract term shall be reported to the Board annually for their ratification.

Board appointed professionals may include attorneys, auditors, and other consultants appointed by and/or working directly for the Board. The Board will be asked for feedback on these consultants annually.

~~The initial contract with any new consultants and attorneys shall be submitted to the Board for approval. Any contracts with those persons thereafter will be ratified by the Board annually;~~

b. Required sole-source/single seller contracts, which includes the following:

- Governmentally required taxes, fees, permits and payments;
- Software licenses, upgrades, and fees;

Equipment and software maintenance ~~agreements~~; and

•

- ~~Commonly used~~ financial reporting and credit agencies selected because of their unique, reliable reporting capabilities. ~~, and~~

~~Other sole source contracts required to meet governmental requirements, required to maintain existing software and equipment, or in which EWEB has no choice, but to use to maintain business operations.~~

~~c. Cooperative Procurement Contracts established for multiple agency use by:~~

~~State of Oregon,~~

~~State of Washington~~

~~Western States Contracting Alliance (WSCA),~~

~~U.S. Communities,~~

~~The federal General Services Administration, or~~

~~Other governmental entity that is legally sufficient for EWEB's use.~~

~~d. Board approved price agreements that specifically identify the contract as a price agreement and the purchases as being made on an "as needed" basis for the life of contract (e.g. the purchase of stores items "as needed" to perform the utility's regular work)~~

~~These~~ exceptions from Board approval ~~does~~ not apply to ~~any~~ contract(s) ~~as~~ set forth in section (34), above.

6. Board approval thresholds applicable under this Board Policy are for contracts subject to Oregon Public Contracting Code and EWEB Purchasing Rules.

- a. Board approval will be required for the following exempted contracts when the contract amount exceeds \$150,000: real property, qualified rehabilitation facilities, grants, intergovernmental agreements for goods or services, and other agreements, including sales and revenue generating activities, with significant community impacts as determined by Management.

Proposed EL2 Language

- b. The following exempt contracts or agreements will not require Board approval: Contracts under \$150,000; mutual aid; emergency declaration; personal services for issuance of bonds; investments; employee benefit plans; insurance policies; wholesale power contracts not requiring Board approval as per SD8; customer design, extension, and modification agreements; joint use agreements; settlement agreements; and power exchange contracts. Exempt contracts over \$150,000 will be included in the quarterly financial statements, annual approved budgets and/or reported to the board as part of an after action report.

- c. Contracts over \$40,000 that are not approved by the Board or exempted by Oregon Public Contracting Code and claims reports will be provided to the Board quarterly. The Board will receive these quarterly reports unless they determine that the reports are no longer needed or that the reports should be provided at a different frequency.

Source: EWEB Public Contracting Rules, Division 2, Section 2-0150 Approved 07/16/2013, Effective 07/17/2013, Ratified 08/06/2013, Revised August 1, 2017

Policy Number: EL2
Policy Type: Executive Limitations
Policy Title: Purchasing Controls
Effective Date: August 6, 2013; Revised August 1, 2017

Board Approval Thresholds

1. The Board shall have the sole authority to approve contracts where the value of the Goods, Services, Personal Services, Construction, or Equipment meet or exceed \$150,000.
2. The Board shall have the sole authority to approve all change orders to Board awarded contracts that cause the contract to exceed 25 percent 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, as provided in (1) of this rule.
3. The Board shall provide authorization to use a cooperative procurement contract when purchases exceed \$150,000.
4. The Board shall be notified of any proposed contract(s) with any known Leadership Team (LT) member's Household Member or Relative, as defined in ORS 244.020 (11 and 16), prior to that contract being placed on the Board's consent calendar for Board approval.
5. This rule does not apply to the following procurements:
 - a. Contracts for Board appointed professional services, that are retained beyond the initial contract term shall be reported to the Board annually for their ratification. Board appointed professionals may include attorneys, auditors, and other consultants appointed by and/or working directly for the Board. The Board will be asked for feedback on these consultants annually.
 - b. Required sole-source/single seller contracts, which includes the following:
 - Governmentally required taxes, fees, permits and payments;
 - Software licenses, upgrades, and fees;
 - Equipment and software maintenance; and
 - Financial reporting and credit agencies selected because of their unique, reliable reporting capabilities.

These exceptions from Board approval do not apply to contract(s) set forth in section (4), above.

6. Board approval thresholds applicable under this Board Policy are for contracts subject to Oregon Public Contracting Code and EWEB Purchasing Rules.
 - a. Board approval will be required for the following exempted contracts when the contract amount exceeds \$150,000: real property, qualified rehabilitation facilities, grants, intergovernmental agreements for goods or services, and other

Proposed EL2 Language

agreements, including sales and revenue generating activities, with significant community impacts as determined by Management.

- b. The following exempt contracts or agreements will not require Board approval: Contracts under \$150,000; mutual aid; emergency declaration; personal services for issuance of bonds; investments; employee benefit plans; insurance policies; wholesale power contracts not requiring Board approval as per SD8; customer design, extension, and modification agreements; joint use agreements; settlement agreements; and power exchange contracts. Exempt contracts over \$150,000 will be included in the quarterly financial statements, annual approved budgets and/or reported to the board as part of an after action report.
- c. Contracts over \$40,000 that are not approved by the Board or exempted by Oregon Public Contracting Code and claims reports will be provided to the Board quarterly. The Board will receive these quarterly reports unless they determine that the reports are no longer needed or that the reports should be provided at a different frequency.

Source: EWEB Public Contracting Rules, Division 2, Section 2-0150 Approved 07/16/2013, Effective 07/17/2013, Ratified 08/06/2013, Revised August 1, 2017

**RESOLUTION NO. 1706
AUGUST 2017**

**RESOLUTION APPROVING REVISIONS TO EWEB PUBLIC CONTRACTING
RULE 2-0150 AND
BOARD POLICY EL2 – PURCHASING CONTROLS**

WHEREAS, the Eugene Water & Electric Board (EWEB) is a state of Oregon local government; and maintains a Board Policy Manual that contains governing policies for the Board of Commissioners; and

WHEREAS, EWEB's Board of Commissioners is EWEB's governing body and Contract Review Board (ORS279A.60) with rulemaking authority to adopt its own rules of procedure for public contracts (ORS279A.065(5)(a)); and

WHEREAS, the Board of Commissioners periodically reviews said policies and determines that modifications or amendments are required to adequately document the work or intention of the Board with regard to governance, Board-staff linkage, strategic direction or executive limitations; and

WHEREAS, the Board of Commissioners has reviewed and discussed the provisions of proposed new EWEB Public Contracting Rule 2-0150 and Board Policy EL2 Purchasing Controls at the May 2 and June 6, 2017 Board meetings; and

BE IT RESOLVED that the EWEB's Board of Commissioners hereby adopts the proposed revisions to its Public Contracting Rule 2-0150: Board Approval Thresholds and Board Policy EL2: Purchasing Controls.

DATED, this 1st day of August 2017.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the amended resolution adopted by the Board at its August 1, 2017 Regular Board Meeting.

Assistant Secretary



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



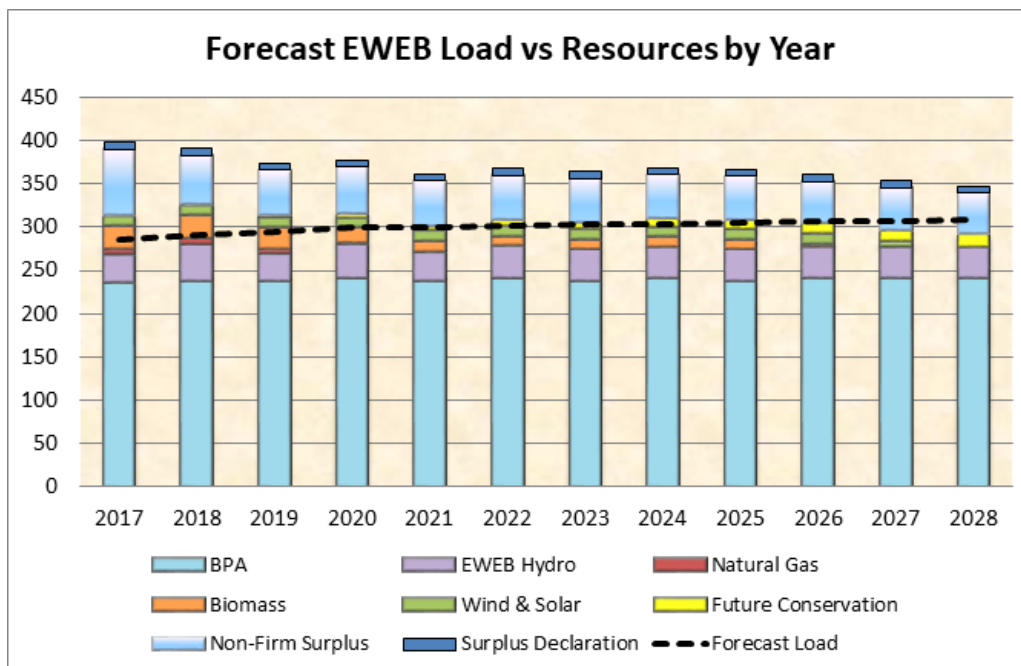
TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson
FROM: Patty Boyle, Principal Project Manager
DATE: August 1, 2017
SUBJECT: Declaration of Surplus Property in Support of the Potential Sale of Two Generation Assets – Harvest Wind Project and Foote Creek I Wind Project
OBJECTIVE: Approval of Resolutions 1716 and 1719

Issue

Management recommends the approval of Resolutions 1716 and 1719. These resolutions declare EWEB’s ownership interest in the Harvest Wind Project and the Foote Creek I Wind Project as surplus and initiate the offer to negotiate with the City of Eugene. The City will then have 30 days to respond to the opportunity to obtain those interests for other municipal purposes.

Background

At the June 6, 2017 Board meeting, Staff presented the 2017 update to the 2011 IERP. As a part of that update, the analysis of generation supply concluded that on an annual basis, EWEB has more than sufficient resources to serve its customers’ energy requirements, even under drought conditions, for the next 10 years. As shown below, the recommended surplus declaration has a small impact on the EWEB Load vs Resource balance over the next 10 years.



In 2016, EWEB successfully negotiated the sale of the Smith Creek Hydro project as an initial effort to better balance the amount of generation EWEB has in its power supply portfolio with its need to serve load. In this case, we have been approached to consider the sale/transfer of the Harvest Wind and Foote Creek I projects.

Based on a review of EWEB's ownership interests in these two projects, EWEB's general legal counsel has recommended that pursuant to the Eugene Code 2.195 and 2.196, EWEB declare its interest in the above-referenced assets as being surplus to its needs, and offer the City the opportunity to obtain those interests for other municipal purposes. The City will have 30 days to respond to the offer to negotiate, and, if interested, up to 5 years to complete the negotiations. We do not anticipate that the City will be interested in either of these projects.

Discussion

Harvest Wind - In 2008 and 2009, and in partnership with three other northwest utilities, EWEB invested in the Harvest Wind Project to acquire a 20% ownership share. Harvest Wind is located in Roosevelt, WA and includes 43 Siemens 2.3 MW turbines for a total of 98.9 MW nameplate capacity. The plant has been operational since 2009 and has experienced few operational issues.

Three of the four owners are similarly situated as EWEB, with sufficient resources to serve load, and are considering a sale of the project. The Harvest Wind Ownership Committee collectively agreed to issue an 'Invitation to Propose' for purchase of the plant, and is currently considering those initial proposals. There has been strong interest in the project given that it's a comparatively new project with reliable equipment and stable management. The initial proposals from bidders reflect a wide range of pricing and qualifications of potential purchasers.

Foote Creek I - The Foote Creek I project has 68 turbines that are each capable of producing 0.6 MW and is located near Laramie, WY. EWEB owns a 21.21% interest in the project, which began commercial operation in April 1999. PacifiCorp owns the balance of the project. At this time, EWEB and PacifiCorp are discussing the possibility of EWEB divesting its interest in this asset. PacifiCorp has a potential interest in controlling the entire site for its own purposes.

Of the total output share that EWEB owns, 26% has been sold to the Bonneville Power Administration (BPA) under a 25-year power purchase agreement. If EWEB and PacifiCorp can come to agreement on sale of EWEB's project share, BPA's power purchase agreement would be assigned to PacifiCorp. PacifiCorp has similarly sold a portion of its output to BPA on essentially identical terms.

The balance of EWEB's share of the project output, about 2.5 aMW is designated to serve EWEB load under the Regional Dialogue Contract with BPA. Because this resource is designated to serve load, before any transaction can be finalized, EWEB will need to follow the process established by BPA consistent with the 5(b) 9(c) Policy on statutory discontinuance for permanent removal. This process ensures that regional utilities are provided an opportunity to express their interest in the resource, and requires EWEB to acquire replacement power from an alternative source. EWEB was similarly subject to this process when the Smith Creek Hydro plant was sold, and though we have committed to purchase the power from the plant until July 2019, upon termination of that agreement we remain obligated to rely on market purchases for replacement power if needed.

TBL Assessment

No TBL has been completed as these potential sales are in their introductory phases. If either sale effort results in a firm offer to transact that is clearly in EWEB's interest, management will return to the Board with a completed TBL, and request that the Board authorize the General Manager to enter into the necessary agreements to transfer ownership.

Recommendation

Management recommends that the Board approves Resolution number 1716 and 1719 declaring the Harvest Wind and Foote Creek Wind I projects as surplus.

Requested Board Action

Approval of resolution number 1716 and 1719 as consent calendar items at the August 1st Board Meeting.

**RESOLUTION NO. 1716
AUGUST 2017**

**RESOLUTION DECLARING SURPLUS
FOR CERTAIN REAL PROPERTY NO LONGER NEEDED FOR UTILITY PURPOSES
EUGENE WATER & ELECTRIC BOARD**

WHEREAS, EWEB holds an ownership interest in the physical assets of the Harvest Wind Project in Klickitat County, Washington in the name of the City of Eugene, Oregon, acting by and through the Eugene Water & Electric Board, pursuant to the Amended and Restated Joint Ownership Agreement dated as of October 30, 2009.

WHEREAS, per the 2017 IERP update the Project is not needed to serve load;

WHEREAS, Eugene Code, Section 2.195 provides:

“The Board [EWEB] shall have entire control of the water and electric utilities of the city, and all property connected therewith”;

WHEREAS, The EWEB Board of Commissioners, desires to dispose of its ownership interest in the physical assets and all future interests in the project.

NOW, THEREFORE, BE IT RESOLVED by the Eugene Water & Electric Board that:

- (i) The Board does hereby declare surplus the physical property and ownership interests described in the:

Amended and Restated Joint Ownership Agreement, dated October 30, 2009.

Adopted at a meeting of the Eugene Water & Electric Board on August 1, 2017.

THE CITY OF EUGENE, OREGON
Acting by and through the
EUGENE WATER & ELECTRIC BOARD

President

I, ANNE M. KAH the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its August 1, 2017 Regular Board Meeting.

Assistant Secretary

**RESOLUTION NO. 1719
AUGUST 2017**

**RESOLUTION DECLARING SURPLUS
REAL PROPERTY INTERESTS NO LONGER NEEDED FOR UTILITY PURPOSES
EUGENE WATER & ELECTRIC BOARD**

WHEREAS, EWEB holds an ownership interest in the physical assets of the Wyoming Windpower Energy Facility, a.k.a., the Foote Creek I Project, in Carbon County, Wyoming, in the name of the City of Eugene, Oregon, acting by and through the Eugene Water & Electric Board, pursuant to the Second Amended and Restated Ownership Agreement dated as of August 31, 1994.

WHEREAS, per the 2017 IERP update the Project is not needed to serve load;

WHEREAS, Eugene Code, Section 2.195 provides:

“The Board [EWEB] shall have entire control of the water and electric utilities of the city, and all property connected therewith”;

WHEREAS, The EWEB Board of Commissioners, desires to dispose of its ownership interest in the physical assets and all future interests in the project.

NOW, THEREFORE, BE IT RESOLVED by the Eugene Water & Electric Board that:

- (i) The Board does hereby declare surplus the physical property and ownership interests described in the:

Second Amended and Restated Ownership Agreement, dated August 31, 1994.

Adopted at a meeting of the Eugene Water & Electric Board on August 1, 2017.

THE CITY OF EUGENE, OREGON
Acting by and through the
EUGENE WATER & ELECTRIC BOARD

President

I, ANNE M. KAH the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its August 1, 2017 Regular Board Meeting.

Assistant Secretary



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson
FROM: Sue Fahey, Chief Financial Officer; Susan Eicher, Assistant Treasurer
DATE: July 21, 2017
SUBJECT: Banking Resolution, Depository Accounts
OBJECTIVE: Approval of Resolution No. 1722

Issue

The Board has been asked to approve contracts for financial services that require a resolution of the Board to approve opening depository accounts.

Background

US Bank has been selected for treasury and depository services, and will become the primary depository for EWEB daily business. Bank of the Cascades, in partnership with Retail Lockbox Incorporated, has been selected to provide lockbox and in-house remittance services. Bank of the Cascades will be the depository of funds received through the lockbox, as well as the funds deposited through EWEB's in-house remittance process.

Bank of the Cascades is in the process of merging with First Interstate Bank, with the expectation that the merger will be complete by August 14th, 2017. To facilitate the implementation of services, and accommodate the change in ownership, the Board is being asked to approve both Bank of the Cascades, and First Interstate Bank as EWEB depositories.

Recommendation/Requested Board Action

Management recommends approval of Resolution No. 1722, approving US Bank, Bank of the Cascades and First Interstate Bank as EWEB depositories.

**RESOLUTION NO. 1722
AUGUST 2017**

**EUGENE WATER & ELECTRIC BOARD
OREGON DEPOSITORY ACCOUNTS**

RESOLVED, that financial institutions listed below be and hereby are designated as banks of and depositories for funds of the Eugene Water & Electric Board of the City of Eugene, Oregon, which funds may be deposited or withdrawn on checks, drafts, receipts, advices or debit given or signed in the Board's name by the manual and/or facsimile signature of an authorized signatory listed herein.

- US BANK NATIONAL ASSOCIATION
- BANK OF THE CASCADES
- FIRST INTERSTATE BANK

RESOLVED further, that signatories for establishment of accounts therewith shall be as shown.

General Manager-Secretary	Frank J. Lawson	_____
Treasurer	Susan K. Fahey	_____
Assistant Treasurer	Susan J. Eicher	_____

RESOLVED further, that the above named are hereby authorized to designate individuals authorized to give instructions concerning transfers of funds of the Eugene Water & Electric Board held by a financial institution as depository. Delegation of authority to designated individuals will be evidenced by financial institution documentation, as required.

RESOLVED further, that the authority hereby conferred upon the above-named persons shall remain in full force and effect until written notice of revocation thereof has been delivered to said financial institutions, and all prior resolutions relative to the foregoing accounts and funds are hereby revoked.

Dated this 1st day of August, 2017.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, hereby certify that I am the duly appointed, qualified and acting Assistant Secretary of the Eugene Water & Electric Board, and that the attached Resolution is a true and exact copy of a Resolution adopted by the Board at its August 1, 2017 regular board meeting.

Assistant Secretary