



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

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TO: Commissioners Mital, Schlossberg, Helgeson, Brown and Carlson

FROM: Deborah Hart, CFO and Aaron Balmer, General Accounting & Treasury
Supervisor

DATE: March 27, 2020

SUBJECT: Resolutions for Financial Depositories, and Appointment of Treasurer and
Assistant Treasurer

OBJECTIVE: Board Action

Issue

The Treasurer, Susan Fahey, retired in December 2019. She maintained her role as Treasurer to facilitate and guide recent bond issuance activity on a contracted basis. Her retirement requires the Board appoint a new Treasurer and approve updated signatories for EWEB financial institutions.

Background

All of EWEB's financial institutions require a listing of signatories authorized to conduct business on the account. Signatories are appointed by resolution of the Board of Commissioners and include the Treasurer and Assistant Treasurer. Deborah Hart was named the Assistant Treasurer in August 2019.

Discussion

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

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

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

EWEB also maintains escrow accounts with U.S. Bank Global Corporate Trust and with Wells Fargo Corporate Trust Services. An escrow account to hold funds required by contracts relating to the founding of the Harvest Wind Project was established at Wells Fargo, then transitioned to US Bank when they became the EWEB trustee. A second account, relating to the provision of

transmission facilities for Harvest Wind by Klickitat County PUD was established at Wells Fargo. Since all parties to the Harvest Wind escrow account are required to agree to a transition of trustee, EWEB has been unable to move this legacy escrow account to U.S. Bank.

In 2016, EWEB conducted a Request for Information (RFI) of financial institutions headquartered in Oregon, with at least one office in EWEB service territory, to solicit interest in having EWEB as an investment customer. Based upon the results of the RFI, the Board of Commissioners approved adding nine local institutions as depositories for investments. EWEB then established investment accounts with Summit Bank and Oregon Community Credit Union. Several of the approved financial institutions have been acquired by companies headquartered outside of Oregon and EWEB does not maintain accounts with them. Accordingly, they are not included as depositories in Resolution No. 2015.

Recommendation and Requested Board Action

Management is requesting approval of Resolutions No. 2013, appointing the Treasurer and Assistant Treasurer, and Resolutions No. 2014, 2015 and 2016, authorizing EWEB signatories to accounts with financial institutions.