

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to authorize the General Manager or his designee to enter into an Intergovernmental Agreement (IGA) with the **City of Eugene** for **Billing and Collection Services**. As communicated to the Board during the September 2025 Board meeting and Memorandum dated August 27, 2025 (attached), this is a revenue agreement and does not include expenditures.

Board Meeting Date:	October 7, 2025	
Project Name/Contract #:	Billing Services / 25-160-IGA	
Manager:	Danielle Wright	Ext. 7074
Executive Officer:	Julie McGaughey	Ext. 7066

Contract Amount:

Information regarding costs and fees was included in the August 27, 2025 Memorandum provided to the Board at the September 2025 Board meeting. Terms of the IGA will be effective November 1, 2025. The new per bill rate will be effective July 1, 2026.

Contracting Method:

Method of Solicitation:	Direct Negotiation
If applicable, basis for exemption:	Exemption Rule 6-0110(1)(a) Intergovernmental Agreement
Term of Agreement:	Initial term is 5-years
Option to Renew?	Yes, renewable for up to two succeeding five-year terms
Approval for purchases "as needed":	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Proposals/Bids Received (Range):	NA
Selection Basis:	Rule 6-0110(1)(a) Intergovernmental Agreement
Narrative:	

Operational Requirement and Alignment with Strategic Plan

ORS 190.010 provides that units of local government may enter into agreements for the performance of any and all functions and activities that any party to the agreement, its officers, or agents have the authority to perform.

Per Eugene City Charter Section 44 Part 5, the City Council may require EWEB to bill and collect the city service charges for collecting and disposing of liquid and solid wastes, otherwise known as stormwater and wastewater charges.

Per Eugene Code 6.436 Charges - Cost of Collection, the water utility collecting the sewer service charges may withhold from payments received a reasonable fee for its actual costs of billing, collecting and remitting stormwater and wastewater service revenue. The fee is based on a proportional share of EWEB's actual billing costs and established by agreement between the Parties.

Contracted Goods or Services

The billing and collection of City service charges for collecting and disposing of liquid and solid wastes, otherwise known as stormwater and wastewater charges.

Purchasing Process

The City of Eugene contracts with EWEB through direct negotiation per EWEB Rule 6-0110(1), which allows a contract to be exempted from the solicitation process if the services are contracted between EWEB and a governmental body.

Competitive Fair Price

NA – Exempt from Solicitation

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
2020-03	Billing Services	Nov 2020	Nov 2020 – Oct 2025	\$1.62 per bill	\$1.97 per bill	
Reason Code: AM = Additional Materials, AW = Additional Work, EW= Emergency Work, SD = Staff Directed, UC = Unforeseen Conditions, Other						

ACTION REQUESTED:

Management requests the Board authorize the General Manager or his designee to enter into an Inter-Governmental Agreement (IGA) with the City of Eugene for Billing Services.



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Barofsky, Schlossberg, Brown, Carlson, and Morris
FROM: Julie McGaughey, Chief Customer Officer; Danielle Wright, Customer Operations Manager
DATE: August 27th, 2025
SUBJECT: Intergovernmental Agreement with City of Eugene for Billing Services
OBJECTIVE: Information only

Issue

The Eugene Water & Electric Board (EWEB) and the City of Eugene (City) are updating the Intergovernmental Agreement (IGA) for utility billing services. The current agreement will expire in October 2025.

Background

The current IGA was approved in 2020. As part of the renewal process, staff from both organizations are reviewing the agreement, with updates focused on improving clarity and adding specificity throughout. Additionally, the methodology to allocate costs to the city is under revision. Although annual Consumer Price Index (CPI) updates were applied to the per bill fee, the allocation methodology has not been updated since the 2020 IGA.

Discussion

Key Revisions to the IGA

Staff have focused the edits on improving clarity and adding specificity throughout the agreement. The notable proposed additions and revisions include:

- **Public Communications** - A new section has been added to better define the roles and responsibilities related to billing newsletters and rate change notices. The City will include a statement that clarifies that EWEB serves solely as the billing agent and is not responsible for establishing or adjusting City stormwater or wastewater charges in regular communications about rate adjustments.
- **Cost Responsibility for System Participation** - Language has been added to specify that the City may be responsible for incremental costs associated with participation in billing system training, upgrades, or design modifications, particularly when such changes are requested by or implemented exclusively for the benefit of the City.
- **User Access to Billing Systems (Clarified)** - The proposed agreement now includes detailed provisions regarding City personnel access to EWEB's Customer Information System (CIS). Access will be granted through least privilege, individually identified accounts for defined

business functions, and is subject to EWEB's security policies and periodic review. The City is required to notify EWEB of personnel changes within five business days to maintain account security and compliance.

Proposed Fee Update

The current per-bill fee paid by the City of Eugene is \$1.97. Under the revised agreement, the proposed rate is \$3.48 per bill. This change reflects a more comprehensive and equitable cost allocation methodology based on actual resource use and shared services. Key drivers of the proposed increase include:

- Customer Service Cost Allocation:
 - Previously, Customer Service expenses were calculated based on an estimate of direct labor for discrete phone and lobby customer transactions, amounting to \$265,000. The revised annual cost allocation (excluding merchant services) is \$1,036,000 and now includes a more complete accounting of expenses necessary to operate. The prior approach did not account for:
 - Expenses for the Billing Department, which account for 35% of all customer service costs. Staff supervision, training, leave time, and any other paid time, associated with operating a call center and lobby.
- Merchant Services:
 - Merchant Services (credit card processing) costs have historically been billed separately from the per-bill fee, with the City paying approximately \$205,000 annually. This amount has significantly underrepresented the City's actual share of these fees. The updated allocation is \$355,000, an increase of \$150,000. These costs will be included in the per-bill fee moving forward.
- Customer Care Program Allocation:
 - The City currently contributes \$132,000/year, based on a historical allocation from 2016–2017. The 2025 Customer Care budget is \$1.575 million. Using a revenue-based allocation of 19.6%, the City's updated share is \$308,700.

EWEB and City staff will continue finalizing the proposed edits. Approval of the proposed updated IGA will be requested via consent at the October 2025 Board Meeting.

Requested Board Action

No action is requested at this time.