



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital  
FROM: Cathy Bloom, Finance Manager  
DATE: July 3, 2013  
SUBJECT: Resolution for Approval of Financial Policies Changes  
OBJECTIVE: Approval of Resolution No.1308

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## **Issue**

On June 4<sup>th</sup> the Board approved changes to the Financial Policies which were updated to reflect changes to the financial targets and metrics. The direction was to move the targeted financial rating from AA to A for the Electric Utility and the associated metrics. Attached is Board Resolution No. 1308 reflecting changes to the Financial Policies based on the Board's approval in June.

## **Recommendation**

Management recommends approval of the attached resolution to support the Board's approval of changes to the Financial Policies.

## **Requested Board Action**

Approval of Resolution No. 1308 approving changes to the Financial Policies.

**RESOLUTION NO. 1308**  
**JULY 2013**  
**FINANCIAL POLICIES**

**WHEREAS**, the Eugene Water & Electric Board is the body designated by the Eugene City Charter and City Code to administer the Electric and Water utilities of the City of Eugene;

**WHEREAS**, the Eugene Water & Electric Board has set up procedures for evaluating reserve status after the annual audit;

**WHEREAS**, the 2012 annual audit is complete;

**WHEREAS**, the Eugene Water & Electric Board has reviewed year-end results;

**WHEREAS**, the financial policies have been reviewed and updated based on the Board's targets and associated financial metrics.

**THEREFORE BE IT RESOLVED** that the Eugene Water & Electric Board hereby authorizes the General Manager to do the following:

1. Change the financial rating target from AA to A for the Electric Utility
2. Set new Debt Service Coverage Target for the Electric Utility from 1.75 to 2.0
3. Change target for the Electric Utility Capital Improvement Reserve to \$18 million
4. Set new Working Cash Target for Electric and Water Utility to \$24 million and \$3.4 million, respectively

Dated this 16th day of July 2013.

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

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President

I, TARYN M. JOHNSON, 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 July 16, 2013 Regular Board Meeting.

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Assistant Secretary