

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 02-154**

Approving Intergovernmental Agreement Regarding Regional Power Governance Model Project

**The Multnomah County Board of Commissioners Finds:**

- a. On September 19, 2002, the Board adopted Resolution 02-122 authorizing Commissioner Lisa Naito, District 3, and Chair Diane Linn to participate and make recommendations regarding possible public acquisition of Portland General Electric.
- b. The participating jurisdictions developed an intergovernmental agreement (IGA) for the purpose of creating a workgroup to explore formation of an intergovernmental entity to provide electric utility service to the northern Willamette Valley.
- c. The County will benefit from participation in the workgroup created by the IGA to develop the regional power governance models described in the agreement.

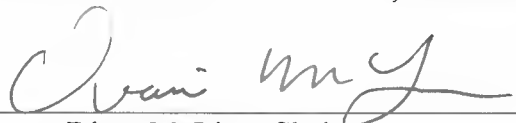
**The Multnomah County Board of Commissioners Resolves:**

1. Multnomah County approves the Intergovernmental Agreement Regarding Regional Power Governance Model Project attached to this Resolution.
2. Commissioner Lisa Naito, District 3, is authorized and directed to execute that Intergovernmental Agreement Regarding Regional Power Governance Model Project and other documents necessary to implement this IGA.

ADOPTED this 12th day of December 2002.

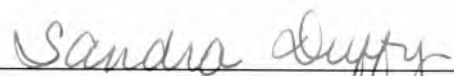


BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
\_\_\_\_\_  
Diane M. Linn, Chair

REVIEWED:

THOMAS SPONSLER, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
\_\_\_\_\_  
Sandra N. Duffy, Assistant County Attorney

**INTERGOVERNMENTAL AGREEMENT REGARDING  
REGIONAL POWER GOVERNANCE MODEL  
PROJECT**

**PARTICIPANTS**

THIS INTERGOVERNMENTAL AGREEMENT ("IGA") is made and entered into pursuant to ORS 190.010, by and among the Oregon counties of Clackamas, Marion, Multnomah, and Washington (collectively the "Participating Jurisdictions"), political subdivisions of the State of Oregon.

**PURPOSE**

The purpose of this IGA is to create a working group among the Participating Jurisdictions within or containing a portion of the Portland General Electric ("PGE") electric power service territory to work with interested persons to explore the formation of an Intergovernmental Entity ("IGE") pursuant to ORS 190.080, or other appropriate public entity, to provide electric utility service to the northern Willamette Valley.

**RECITALS**

PGE is for sale as a consequence of the bankruptcy of Enron Corporation, the current owner of PGE. Furthermore, PGE has recently instituted very large rate increases for every one of its customers. PGE customers pay among the highest rates for electricity in the Pacific Northwest.

Customers of PGE, residents, businesses, and other organizations located in the Participating Jurisdictions have asked each of the counties of Clackamas, Marion, Multnomah, Polk, Washington, and Yamhill to engage a study of the potential

governance models and advantages to ratepayers and the region as a whole that could result from the purchase of PGE by an IGE.

The Participating Jurisdictions will undertake this regional governance project at the same time that the City of Portland continues its efforts to acquire the PGE system.

Initiation of this regional governance project has been encouraged by the major organizations representing ratepayers, including the Citizens Utility Board of Oregon ("CUB") and Industrial Customers of Northwest Utilities ("ICNU") and others.

This IGA creates the Regional Power Governance Steering Committee ("Steering Committee"), allows for the addition of more members, and authorizes it to carry out the exploration of regional power governance models as described in this Agreement.

## **AGREEMENTS**

The Participating Jurisdictions agree as follows:

1. Governance Proposal. The Steering Committee (described below) will cause to be created a regional power governance proposal. The creation of this proposal will involve consultation with and participation by interested stakeholders and the public.
2. Recommendation. After analysis, the Steering Committee will recommend to the Participating Jurisdictions a governance model or models that will provide a complete governmental framework to allow the accomplishment of the goal of public ownership and operation of the PGE system in its current service area.
3. Powers and Authority. The Steering Committee is advisory in nature. It has the authority to select and contract with professional advisors, to obtain information necessary or desirable to prepare its report and to complete its work, and to incur expenditures not to exceed the funds that it has available to it. It does not have any governmental powers and it does not have the authority to commit any of the Participating Jurisdictions to any obligation of any kind except as expressly stated herein.

4.     Governance. The Steering Committee and will consist of one representative from each Participating Jurisdiction. Additional members may be added to the Steering Committee by the signing of this IGA by the new member and the approval of the addition by amendment of this agreement by the Participating Jurisdictions. Each Participating Jurisdiction may appoint an alternate representative who may attend Steering Committee meetings and deliberate and vote in the absence of the Participating Jurisdiction's primary representative. The Steering Committee may invite members from interest groups or other interested parties to attend and, when permitted by the Chair, participate in Committee meetings.

All meetings of the Steering Committee shall be held in accordance with Oregon Public Meeting Laws, ORS 192.610, et seq. A majority of the voting members of the Committee shall constitute a quorum for purposes of conducting business. Each member of the Steering Committee that has contributed to the funding of the work of the Committee shall have one vote. Unless otherwise provided, when a quorum is present decisions of the Committee shall require a majority vote of the representatives in attendance.

5.     Steering Committee Chair. The Steering Committee shall select and appoint a Steering Committee Chair. The Chair will be the presiding officer of the Committee.

6.     Steering Committee Funding. It is intended the Steering Committee will be self-sufficient in its operation. Cost of operating and maintaining Steering Committee will be borne from grants and contributions provided to the Steering Committee. These monies shall be for the sole and exclusive use of the Steering Committee for its operation,

administration, and work. Washington County shall serve as the treasurer of the Committee and will accept and maintain such funds in a special account. Washington County shall serve as the contracting agent for the Steering Committee for any professional services the Committee chooses to engage. The Steering Committee may request specific funding from the Participating Jurisdictions, which will be made in each Participating Jurisdiction's sole discretion, and which is not a precondition of participation in Committee activities, but is a precondition of voting on matters before the Committee. Any funds contributed by the Participating Jurisdictions will be reimbursed from the bond proceeds in the event an IGE concludes a transaction.

7. Duration, Withdrawal, and Termination. This Agreement will terminate automatically on the creation of an IGE, by unanimous vote of the Steering Committee or by the withdrawal of all Participating Jurisdictions. Any Participating Jurisdiction may withdraw from the Steering Committee and terminate its participation hereunder by providing written notice to the Chair. Any funds that remain in the Steering Committee account upon termination (and not required to pay expenses) shall be transferred to the IGE and become its funds if it has been formed or, if it has not been formed, shall be returned pro-rata to the donor entities or to such other entities as the donors may designate.

8. IGE. The organizing and governance document for an IGE should include:

- (a) The purposes of the IGE and the scope of its activities;
- (b) The obligations and responsibilities of the member organizations;
- (c) The members of the initial board of directors and their terms of office;
- (d) Identification of any standing committees (e.g. audit, ratemaking, environmental policy) and their authority;

- (e) A description of the annual report to be prepared by the IGE and its audit;
- (f) Statements of general principles and policies consistent with those of the Participating Jurisdictions in the areas of nondiscrimination, ethics, contracting, etc.;
- (g) Express recognition of the application of Oregon laws, policies, and procedures applicable to governmental entities;
- (h) With respect to staff and operations:
  - (i) A general organizational outline;
  - (ii) A method by which the IGE can outsource utility functions to privately-held entities and other utility services companies;
- (i) With respect to outsourcing of utility functions, a commitment to ensure high levels of system reliability and service quality and a strategy for monitoring and enforcing outsourced contracts;
- (j) A detailed outline of a ratemaking process and a plan to establish a complete ratemaking process;
- (k) The qualifications for and method of selecting members of the board of directors;
- (l) An authorization to issue revenue bonds;
- (m) A clear statement that the debts, liabilities and obligations of the entity are those of the entity alone, are not the debts, liabilities and obligations of the Participating Jurisdictions, either jointly or severally, and a method for the distribution of assets and liabilities of the entity upon termination of the entity; and,
- (n) A term for the agreement, which shall be perpetual.

This list of IGE characteristics is not exclusive nor is it intended to limit the work of the Steering Committee in any way, including exploring forms of governance other than IGE's.

9. Amendments. This Agreement may only be modified or amended by a writing executed by all Participating Jurisdictions.

10. Effective Date. This Agreement shall become effective as to a Participating Jurisdiction when it has been signed on behalf of the Participating Jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Intergovernmental Agreement to be effective as of the respective dates stated below.

Clackamas County

By: \_\_\_\_\_

\_\_\_\_\_  
Date

Multnomah County

By: *Jose Nauto*

12/12/02  
Date

Washington County

By: \_\_\_\_\_

\_\_\_\_\_  
Date

Marion County

By: \_\_\_\_\_

\_\_\_\_\_  
Date