

**ORDINANCE NO. 419**

**AN ORDINANCE FOR AN INTERGOVERNMENTAL AGREEMENT BETWEEN  
THE CITY OF DRAIN AND OREGON MUNICIPAL ELECTRIC UTILITIES (OMEU)  
ASSOCIATION AND DECLARING AN EMERGENCY**

**WHEREAS**, this Intergovernmental Agreement (“Agreement”) is between the City of Ashland, City of Bandon, Canby Utility Board, City of Cascade Locks, City of Drain, City of Forest Grove, Hermiston Energy Services, City of McMinnville acting by and through its Water & Light Commission, City of Milton-Freewater, City of Monmouth, and the Springfield Utility Board, all units of local government as defined in Oregon Revised Statutes Chapter 190.003, organized and operating under Oregon law (“Party” or “Parties”).

**WHEREAS**, ORS 190.010 authorizes the Parties, which all operate municipal electric services within their jurisdictional boundaries, to create a public entity known as the Oregon Municipal Electric Utilities (“OMEU”) association.

**WHEREAS**, for many years all the Parties collectively participated as an association known as the Oregon Municipal Electric Utilities under a constitution agreement last amended on December 13, 2001. That association is exempt from taxation under IRC section 501(c)(6) and state law.

**WHEREAS**, that association entered annual memoranda of agreement with the League of Oregon Cities (“LOC”) to work together to further the goals and purposes of both organizations. The current memorandum agreement expires on January 1, 2012.

**WHEREAS**, the Parties now wish to enter into this Agreement to create a new intergovernmental entity under ORS chapter 190, to be known as the Oregon Municipal Electric Utilities (“OMEU”) association, to succeed the prior association, to provide legislative representation previously provided by the LOC, and to provide other services stated in this Agreement.

**NOW, THEREFORE, the City of Drain ordains as follows:**

1. **Name.**  
The Oregon Municipal Electric Utilities (“OMEU”) association is established by the Parties as an intergovernmental entity under ORS chapter 190.
2. **Purposes.**  
The OMEU is formed to:
  - A. Secure cooperation among Oregon municipal electric utilities in resolving issues, threats, or problems facing Parties for the benefit of the Parties’ customers;
  - B. Provide means for the Parties to exchange ideas and experiences, and obtain expert advice;

- C. Collect, compile and distribute to publicly owned electric utilities information about administration and operation of such utilities;
- D. Formulate and promote legislation that is beneficial to municipal electric utility customers, and oppose legislation detrimental to such customers;
- E. Appoint or employ a legislative representative, executive director or staff for these purposes;
- F. Promote harmony of action among municipally owned electric utilities in matters that affect the rights and liabilities of such utilities;
- G. Institute litigation or appear as a friend of the court in the name of OMEU for any matter relating to the rights and liabilities of municipal electric utilities, and retain counsel for these purposes; and
- H. Do any and all of the things necessary or convenient for the benefit of the Parties' customers.

**3. Parties.**

- A. Any Oregon city or subdivision of a city that generates or distributes electrical energy is eligible to become a Party to this Agreement.
- B. Non-voting associate member status may be granted to distributors, vendors, trade organizations, professional firms, people's utilities districts, cooperatives, or any other entity authorized by the OMEU Board of Directors ("Board").
- C. Any Oregon city or subdivision of a city that generates or distributes electrical energy may become a party by adopting an ordinance or resolution approving this Agreement, and paying the pro rata membership fees for the current fiscal year in advance.
- D. Any Party may withdraw from this Agreement by adopting a withdrawal ordinance or resolution, providing not less than 60 days written notice to all other Parties and paying all pro rata fees, charges and dues for the period up to the date of withdrawal.
- E. A Party that fails to pay all fees, charges and dues prior to the first day of March of each year may be deemed withdrawn from this Agreement by Board action.

**4. Finances.**

- A. The Board will approve the annual membership and associate membership fees and dues at the annual meeting. The amounts set will be sufficient to finance the anticipated expenses of the organization for the next budget year. Membership fees and dues will be apportioned among the member utilities in accordance with a distribution formula established by the Board.
- B. The Board is authorized to approve additional charges to Parties for special services and the maintenance of the legislative representative, executive director, staff or contractors providing administrative support services.
- C. Expenditures within the approved OMEU budget may be authorized by the executive director or the executive committee. No expenditure will be made if it is not included in the approved annual budget unless authorized by a vote of the Board.
- D. Revenue collected or credited to OMEU may not accrue to the benefit of any private person, firm or corporation and may only accrue to the Parties.

- E. All funds, revenues and expenditures of OMEU must be annually audited.
- F. OMEU's fiscal year is January 1 to December 31.

**5. OMEU Board.**

- A. Each Party will designate one representative to the Board. Each Party will also name an alternate representative to serve in the absence of the primary representative. Board representatives may be either a governing body member or executive official of a Party. Representatives will serve terms determined by the appointing Party.
- B. The OMEU annual meeting will be held each year at a time and location determined by the Board. The annual budget will be approved and officers elected at each annual meeting.
- C. Special meetings of the OMEU may be called by the president or a majority of the Board members at any time by giving each party at least 10 days notice of the date, time and location of the meeting. Emergency meetings may be called and notice given as allowed under Oregon law.
- D. The Board may adopt bylaws for the conduct of meetings, and the current edition of Roberts Rules of Order will apply in the absence of an applicable bylaw, or Oregon law to the contrary.
- E. Parties may be represented by any number of delegates at any meeting, but will have only one vote by the Party's designated representative to the Board.
- F. A quorum for Board meetings is representatives of half of the Parties plus one. All Board actions must be approved by a majority vote of representatives present unless a greater majority is required by law at Board meetings held in compliance with the Oregon Public Meetings Law.
- G. The Board may employ a legislative representative, executive director, and staff who will serve at the pleasure of the Board. The executive committee shall supervise the executive director and may delegate duties and responsibilities to the executive director as necessary for the benefit of OMEU Parties.

**6. Officers.**

- A. OMEU officers are President, Vice President and Secretary/Treasurer. OMEU officers collectively serve as the OMEU executive committee. All officers must be members of the Board and elected by the Board.
- B. All officers are elected at the OMEU annual meeting for a one year term and hold office until their successor is elected and qualified.
- C. When any officer position becomes vacant, it will filled by the Board.
- D. The officers serve as the OMEU executive committee and perform duties authorized by the Board. The executive director is a non-voting member of the executive committee.

**7. Remedies.**


If there is a legal action to enforce this agreement, each Party is responsible for its own costs and fees, including attorney fees. No Party is entitled to recover attorney fees from another Party, including any fees and costs incurred in an appeal.

8. **Liability.**  
The intergovernmental entity created by this Agreement is solely responsible for its debts, liabilities and obligations. The debts, liabilities and obligations of the intergovernmental entity are not the joint or several debts, liabilities and obligations of the Parties. Each party is solely responsible for claims of its employees for damages or injuries in connection with their employment or arising under workers' compensation law.
9. **Amendments.**  
This Agreement may be amended at any time upon the written agreement of at least two-thirds of the Parties.
10. **Severability.**  
The terms of this Agreement are severable and a determination by an appropriate body having jurisdiction over the subject matter that results in the invalidity of any part of this Agreement does not affect the remainder of the Agreement.
11. **Interpretation.**  
The terms and conditions of this Agreement will be liberally construed under Oregon law in accordance with the general purposes of the Agreement.
12. **Term and Dissolution.**  
This Agreement takes effect and the OMEU is created upon the adoption by the governing bodies of the Parties by ordinances or resolutions ratifying the creation of this intergovernmental entity, and the execution by the authorized officials of each Party. This Agreement may be terminated and OMEU dissolved at any time by a two-thirds vote of the Parties. Upon dissolution any assets or indebtedness of OMEU will be distributed or assumed equally by the Parties.
13. **Transition.**  
The association known as the Oregon Municipal Electric Utilities (OMEU) that exists under a constitution agreement last amended on December 13, 2001 is dissolved as of the effective date of the intergovernmental entity created by this Agreement. All assets, rights, liabilities and duties of the predecessor association are transferred to the intergovernmental entity as of the date of its creation. All members of that previous association are Parties to this Agreement and by their approval of this Agreement consent to such dissolution and transfers. The executive director will take the steps necessary to continue tax exempt status under IRC section 501(c)(6) and state law.
14. **Counterparts.**  
This Agreement may be executed in one or more counterparts, each is deemed an original, and they are all the same Agreement.

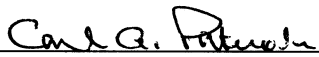
15. **Emergency Clause.**

The Parties wish to enter into an Intergovernmental Agreement to create a new intergovernmental entity under ORS Chapter 190, to be known as Oregon Municipal Electric Utilities (OMEU) association, therefore, declaring an emergency. This ordinance shall be in full force and effect upon its adoption by City Council.

**PASSED BY CITY COUNCIL OF THE CITY OF DRAIN, DOUGLAS COUNTY,  
OREGON, THIS 9<sup>TH</sup> DAY OF JANUARY, 2012.**

  
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Suzanne Anderson, Mayor

**ATTEST:**

  
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Carl A. Patenode, City Administrator