



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD  
PUBLIC AFFAIRS



TO: Commissioners Brown, Cunningham, Cassidy, Ernst and Farmer  
FROM: Lance Robertson, Public Affairs Manager  
DATE: Aug. 27, 2010  
SUBJECT: Television coverage of Board meetings

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## **Issue**

Commissioners have expressed interest in receiving information about the cost and logistics of broadcasting regular work sessions and meetings on Metro Television.

## **Background**

Metro Television is a division of the Lane Council of Governments. It began production in 1985, carrying live broadcasts of Lane County Board of Commissioners meetings. Broadcasts of the Eugene City Council meetings were added soon after. Meetings currently are carried live, and are rebroadcast, on Comcast Cable Channel 21. Lane County meetings, and selected City Council meetings, also are encoded for broadcast on the Internet. Eugene Planning Commission meetings will be added soon to Metro TV's lineup.

Previous EWEB Boards have expressed interest in joining the county and city in the Metro TV partnership. In 2001, approximately \$38,000 was added to the 2002 budget to purchase the necessary equipment and to contract with Metro TV for broadcast services, via an Intergovernmental Agreement. However, the funding was eliminated from the budget as a result of the substantial spending cuts approved by the Board in March 2002 in response to the West Coast Energy Crisis (Minutes from that March 2002 Board meeting are attached).

## **Discussion**

In early August, EWEB staff met with Robert Lewis, program manager for Metro Television, to discuss costs, logistics and technical improvements needed to broadcast EWEB meetings from the Board Room in the North Building.

The annual cost would be \$25,000 for basic meeting coverage. This would include live broadcasts of EWEB's two monthly meetings, plus three to four re-broadcasts per week, on Channel 21. Metro TV would provide a staff person at each EWEB meeting to control cameras, queue up onscreen commissioner and agenda item identifiers (printed names and agenda items on the screen), and perform other duties necessary for the live feed. Each meeting would be re-broadcast three to four times each week, between meeting dates.

EWEB also discussed the possibility of adding to an agreement an additional \$5,000 per year, for a total annual cost of \$30,000, to pay for delayed broadcast of special Board meetings or those

sessions that are not held in the Board Room. For example, the Board meets once a year at a location in the McKenzie River Valley; those meetings would be recorded using portable equipment and then rebroadcast on Channel 21. Metro TV would charge EWEB on a per-meeting and “as needed” basis for these occasional remote meetings.

Mr. Lewis estimated capital expenditures of between \$30,000 and \$40,000. This would include two cameras and other equipment needed for live broadcasts, digital recording, telecommunications lines and switches, installation and encoding equipment for potential Web broadcasts. However, Mr. Lewis indicated that Metro TV would be willing to offset all of these capital costs with a special fund established by Comcast as part of its franchise agreement with the City of Eugene. Comcast allocates \$50,000 annually to purchase or upgrade equipment as needed by the city, county and any other entity that may partner with Metro TV. If EWEB were to join that partnership, those funds would be available to purchase cameras and other equipment for the Board Room in the North Building. However, allocation of funds would have to be approved by the Metropolitan Policy Committee, which acts as the Metropolitan Cable Television Commission.

Some potential technical issues and additional internal costs for EWEB also were identified. To broadcast from the North Building, a dedicated fiber-optic line would have to be available or extended to the central “box” that would control the cameras and provide a live feed on Channel 21. Using this line could limit future use of fiber in the North Building, for other needs. There likely would need to be work done to connect the fiber line from our fourth-floor data center to the county’s RIS network. There also may be some internal security issues, since the rooms where the equipment would be located also have facilities that are considered a “protected cyber assets” under FERC, with access only to authorized personnel. Some electrical work may be needed to install power outlets near where the cameras would be mounted. Finally, the current meeting room configuration may not be conducive to broadcasts. Specifically, the windows behind commissioners likely would create a “backlighting” situation that would make it difficult for the cameras to adequately show the faces of commissioners during daylight-hour meetings. Cost of making these upgrades or connections is estimated at \$3,000 to \$4,000.

EWEB staff did not perform a thorough analysis of any internal technical issues or additional costs that may allow or hinder live “streaming” or the posting of videos of Board meetings on [www.eweb.org](http://www.eweb.org). The equipment purchased to telecast meetings would have full encoding capabilities to allow for Web broadcasts in addition to a live feed on Channel 21. However, there may be internal technical or security issues with live streaming on our current web site servers or system. If the Board were to agree to move forward with meeting broadcasts in 2011, the Internet functionality could be added at a later time and as internal resources become available.

### **Requested Board Action**

This is an information item only, in response to commissioners’ interest in learning more about the cost and logistics of live meeting broadcasts. Currently, no funds are allocated in the draft 2011 budget for broadcasting meetings. If a majority of commissioners favor moving forward, further budget cuts in other areas of Public Affairs’ or the Board’s annual budget would have to be identified to offset the added cost of the annual contract and partnership with Metro TV of between \$25,000 and \$30,000, plus \$3,000 to \$4,000 in additional start-up costs.

**Attachment:** March 5, 2002, Board meeting minutes

EUGENE WATER & ELECTRIC BOARD  
REGULAR BOARD MEETING  
EWEB BOARD ROOM  
MARCH 5, 2002  
7:30 P.M.

Board Members Present: Dorothy Anderson, Peter Bartel, Susie Smith, Patrick Lanning, and Sandra Bishop.

Others present: Randy Berggren, JoAnn Andersen, Tom Buckhouse, Marty Douglass, Dick Helgeson, Jim Origliosso, Roseanna McArthur, Mark Oberle, John Yanov, Dick Varner, and Krista Hince of the EWEB files; Kim Young, City of Eugene Minutes Recorder; Scott Maben, *representing the Register-Guard*; KMTR-TV; and members of the public

President Anderson called the Regular Board Meeting to order at 7:30 p.m.

**AGENDA CHECK**

President Anderson suggested item 10 be moved forward ahead of item 6. There was no objection. No other changes were suggested.

**APPROVAL OF CONSENT CALENDAR**

There was no Consent Calendar.

**ITEMS FROM BOARD MEMBERS**

President Anderson said she received a telephone call from an acquaintance who was widowed and living alone and who had expressed concerned about the tiered rate system. She had asserted that in the 1950s, EWEB had time-of-day metering; President Anderson asked for more information about that. Dick Varner, Fiscal Services Supervisor, was unaware of any such system for residential users in the 1950s. An audience member asserted that both a day meter and night meter were used at that time.

General Manager Randy Berggren said he would have to do further research. He added that it would be very expensive to take such an approach now.

Vice President Bartel said that the Eugene Planning Commission plus three City Councilors were meeting to discuss the Downtown Plan and had identified boundaries for the plan, which included EWEB. He said that the Commission and Councilors would be meeting at EWEB on Monday.

Commissioner Lanning reported that the Lane Community College Board was meeting the following day to discuss potential budget reduction and he would be unable to attend the March 6 meeting scheduled.

## **CORRESPONDENCE**

Mr. Berggren noted the All-Utility Meeting taking place the next evening. Vicki ZanZandt, Vice President of Operations & Planning for the Bonneville Power Administration would be present to discuss the formation of regional transmission organizations (RTO's).

Mr. Berggren said that EWEB staff would be staffing a booth at the home show during the upcoming weekend. He invited Board members to stop by.

Mr. Berggren indicated that Krista Hince would be polling the board for new dates for a governance meeting and a retreat. He suggested that the Board consider a focused four-hour retreat on a Friday night to concentrate on strategic issues.

Mr. Berggren said that the Northwest Power Planning Council was meeting in Eugene that day and the next day. EWEB staff had made presentations to the Council about EWEB's conservation and renewables effort as well as responding to questions.

Mr. Berggren previewed the upcoming meeting agendas.

## **PUBLIC INPUT**

Jim Seaberry pointed out that the public notice indicated that the public hearing would occur at 7:30 p.m.

## **BUDGET KIT TOOL AMENDMENTS**

Treasurer Jim Origliosso presented six proposed budget tool kit amendments and briefly described the impact of each: 1) reduce non-labor expenditures; 2) water buyout headquarters lease; 3) water purchase of vehicles; 4) vacancy savings; 5) reduce wage increases and incentives; and 6) borrow for conservation.

President Anderson asked if the decrease in all the items added to a decrease in the electric budget by about \$2 million. Mr. Origliosso thought it higher than that. The impact was about \$10 million.

Responding to a question from Commissioner Bishop regarding recommendation 5, Mr. Origliosso reminded the Board that the budget it approved in the fall included funding for pay adjustments, including merit increases and the incentive programs; the recommendation also affected the power trading incentive. He said that staff created no specific formulas for how remaining funds would be distributed. Mr. Berggren said that the funding was cut in half and affected all employees.

Vice President Bartel was not willing to cut down on the televising of EWEB meetings, saying the public had a right to know what the Board was doing. He asked how the Board was going to address the in-lieu-of-tax payments to the City of Eugene and the part of the rate structure that does not affect the \$2.5 million, and when.

Mr. Origliosso said that this did not reflect all items on the preferred tool kit list. Other actions could be added to the tool kit.

Vice President Bartel wanted to hold the line on salary increases. He also wanted to continue to budget for televised meetings.

Commissioner Smith, seconded by Vice President Bartel, moved approval of budget amendments 2, 3, 4, and 6. The motion passed unanimously, 5:0.

Vice President Bartel, seconded by Commissioner Bishop, moved to add back the line item for televising meetings at a cost of \$32,680 annually.

President Anderson said if the utility was in a better financial situation she would support the motion; however, she thought the expenditure could be dropped for now. Commissioner Lanning also found the service important, but thought the timing was inauspicious.

Vice President Bartel thought televising Board meetings was a very meaningful service to the community than other services EWEB offered. He thought it very important, in light of the recent rate increase and budget reductions, that the community be aware of what the Board was doing, and that it was trying to do the best job possible in the eye of the public. He suggested that the Board would appear to have something to hide.

Commissioner Smith agreed with the concept of broadcasting Board meetings and thought that EWEB should do so in the future, but echoed Commissioner Lanning's remarks about the deep cuts made to the organization's operational structure. She thought EWEB did a good job getting the word out. She did not think the community had the perception that EWEB acted behind closed doors. She agreed that the timing was not right.

Commissioner Bishop did not think the cost was too high and noted the community's interest in having meetings telecast so that people could view meetings from their homes. She thought the service a silly thing to cut.

The motion failed, 3:2; Vice President Bartel and Commissioner Bishop voting yes.

Vice President Bartel moved to reduce the amount available for pay increases by half. The motion died for lack of a second.

Commissioner Bishop, seconded by Commissioner Smith, moved to adopt budget amendment 5.

Vice President Bartel said that these were extraordinary times in terms of economic ups and downs. If one wanted a job, one must be willing to forego raises. He termed it "nice" to have merit raises and incentive raises. He said that EWEB was asking the community to raise rates and it should do the right thing and let the employees speak their mind and come forward with their contribution.

President Anderson said she understood Vice President Bartel's concern but was not prepared to tell EWEB's hardworking employees that there was no money for any increase whatsoever. She

said that the increases did not have much impact on the individual rate payer, and having staff feel appreciated for what it was doing was important to her.

Commissioner Smith said that the EWEB compensation plan was pegged to the market. She believed that to go deeper than what was being proposed was "penny-wise and pound-foolish." Unless the Board intended to roll back its compensation philosophy and plan, it would have to restore the positions back to the benchmark established, costing more money in the future.

Commissioner Lanning concurred with Commissioner Smith.

Commissioner Bishop said that the issue was difficult for her. She had talked to EWEB employees who would gladly give up a pay increase, but she did not think it responsible to balance the budget on the backs of employees. She said that employees were cross-trained to the degree she had questioned whether they were happy, and she had learned they were very happy about the cross-training. EWEB employees had pitched in and gone through many changes to assist the utility. The utility was among those run with the least number of employees to customer ratio. There were still other areas that could be cut. She did not want to cut any more in this area.

The motion passed, 4:1; Vice President Bartel voting no.

Vice President Bartel, seconded by Commissioner Bishop, moved to approve the resolution. The motion passed unanimously, 5:0.

## **ELECTRIC RATE PROPOSAL**

John Yanov, Senior Rate/Financial Analyst and Dick Varner provided a PowerPoint presentation, copies of which were provided to Board members, on the proposed rate increase for the electric utility to take effect with the May 2002 bills for consumption in April.

Mr. Varner reviewed the staff recommendation. Mr. Yanov reviewed how the rate increases affected customer classes and compared current and proposed residential rates and current and proposed street lighting rates.

Mr. Varner reviewed next steps, noting the public hearing occurring later in the evening, and concluding that the Board would consider adoption of the rate change on March 19. A rate review based on BPA actions would occur in fall 2002; another review of rates and the surcharge would occur in spring 2002.

Commissioner Bishop referred to the in-lieu-of-taxes payments EWEB made to the City of Eugene and said she was having a difficult time in keeping that discussion at bay while the Board raised rates. She suggested that the Board find a way to address the in-lieu-of-tax question; EWEB was paying the City twice as much as State law required through an intergovernmental agreement. She said the City was not willing to do anything but spend utility-related funds on things not related to helping the community deal with the increased power rates. She suggested the small percentage rate increase could be offset by a reduction in that payment.

Vice President Bartel said he would be happy to put the issue back on the table, but pointed out it would take some time to complete negotiations with the City and sort out the issues involved. Mr. Berggren agreed. He did not think the Board could count on those dollars in 2002 with any degree of certainty. He said that the staff could pursue that at the Board's direction. President Anderson suggested that the Board schedule the topic for discussion at the upcoming retreat. Commissioner Lanning indicated support.

Commissioner Smith recommended that the Board schedule discussion of the issue as an agenda item Work Session, and involve legal counsel in that discussion. Mr. Berggren indicated he would schedule the item on the next Board Agenda.

## **PUBLIC HEARING ON ELECTRIC RATE PROPOSAL**

Commissioner Anderson opened the Public Hearing.

**Jim Seaberry**, 3294 Stark Street, Santa Clara, complimented the manner in which EWEB's employees addressed the problems caused by the wind storm. He agreed with Vice President Bartel about the merit increase issue.

Mr. Seaberry said that if EWEB needed temporary funds, it should reduce its in-lieu-of-tax payments to the City of Eugene. He said that EWEB should stop payments being made by credit cards to save money. EWEB should stop lending excess funds to the affluent for programs poor people cannot participate in. He noted the publication of an article in *The Register-Guard* regarding the rate hikes that quoted Vice President Bartel and suggested his "threshold of pain" comment represented a poor choice of words, given the impact of the rate increase on senior citizens living on fixed incomes. Mr. Seaberry predicted any EWEB bond measures would be defeated because the "trough is empty." He asserted that major mistakes were made by management in its "quest for short-term profits." He suggested that management use its own money in making such investments, rather than that of the public.

Commissioner Bishop clarified that Mr. Seaberry was referring to programs that were available to all but not affordable by all, with the effect of subsidizing those who have the money to install conservation features.

**George Boehnke**, 24 Willamette Street, questioned why EWEB was choosing to go into another business other than electric and water. He did not want a surcharge on his bill; he said that was part of the rate, and should be identified as such. Mr. Boehnke did not think EWEB should be charging more for wind power, and said that all the power was the same. He said "let's quit fooling the public." He spoke of his own experience using EWEB discounts to purchase low-energy appliances, but suggested that such programs be placed in abeyance until conditions improved.

**Kurt Thelan** supported Mr. Bartel's suggestion that funding for merit increases be reduced. He spoke of his own work experience at KMTR, where he and other management staff had taken a pay cut. He said that if he was good enough to "take it," EWEB should too. He said that EWEB employees should step up and say "hey, we'll forgo pay raises too" and not accept any wage increases. He said he would continue to come to EWEB meetings and speak "on behalf of the people."

There being no further requests to speak, President Anderson closed the public hearing.

## **WALTERVILLE/LEABURG CONSTRUCTION CONTRACT AWARDS**

Commissioner Smith, seconded by Vice President Bartel, moved to approve the staff recommendation on the Waltherville/Leaburg construction contract awards. Commissioner Smith said that the Work Session briefing was very informative and did not need further clarification. The motion passed unanimously, 5:0.

## **POWER RISK MANAGEMENT POLICY REVISION**

Mr. Varner provided a PowerPoint presentation on Power Risk Management Policies and reviewed the staff proposal for two changes to the policies.

**Proposed Policy 2:** *EWEB will manage its portfolio so that firm power supplies under critical water planning criteria are within 25 megawatts of expected sales.*

**Proposed Policy 3:** *Projected contribution margin when combined with available reserves and borrowing authority will provide funding capabilities to cover other budgeted/projected expenditures at the electric utility.*

Scott Spettel reviewed the rationale for the proposed change to Policy 2.

Vice President Bartel clarified the details of the proposed policies with Mr. Varner.

Vice President Bartel expressed appreciation for the information provided but suggested that such complex items be scheduled earlier on the agenda.

Responding to a question from Vice President Bartel, Mr. Varner said EWEB was looking to its borrowing capability to cover the safety margin, and did not propose an additional rate action to provide that additional margin of safety.

Mr. Spettel recommended that the phrase "under critical water planning criteria" be struck from Policy 2, so that the new Policy reads:

*"EWEB will manage its portfolio so that firm power supplies are within 25 megawatts of expected sales."*

Vice President Bartel, seconded by Commissioner Lanning, moved to approve Policy 3 as presented and Policy 2 as amended. The motion passed, 5:0.

## **PROPERTY ACQUISITION APPROVAL**

Property Manager Mark Oberle and Director of Facilities Tom Buckhouse joined the Board for the item. Mr. Oberle reminded the Board of its direction to staff in regard to the property: 1) to spread out the payments over time; 2) explore a fixed interest rate versus a variable interest rate; and 3) find out if the seller would agree to a prepayment clause without a penalty. He reported that staff had successfully carried out the Board's direction.

Mr. Oberle reviewed the provisions of the agreement between EWEB and the property owner.

Mr. Buckhouse indicated that there was insufficient funds for purchasing the property and staff would return to the Board with a budget amendment.

Vice President Bartel indicated satisfaction with the agreement.

Commissioner Smith asked where money for the purchase would come from. Mr. Origliosso reported that EWEB had budgeted for the down payment and the agreement spread those payments out.

Vice President Bartel, seconded by Commissioner Smith, moved to give Mr. Berggren authorization to sign the agreement.

Commissioner Lanning asked what the Board's role was in the closing. Mr. Oberle said that an affirmative vote would mean Mr. Berggren would sign the agreement and the needed studies would go forward. If all conditions were met, the Board would approve the actual purchase. Mr. Buckhouse reviewed the process.

Commissioner Bishop asked when the 60-day clock would start. Mr. Berggren said when the agreement was signed, probably at the end of the week.

The motion passed unanimously, 5:0.

#### **ITEMS REMOVED FROM THE CONSENT CALENDAR**

Because there was no Consent Calendar, this item was not addressed.

The meeting adjourned at 9:55 p.m.

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Assistant Secretary President