



**ELECTRIC UTILITY COMMISSION  
REGULAR MEETING MINUTES  
JANUARY 25, 2010**

**The Electric Utility Commission (EUC) convened in a regular meeting on January 25, 2010 in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.**

**1. CALL TO ORDER**

Chair Phillip Schmandt called the meeting to order at 6:00 p.m.

Commissioners in attendance: Chair Phillip Schmandt, Gary 'Bernie' Bernfeld, Shudde Fath, Steve Smaha, Steven Taylor, and Michael Webber. Vice Chair Linda Shaw was not present at the Call to Order, but arrived later.

Staff in attendance: Roger Duncan, Cheryl Mele, Kerry Overton, Elaine Hart, Andy Perny, Mark Dreyfus, Jeff Vice, Karl Rabago, Pat Sweeney, Ann Little, Drusilla Saenz, Jim Collins, John Wester, Noreen Gleason, Pat Alba, Mary Priddy, Ester Matthews, Sascha Petersen, Jamie Mitchell, Greg Troxell, Paul Martinez, Patricia Alofsin, Clyde Canady, Paul Martinez, Jawana 'J.J.' Gutierrez, David Kutach, Steve Machicek, Steve Saenz, Chris Smith, Rosemary Ledesma, Erika McCartney, Michael Osborne, Toye Goodson Collins.

**2. APPROVAL OF MINUTES**

The minutes for the regular meeting of December 13, 2009 were approved on Commissioner Fath's motion and Commissioner Smaha's second, on a 6-0 vote.

**3. CITIZEN COMMUNICATIONS**

Paul Robbins addressed the Commission regarding the review of the Competitive Matters Resolution. Chair Schmandt announced that others, who may not be present due to a meeting conflict, would be invited to address the Commission during discussion of that agenda item later in the meeting.

**4. NEW BUSINESS**

a. **Action on City Council agenda items related to Austin Energy** – The following Recommendations for Council Action (RCAs) were recommended for approval on consent, on Chair Schmandt's motion and Commissioner Fath's second, on a 6-0 vote:

RCA 1 – Acceptance of \$7,492,700 in ARRA grant funds from the DOE for Energy Conservation Measures to be implemented in City facilities.

RCA 2 – Ratification of the issuance of 18 letters of intent for rebates to ACERO CONSTRUCTION for the installation of solar energy systems at 2301 South 5<sup>th</sup> St., in the amount of \$203,796.

RCA 3 – Ratification of the issuance of a 31 letters of intent for rebates to FORTIS DEVELOPMENT for the installation of solar energy systems at 904 West Avenue, in the amount of \$365,108.

RCA 4 – Ratification of the issuance of 12 letters of intent for \$102,408 and issuance of six letters of intent for \$44,288 for rebates to PERRY EQUITY PARTNERS for the installation of solar energy systems at 127 Perry Road, for a total of \$146,696.

RCA 6 – Acquisition of a 2.96 acre permanent electric easement from Sun Communities Texas LP for construction of the 138 kV Gilleland to Techridge Transmission Line Project, in the amount of \$79,717.

RCA 7 – Acquisition of a 6.22 acre permanent electric easement from Sun Secured Financing Houston LP for construction of the 138 kV Gilleland to Techridge Transmission Line Project, in the amount of \$159,320.

RCA 9 – Authorize contract with HARVEY-CLEARY BUILDERS for a 2,500 ton chiller system at the Mueller Energy Center in the amount of \$3,610,498.

RCA 10 – Authorize 12-month agreement with VAUGHN MANUFACTURING CORP. for the purchase of digital water heater timers for \$206,240, with three 12-month extension options at \$205,000 per option, for a total of \$821,240.

RCA 11 – Authorize Amendment No. 3 to the contract with OPEN SYSTEMS INTERNATIONAL for Generation Management System (GMS) software, technical services, maintenance, support, and implementation by increasing the current year contract option by \$200,000 and the two remaining options at \$150,000 per option, and adding three additional 12-month options at \$150,000 per option, for a revised total contract amount of \$2,095,227.

RCA 12 – Authorize 12-month contract through State of Texas DIR with ORACLE USA for the Oracle Utilities Mobility Workforce Management Real Time Scheduler software and support services for \$300,000, with three 12-month options at \$55,000 per option, for a total of \$465,000.

RCA 13 – Authorize 12-month contract with COMPUTER SCIENCE CORPORATION for the purchase of software technology implementation services and training for \$1,800,000.

RCA 14 – Authorize 12-month contract with NORTH HOUSTON POLE LINE L.P. to provide wood pole inspection and treatment services for \$216,247, with two 12-month options at \$216,247 per option, for a total of \$648,741.

RCA 15 – Authorize contract with WATTHOUR ENGINEERING CO. for automated three-phase meter test systems for \$107,720.

RCA 16 – Authorize two 36-month contracts with PRINTMAILPRO and PRINT LOGICS for flat sheet printing services for a combined \$1,530,000 with three 12-month options at \$510,000 per option combined, for a total combined contract of \$3,060,000. (AE's annual share is expected to be \$25K.)

The following RCA was pulled from the Consent Agenda to be acted upon after a staff briefing:

RCA 5 – Approve a resolution authorizing the City Manager to establish and administer a residential solar rebate program and a performance-based solar incentive program for commercial and multi-family facilities.

The following RCA was pulled from the Consent Agenda, discussed and recommended on Chair Schmandt's motion and Commissioner Fath's second, on a 6-0 vote:

RCA 8 – Authorize a construction contract with VCC, LLC for a new Animal Services Center at 7201 Levander Loop for \$11,635,000 plus a \$450,000 contingency, for a total of \$12,085,000. (AE is providing \$190K for PV and solar hot water systems.)

## 5. STAFF BRIEFINGS AND REPORTS

- a. **Upcoming Procurements Report** by Rosemary Ledesma, Purchasing Manager. The Commission requested that staff include items greater than \$100,000 on future reports.
- b. **Deferred Payment Arrangement and Disconnection Report** by J. J. Gutierrez, Customer Care Vice President.
- c. **Financial Report** by Steve Machicek, Corporate Accounting Director.

- d. **Austin Climate Protection Program's On-Line Carbon Calculator** by Sascha Peterson, Climate Protection Program staff member. Commissioners requested a quarterly report on the topic.
- e. **City of Austin's Environmental Awareness Awards Program** by Mary Priddy, Climate Protection Program staff member.
- f. **Austin Energy's Solar Rebate and Incentives Program** by Karl Rabago, Distributed Energy Services Vice President.

The proposed resolution (RCA 5) authorizing the City Manager to establish and administer a residential solar rebate program and a performance-based solar incentive program for commercial and multi-family facilities was revised, as follows, and recommended on Chair Schmandt's motion and Commissioner Webber's second, on a 7-0 vote. (Vice Chair Shaw was present.) The following sentence was added to Section 2.c. of the resolution: "The rebate may be set higher for low-income residential properties." Commissioners requested that a staff update be provided in four months.

- g. **Presentation on the "Competitive Matters" Resolution No. 20051201-002** by Andy Perny, Assistant City Attorney.

Chair Schmandt called for speakers. Mike Sloan addressed the Commission.

The Commission will decide on a process by which those interested in suggesting changes to the resolution may participate. Chair Schmandt estimated the process could take three to four months.

## 6. OLD BUSINESS

### **Discussion and possible action regarding the General Fund transfer policy**

Elaine Hart, Chief Financial Officer, presented data, as requested.

The following resolution regarding the General Fund transfer policy was discussed and adopted on Chair Schmandt's motion and Commissioner Fath's second, on a 7-0 vote. The Commission requested that staff forward the resolution to City Council members and the City Manager.

#### **BE IT RESOLVED BY THE ELECTRIC UTILITY COMMISSION:**

That the Electric Utility Commission recommends that the City Council direct the City Manager to develop a plan for implementing a new formula for the calculation of the General Fund transfer for the fiscal year beginning October 1, 2010, which meets the following criteria:

1. Substitutes "non-fuel revenues" for "gross revenues" in the current General Fund transfer formula;
2. Is made revenue neutral to the maximum extent feasible by selecting the percentage of non-fuel revenues for the minimum and maximum General Fund transfer that will create the identical range of the minimum and maximum amounts of the General Fund transfer as was created under the current formula in the prior three (3) years; and
3. Will have no adverse impact on Austin Energy's bond rating.

Commissioners requested a staff briefing on how shared expenses among City departments are calculated.

7. **EXECUTIVE SESSION** – Public Power Utility Competitive Matters, Section 551.086;  
Discuss matters relating to Austin Energy generation resources.  
The motion to convene a closed session of the Electric Utility Commission in order to receive briefings on confidential matters of the utility by Austin Energy staff was approved on Commissioner Fath's motion and Commissioner Webber's second, on a 6-0 vote. Commissioner Smaha was off the dais.
8. **FUTURE AGENDA ITEMS**  
Commissioner Fath requested additional information on Austin Energy's hedging program. Commissioner Bernfeld requested a briefing on the PACE program.
9. **ADJOURNMENT**  
Chair Schmandt adjourned the regular meeting of the Electric Utility Commission without objection at 9:15 p.m.