



**ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved 6/21/10
MAY 17, 2010**

The Electric Utility Commission (EUC) convened in a regular meeting on May 17, 2010 in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. CALL TO ORDER

Vice Chair Linda Shaw called the meeting to order at 6:03 p.m.

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

Staff in attendance: Robert Goode, Cheryl Mele, Kerry Overton, Elaine Hart, Andy Perny, Mark Dreyfus, Karl Rabago, David Wood, Jawana J.J. Gutierrez, David Orr, Chris Smith, Jeff Vice, Jamie Mitchell, Pat Sweeney, Ann Little, Drusilla Saenz, Jim Collins, David Kutach, Kevin Nobles, Brenda Harnsberry, Mark Francis, Leslie Libby, Dustin McLemore, Cathy Foster, Pat Alba, Rosemary Ledesma, Shawn Harris, Toye Goodson Collins, Kevin Johns, Rodney Gonzales, Sylnovia Holt Rabb, and Rosy Jalifi.

2. APPROVAL OF MINUTES

The minutes for the regular meeting of April 19, 2010 were approved on Commissioner Fath’s motion and Commissioner Webber’s second, on a 5-0 vote.

3. CITIZEN COMMUNICATIONS: GENERAL

None

4. OLD BUSINESS – Presentation and discussion of Austin Energy’s initial responses to questions regarding the review of the Competitive Matters Resolution No. 20051201-002. Andy Perny, Assistant City Attorney, presented staff responses which were included in the agenda backup.

Chris Searles, Mike Sloan, and Roger Wood offered comments and suggestions regarding the review process.

5. NEW BUSINESS

- a. Discussion and possible action on City Council agenda items related to Austin Energy – The following Recommendations for Council Action (RCAs) were recommended for approval on consent, on Commissioner Fath’s motion and Commissioner Webber’s second, on a 5-0 vote:

RCA 2 – Interlocal agreement with the City of San Antonio to implement the ARRA-funded Retrofit Ramp-Up Program; related to RCA 1.

RCA 3 – Ordinance amending City Code Chapter 15-9 relating to utility customers on life support and utility disconnection moratoriums during extreme weather conditions.

RCA 4 – Contract with Hill Country Concrete & Masonry Supply for construction of the Wheless Lane Substation wall, \$145,000.

RCA 8 – Contract with SAP Canada for software maintenance and support, \$115,500.

Linnae Nasman, representing the Multiple Sclerosis Society, spoke in support of RCA 3, the proposed changes to policies protecting vulnerable customers.

The following RCAs were pulled from the Consent Agenda, discussed and recommended for approval on Commissioner Webber's motion and Commissioner Bernfeld's second, on a 5-0 vote:

RCA 1 – Ordinance accepting \$10 million in ARRA grant funding from the DOE for a Retrofit Ramp-Up Program and the addition of eight employees to administer the program; related to RCA 2.

RCA 5 – Contract with Texas Crane Services for the rental and operation of hydraulic and lattice boom cranes, \$467,660.

RCA 6 – Contract with Texas Engineering Extension Service for development of a National Incident Management Systems (NIMS) Incident Command System (ICS) training course, \$53,178.

RCA 7 – Seven-year contract with Oracle USA for Customer Care and Billing software maintenance and support, \$5,644,772.

RCA 9 – Contract through Texas Local Government Purchasing Cooperative (Buyboard) for 16 medium-duty vehicles. Commissioners requested that staff ensure local car dealers have the opportunity to bid on future fleet purchases.

Commissioner Taylor arrived.

- b. Discussion and possible action regarding a service contract for consulting services for performing an independent financial analysis and affordability benchmarking of the total cost of delivered energy and customer billing analysis. Mark Dreyfus, Regulatory and Government Affairs Director, informed the Commission of Austin Energy's intent to hire a consultant to perform such services, as directed by the City Manager in an April 5 memo. The vendor had not been chosen, therefore the RCA was not ready for review by the Commission. He explained that, due to time constraints, it was necessary for City Council to consider the item at their June 10 meeting. Information regarding the contract would be provided to the Commission as it became available.
- c. Discussion regarding the FY 2011-2015 Financial Forecast – Elaine Hart, Chief Financial Officer, presented Austin Energy's five-year forecast. Commissioners requested additional information regarding adding upcoming transmission costs as a per-kilowatt hour charge on utility bills.
- d. Discussion regarding the FY 2010-2011 Austin Energy budget including potential reduction strategies – Elaine Hart presented cost saving options brought forward by staff during the current budget process and requested input from the Commission. Members discussed reformulation of the General Fund transfer, transmission costs, and the Pecan Street Project. Robert Goode, Interim General Manager, explained that their concerns regarding the General Fund transfer would be addressed as part of the second phase of the financial analysis to occur later in the year.

6. STAFF REPORTS AND BRIEFINGS

- a. The Upcoming Procurements Report was presented by Rosemary Ledesma, Purchasing Manager.
- b. The Financial Report was presented by Cathy Foster, Accounting Manager-Utility.

- c. An update on the Solar Rebate and Incentives Program was presented by Karl Rabago, Distributed Energy Services Vice President.

7. FUTURE AGENDA ITEMS

Vice Chair Shaw listed several upcoming topics including the continuing review of the Competitive Matters Resolution, presentations of the revised annual report of system information, the Energy Conservation & Audit Disclosure Ordinance, and meeting M/WBE goals. In addition, staff will include additional budget discussions on the June and July agendas. Commissioner Taylor inquired about an update on the solar and biomass projects. Staff will distribute the update before the end of the month.

8. ADJOURNMENT

Vice Chair Shaw adjourned the regular meeting of the Electric Utility Commission at 9:13 p.m. without objection.