



**ELECTRIC UTILITY COMMISSION  
REGULAR MEETING MINUTES – Approved Sept. 20, 2010  
AUGUST 16, 2010**

**The Electric Utility Commission (EUC) convened in a regular meeting on August 16, 2010 in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.**

**CALL TO ORDER**

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

Commissioners in attendance: Phillip Schmandt, Chair; Linda Shaw, Vice Chair; Gary 'Bernie' Bernfeld, Shudde Fath, Stephen Smaha and Michael E. Webber. Steve Taylor 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, Jim Collins, Ann Little, Pat Alba, Jeff Vice, Fred Yebra, Rosemary Ledesma, Chris Smith, Christopher Frye, Patricia Alofsin, Andrew Gallo, Jamie Mitchell, Adrienne Brandt, Steve Machicek, David Kutach, Elaine Kelly-Diaz, Kevin Johns, Rodney Gonzales, Sylnovia Holt Rabb and Toye Goodson Collins.

**APPROVAL OF MINUTES**

1. Approve minutes of the July 19, 2010 regular meeting. **Motion to approve minutes, with two additions, by Commissioner Fath, seconded by Vice Chair Shaw, passed on a vote of 6-0.** The following sentences were added to Agenda Item 4. Public Hearing: "Chair Schmandt requested that staff provide monthly reports, updated drafts of the resolution and other related documents, and responses regarding the 113-point request submitted by Mr. Wood. All agreed to a three-month goal in which to produce these results. Austin Energy staff will continue to meet with stakeholders and provide monthly updates to the Commission." The following sentences were added to Agenda Item 6.d. Staff Reports, an update on the Energy Conservation and Audit Disclosure Ordinance: "Chair Schmandt requested that the ECAD form provided to homeowners be revised to include a statement estimating how much the specified energy conservation improvements, if installed, would save in annual energy bills if the home were an average single family home in Austin (or a similar metric that allows a homeowner to compare the potential dollar savings that can be earned from installing the improvements and the cost of installing the improvements). Chair Schmandt asked whether a new plan would be adopted to accelerate audits of commercial residencies in light of the fact that almost no commercial properties have completed the audit during the first year of the 2-year window in which all commercial properties are to have an energy audit and was informed no new plan would be adopted at this time."

**CITIZEN COMMUNICATIONS: GENERAL**

The following persons addressed the Commission on matters pertaining to the review of the Competitive Matters Resolution: Paul Robbins, Chris Searles and Roger Wood. Cyrus Reed urged the Commission to fully fund energy efficiency programs in the proposed budget.

**NEW BUSINESS**

2. Recommend authorization to award and execute a 36-month requirements supply contract with POWER SUPPLY INC., Austin, TX, for the purchase of distribution capacitors for Austin Energy in an estimated amount not to exceed \$174,636, with three 12-month extension options in an estimated amount not to exceed \$58,212 per extension option, for a total estimated contract amount not to exceed \$349,272. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.**

3. Recommend authorization to award and execute a 24-month requirements supply contract with TECHLINE, INC., Austin, TX, for precast concrete manholes in an estimated amount not to exceed \$392,636, with three 12-month extension options in an estimated amount not to exceed \$196,318 per extension option, for a total estimated contract amount not to exceed \$981,590. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
4. Recommend authorization to award and execute Amendment No. 2 to a contract with GE PACKAGED POWER INC., Houston, TX, for additional control software and technical services to complete the installation of two LM-6000 combustion turbine generators at Austin Energy's Sand Hill Energy Center in an estimated amount not to exceed \$154,257, for a revised total estimated contract amount not to exceed \$34,744,257. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.**
5. Recommend authorization to award and execute two 12-month requirements service contracts for the collection and disposal of industrial non-hazardous and hazardous waste with VEOLIA ES TECHNICAL SOLUTIONS, LLC, Phoenix, AZ, in an estimated amount not to exceed \$146,905, with three 12-month extension options, in an amount of \$146,905 per extension option and CLEAN HARBORS ENVIRONMENTAL SERVICES, San Antonio, TX, in an estimated amount not to exceed \$48,845, with three 12-month extension options in an estimated amount not to exceed \$48,845 per extension option, for total estimated contract amounts not to exceed \$587,620 and \$195,380, respectively. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.**
6. Recommend authorization to award and execute a 12-month requirements service contract with CREATIVE CONSUMER RESEARCH, INC., Stafford, TX, for marketing research service studies in an estimated amount not to exceed \$300,000, with four 12-month extension options in an estimated amount not to exceed \$300,000 per extension option, for a total estimated contract amount not to exceed, \$1,500,000. **Motion to deny approval by Commissioner Smaha, seconded by Commissioner Webber, passed on vote of 5-1 with Commissioner Fath voting no.** Commissioners questioned why so few companies submitted proposals.
7. Recommend authorization to award, negotiate, and execute two 48-month requirements service contracts for a utility rate study to determine the cost of service for Austin Energy with R.W. BECK, INC., Austin, TX, in an estimated amount not to exceed \$2,000,000 and J. STOWE & CO., LLC, Austin, TX, in an estimated amount not to exceed \$1,000,000, for a total estimated combined contract amount not to exceed of \$3,000,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**

## OLD BUSINESS

8. Discussion regarding the revision of the Competitive Matters Resolution No. 20051201-002. Andy Perny, Assistant City Attorney, provided a progress report on activities and documents associated with the resolution including the annual performance report and other exhibits, a web site, identifying a staff person to respond to requests, and addressing the 113-item list presented by Roger Wood. Austin Energy staff plans to present drafts of the resolution and exhibits at next month's meeting in keeping with the three-month timeline agreed to in July. Commissioner Smaha asked whether the Commission could be given authority to rule on what constitutes competitive information. Mr. Perny said that was unlikely because the Electric Utility Commission is an advisory board. The Chair invited comments from members of the public present at the meeting. Chris Searles, representing the Transparency Working Group members, distributed a handout that

included notes and suggestions resulting from group meetings and a model for a web site to be hosted by Austin Energy.

9. Discussion and Possible Action regarding Austin Energy's Fiscal Year 2011 Proposed Budget – Elaine Hart, Chief Financial Officer, presented an update on the proposed budget. After questions and discussion, Chair Schmandt presented a resolution that, in summary, recommended that Austin Energy's FY 2011 budget not be approved by City Council unless the \$9.8 million allocated for the Economic Growth and Redevelopment Office (EGRSO) be instead allocated as follows: \$3.2 million to the Customer Assistance Program (CAP); \$3.2 million to energy conservation programs; and \$3.4 million to reducing Austin Energy's deficit. The resolution also recommended reallocating the \$300,000 designated for the CAP to EGRSO and replacing the voluntary contribution program for CAP with a voluntary contribution program for EGRSO on utility bills. Commissioner Webber offered the following addition to the resolution: "Whereas, the mission of EGRSO is worthwhile and important, so much so that the City should pay for it directly." **Motion to approve the resolution by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.**

Chair Schmandt presented a second resolution calling for the appointment of a Public Budget Ombudsman to assist the Commission with oversight regarding the development of Austin Energy's budget. **Motion to approve the resolution by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 4-1-1, with Vice Chair Shaw voting no and Commissioner Bernfeld abstaining.**

#### **STAFF REPORTS AND BRIEFINGS**

10. Monthly Financial Report – presented by Steve Machicek, Corporate Accounting Director.
11. Monthly Deferred Payment Arrangements and Disconnections Report – presented by J.J. Gutierrez, Customer Care Vice President.
12. ARRA-funded Weatherization Program Update – presented by Karl Rabago, Distributed Energy Services Vice President.
13. Reliability Compliance Report – presented by Andrew Gallo, Reliability Compliance Director.
14. **FUTURE AGENDA ITEMS AND REQUESTED BRIEFINGS ON UPCOMING PROCUREMENTS** – Commissioners requested that the Imagine Austin briefing be presented in November.
15. **APPROVAL OF REVISED BYLAWS** – This revision resulted from an amendment made by Council to the ordinance governing Boards and Commissions which lengthened the term for officers from two consecutive one-year terms to three consecutive one-year terms. **Motion to approve by Commissioner Fath, seconded by Commissioner Smaha, passed on a vote of 6-0.**
16. **ELECTION OF OFFICERS** – **Motion to re-elect Phillip Schmandt as Chair by Commissioner Shaw, seconded by Commissioner Shaha, passed on a vote of 6-0. Motion to re-elect Linda Shaw as Vice Chair by Commissioner Bernfeld, seconded by Chair Schmandt, passed on a vote of 6-0.**
17. **ADJOURN** – Chair Schmandt adjourned the regular meeting of the Electric Utility Commission at 9:59 p.m. without objection.