



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved 12/13/2010
NOVEMBER 15, 2010

The Electric Utility Commission (EUC) convened in a regular meeting on November 15, 2010 in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. **CALL TO ORDER** – Phillip Schmandt, Chair, called the meeting to order at 6:00 p.m.
Commissioners in attendance: Phillip Schmandt, Chair; Gary ‘Bernie’ Bernfeld, Shudde Fath, and Stephen Smaha. Linda Shaw, Vice Chair, and Steve Taylor were not present at the Call to Order, but arrived shortly afterwards. Michael E. Webber was absent.
Staff in attendance: Larry Weis, Cheryl Mele, Kerry Overton, Elaine Hart, Andy Perny, Mark Dreyfus, David Wood, Jawana J.J. Gutierrez, Pat Alba, Alan Claypool, Jackie Sargent, Ann Little, Fred Yebra, Jeff Vice, Rosemary Ledesma, Pat Sweeney, Christopher Frye, Patricia Alofsin, Jamie Mitchell, David Kutach, Drusilla Saenz, Adrienne Brandt, Chris Smith, and Toye Goodson Collins.
2. **APPROVAL OF MINUTES** - Approve minutes of the October 18, 2010 regular meeting.
Motion to approve minutes by Commissioner Fath, seconded by Commissioner Smaha, passed on a vote of 4-0.
3. **CITIZEN COMMUNICATIONS** – Chris Searles, a member of the Transparency Working Group, spoke regarding the ongoing review of the Competitive Matters Resolution.

NEW BUSINESS

4. Recommend authorization to award and execute a 24-month requirements service contract with UTILITY SERVICES & CONSULTING CORP., Sarver, PA, for underground utility locating services in an estimated amount not to exceed \$713,500, with three 12-month extension options in an estimated amount not to exceed \$356,750 per extension option, for a total estimated contract amount not to exceed \$1,783,750. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Fath, passed on a vote of 6-0.**
5. Recommend authorization to award and execute a 24-month requirements supply contract with TECHLINE, INC., Austin, TX, for the purchase of decorative street lights in an estimated amount not to exceed \$1,274,892, with three 12-month extension options in an estimated amount not to exceed \$637,446 per extension option, for a total estimated contract amount not to exceed \$3,187,230. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
6. Chair Schmandt read the following corrections to Item 6: Recommend authorization to award, negotiate and execute a 24-month requirements service contract with PIKE ELECTRIC, INC., Mount Airy, NC, or one of the other qualified offerors to RFP No. TVN0013 for Transmission and Distribution electrical services in an estimated amount not to exceed ~~\$8,277,989~~ 10,000,000 with three 12-month extension options in an estimated amount not to exceed ~~\$8,000,000~~ \$8,000,000 per extension option, for an estimated total contract amount not to exceed ~~\$32,277,989~~ 34,000,000. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Fath, passed on a vote of 6-0.**
7. Recommend authorization to award and execute Amendment No. 3 to a requirements supply contract with KBS ELECTRICAL DISTRIBUTORS, INC., Austin, TX, for surge arresters to increase the current contract period in an estimated amount not to exceed \$99,387, and to increase each of the three 12-month extension options in an estimated amount not to exceed

\$49,694, for a revised total estimated contract amount not to exceed \$499,247. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**

8. Recommend authorization to award and execute a 12-month requirements supply contract with RSI GLOBAL, INC., Harvey, LA, for the purchase of auxiliary parts for switchgear and relay panels in an estimated amount not to exceed \$152,537, with four 12-month extension options in an estimated amount not to exceed \$152,537 per extension option, for a total estimated contract amount not to exceed \$762,685. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
9. Recommend authorization to award and execute seven 12-month requirements supply contracts for the purchase of meters, meter sockets, current transformers, and metering equipment with KBS ELECTRICAL DIST., INC., Austin, TX, in an estimated amount not to exceed \$1,950,988, with four 12-month extension options in an estimated amount not to exceed \$1,950,988 per extension option, for a total estimated contract amount not to exceed \$9,754,939; POWER SUPPLY, INC., Austin, TX, in an estimated amount not to exceed \$1,739,017, with four 12-month extension options in an estimated amount not to exceed \$1,739,017 per extension option, for a total estimated contract amount not to exceed \$8,695,085; TEXAS METER & DEVICE, Waco, TX, in an estimated amount not to exceed \$1,601,758 with four 12-month extension options in an estimated amount not to exceed \$1,601,758 per extension option, for a total estimated contract amount not to exceed \$8,008,790; PRIESTER-MELL & NICHOLSON, INC., Austin, TX, in an estimated amount not to exceed \$813,210, with four 12-month extension options in an estimated amount not to exceed \$813,210 per extension option, for a total estimated contract amount not to exceed \$4,066,050; TEXAS ELECTRIC COOPERATIVES, Georgetown, TX, in an estimated amount not to exceed \$91,868 with four 12-month extension options in an estimated amount not to exceed \$91,868 per extension option, for a total estimated contract amount not to exceed \$459,340; STUART C. IRBY CO., Austin, TX, in an estimated amount not to exceed \$36,050 with four 12-month extension options in an estimated amount not to exceed \$36,050 per extension option, for a total estimated contract amount not to exceed \$180,250; and with TECHLINE, INC., Austin, TX, in an estimated amount not to exceed \$25,250, with four 12-month extension options in an estimated amount not to exceed \$25,250 per extension option, for a total estimated amount not to exceed \$126,250. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Fath, passed on a vote of 6-0.**
10. Recommend approval of a resolution authorizing the filing of eminent domain proceedings for the acquisition of two 200-foot wide electric easements being 1.055 acres each for a total of 2.110 acres and the construction of a combination transmission/distribution substation on a 20.67 ac tract out of the James Gilleland Survey Number 13, Abstract Number 12, Travis County, Texas, in the amount of \$541,656.00. The owners of the needed property interest are Fannie Ruth Salyer, Don Allen Salyer, and Sylvia Gay Meyer. Gravel rights interests are held by Ella Louise Lind, Ralph Daily Glass, James Robert Glass, Mary Francis Wisian, Joe Jaime, and James Parker and will be included in the eminent domain proceedings. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 5-0-1 with Vice-Chair Shaw abstaining.**
11. Recommend authorization to negotiate and execute a professional services agreement with STANLEY CONSULTANTS, INC., Austin, TX, or one of the other qualified responders to RFQ Solicitation No. CLMP063, to provide professional engineering services for Electric

Service Delivery with one firm for an estimated total amount of \$1,000,000 per year for a period of three years, or until available funding authorization is expended, with an amount not to exceed \$3,000,000. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**

12. Recommend authorization to execute a construction contract with Prism Development, Inc, Austin, TX, for the installation of a 12-foot tall masonry wall around the perimeter of Austin Energy's Kingsbury Substation in an amount not to exceed \$316,015. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
13. Recommend authorization to award, negotiate and execute a requirements service contract with PRIMATE TECHNOLOGIES, INC, Melbourne, FL, or the other qualified offeror to RFP No. AAA0030, for the purchase of software licenses, implementation and production environment hardware in an amount not to exceed \$520,850, with five 12-month extension options for maintenance and support services in an estimated amount not to exceed \$42,750 per extension option, for a total contract amount not to exceed \$734,600. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
14. Recommend authorization to award, negotiate and execute a requirements service contract with GEOSPATIAL INNOVATIONS, INC, Austin, TX, for the purchase of software implementation services in an amount not to exceed \$1,061,835. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
15. Recommend authorization to award and execute a 9-month requirements service contract through the Texas Local Government Purchasing Cooperative (BuyBoard) with RICOH AMERICAS CORPORATION, Austin, Texas for the lease of multi-function business machines and managed services in an estimated amount not to exceed \$374,999 with four 12-month extension options in an estimated amount not to exceed \$500,000 per extension option, for a total contract amount not to exceed \$2,374,997. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Fath, passed on a vote of 6-0.**
16. Recommend authorization to award, negotiate and execute a 12-month requirements service contract with SIMPLEX GRINNELL LP, Round Rock, TX, or one of the other qualified offerors to RFP No. SMH0112, for inspection, testing, maintenance and repair service for fire suppression and alarm systems for Austin Energy 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 approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
17. Recommend authorization to award and execute a contract with DRAKE CONTROLS, LLC Houston, TX, or the other qualified bidder for IFB-BV No. DKC0055 for the overhaul of five gas control valves and actuators for a gas turbine at the Sand Hill Energy Center in an amount not to exceed \$111,600. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
18. Recommend authorization to award, negotiate and execute a contract with DONALDSON COMPANY, INC., Minneapolis, MN, for the purchase of intake air filters for combustion turbine in an amount not to exceed \$54,847.24. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**

19. Recommend authorization to award and execute a 36-month requirements service contract with ATMOS PIPELINE AND STORAGE, LLC, Dallas, TX, for natural gas transportation services for Austin Energy in an estimated amount not to exceed \$4,000,000. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Fath, passed on a vote of 6-0.**
20. Recommend approval of the ratification of a contract with INTEGRATED POWER SERVICES LLC, La Porte, TX for the repair of a draft fan motor at Decker Creek Power Station in an amount not to exceed \$193,878. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
21. Recommend approval of the ratification of a contract with INVENSYS SYSTEMS INC., Houston, TX for the purchase of a control system upgrade in an amount not to exceed \$1,194,649. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
22. Recommend authorization to award and execute a 12-month revenue contract with MIDSTATE ENVIRONMENTAL SERVICES, LP, Corpus Christi, TX, for the sale of used oil in an estimated amount of \$34,950 with four 12-month extension options in an estimated amount of \$34,950 per option, for an estimated total contract amount of \$174,750. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
23. Recommend authorization to award and execute a 12-month requirements service contract with HUTHER & ASSOCIATES, INC., Denton, TX, for toxicity testing of wastewater treatment plant and power plant effluents in an estimated amount not to exceed \$29,000, with three 12-month extension options in an estimated amount not to exceed \$29,000 per extension option, for a total estimated contract amount not to exceed \$116,000. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
24. Recommend authorization to award, negotiate and execute a 12-month requirements service contract with ES&H OF TEXAS, Pasadena, TX, or the other qualified offeror to RFP No. DKC0018 to provide remediation of oil spills in navigable waterways in an estimated amount not to exceed \$219,359, with four 12-month extension options in an estimated amount not to exceed \$219,359 per extension option, for a total estimated contract amount not to exceed \$1,097,695. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
25. Recommend authorization to award, negotiate and execute a 24-month requirements service contract with GRUENE ENVIRONMENTAL CONSTRUCTION, LLC, New Braunfels, TX, or one of the other qualified offerors to RFP No. DKC0019 to provide remediation of hazardous spills in an estimated amount not to exceed \$580,646, with three 12-month extension options in an estimated amount not to exceed \$290,323 per extension option, for a total estimated contract amount not to exceed \$1,451,615. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
26. Recommend authorization to award and execute a 15-month requirements supply contract through The Cooperative Procurement Network (TCPN) with OFFICEMAX, INC., Naperville, Illinois for purchasing of office supplies in an estimated amount not to exceed \$3,250,000, with three 12-month extension options in an estimated amount not to exceed \$2,600,000 per extension option, for a total estimated contract amount not to exceed

\$11,050,000. (AE's portion is estimated to be \$305,000 per year.) **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Fath, passed on a vote of 6-0.**

27. Recommend authorization to award and execute a 36-month requirements supply contract with ALLIED WASTE SERVICES OF AUSTIN, Del Valle, TX, or one of the other qualified bidders for IFB-BV No. SDC0158, for refuse and recycling collection services for city departments in an estimated amount not to exceed \$3,022,770, with three 12-month extension options in an estimated amount not to exceed \$1,007,590 for each extension option, for a total estimated contract amount not to exceed \$6,045,540. (AE's portion is estimated to be \$100,000 a year.) **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
28. Recommend authorization to award and execute a four-month requirements supply contract through The Cooperative Purchasing Network (TCPN) with GRAINGER, INC., Austin, TX, to purchase industrial supplies and equipment in an estimated amount not to exceed \$750,000, with four 12-month extension options in an estimated amount not exceed \$ 2,250,000 for each extension option, for a total estimated contract amount not to exceed \$9,750,000. (AE's portion is estimated to be \$135,000 a year.) **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
29. Recommend authorization to negotiate and execute an electric service franchise agreement for the use of rights-of-way with each municipality within the Austin Energy service territory for a payment amount not to exceed three percent of gross electric revenues from customers within the municipality and for a term not to exceed ten years. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**

OLD BUSINESS

30. Update regarding Austin Energy's rate review process and the development of an affordability forecast related to Austin Energy's Resource, Generation, and Climate Protection Plan, and possible action regarding the affordability forecast – Presentation by Larry Weis, General Manager, with suggestions and discussion by Commission members. **Motion to approve by Commissioner Smaha, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
31. Update on the stakeholder process to develop proposed revisions to the City Council's resolution on Austin Energy's competitive matters – Presentation by Andy Perny, Assistant City Attorney. Chair Schmandt invited speakers to comment on this subject. Roger Wood, Mike Sloan, Paul Robbins, and Andy Wilson addressed the Commission.
32. Update and possible action concerning a possible energy efficiency cost recovery rider – Presentation by Fred Yebra, Director, Demand Side Management. Commissioners requested additional data for consideration at an upcoming meeting.

FUTURE AGENDA ITEMS

33. Request agenda items including briefings related to the Upcoming Procurements Report – Commissioner Bernfeld requested information regarding the payments process for vendors. Commissioners requested a briefing on the Nodal Market.

ADJOURNMENT - Chair Schmandt adjourned the meeting at 8:25 p.m. without objection.