



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved 1/24/2011
DECEMBER 13, 2010

The Electric Utility Commission (EUC) convened in a regular meeting on December 13, 2010 in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. **CALL TO ORDER** – Linda Shaw, Vice Chair, called the meeting to order at 6:03 p.m. Commissioners in attendance: Linda Shaw, Vice Chair; Gary ‘Bernie’ Bernfeld, Shudde Fath, Stephen Smaha, Steve Taylor, and Michael E. Webber. Phillip Schmandt, Chair, was absent. Staff in attendance: Larry Weis, Cheryl Mele, Kerry Overton, Elaine Hart, Andy Perny, Mark Dreyfus, David Wood, Karl Rabago, Jawana J.J. Gutierrez, Pat Alba, Jackie Sargent, Ann Little, Fred Yebra, Jeff Vice, Rosemary Ledesma, Todd Shaw, Pat Sweeney, Patricia Alofsin, Jamie Mitchell, David Kutach, Drusilla Saenz, Adrienne Brandt, Chris Smith, Jill Maness, Laura Tyler, Darlene Berghammer, and Toye Goodson Collins of Austin Energy; and Paul DiGiuseppe of the Planning and Development Review Department.
2. **APPROVAL OF MINUTES** - Approve minutes of the November 15, 2010 regular meeting. **Motion to approve minutes by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
3. **CITIZEN COMMUNICATIONS** – Marcos DeLeon, Paul Hernandez, and Gavino Fernandez, representing the Holly neighborhood, and Mike Holder, representing TRC, spoke in favor of Item 6, the construction contract for the Holly Street Power Plant Decommissioning Project.

NEW BUSINESS

4. Approve an ordinance authorizing acceptance of \$86,774 in American Recovery and Reinvestment Act grant funds from the U.S. Department of Energy through the Texas Department of Housing and Community Affairs as the administering agency, and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20100913-002 to appropriate \$86,774 for weatherization of homes for low-income, elderly, and disabled customers within Austin Energy’s service area. **Motion to approve on consent by Commissioner Fath, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
5. Approve an ordinance amending the Fiscal Year 2010-2011 Austin Energy Capital Budget of Ordinance No. 20100913-003 to increase appropriations by \$17,000,000 for the Holly Street Power Plant decommissioning costs and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget of Ordinance No. 20100913-002 to increase the Non-Fuel Operations and Maintenance by \$12,000,000 for the Holly Street Power Plant decommissioning account and decrease the Austin Energy Operating Fund ending balance by \$12,000,000. **Motion to approve by Commissioner Smaha, seconded by Commissioner Taylor, passed on a vote of 4-0-2, with Commissioners Smaha and Taylor abstaining. Motion: “I move to accept Items 5 and 6 with information to be passed to the Council that we have concerns about the large price differentiation between the first and second bids, given the very small point score difference between the first and second bids and the price difference, by our analysis, was about \$6.1 million, about 25% of the project cost.”**
6. Authorize negotiations and execution of a contract with the top-ranked firm, TRC Environmental Corporation, Austin, TX, for the Holly Street Power Plant Decommissioning

Project for \$24,905,361, plus \$1,245,268 contingency for a total not-to-exceed amount of \$26,150,629. **Motion to approve by Commissioner Smaha, seconded by Commissioner Taylor, passed on a vote of 4-0-2, with Commissioners Smaha and Taylor abstaining. Motion: “I move to accept Items 5 and 6 with information to be passed to the Council that we have concerns about the large price differentiation between the first and second bids, given the very small point score difference between the first and second bids and the price difference, by our analysis, was about \$6.1 million, about 25% of the project cost.”**

7. Authorize award and execution of a 24-month requirements service contract with TECHLINE, INC., Austin, TX, for network protector rebuild services for Austin Energy in an estimated amount not to exceed \$1,893,304, with two 12-month extension options in an estimated amount not to exceed \$946,652 per extension option, for a total estimated contract amount not to exceed \$3,786,608. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Fath, passed on a vote of 6-0.**
8. Authorize award and execution of a 24-month requirements supply contract with TECHLINE, INC., Austin, TX, for the purchase of network protectors for Austin Energy in an estimated amount not to exceed \$1,658,020, with two 12-month extension options in an estimated amount not to exceed \$829,010 per extension option, for a total estimated contract amount not to exceed \$3,316,040. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Fath, passed on a vote of 6-0.**
9. Authorize award and execution of a 12-month requirements supply contract with NATIVE TEXAS NURSERY, INC., Austin, TX, for the purchase of potted trees and plants for mitigation services in an estimated amount not to exceed \$52,925, with four 12-month extension options in an estimated amount not to exceed \$52,925 per extension option, for a total estimated contract amount not to exceed \$264,625. **Motion to approve on consent by Commissioner Fath, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
10. Authorize award, negotiation and execution of Amendment No. 4 to a contract with ECOLOGIC ANALYTICS, LLC., Bloomington, MN, for a software upgrade, implementation, support, and system enhancing services for the existing meter data management system for Austin Energy and increase the contract in an amount not to exceed \$200,000, and to increase the remaining three 12-month extension options in an amount not to exceed \$75,000 per option, for a revised total contract amount not to exceed \$2,180,343. **Motion to approve on consent by Commissioner Fath, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
11. Authorize award, negotiation, and execution of a contract with CULLIGAN OF AUSTIN, Austin, TX, or the other qualified offeror to RFP No. SMH0110REBID, for the purchase and installation of an upgraded demineralizer system at the Decker Creek Power Station in an estimated amount not to exceed \$2,094,750. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Fath, passed on a vote of 6-0.**
12. Authorize award, negotiation and execution of a 60-month requirements service contract with ATLAS COPCO COMPRESSORS LLC, Houston TX, for a preventive maintenance plan and repair services for Atlas Copco air compressors at Sand Hill Energy Center in an estimated contract amount not to exceed \$250,000. **Motion to approve on consent by Commissioner Fath, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**

13. Authorize award and execution of a 22-month requirements supply contract through the TEXAS MULTIPLE AWARD SCHEDULE (TXMAS) cooperative purchasing program with MSC INDUSTRIAL SUPPLY CO., Melville, NY, to purchase industrial supplies and equipment in an estimated amount not to exceed \$2,062,500. (AE's share is \$123,750 for 22 months.) **Motion to approve on consent by Commissioner Fath, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
14. Authorize award and execution of a three-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 \$421,875, with four 12-month extension options in an estimated amount not exceed \$1,687,500 for each extension option, for a total estimated contract amount not to exceed \$7,171,875. (AE's share is \$101,250/year.) **Motion to approve on consent by Commissioner Fath, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**

OLD BUSINESS

15. Discussion and possible action on the revision of the Competitive Matters Resolution – Vice Chair Shaw invited speakers to comment on this subject. Carol Biedrzycki, Chris Searles, and Paul Robbins offered suggestions for corrections and further refinement to the resolution. **Motion to approve the proposed resolution with changes by Commissioner Bernfeld, seconded by Commissioner Webber, passed on a vote of 6-0. The changes include: a) incorporation of Ms. Biedrzycki's clerical corrections, b) in Section 6. Sunset Review, change from a one-year to a two-year expiration; c) in Section 7.v. the timeframe for making information available to the public for review prior to action by the Commission or Council should conform to City and State standards; and d) in Exhibit A: Competitive Matters, removal of the paragraph below Section 3.g. concerning residential customer information.** The Commission requested that further discussion of a 96-hour posting rule and of customer/privacy information occur as soon as possible.
16. Discussion and possible action on a possible Energy Efficiency Cost Recovery Rider – Commissioners discussed postponing action until the Chair's return next month. Staff discussed concerns regarding the Customer Information System, the current billing system. Commissioners requested the item be brought back for consideration at the next meeting.

STAFF REPORTS AND BRIEFINGS

17. Imagine Austin Comprehensive Plan – Presentation by Paul DiGiuseppe of the Planning and Development Review Department.
18. Update on Austin Energy's Rate Review Process – Presentation by Larry Weis, General Manager.
19. **FUTURE AGENDA ITEMS** – Commissioner Smaha requested a report on Austin Energy's Power Factor policy. Commissioner Fath requested a breakdown of payments to the City not included in the General Fund transfer; "shared expenses" and allocations by department. In regards to the earlier discussion on the Competitive Matters Resolution, Commissioner Taylor requested that discussion of a possible 96-hour posting rule and customer/privacy issues continue in January.

20. ADJOURNMENT