



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – *Approved March 21, 2011*
FEBRUARY 28, 2011

The Electric Utility Commission (EUC) convened in a regular meeting 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; Linda Shaw, Vice Chair; Shudde Fath, Stephen Smaha, Steve Taylor, and Dr. Michael E. Webber. Gary ‘Bernie’ Bernfeld was absent.

Staff in attendance: Cheryl Mele, Elaine Hart, Jackie Sargent, David Wood, Andy Perny, J.J. Gutierrez, Karl Rabago, Mark Dreyfus, Ron Humphrey, Christopher Frye, Sonny Poole, Fred Yebra, Pat Alba, Vince McGlone, Shawn Harris, Alicia Loving, David Kutach, Adrienne Brandt, Chris Smith, Pat Sweeney, Laura Tyler, Scott Jarman, Drusilla Saenz, Rosemary Ledesma, Patricia Alofsin, Alan Claypool, Ann Little, Matt Russell, and Toye Goodson Collins.

2. **APPROVAL OF MINUTES** - Approve minutes of the January 24, 2010 regular meeting.
Motion to approve minutes by Commissioner Taylor, seconded by Commissioner Fath, passed on a vote of 6-0.
3. **CITIZEN COMMUNICATIONS** – Roger Wood and John Sutton expressed concern regarding Item 8, the Energy Efficiency Cost Recovery Charge.

NEW BUSINESS

4. Recommend authorization to execute a construction contract with RS ELLIS, INC. dba SOUTHWEST CORPORATION, Austin, TX for a Control House to serve the future Mueller Substation in an amount not to exceed \$123,323. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
5. Recommend authorization to execute a construction contract with PRISM DEVELOPMENT, INC., Austin, TX, for the installation of a masonry wall, 12 feet in height and 1,940 feet in length, around the perimeter of Austin Energy’s Kingsbery Substation in an amount not to exceed \$316,015. **Motion to approve by Commissioner Smaha, seconded by Commissioner Fath, passed on a vote of 6-0.**
6. Recommend authorization to award and execute Amendment No. 15 to a requirements service contract with PIKE ELECTRIC INC, Mount Airy, NC to increase the contract for transmission and distribution electrical services for Austin Energy in an estimated amount not to exceed \$1,250,000, for a revised estimated contract amount not to exceed \$36,127,592.95. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
7. Recommend authorization of payment of an amount not to exceed \$875,000 to settle eminent domain proceedings relating to the acquisition of two 200-foot wide electric easements, being 1.055 acres each for a total of 2.110 acres, and the acquisition in fee of a 20.67-acre

tract, all out of the James Gilleland Survey Number 13, Abstract Number 12, Travis County, Texas, in connection with the construction of a combination transmission/distribution substation and related improvements. The owners of the needed property interests 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, and James Parker, all of whom are parties to the eminent domain proceedings. **Motion to approve by Commissioner Smaha, seconded by Commissioner Fath, passed on a vote of 6-0.**

8. Recommend approval of an ordinance amending the electric rate schedule included in Exhibit A of Ordinance No. 20100913-004 to add a tariff for an Energy Efficiency Cost Recovery Charge. **Motion to approve by Commissioner Fath, seconded by Commissioner Taylor, passed on a vote of 6-0.**
9. Recommend authorization to award and execute a contract with FLINTCO INC., Austin, TX, for the design and installation of a thermal energy storage tank in an estimated amount not to exceed \$537,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
10. Recommend authorization to award and execute a contract through TEXAS MULTIPLE AWARD SCHEDULE (TXMAS) cooperative purchasing program with TRANE U.S., La Crosse, WI, for the purchase and installation of a centrifugal chiller at the John Henry Faulk Library in an estimated amount not to exceed \$203,229. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
11. Recommend approval of the issuance of a rebate to Leander I.S.D. for the installation of energy efficient equipment at Vandergrift High School in an amount not to exceed \$140,709. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
12. Recommend authorization to award, negotiate and execute a 24-month contract with KEMA, INC., Burlington, MA; GDS ASSOCIATES, INC., Marietta, GA; and ICF INTERNATIONAL, Plano, TX, or one of the other qualified responders to RFQS No. TVN0010, for demand side management consulting services in an estimated amount not to exceed \$1,700,000 each and combined with one 12-month extension option in an estimated amount not to exceed \$850,000 each and combined, for a total estimated contract amount not to exceed \$2,550,000 each and combined. **Motion to approve by Commissioner Smaha, seconded by Commissioner Fath, passed on a vote of 6-0.**
13. Recommend authorization to negotiate and execute a one-month renewal of a lease for 49,911 square feet of office space and a new 72-month lease with a one-year extension option for 71,806 square feet of office space at 811 Barton Springs Road with T-C Barton Springs LLC for an amount not to exceed \$12,167,173 with an extension option for an amount not to exceed \$2,208,034, for a total new lease amount not to exceed \$14,375,207. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**

NEW BUSINESS

14. **Discuss and approve a resolution regarding City staff's ongoing cost analysis of the boards and commissions systems.** On January 27, 2011, City Council approved a resolution "directing the City Manager to work with the City Clerk to conduct a cost analysis of the

City's boards and commissions system.” In response, the EUC created a resolution urging the City Manager to “consider consolidating the review of Austin Energy to a single commission so as to eliminate the need to have city staff spend duplicative nights before two commissions” (the EUC and the Resource Management Commission). **Motion to approve by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.** The resolution will be forwarded by Austin Energy staff to the City Manager and City Council Members.

OLD BUSINESS

15. Possible revision of the 2011 Meeting Schedule. **Motion to move the November 21 meeting to November 14 made by Commissioner Fath, seconded by Commissioner Taylor, passed on a vote of 6-0.**
16. Discussion and action on the Bylaws. Commissioners accepted revisions made by City Council to Chapter 2-1 of the City Code—the Ordinance governing boards and commissions—and to the EUC bylaws requested by the Commission in November 2008. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
17. Discussion regarding City regulation of electric customer privacy. Andy Perny, Assistant City Attorney, and J.J. Gutierrez, Customer Care VP, provided information regarding disclosure of consumption data and setting up an NDA process for conducting research. The Commission requested that staff return with a proposal on a policy and process for providing customer information in zip+4 cells.
18. Discussion and possible action regarding Austin Energy budget issues and program funding for FY 2012. Elaine Hart, Chief Financial Officer, provided members with requested data on payments made to the city outside the General Fund transfer and allocations by department of shared expenses. Chair Schmandt read aloud a resolution created by the EUC entitled, “Eliminating General City Expenses from Austin Energy’s 2012 Budget to Protect City Council Powers to Amend Rates without Appeal to the Public Utility Commission.” **Motion to approve by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.** Commissioners requested that staff forward the resolution to the City Manager, City Council Members, and to members of the Public Involvement Committee for the Rate Review process.

STAFF REPORTS AND BRIEFINGS

19. Monthly Financial Report by Elaine Hart, Chief Financial Officer.
20. Legislative Report by Patricia Alofsin, Director, Government Relations.
21. Report on the Rolling Blackouts of February 2, 2011 by Cheryl Mele, Chief Operating Officer.
22. Monthly Update on the Rate Redesign Process by Mark Dreyfus, Director, Regulatory & Government Affairs.
23. **FUTURE AGENDA ITEMS** – Commissioner Smaha requested that staff provide a GreenChoice® update before October 1, 2011.
24. **ADJOURNMENT** – Chair Schmandt adjourned the meeting at 8:55 p.m. without objection.