



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES
DECEMBER 19, 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 called the meeting to order at 6:00 p.m.
Commissioners in attendance: Phillip Schmandt, Chair; Linda Shaw, Vice Chair; Gary ‘Bernie’ Bernfeld, Barbara Day, Shudde Fath, and Stephen Smaha. Dr. Michael Webber was not present at the Call to Order, but arrived shortly afterwards.
Staff in attendance: Larry Weis, Cheryl Mele, Kerry Overton, Elaine Hart, Andy Perny, Alan Claypool, Pat Alba, Ann Little, Mark Dreyfus, J.J. Gutierrez, Jeff Vice, Karl Rabago, Beverly Bonevac, Luis Rivas, Jaime Gomez, Jim Collins, Adrienne Brandt, Scott Jarman, Russell Maenius, Kerri Davis, David Kutach, Maria Sanchez, and Toye Goodson Collins of Austin Energy; Rosemary Ledesma, Purchasing Department; Rolando Fernandez, Contract & Land Management Department; Greg Claxton, Planning & Development Review Department.
2. **APPROVAL OF MINUTES** – Approve minutes of the November 14, 2011 regular meeting. **Motion to approve minutes by Commissioner Fath, seconded by Vice Chair Shaw, passed on a vote of 6-0.**
3. **CITIZEN COMMUNICATIONS: GENERAL** – There were no speakers at this time.

Dr. Webber arrived.

NEW BUSINESS – CONSENT ITEMS

Chair Schmandt announced corrections to Item 4, as provided by Purchasing Department staff and shown below. Item 15 was withdrawn by the Purchasing Department.

4. Authorize award and execution of a 36-month requirements supply contract with TEXAS ELECTRIC COOPERATIVES, Georgetown, TX for the purchase of creosote treated wood poles for Austin Energy in an estimated amount not to exceed ~~\$1,463,166~~ \$1,505,196, with three 12-month extension options in an estimated amount not to exceed ~~\$487,722~~ \$501,732 per extension option, for a total estimated contract amount not to exceed ~~\$2,926,332~~ \$3,010,392. **Motion to approve, as corrected, on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
5. Authorize award and execution of two 24-month requirements supply contracts for the purchase of street light lamps for Austin Energy with: FACILITY SOLUTIONS GROUP, Austin, TX, in an estimated amount not to exceed \$252,795 with three 12-month extension options in an estimated amount not to exceed \$126,398 per extension option, for a total estimated contract amount not to exceed \$631,989, and with CRAWFORD ELECTRIC SUPPLY CO., Austin, TX, in an estimated amount not to exceed \$46,804, with three 12-month extension options in an estimated amount not to exceed \$23,402 per extension option, for a total estimated contract amount not to exceed \$117,010. The annual amount for streetlight lamps required under these contracts will be for a total combined estimated

amount not to exceed \$748,999. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 7-0.**

6. Authorize award and execution of a contract with HYUNDAI HEAVY INDUSTRIES, Orlando, FL, for the purchase of a three-phase autotransformer for Austin Energy in an amount not-to-exceed \$4,318,559. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
7. Authorize execution of a construction contract with MALDONADO NURSERY & LANDSCAPING, INC., (MBE/56.1%), San Antonio, TX, for a landscaping and irrigation system at the Mueller Substation in an amount not to exceed \$130,050.07. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
8. Authorize award and execution of a 12-month requirements supply contract with GENERAL ELECTRIC COMPANY dba GE Multilin U.S., Burnaby, BC, Canada for the purchase of JungleMUX equipment for Austin Energy and Communications & Technology Management in an estimated amount not to exceed \$675,160, with four 12-month extension options in an estimated amount not to exceed \$474,173 for the first option, \$733,120 for the second option, \$419,209 for the third option, and \$177,273 for the fourth option, for a total estimated contract amount not to exceed \$2,478,935. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 7-0.**
9. Authorize award and execution of a contract with LIGHTHOUSE SOLAR AUSTIN, Austin, TX, for the installation of solar photovoltaic (PV) systems at seven City of Austin locations in an estimated amount not to exceed \$223,715. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
10. Approve issuance of a rebate to Unified Housing of Austin LLC for performing duct diagnostic and improvements at the Limestone Canyon Apartments in an amount not to exceed \$84,895. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
11. Approve issuance of a rebate to CWS Caprock Bridge LP for performing duct diagnostic and improvements at the Marquis at Caprock Canyon Apartments in an amount not to exceed \$121,916. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
12. Approve issuance of a rebate to Great Hills Marquis Apartments LP for performing duct diagnostic and improvements at the Marquis at Great Hills Apartments in an amount not to exceed \$151,424. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
13. Approve issuance of a rebate to Austin Monterey Oaks Inc. for performing duct diagnostic and improvements at The Park at Monterey Oaks Apartments in an amount not to exceed \$58,382. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
14. Authorize award and execution of a contract with ALFRED CONHAGEN, INC., OF TEXAS, La Marque, TX, or one of the other qualified offerors to RFP No. DKC0029, to rebuild a feedwater pump at Austin Energy's Sand Hill Energy Center in an estimated

amount not to exceed \$135,025. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**

15. Authorize award and execution of Amendment No. 11 to the contract with AMERICAN FACILITY SERVICES, Alpharetta, GA for janitorial services for Austin Energy, to increase the contract in an amount not to exceed \$25,000, for a total estimated contract amount not to exceed \$529,008. **This item was withdrawn by the Purchasing Department.**
16. Authorize award and execution of a 12-month requirements service contract with TRUGREEN LANDCARE, Austin, TX or one of the other qualified bidders for IFB-BV No. KDW0065, to provide landscaping services for Austin Energy in an estimated amount not to exceed \$51,380 with three 12-month extension options in an estimated amount not to exceed \$51,380 per extension option, for a total estimated contract amount not to exceed \$205,520. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**

NEW BUSINESS – DISCUSSION

17. Discussion of procedures relating to the distribution of Commission actions to City Council – Chair Schmandt asked for clarification regarding procedures for conveying the Commission's recommendations to City Council. Andy Perny, Assistant City Attorney, described methods used by other City boards. In some cases, the board chair communicated recommendations to Council. In other cases, the staff liaison conveyed the board's recommendation to Council via a memo. Austin Energy staff has typically assisted the EUC using the latter method. Chair Schmandt agreed that staff should continue to convey EUC actions to Council. Mr. Perny suggested that staff provide a draft of the communication or memo to the Chair within two days of the EUC meeting for his review. Upon approval by the Chair, the recommendation would be conveyed to Council offices by staff.

OLD BUSINESS

18. Discussion and possible action regarding Austin Energy's strategy to reach goal of 800 MW of peak demand savings by 2020 – Staff requested comments and suggestions regarding the report, "Strategy to Reach 800 Megawatts of Peak Demand Savings by 2020: Austin Energy's Response to Austin City Council Resolution No. 20111006-060." Karl Rábago, Vice President, Distributed Energy Services, presented the report and answered questions. Commissioners complimented the report and had no suggestions.
19. Revise 2012 Meeting Schedule – After approval of the 2012 schedule last month, staff learned the date set for the November meeting was a City holiday in observance of Veteran's Day. **Motion to change the date of the November 2012 meeting from November 12 to November 19 by Commissioner Fath, seconded by Chair Schmandt, passed on a vote of 7-0.**
20. Discussion and possible action regarding the timing of Austin Energy's rate review implementation, as requested by Commissioners Smaha and Webber – Commissioners agreed to discuss this item after Item 22.

STAFF REPORTS AND BRIEFINGS

21. Imagine Austin update – Commissioners received an update by Greg Claxton, Planning & Development Review Department.

22. Austin Energy Recommendations on Electric Rates – Commissioners discussed Austin Energy’s December 14 presentation to City Council with Larry Weis, General Manager, Ann Little, Vice President, Finance & Corporate Services, and Mark Dreyfus, Director, Regulatory & Government Affairs. Commissioner Fath requested that staff add the current fuel charge to the graphs and charts on Slides 16 and 19. Ms. Little provided a Rate Design Update including changes made in developing staff recommendations to City Council, incorporating input from the Commission.

OLD BUSINESS (continued)

20. Discussion and possible action regarding the timing of Austin Energy’s rate review implementation – Commissioners Smaha and Webber requested this agenda item to introduce and discuss two resolutions related to the rate review process. The first proposed resolution advised City Council “to complete its rate review and approval process as quickly as possible to mitigate the impact of Austin Energy’s revenue shortfall on utility operations.” The second proposed resolution advised Council “to complete its rate review and approval process no later than February 28 in order to allow a full billing cycle to occur at the new rates before the arrival of peak temperatures and increased summer charges.” Commissioners discussed and made corrections to the first resolution. **Motion to approve the resolution titled “Concerning Costs of Delaying New Rates” by Commissioner Smaha, seconded by Commissioner Webber, passed on a vote of 4-2-1, with Chair Schmandt and Commissioners Bernfeld, Smaha, and Webber voting yes, Vice Chair Shaw and Commissioner Day voting no, and Commissioner Fath abstaining.** Commissioners did not vote on the second proposed resolution.

STAFF REPORTS AND BRIEFINGS (continued)

23. Briefing on Austin Energy’s Budget Billing Program – Kerry Overton, Deputy General Manager, and J.J. Gutierrez, Vice President, Customer Care, briefed the Commission on changes to the budget billing program, previously referred to as “levelized billing,” resulting in the transition to the new utility billing system. Chair Schmandt and Commissioner Day reported that Council members Riley and Tovo had received complaints of incorrect bills and higher bills.

FUTURE AGENDA ITEMS

24. Request agenda items including information related to the Upcoming Procurements Report – Commissioners had no requests.
25. **ADJOURN** – Chair Schmandt adjourned the meeting at 8:35 p.m. without objection.