



**ELECTRIC UTILITY COMMISSION  
SPECIAL-CALLED MEETING MINUTES – Approved 8/20/2012  
JULY 23, 2012**

**The Electric Utility Commission (EUC) convened in a special-called meeting in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas. The regularly scheduled meeting of July 16, 2012 was cancelled due to the inability to achieve a quorum of members.**

1. **CALL TO ORDER** – Chair 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 and Shudde Fath. Stephen Smaha and Dr. Michael Webber were absent. (There is one vacancy on the Commission.)  
Staff in attendance: Larry Weis, Cheryl Mele, Ann Little, Mark Dreyfus, Scott Jarman, Patricia Alofsin, Elaine Kelly-Diaz, Sonny Poole, Kathy Strittmatter, Michael Osborne, Stephen Leinweber and Toye Goodson Collins of Austin Energy; and Rosemary Ledesma of the Purchasing Department.
2. **APPROVAL OF MINUTES** – Motion to approve minutes of the June 18, 2012 regular meeting by Commissioner Fath, seconded by Commissioner Bernfeld, passed on a vote of 4-0.
3. **CITIZEN COMMUNICATIONS: GENERAL**  
Cyrus Reed of the Sierra Club spoke regarding agenda items 25 and 26, Austin Energy’s proposed budget and the KEMA report, respectively. Una Markel Rojas, Austin Energy customer, requested assistance regarding electric infrastructure near her home. Paul Robbins, Environmental and Consumer Advocate, presented a survey of municipal utility profit transfers. Tom “Smitty” Smith of Public Citizen spoke regarding agenda items 24 and 26, Austin Energy governance and the KEMA report, respectively.

**NEW BUSINESS – CONSENT ITEMS**

**Chair Schmandt read into the record the revision shown on Item 5 below.**

4. Authorize award and execution of a 12-month requirements service agreement with RADIO FLYERS for the distribution of door hanger delivery services for Austin Energy’s Power Saver Programs™ in an estimated amount not to exceed \$66,700, with three 12-month extension options in an estimated amount not to exceed \$66,700 per extension option, for an total estimated contract amount not to exceed \$266,800. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
5. Authorize award and execution of a contract with SOLAR COMMUNITY, or one of the other qualified offerors to RFP No. TVN0023, for the installation of a solar photovoltaic system at the Palmer Events Center in an estimated amount not to exceed ~~\$575,000~~ \$500,114. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**

6. Approve the issuance of a Letter of Intent for a Performance Based Incentive to HOLT CAT, for the generation of solar energy at their facility located at 9601 S. Interstate 35 in Austin, Texas, for an estimated \$44,670 per year with the total amount not to exceed \$446,700 over the 10-year agreement. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
7. Approve issuance of a rebate to Dell Computers, Inc. for the installation of energy efficient equipment in an amount not to exceed \$127,158. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
8. Approve issuance of a rebate to The University of Texas for the installation of energy efficient equipment in an amount not to exceed \$200,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
9. Approve issuance of a rebate to Lakeway Regional Medical Center, LLC for the installation of energy efficient equipment in an amount not to exceed \$200,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
10. Approve issuance of a rebate to Samsung Semiconductor, LLC for the installation of energy efficient equipment in an amount not to exceed \$154,848. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
11. Approve issuance of a rebate to U.S. General Services Administration for the installation of energy efficient equipment in an amount not to exceed \$109,851. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
12. Approve a one-year membership in the AMERICAN PUBLIC POWER ASSOCIATION, Washington, D.C., the nonprofit, non-partisan, service organization for the nation's community-owned electric utilities including Austin Energy in an amount not to exceed \$95,540. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
13. Approve an ordinance amending the Austin Energy Strategic Reserve Fund of Ordinance No. 20110912-005 by increasing transfers out to the Austin Energy Operating Fund in the amount of \$25,000,000; and amending the Fiscal Year 2011-2012 Austin Energy Operating Budget of Ordinance No. 20110912-005 to increase transfers in from the Austin Energy Strategic Reserve Fund in the same amount in order to increase the Operating Fund cash balance to fund day-to-day operations and maintenance activities. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
14. Authorize award, negotiation, and execution of a 60-month requirements service contract with AAR INC. and SISK-ROBB INC. or one of the other qualified offerors to RFP No. DKC0040, to provide asbestos, lead, and mold abatement services for Austin Energy and the Public Works Department in an estimated amount not to exceed \$9,500,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
15. Authorize award and execution of a 12-month requirements service agreement with FOREVER GREEN to provide landscaping services at the Combined Transportation,

Emergency, and Communications Center (CTECC) facility in an estimated amount not to exceed \$19,240, with four 12-month extension options in an estimated amount not to exceed \$19,240 per extension option, for a total estimated contract amount not to exceed \$96,200.

**Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**

16. Authorize award, negotiation, and execution of a 24-month requirements service contract with SIEMENS ENERGY INC. and MECHANICAL DYNAMICS & ANALYSIS INC., or one of the other qualified offerors to RFP No. DKC0035, for maintenance and repair services for steam turbines and generators at Austin Energy's power plants in an estimated amount not to exceed \$13,000,000 each and combined with four 12-month extension options in an estimated amount not to exceed \$5,000,000 each and combined for the first three extension options, and \$2,000,000 each and combined for the final option, for a total estimated contract amount not to exceed \$30,000,000 each and combined. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
17. Authorize the negotiation and execution of all documents and instruments necessary or desirable for the fee simple acquisition of a 5.545-acre tract of land out of the 114.545 acres of land in the Santiago Del Valle Grant in Travis County, Texas, located on Bradshaw Road in Southeast Austin, from Legend's Way Development Company, a Texas General Partnership, for the purpose of constructing a new substation to serve a growing service area, in an amount not to exceed \$1,000,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
18. Authorize award, negotiation, and execution of a 24-month requirements service contract with PIKE ELECTRIC, INC. and DASHIELL CORPORATION for the purchase of relay installation, maintenance and testing services at Austin Energy substations in an estimated amount not to exceed \$1,000,000 each and combined, with three 12-month extension options in an estimated amount not to exceed \$500,000 each and combined per extension option, for a total estimated contract amount not to exceed \$2,500,000 each and combined. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
19. Authorize award, negotiation, and execution of a 24-month requirements service contract with PIKE ELECTRIC, INC. for the purchase of installation and maintenance services at Austin Energy substations in an estimated amount not to exceed \$1,000,000, with three 12-month extension options in an estimated amount not to exceed \$500,000 per extension option, for a total estimated contract amount not to exceed \$2,500,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
20. Authorize award and execution of a 36-month requirements supply agreement with TECHLINE INC., for the purchase of Versa-Tech single-phase reclosers in an estimated amount not to exceed \$321,750, with two 12-month extension options in an estimated amount not to exceed \$107,250 per extension option, for a total estimated contract amount not to exceed \$536,250. **This item was withdrawn by staff.**
21. Authorize award and execution of a contract with AVO MULTI-AMP CORP. dba MEGGER for the purchase of relay test sets for Austin Energy in an amount not to exceed \$80,750.

**Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**

#### **AGENDA ADDENDUM: NEW BUSINESS – CONSENT ITEMS**

31. Authorize award and execution of ten contracts through the Texas Local Government Purchasing Cooperative (BuyBoard) with: BOBCAT COMPANY for the purchase of 3 skid-steer loaders in an amount not to exceed \$178,364.20; COOPER EQUIPMENT for the purchase of a gooseneck trailer in an amount not to exceed \$77,329.50; RDO EQUIPMENT for the purchase of one track loader, one skid loader, one track loader and one backhoe in an amount not to exceed \$393,488.35, FREIGHTLINER OF AUSTIN for the purchase of 16 heavy-duty vehicles in an amount not to exceed \$1,794,760; CHASTANG'S BAYOU CITY AUTOCAR for the purchase of 11 Autocar refuse truck chassis in the amount of \$1,532,154; RUSH TRUCKS for the purchase of 2 UD refuse truck chassis in an amount not to exceed \$185,316; LONGHORN INTERNATIONAL for the purchase of 1 Carne Carrier CNG refuse truck chassis in an amount not to exceed \$246,922; HEIL OF TEXAS for the purchase of 19 Heil refuse bodies in an amount not to exceed \$2,479,121.94; GRANDE TRUCK CENTER for the purchase of 2 Mack truck chassis in an amount not to exceed \$231,416 and EQUIPMENT SOUTHWEST for the purchase of 3 hydraulic loading arms and 2 sidewalk sweepers in an amount not to exceed \$344,837.30. (AE's share of this City-wide contract is \$38,117.) **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**
32. Authorize award and execution of four contracts through the Texas Local Government Purchasing Cooperative (BuyBoard) with: CLS EQUIPMENT CO. for the purchase of one Ford E450 fully equipped TV inspection van body in an amount not to exceed \$143,553.68; PHILPOTT MOTORS for the purchase of 22 medium-duty service vehicles in an amount not to exceed \$1,052,840.04; PROFESSIONAL TURF PRODUCTS for the purchase of four mowers and a trailer in an amount not to exceed \$129,175.32 and KIRBY SMITH MACHINERY, INC. for the purchase of five vibratory rollers and one trailer in an amount not to exceed \$64,705. (AE's share of this City-wide contract is \$270,129.) **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 4-0.**

#### **NEW BUSINESS – DISCUSSION ITEMS**

22. Discussion regarding orientation and materials for EUC members – Chair Schmandt requested that staff provide an orientation and materials for new Commissioners. Larry Weis, General Manager, agreed. Toye Goodson-Collins, staff liaison to the Commission, reported that a revised Resource Manual will be distributed to members in August.

#### **OLD BUSINESS**

23. Discussion and Acceptance of the Fiscal Year 2011 Austin Energy Annual Performance Report – Commissioners complimented staff on the report. Commissioner Fath requested that the report be sent to City Council members. **Motion to approve by Commissioner Fath, seconded by Chair Schmandt, passed on a vote of 4-0.**
24. Discussion and Possible Action regarding solar generation planning – Michael Osborne, Special Assistant to the General Manager, reported receiving a legal opinion basically stating

that the Community Sun approach would be a workable model. He distributed a rough draft of a residential solar tariff. He said staff would continue to work on the tariff for the Commission's consideration at a future meeting. Mr. Osborne further explained the model and answered questions regarding solar prices, stand-by power and customer charges. Chair Schmandt said it is important to find ways for more solar projects to be built in Austin Energy's service territory where the capital costs are born by the customer and not the utility. He said the more likely this happens, the more likely we are to reach our solar energy goal.

25. Discussion and Possible Action regarding Resolution 20120607-038, directing the study and evaluation of governance models for publicly-owned utilities – Austin Energy staff distributed notebooks to Commissioners containing background materials on governance models, surveys from other utilities and historical documents from previous discussions about forming an independent board to oversee the utility. Chair Schmandt invited speakers on the issue. Tom “Smitty” Smith of Public Citizen expressed concern about forming an independent board and support for the City Council and City staff to continue oversight of Austin Energy. Commissioner Fath listed three reasons for supporting the formation of an independent board: to participate in the decision-making process; to provide continuity; and to help with bond rating agencies. Chair Schmandt drafted a resolution recommending that Council hold a charter election in the Fall of 2012 to determine whether a governing board of the electric utility be established. Commissioner Bernfeld referred to the October 31<sup>st</sup> deadline specified in the Council resolution for the EUC to report findings and input to City Council. Chair Schmandt and Commissioner Fath expressed support for taking action now, prior to Council's decision on August 16 to set the ballot. After discussion and editing, Chair Schmandt read the following motion: “Resolved, the Austin City Council should hold a charter election in the Fall of 2012 to determine whether an electric utility board should be established to govern the electric utility.” **Motion to approve by Chair Schmandt, seconded by Commissioner Fath, passed on a 4-0 vote.** Commissioner Fath expressed disappointment that historical documents she provided for the notebooks were not in chronological order.
26. Discussion and Possible Action regarding Austin Energy's FY 2013 Budget – Ann Little, Chief Financial Officer, answered questions regarding funding for EGRSO, the Customer Assistance Program and energy efficiency, and transfers to the City's General Fund. Commissioner Fath requested a copy of EGRSO's proposed budget, when available. Commissioner Bernfeld suggested that EGRSO provide periodic reports on the number of jobs created as a result of their efforts. Ms. Little said the Commission was scheduled to make a recommendation on Austin Energy's proposed budget at next month's meeting and that Council was scheduled to approve the City's budget on September 10-12.

## **BRIEFINGS AND REPORTS**

27. Demand Side Management Market Potential Assessment Report by KEMA – Fred Yebra, Interim Vice President for Distributed Energy Services, explained that KEMA—the consultant responsible for the study and report—was scheduled to make a presentation at the Commission's July 16 meeting, but unfortunately the meeting was cancelled and KEMA representatives were no longer available. Mr. Yebra answered questions regarding the report. Chair Schmandt invited speakers on the item. Cyrus Reed of the Sierra Club spoke. Mr. Yebra and Ms. Little answered questions about Time-of-Use rates and meters. Commissioner Bernfeld asked for the percentage of two-way meters installed in the service territory. Ms.

Little said that most of the meters installed were two-way, but she would provide the Commission with the percentage prior to their next meeting.

28. Monthly Financial Report by Ann Little, Chief Financial Officer.

**FUTURE AGENDA ITEMS**

29. Request items including information related to the Upcoming Procurements Report – Commissioner Fath requested a briefing on Austin Energy’s quarterly balance sheets.

30. **ADJOURN** – Chair Schmandt adjourned the meeting at 8:10 p.m. without objection.