



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved February 25, 2013
JANUARY 28, 2013

The Electric Utility Commission (EUC) convened in a regularly scheduled meeting in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. **CALL TO ORDER** – Chair Bernie Bernfeld called the meeting to order at 6:02 p.m. Commissioners in attendance: Bernie Bernfeld, Chair; Karen Hadden, Vice Chair; Shudde Fath, Phillip Schmandt, Steve Smaha and Dr. Michael Webber. Linda Shaw was not present at the Call to Order, but arrived after approval of the minutes.
Staff in attendance: Cheryl Mele, Larry Weis, Kerry Overton, Pat Alba, Fred Yebra, J. J. Gutierrez, Michael Osborne, Jim Collins, Elaina Ball, Jeff Vice, Scott Jarman, Brian Kennedy, Todd Shaw and Toye Goodson Collins of Austin Energy; Rosemary Ledesma of the Purchasing Department; Rolando Fernandez and Cyrenthia Ellis of the Contract Management Department; and Sue Lambe of the Economic Growth & Redevelopment Services Office.
2. **APPROVAL OF MINUTES – Motion to approve minutes of the December 17, 2012 meeting by Commissioner Fath, seconded by Vice Chair Hadden, passed on a vote of 5-0-1 with Commissioner Webber abstaining.**
3. **CITIZEN COMMUNICATIONS**
Jim Burnette, representing a company specializing in power project development spoke about options for the Fayette Power Project; Cyrus Reed, Sierra Club, spoke regarding the future of older plants including Decker, Fayette and the South Texas Project; and Scott Johnson spoke about new donation options to be printed on utility bills.

NEW BUSINESS – CONSENT ITEMS

Commissioners pulled Items 8-13 for discussion. At staff's request, Chair Bernfeld announced corrections to Item 11 as noted below.

4. Approve issuance of a rebate to Austin Garden Apartments, LTD, for performing comprehensive energy efficiency upgrades at the Austin Garden Apartments located at 7401 N. Lamar Blvd., Austin, Texas, in an amount not to exceed \$75,000. **Motion to recommend approval on consent by Chair Bernfeld, seconded by Vice Chair Hadden, passed on a vote of 7-0.**
5. Approve issuance of a rebate to Amaravathi LP for performing duct diagnostic and improvements at Monterone at Steiner Ranch Apartments located at 4500 Steiner Ranch Blvd., Austin, Texas, in an amount not to exceed \$200,000. **Motion to recommend approval on consent by Chair Bernfeld, seconded by Vice Chair Hadden, passed on a vote of 7-0.**
6. Authorize award, negotiation, and execution of a 12-month service contract with ENERNOC, INC., or one of the other qualified offerors to RFP No. TVN0027, to provide consulting services to expand Austin Energy's Commercial & Industrial Demand Response program in an estimated amount not to exceed \$586,080, with four 12-month extension options in an estimated amount not to exceed \$510,000 per extension option, for a total estimated contract amount not to exceed \$2,626,080. **Motion to recommend approval on consent by Chair Bernfeld, seconded by Vice Chair Hadden, passed on a vote of 7-0.**

7. Approve the ratification of Amendment No. 1 to a contract with FLOWSERVE US INC., for repairs to a start up boiler feed pump for Austin Energy's Decker Creek Power Station to increase the contract authorization in an estimated amount not to exceed \$40,070, for a revised total contract amount not to exceed \$72,560. **Motion to recommend approval on consent by Chair Bernfeld, seconded by Vice Chair Hadden, passed on a vote of 7-0.**
8. Authorize the negotiation and execution of Amendment No. 17 to the contract with IBM Corporation for envelopes, paper and other consumables for the City of Austin's utilities billing system, the Customer Care & Billing or CC&B System, in an amount not to exceed \$1,800,000 for a total estimated contract amount not to exceed \$61,039,728. **Motion to recommend approval by Chair Bernfeld, seconded by Commissioner Webber, passed on a vote of 6-1 with Vice Chair Hadden voting against.**
9. Authorize negotiation and execution of a professional services agreement with the following three staff recommended firms (or one of the other qualified responders): JACOBS ENGINEERING GROUP, INC.; ESPEY CONSULTANTS, INC. dba RPS ESPEY; and BURY + PARTNERS, INC. for engineering services for Austin Energy's 2013 Engineering Services for Chilled Water in the Right-of-Way Rotation List for an estimated period of three years or until financial authorization is expended, with the total amount not to exceed \$1,500,000 divided among the three firms. **Motion to recommend approval by Commissioner Webber, seconded by Commissioner Smaha, passed on a vote of 7-0.**
10. Authorize negotiation and execution of professional services agreements with each of the following three staff-recommended firms (or one of the other qualified responders): STANLEY CONSULTANTS, INC., ENERGY ENGINEERING ASSOCIATES, INC., and AFFILIATED ENGINEERS, INC. for Austin Energy's 2013 Engineering Services for Chilled Water Pipes in Plants & Distribution Service Areas Rotation List for an estimated period of three years or until financial authorization is expended, with the total amount not to exceed \$1,500,000 divided among the three firms. **Motion to recommend approval by Commissioner Webber, seconded by Commissioner Smaha, passed on a vote of 7-0.**
11. Authorize execution of a 12-month construction contract with BIS TEPSCO for chilled water piping in the right-of-way in an amount not to exceed \$2,573,269, with an option for a 12-month extension in the amount of \$2,573,269, for a total estimated contract amount of \$5,146,538. **Motion to recommend approval, as corrected, by Commissioner Webber, seconded by Commissioner Smaha, passed on a vote of 7-0.**
12. Authorize award, negotiation, and execution of a 24-month requirements service contract with PRIME CONTROLS, or the other qualified offeror to RFP No. OPJ0102, to provide upgrades and maintenance for the existing controls automation systems to four Austin Energy District Cooling Plants in an estimated amount not to exceed \$1,100,000, with two 12-month extension options in an estimated amount not to exceed \$550,000 per extension option, for a total estimated contract amount not to exceed \$2,200,000. **Motion to recommend approval by Commissioner Webber, seconded by Commissioner Smaha, passed on a vote of 7-0.**
13. Authorize negotiation and execution of an amendment to the contract with NADAAA, Inc., a Boston based design firm with lead artist Nader Tehrani, for additional design services for the Seaholm Electrical Substation Wall Art in Public Places Project in the Seaholm District, in an amount not to exceed \$107,893 for a total contract amount of \$302,358. **Motion to**

recommend approval by Commissioner Schmandt, seconded by Vice Chair Hadden, failed on a vote of 2-4-1 with Commissioners Fath, Shaw, Smaha and Webber voting against and Chair Bernfeld abstaining.

14. Authorize award, negotiation, and execution of various requirements supply and service agreements for a 12-month period through the following cooperative purchasing programs: TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD), U. S. COMMUNITIES GOVERNMENT PURCHASING ALLIANCE, and TEXAS MULTIPLE AWARD SCHEDULE (TXMAS), for the purchase and installation of furniture and fixtures for offices and various areas for various City Departments, in an estimated amount not to exceed \$2,000,000 each and combined, with four 12-month extension options in an estimated amount not to exceed \$1,700,000 each and combined per extension option, for a total estimated contract amount not to exceed \$8,800,000, each and combined. **Motion to recommend approval on consent by Chair Bernfeld, seconded by Vice Chair Hadden, passed on a vote of 7-0.**

NEW BUSINESS – DISCUSSION ITEMS

15. Discussion and possible action regarding Council Resolution No. 20121213-068, directing staff to develop a policy that would condition receipt of an energy efficiency rebate for a multi-family property on agreement by the owner or manager not to increase rents for a reasonable period. Chair Bernfeld invited speakers on this topic. Leo Dielmann, Chair of the Resource Management Commission, and Moore McDonough and Tim Arndt, energy efficiency contractors, spoke against the policy. Lanetta Cooper, Texas Legal Service Center, urged further review with stakeholders. Rachel Fischer, Austin Apartment Association, spoke of concerns regarding the policy. Fred Yebra and Scott Jarman, of Austin Energy's Energy Efficiency Services, presented the draft policy and answered questions. **Commissioner Smaha moved to reiterate the motion originally established by the RMC. He later withdrew his motion. The following motion by Commissioner Schmandt and seconded by Chair Bernfeld passed on a vote of 6-0-1 with Vice Chair Hadden abstaining: The EUC does not recommend establishing a conditional policy on multi-family energy efficiency rebates as currently written and proposed, and does not believe that freezing rents meets the goals of the City's energy efficiency or affordable housing programs as it will likely discourage program participation. The EUC believes that there are more positive ways to address affordable housing, and the policy should integrate goals and objectives taking into consideration existing programs such as ECAD, Better Buildings, Weatherization, etc.**
16. Discussion of Annual Internal Review and Report, required per Section 2-1-46 of the City Code, due to the City Clerk on March 31, 2013. The Commission formed a Working Group composed of Chair Bernfeld, Vice Chair Hadden and Commissioner Shaw to develop the report for review at the next meeting.

Commissioner Webber left the dais.

OLD BUSINESS

17. Discussion and possible action regarding options for the Fayette Power Project. Chair Bernfeld invited speakers to address the Commission. Commissioner Fath brought forward a resolution recommending the City retain ownership of the plant so that it would have

authority to ramp down production or close the plant. Her resolution included a recommendation to modify the 2020 CO2 goal in the Generation Plan, if Council agreed with the resolution. Chair Bernfeld brought forward a second resolution, drafted by Cyrus Reed of the Sierra Club, directing the City Manager and General Manager to begin discussions with the LCRA on future management of the plant including retirement. Chair Bernfeld invited speakers on this topic. Cyrus Reed spoke in favor of the second proposed resolution. Ryan Rittenhouse and Kaiba White of Austin Beyond Coal spoke in favor of the second resolution. Kunda Wicce of Austin Beyond Coal spoke in favor of decommissioning the plant. **The following motion by Commissioner Schmandt and seconded by Commissioner Smaha passed on a vote of 6-0: The EUC received a staff report on replacing Fayette capacity in September 2012 and passed a motion recommending that any RFPs include a hybrid of resources including renewables. At the next meeting, two motions on replacing or retiring Fayette failed. Therefore, the EUC should postpone consideration of the resolutions until there is new action by Council or staff.**

FUTURE AGENDA ITEMS

18. Request agenda items, including information related to the Upcoming Procurements Report. Commissioners requested a report on life-cycle projections for Decker, an update on the South Texas Project, a report on the chiller business including an executive session, a report on connection and disconnection fees including the amount the utility lost during the period in which no disconnections occurred.
19. **ADJOURN** – Chair Bernfeld adjourned the meeting at 8:25 p.m. without objection.