



**ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES
APRIL 15, 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 6:00 p.m.
Commissioners in attendance: Bernie Bernfeld, Chair; Karen Hadden, Vice Chair; Shudde Fath, Phillip Schmandt, Linda Shaw, Steve Smaha and Dr. Michael Webber.
Staff in attendance: Cheryl Mele, Ann Little, Mark Dreyfus, Alan Claypool, Ed Clark, Debbie Kimberly, Jerry Hernandez, Pat Alba, Jeff Vice, Fred Yebra, David Kutach, Cathy Foster, Steve Saenz, Jim Collins and Toye Goodson Collins of Austin Energy; Rosemary Ledesma of the Purchasing Department; Edward Campos and Cyrenthia Ellis of the Contract Management Department; and Mark Jordan of the Austin Water Utility.
2. **APPROVAL OF MINUTES** – **The motion to approve the minutes of the March 18, 2013 meeting, by Commissioner Smaha and seconded by Commissioner Fath, passed on a vote of 7-0.**
3. **CITIZEN COMMUNICATIONS** – Lanetta Cooper of the Texas Legal Services Center and Texas ROSE spoke in support of Item 8, the Home Efficiency Assistance Program. Paul Robbins, environmental and consumer advocate, spoke regarding the GreenChoice program.

NEW BUSINESS – CONSENT ITEMS

Commissioners pulled Items 6, 7, 8, 9, 10, 12, 16, 18, 19 and 21 for discussion and recommended approval of Items 4, 5, 11, 13, 14, 15, 17 and 20 on consent.

4. Authorize negotiation and execution of an agreement with Airport Fast Park to provide a performance-based incentive for the generation of solar energy at its facility located at 2300 Spirit of Texas Drive, Del Valle, Texas 78617, for an estimated \$14,860 per year, for a total amount not to exceed \$148,600 over a 10-year period. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Webber, passed on a vote of 7-0.**
5. Authorize negotiation and execution of an agreement with Apple Inc. to provide a performance-based incentive for the generation of solar energy at its facilities located at 5401 and 5501 West Parmer Lane, Austin, Texas 78727, for an estimated \$48,680 per year, for a total amount not to exceed \$486,800 over a 10-year period. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Webber, passed on a vote of 7-0.**
6. Approve the issuance of rebates to the residents of 12th Street Court and to PSW Real Estate, LLC, the developer of the 12th Street Court, for the installation of solar energy systems serving 20 new construction condominium units located at 2612 W. 12th Street, Austin, Texas 78703, for a total amount not to exceed \$102,453. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Smaha, passed on a vote of 7-0.**
7. Approve the issuance of rebates to the residents of The South 5th, for the installation of solar energy systems serving 14 new construction condominium units located at 2301 South 5th Street, Austin, Texas 78704, for a total amount not to exceed \$113,970. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Smaha, passed on a vote of 7-0.**
8. Authorize negotiation and execution of a job order contract with the following Austin, Texas contractors: American YouthWorks; Valdez Remodeling & Weatherization (WBE/FH); and

Conservation Specialists LLC, to perform construction services for the Austin Energy Home Efficiency Assistance Program Tier 1 Basic Weatherization Project in the amount not to exceed \$850,000 for a one-year term and distributed among the three selected contractors based on work authorization and availability. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Smaha, passed on a vote of 7-0.**

9. Authorize negotiation and execution of a job order contract with the following Austin, Texas contractors: Go Green Squads, LLC (WBE/FW); McCullough Heating & Air Conditioning, Inc.; Climate Mechanical, Inc.; Airtech Energy Systems, Inc.; Good Neighbor Management, Inc. dba City Conservation; and American Conservation & Air, Inc. to perform construction services for the Austin Energy Home Efficiency Assistance Program Tier 2 Basic Weatherization Plus HVAC Project, in an amount not to exceed \$1,500,000 for a one year term and distributed to the six selected contractors based on work authorization and availability. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Smaha, passed on a vote of 7-0.**
10. Authorize award, negotiation, and execution of three 24-month requirements service contracts with Atlas Efficiency Solutions, LLC, Austin, TX; Positive Energy, Austin, TX; and CLEAResult, Austin, TX, or one of the other qualified offerors to RFP No. TVN0028, to provide and conduct Comprehensive Home Energy Modeling Assessments, Quality Control Inspections and Audits, Manual J, Verifications, Inspections, and field training required to support Austin Energy's Power Saver™ Residential Program, in an estimated amount not to exceed \$697,500, with two 12-month extension options in an amount not to exceed \$348,750 per extension option, for a total estimated contract amount not to exceed \$1,395,000. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Smaha, passed on a vote of 7-0.**
11. Authorize award, negotiation, and execution of a 36-month requirements supply contract with TEXAS ELECTRIC COOPERATIVES, or one of the other qualified offerors to RFP No. GAL0009, to provide three-phase power transformers for Austin Energy in an estimated amount not to exceed \$38,097,969, with one 36-month extension option in an estimated amount not to exceed \$38,097,969, for a total estimated contract amount not to exceed \$76,195,938. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Webber, passed on a vote of 7-0.**
12. Authorize award and execution of a 36-month requirements supply agreement with TECHLINE INC., for the purchase of single-phase reclosers for Austin Energy in an estimated amount not to exceed \$360,750, with three 12-month extension options in an estimated amount not to exceed \$120,250 per extension option, for a total estimated contract amount not to exceed \$721,500. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Smaha, passed on a vote of 7-0.**
13. Authorize award and execution of three 24-month requirements supply agreements for the purchase of street light lamps for Austin Energy with: PRIESTER-MELL & NICHOLSON, INC. in an estimated amount not to exceed \$423,300 with two 12-month extension options in an estimated amount not to exceed \$211,650 per extension option, for a total estimated contract amount not to exceed \$846,600; FACILITY SOLUTIONS GROUP in an estimated amount not to exceed \$60,006 with two 12-month extension options in an estimated amount not to exceed \$30,003 per extension option, for a total estimated contract amount not to exceed \$120,012, and with HILL COUNTRY ELECTRIC SUPPLY in an estimated amount not to exceed \$15,344, with two 12-month extension options in an estimated amount not to exceed \$7,672 per extension option, for a total estimated contract amount not to exceed \$30,688. The annual

amount for all street light lamps required under these contracts will be for a total estimated amount not to exceed \$249,325. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Webber, passed on a vote of 7-0.**

14. Authorize award, negotiation, and execution of a 12-month requirements service contract with MILSOFT UTILITY SOLUTIONS to provide Milsoft software technical support and maintenance services for Austin Energy in an amount not to exceed \$19,870, with four 12-month extension options in an estimated amount not to exceed \$20,600 for the first extension option, and \$21,330 for the second, third and fourth extension options, for a total estimated contract amount not to exceed \$104,460. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Webber, passed on a vote of 7-0.**
15. Authorize award and execution of Amendment No. 3 to a contract with SOLAR TURBINES, INC. for an equipment and health maintenance agreement for Austin Energy's Mueller Energy Center to increase the three remaining extensions in an amount not to exceed \$60,000 each, for a revised total estimated contract amount not to exceed \$860,100. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Webber, passed on a vote of 7-0.**
16. Authorize award and execution of a contract with JOHNSON CONTROLS INC. for the purchase, delivery and installation of a motor upgrade for a York chiller to be installed at Austin Energy's Domain District Cooling Plant in an amount not to exceed \$161,235. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Smaha, passed on a vote of 7-0.**
17. Approve ratification of Amendment No. 1 to a contract with EMERSON PROCESS MANAGEMENT POWER & WATER SOLUTIONS, INC. to repair a voltage regulator at the Decker Creek Power Station in an amount not to exceed \$94,500. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Webber, passed on a vote of 7-0.**
18. Authorize award and execution of a 12-month requirements service contract with FOREVER GREEN, or another qualified bidder to IFB-BV No. OPJ0005, to provide landscaping and irrigation services for Austin Energy's System Control Center facility, in an estimated amount not to exceed \$21,678.00, with four 12-month extension options in an estimated amount not to exceed \$21,678 per extension option, for a total estimated contract amount not to exceed \$108,390. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Smaha, passed on a vote of 7-0.**
19. Authorize award and execution of a contract through the Texas Local Government Purchasing Cooperative (BuyBoard) with CALDWELL COUNTRY CHEVROLET for the purchase of 53 light-duty service vehicles in an amount not to exceed \$1,234,560 and PHILPOTT MOTORS, LTD for the purchase of 113 light-duty service vehicles in an amount not to exceed \$3,177,326. (This is a shared contract among City departments.) **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Webber, passed on a vote of 5-0-2 with Vice Chair Hadden and Commissioner Smaha abstaining. Ms. Hadden and Mr. Smaha requested information on the Sustainability Office's involvement in large City-wide purchases such as fleet purchases, and that such information be added to future RCAs.**
20. Authorize award and execution of various requirements supply agreements for an 11-month period through the following cooperative purchasing programs: TEXAS MULTIPLE AWARD SCHEDULE with W.W. GRAINGER, INC., SID TOOL CO., INC. dba. MSC INDUSTRIAL SUPPLY CO., INC., APPLIED INDUSTRIAL TECHNOLOGIES, and FASTENAL COMPANY, for the purchase of industrial supplies and equipment for various City

departments, in an estimated amount not to exceed \$5,000,000 each and combined, with five 12-month extension options in an estimated amount not to exceed \$5,000,000 each and combined per extension option, for a total estimated contract amount not to exceed \$30,000,000, each and combined. (This is a shared contract among City departments.) **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Webber, passed on a vote of 7-0.**

21. Authorize award, negotiation and execution of a 24-month requirements service contract with TITUS SYSTEMS, LP or with the other qualified respondents to RFP BKH0153REBID to provide structured communications cabling services in an amount not to exceed \$6,000,000 with three 12-month extension options in an amount not to exceed \$3,000,000 per option for a total estimated contract amount not to exceed \$15,000,000. (This is a shared contract among City departments.) **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Smaha, passed on a vote of 7-0.**

BRIEFINGS & REPORTS

22. Quarterly Financial Report – Ann Little, Chief Financial Officer, introduced David Kutach, Director, Financial Planning & Budget, and Cathy Foster, Acting Director, Corporate Accounting & Rates, who presented the report.
23. Advanced Metering Infrastructure (AMI) Project Update – Jerry Hernandez, Acting Vice President, Electric Service Delivery, presented the update. Lanetta Cooper addressed the Commission on the topics of cost, water meters and an opt-out process.

OLD BUSINESS

24. Provide input on the content of the 2012 Austin Energy Performance Report (the 2011 report is at <http://www.austinenergy.com/About%20Us/Newsroom/Reports/index.htm>). Commissioners made no suggestions at this time. Austin Energy staff will present the draft 2012 report for review in June.
25. Discussion and possible action regarding the governance of Austin Energy – Commissioners Schmandt and Smaha distributed a draft resolution for consideration. The resolution showing changes made during this discussion is attached. **The motion to approve the resolution was made by Commissioner Schmandt and seconded by Commissioner Smaha.** Commissioner Webber offered two friendly amendments, which were accepted, as shown in the third and fifth paragraphs. Commissioners Fath and Shaw offered grammatical edits which were accepted. Vice Chair Hadden respectively disagreed with the premise of the resolution, that an unelected board should govern Austin Energy. **The resolution passed on a vote of 6-1 with Vice Chair Hadden voting no.**

FUTURE AGENDA ITEMS

26. Request agenda items, including information related to the Upcoming Procurements Report – Commissioner Webber requested an update on the GreenChoice Program; Commissioner Smaha requested a report on non-generation water usage and plans for “greening up” City fleet including how the Sustainability Office is involved in such purchases; and Vice Chair Hadden requested an update on the South Texas Project and discussions on disconnections and disconnection fees and the Fayette Power Project.

ADJOURN – Chair Bernfeld adjourned the meeting at 8:32 p.m. without objection.

EUC Resolution on AE Governance – Presented and revised at the April 15, 2013 meeting

Whereas, the EUC is concerned, and has been concerned for years, that no public body is exercising effective oversight over Austin Energy;

Whereas, in the opinion of the EUC, effective oversight involves having sufficient grasp of ongoing activities at Austin Energy to be able to independently assess what questions need to be asked of staff and to independently determine whether some activities require additional scrutiny or review;

Whereas, in the opinion of the EUC, the quarterly and other updates that the City Council receives on Austin Energy are ~~at too~~ infrequent and lack sufficient detail ~~high a level~~ to allow for effective oversight of Austin Energy;

Whereas, in the opinion of the EUC, the EUC, as an all-volunteer board that meets once a month, does not have the capability to exercise effective oversight over Austin Energy;

Whereas, non-expert and unelected City staff exercises the only real, effective oversight over Austin Energy and this is not good governance as a public body should be exercising that oversight;

Whereas, in the opinion of the EUC, if the new independent board does not have authority to review most ~~all~~ matters involving Austin Energy, it too will not be able to exercise effective oversight;

Whereas, utility companies such as Pedernales Electric Cooperative have demonstrated the risks of allowing utilities to operate without effective, public oversight;

Whereas, the EUC respects the need and benefit of having the City Council retain ultimate authority over key decisions involving Austin Energy;

Whereas, ratepayers outside the city of Austin should be able to participate in the body that exercises oversight over Austin Energy;

Whereas, the issue of which body retains ultimate authority over key issues affecting Austin Energy is distinct from the question of whether a public body has the capability of effectively overseeing Austin Energy, and those issues should not be confused;

Resolved, that the draft ordinance creating an independent board should be revised to give the independent board general authority over all matters relating to Austin Energy, so the independent board may effectively oversee Austin Energy; provided that any decision of the independent board involving more than a dollar amount specified by Council or involving other matters specified by Council should not be effective until 30 days after the independent board approves it, so City Council may block the decision ~~as and~~ the City Council would ~~should~~ retain ultimate authority and be the final decision-maker on any matters so blocked by the City Council. In the opinion of the EUC, this compromise would create a public body with the ability to effectively oversee Austin Energy while retaining authority for key decisions with the City Council.

Presented by Commissioners Phillip Schmandt and Steve Smaha