

City Council Special Called Meeting Transcripts - 3/1/2013

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I'm austin mayor lee leffingwell, calling the austin city council to order ON MARCH 1st, 2013 THE Time is 12:35 p.M., Meeting in the couple chamber, austin city hall, 301 west second street, austin, texas. Just to give you some -- we do have several speakers signed up, first we will get a very brief presentation from staff, then we will go to the speakers. All of us have an obligation at 1:30 today, so if this meeting goes beyond 1:30, approximately, what we're going to have to do is recess the meeting and come back here. So this is a major event, it's the grand opening been planned for a long time the grand opening of the african-american cultural facility. So I just wanted to give you that explanation before we go ahead, we'll call up the staff members or attorney to give us a very quick overview of today's agenda. >> Good afternoon, mayor, councilmembers, what you have before you is a term sheet that sets out some of the principal terms that the parties and [indiscernible] have been able to negotiate and come to an agreement. Earlier today we met with the administrative law judges who are presiding over this matter. We presented this to them and are awaiting you all's decision today. The judges asked that we file a letter with them today indicating your decision. Assuming that you all approve it and we will move forward in terms of putting together a document that will be filed at the commission next week. The document that you have sets out as I mentioned some of the key appointments.

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And I'm happy to go into those in detail if you would like. At your leisure. >> Mayor Leffingwell: Any questions? We will go directly to our speakers, roger [indiscernible] I think that I've got that pronunciation right. I've said it enough times. But correct me if I'm wrong. >> You got it perfect, mayor, roger [indiscernible] homeowners united for rate fairness. I'm here to say a thank you to your legal team and your staff. I think that we've done a great job of working out a promise where everyone gave a little something and everyone got a little something and I would just ask for your approval of this item. >> Mayor Leffingwell: Thank you, roger. Next speaker is tom smith. Donating time is karen haden. -- Is karen here? You have up to six minutes. >> Mayor, city council members, my name is tom smith, smitty, I have been a participant in this rate contest for about a year. This is not a perfect settlement. We are here to ask you to approve it. We think as described in the media that it preserves a number of things that are very important to the city. The energy efficiency programs, the renewable programs, the various value of solar program and the multi-tiered block rates designed in such a way to discourage consumption on the hottest days. We don't think that it's a good idea or a good precedent to give anybody a discount just because they may live out of town. Given the alternative of prolonged litigation and a hearing before the texas public utility commission that may not result in a settlement as favorable as

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this one is at this time, we urge you to approve the settlement. I think it will give people who live outside of the city clear indications that -- that we are serious about asking people to reduce their power consumption on the hottest days and that there's a financial penalty in terms of a higher

cost for additional consumption and that's an important precedent to establish. I got an email, however, this morning, from one of my friends in westlake. Who said, smitty, does this mean you won't charge tolls to people as they come ac bridge to austin as they come down there by red bud island. You might reconsider that now that you have come up with this rate case. >> Mayor Leffingwell: Thank you, paul robbins. Donating time is roy whalely and robert singleton. So you have up to nine minutes. >> Thank you, council. [Indiscernible] from sierra club has been detained and sierra club on behalf -- through roy whalely is donating time to me. >> Not sheer so you have nine minutes -- not here so you have nine minutes. >> [Indiscernible] >> Mayor Leffingwell: Right, you have nine minutes. >> For the record, I'm paul robbins, I've been working in the fields of energy and environment since 1977. I have observed austin energy and the bureaucracy of city government probably longer than anybody in this room. I am also one of the only people in this room here as a volunteer. First, I need to ask some clarification. Because the staff has given us so little information that I can't make sense of the settlement. 5.75 million discounts out of what?

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What is the denominator? Would someone in the staff please provide this?!! >> Mayor Leffingwell: We will be glad to have a staff member get with you to explain it after you finish speaking. >> The problem with what you just suggested, mayor, is that I can't make my point. I suspect, strongly, that they are giving -- people outside of the city below cost electricity. But I can't prove it because they won't give me the information! Perhaps if they had posted this, a little less than an hour ago, perhaps if we had real transparent government, maybe I could get this information. This settlement was brought to our attention two days ago. If it were not for the efforts of a conscientious reporter we would probably know nothing about it until today. It was actually posted at 11:10 morning. It would appear that your staff don't want the public to know what's going on here. The way this settlement has been handled is a textbook examples of government working in the dark. Second, the reason this abominable settlement was kept from the public probably has to do with what a bad deal it is for the citizens of austin, if anything. You are treating the citizens of austin as second class citizens. I have never seen a rate devised th arbitrary. And so poorly linked to the cost of service. Now, let's be truthful. No one enjoys paying electric bills. But ratepayers are highly resentful when special people are singled out for

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special privileges. This is nothing less than special privileges for a select group of people that had gamed the system. Almost all of the people that benefit are relatively wealthy. It is nothing less than rate of return from out of city customers. Council, can you tell me another utility in the state that makes a profit that does not make a profit on out of city ratepayers? Can any of you name one? I take that as a no. Austin energy i for-profit municipal utility. It does not exist to make the lives of suburbanites any easy than in center customers also the persons's paying profit are not launching protests against southwest, telecom providers in their city. Their complaints are hypocrisy, and instead of standing up on principle, the council indulges the if this is the way we have to treat them, let's just cut them loose. Between 2006 and 2011 residential rates for deregulated texas utilities were 41% higher than if they were served by municipal utilities. If this is the way that we have to treat out of city ratepayers, then let them have their deregulated

paradise and they can find out the hard way. I want to slightly correct something that I said yesterday. I have personally conducted a city of 100 large cities in Texas for the year 2011. One of them gave rate breaks

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to their out of city customers, 21 of them charged their out of city customers more of however, this is one city, brian, texas that has differing rates for commercial customers and in some years rural rates are slightly lower and some years they are higher. The difference between brian and austin is that brian keeps two sets of books. One for the city and one for the rural system. Its rates are less cost based. Austin's settlement proposal is ins sanely arbitrary. I might -- insanely arbitrary. I might add that austin utility has also gamed the system. They originally appropriated an out of rate rate for customers in february, the majority of council rejected it. So now the utility has gotten its way through a rate deal that was hidden from the public. Was this per chance influenced by the fact that many of the utility's top staff members live outside of the city? You may think that the settlement is going to put an to the act moment. Act monday knee, in fact it's going to make it worse, it's going to breed into the rate case happening next year. It will heighten distrust of city government and it is so unfair that it will bleed into other issues. How can you expect austin voters to approve a rail election after the way you've treated them here? Why on earth would out of city ratepayers want to participate on their new board if they can just go to the p.U.C. And get a better deal? What will this do to

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incentivize wealth flight. That concludes my written remarks and I just want to reiterate that I think austin energy's way of treating the public, is just sort of reprehensible. They have hidden this deal from public scrutiny. Good afternoon. >> Mayor Leffingwell: Those are all of our speakers, I will entertain a motion on item 1. Councilmember martinez moves approval. >> Second. >> Mayor Leffingwell: Seconded by councilmember morrison. Further discussion? All in favor say aye? >> Aye. >> Opposed say no. Passes on a vote of 7-0. That completes our agenda for today, we stand adjourned at 12:47 p.M.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,

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