



Electric Utility Commission

August 18, 2014

Minutes

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.

The meeting was called to order by Vice Chair Karen Hadden at 6:00 pm. Commissioners Butler, Fath, Heidebrecht, Osborne, Rai, and Shaw were also in attendance.

1. **APPROVAL OF MINUTES** - Approve minutes of the July 21, 2014 regular meeting. Commissioner Fath recommended amending the minutes, adding the following language: **“The meeting was called to order by Chair Bernfeld at 6:01 pm., followed by his resignation, effective as of the close of this meeting.”** Motion to approve amended meeting minutes (Fath); seconded (Rai); passed on a vote of 6-0-1 (Osborne – Abstain).
2. **CITIZEN COMMUNICATIONS: GENERAL** – *Carol Biedrzycki (3)*.

NEW BUSINESS – CONSENT ITEMS (Targeted Council Date)

Motion to recommend approval of consent agenda items 4-10, 12-14 (Rai); seconded (Fath); passed on a vote of 7-0. Following discussion of Item 3, motion to recommend approval (Rai); seconded (Heidebrecht); passed on a vote of 7-0. Following discussion of Item 11, motion to recommend approval (Rai); seconded (Shaw); passed on a vote of 6-0-1 (Fath – Abstain).

3. (8/28) Approve an ordinance amending the Fiscal Year 2013-2014 Austin Energy Operating Budget of Ordinance No. 20130909-001 to decrease the Austin Energy Operating Fund Ending Balance by \$600,000 and increase the operating expenses by \$600,000 to provide additional funding for the Voluntary Utility Assistance Fund.
4. (8/28) Approve issuance of a rebate to Apple Inc. for the installation of energy efficiency improvements at the Riata-Vista Phase I Campus and New Central Plant located at 5401 and 5501 West Parmer Lane, Austin, Texas 78727, in an amount not to exceed \$180,359.
5. (8/28) Approve issuance of a rebate to Flextronics America LLC for the installation of energy efficiency improvements at Flextronics Austin-Research located at 12455 Research Blvd., Austin, Texas 78759, in an amount not to exceed \$158,125.00.
6. (8/28) Approve issuance of a rebate to Intel Corporation for the installation of energy efficiency improvements at the AN4 Central Plant and Data Center located at 1300 S. Mopac Expressway, Austin, Texas 78746, in an amount not to exceed \$178,890.

7. (8/28) Authorize negotiation and execution of an agreement with COEUS BE Austin, LP, to provide performance-based incentives for the generation of solar energy at its facilities located at 1600 Royal Crest Drive in Austin, Texas, for an estimated \$8,047 per year, for a total amount not to exceed \$80,470 over a 10-year period.
8. (8/28) Authorize negotiation and execution of 24-month service contracts with ENTECH SALES AND SERVICE, INC., TRANE U.S. INC., and CENTRAL TEXAS COMMERCIAL A/C & HEATING INC., for the purchase of maintenance and repair services for the centrifugal chillers at Austin Energy's Sand Hill Energy Center in an amount not to exceed \$666,666 each and combined, with two 24-month extension options in an amount not to exceed \$666,666 each and combined for the first option and \$666,668 each and combined for the second option, for a total contract amount not to exceed \$2,000,000 each and combined.
9. (8/28) Authorize award and execution of two contracts with KBS ELECTRICAL DISTRIBUTORS INC. for the purchase of glass insulators in an amount not to exceed \$173,800 and with MVA POWER INC. for the purchase of vibration dampers in an amount not to exceed \$33,880 for Austin Energy; or, consistent with the City's authority under state statute to consider a bidder's local presence in awarding contracts, authorize award and execution of two contracts with KBS ELECTRICAL DISTRIBUTORS INC. for the purchase of glass insulators in an amount not to exceed \$173,800 and with TECHLINE INC. for the purchase of vibration dampers in an amount not to exceed \$34,650.
10. (8/28) Authorize award and execution of a 12-month requirements service agreement with AK SOLID STATE INC., for the purchase and installation of batteries and capacitors, and for the maintenance of the uninterruptible power supply modules for Austin Energy in an amount not to exceed \$59,423, with four 12-month extension options for maintenance in an amount not to exceed \$8,475 per extension option, for a total contract amount not to exceed \$93,323.
11. (8/28) Authorize award and execution of a 12-month requirements contract with JOHN L. WORTHAM & SON, LP DBA WORTHAM INSURANCE & RISK MANAGEMENT to RFP No. PAX0117 for property, boiler, and machinery insurance and loss prevention services in an amount not to exceed \$3,150,000, with five 12-month extension options in amounts not to exceed \$3,622,500 for the first extension option, \$4,165,875 for the second extension, \$4,790,756 for the third extension, \$5,550,937 for the fourth extension, and \$6,383,578 for the fifth extension, for a total contract amount not to exceed \$27,663,646.
12. (8/28) [SHARED] Authorize award and execution of two 36-month contracts for the rental of off-site storage units for various City departments with LAMAR STORAGE LTD in an amount not to exceed \$211,980 with three 12-month extension options in an amount not to exceed \$70,660 per extension option, for a total contract amount not to exceed \$423,960; and with ALL MY SONS MOVING & STORAGE OF AUSTIN, INC., in an amount not to exceed \$76,800, with three 12-month extension options in an amount not to exceed \$25,600 each, for a total contract amount not to exceed \$153,600. The annual amount for all rentals of off-site storage units will be for a total each and combined amount not to exceed \$96,260.
13. (8/28) [Shared] Authorize award and execution of a 60-month requirements contract with MILLER UNIFORMS & EMBLEMS, INC., or one of the other qualified offerors to RFP No. PAX0116 for industrial clothing, supplies, and related services for various City Departments in

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an amount not to exceed \$14,250,000, with one 60-month extension option in an amount not to exceed \$14,250,000, for a total contract amount not to exceed \$28,500,000.

14. (8/28) [Shared] Authorize award and execution of a 36-month requirements service contract with ALLEGIANCE POWER SYSTEMS, INC. to provide back-up generator maintenance and repair services for various City departments, in an amount not to exceed \$581,935, with three 12-month extension options in an amount not to exceed \$193,979 for each extension option, for a total contract amount not to exceed \$1,163,870.

NEW BUSINESS – NON-CONSENT ITEMS

15. Election of Chair, and if necessary, Vice Chair

Nomination of Linda Shaw as chair (Fath); seconded (Shaw). Nomination of Michael Osborne as chair (Butler); seconded (Rai). Following discussion of the nominations, motion to elect Shaw to the chair did not pass on a vote of 3-4 (Butler, Hadden, Osborne, Rai – Nay). Motion to elect Osborne to the chair passed on a vote of 5-0-2 (Fath, Heidebrecht – Abstain).

Chair Osborne presided over the remainder of the meeting.

BRIEFINGS

16. Work Session, discussion and possible action/recommendation regarding FY 2015 Budget (Ann Little, CFO and David Kutach, Director, Planning and Budget)

Vice Chair Hadden requested redistribution of line item budget pages.

Citizen Communication: Lanetta Cooper

Commissioner Fath read the following statement into the record:

“Although I appreciate the City Manager’s recommending a \$3 million reduction in Austin Energy’s transfer to the Economic Development Dept. (and while disregarding the question of whether this City should even be spending money to encourage growth), I cannot vote for this budget because it transfers \$8,388,452 to Economic Development even though the Chamber of Commerce’s Dave Porter and Opportunity Austin do a better job on economic development without taking more than \$11 million from Austin ratepayers and taxpayers.”

Motion to endorse Commissioner Fath’s statement (Hadden); seconded (Shaw); passed on a vote of 6-0-1 (Heidebrecht – Abstain).

Following discussion of the budget, motion to recommend approval of the FY 2015 budget (Rai); seconded (Shaw). Friendly amendment to form EUC working group to review FY 2015 budget and to make possible recommendations (Butler). Friendly amendment to not recommend approval of \$8,388,452 transfer to Economic Development Department (Fath). Amendment to recommend an increase to the energy efficiency program budgets by \$7 million (Hadden); not accepted as friendly (Rai); amendment withdrawn. Amended motion passed on a vote of 7-0.

Chair Osborne appointed Commissioners Butler, Hadden, and Heidebrecht to serve on budget working group.

Citizen Communication: Carol Biedrzycki

Meeting recessed at 7:53 pm.

Meeting resumed at 8:04 pm.

17. Briefing on Payment Arrangements, Arrearage Management and Hearings Process
(JJ Gutierrez, VP Customer Care)

Citizen Communication: Lanetta Cooper, Carol Biedrzycki

Commissioner Fath requested staff remove acronyms from implementation timeline slide of the Payment Arrangement presentation (slide 14). Commissioner Fath requested a summary of recommendations and asked staff to highlight differences in recommendations between the City of Austin and the Low Income Consumer Work Group when the item returns for EUC action at the September meeting.

18. Briefing on the GreenChoice Program
Chair Osborne postponed item to September EUC meeting.

FUTURE AGENDA ITEMS

19. Discussion regarding potential future agenda items
No action taken.

ADJOURNMENT: Chair Osborne adjourned the meeting at 9:07 pm.