



## **Electric Utility Commission**

**August 15, 2016**

### **Minutes**

**The Electric Utility Commission (EUC) convened a regular meeting at 721 Barton Springs Road in Austin, Texas.** Meeting was called to order by Chair Hadden at 5:03 pm. Commissioners Fath, Ferchill, Heidebrecht, Mahmood, Norris, Osborne, Stout and Wray were also in attendance. Commissioners Biedrzycki and Roa arrived during budget discussion.

**CITIZEN COMMUNICATIONS:** *John Coffman (Independent Consumer Advocate), Kaiba White (Public Citizen/Sierra Club), Randy Chapman (Low Income Customers) and Todd Davey (NXP) all spoke during Item 16 (speakers stated respective positions regarding electric rates).*

1. **APPROVAL OF MINUTES** - Approve minutes of the July 18, 2016 regular meeting.

**Motion (Osborne) to approve minutes with amended language noting that Vice Chair presided over items 15 & 16; seconded (Norris); passed on a vote of 9-0, with Biedrzycki and Roa off the dais.**

#### **NEW BUSINESS -- CONSENT**

(\_\_\_) = Target Council Meeting Date for Recommendations for Council Action (RCAs)

**Motion to approve consent Items 2-8 and 10-12 (Ferchill); seconded (Norris); passed on a vote of 9-0, with Biedrzycki and Roa off the dais. Following discussion, motion to recommend approval of Item 9 (Heidebrecht); seconded (Ferchill); passed on a vote of 9-0, with Biedrzycki and Roa off the dais.**

2. (8/18) Authorize negotiation and execution of cost reimbursement agreements for make-ready, construction, and replacement work on utility poles with telecommunication, cable, data, and franchised video-service providers who have infrastructure license agreements with Austin Energy, in a combined amount not to exceed \$1,500,000 per year over a 48-month term, for a total amount not to exceed \$6,000,000.
3. (8/18) Authorize negotiation and execution of a 24-month contract with HOWROYD-WRIGHT EMPLOYMENT AGENCY INC. DBA APPLEONE, or one of the other qualified offerors to Request For Proposals RMJ0306, to provide call center staffing services, in an amount not to exceed \$18,422,565, with three 12-month extension options in an amount not to exceed \$9,211,283 per extension option, for a total contract amount not to exceed \$46,056,414.
4. (8/18) Authorize award and execution of two 24-month contracts with DINCA GROUP, LLC to provide flexible base, substation surface rock, and limestone rock. The first contract is for Austin Energy in an amount not to exceed \$1,976,206, with three 12-month extension options in an amount not to exceed \$988,103 per extension option, for a total contract amount not to exceed \$4,940,515; the second contract is for various City departments in an amount not to exceed \$1,393,200, with three 12-month extension options in an amount not to exceed \$696,600 per extension option, for a total contract amount not to exceed \$3,483,000.
5. (8/18) Authorize negotiation and execution of a professional services agreement with the following three staff-recommended firms, for Request for Qualifications Solicitation No. CLMP193A:

STRUCTURAL INTEGRITY ASSOCIATES, INC., REINHART & ASSOCIATES, INC., and INTERTEKUSA DBA INTERTEKAIM, to provide engineering services for the 2016 Inspection and Analysis of Power Generation Facilities Rotation List - Reissue, for an estimated period of three years or until financial authorization is expended, with the total amount not to exceed \$4,000,000 divided among the three firms.

6. (8/18) Authorize negotiation and execution of a 12-month contract with FACTORY MUTUAL INSURANCE COMPANY, or one of the other qualified offerors to Request For Proposals TVN0060, to provide all-risk property and boiler machinery insurance coverage and ancillary risk management services, in an amount not to exceed \$2,829,355, with six 12-month extension options in an amount not to exceed \$3,427,563 for the first option, \$4,035,193 for the second option, \$4,660,648 for the third option, \$5,460,043 for the fourth option, \$6,306,350 for the fifth option, and \$7,283,834 for the sixth option, for a total contract amount not to exceed \$34,002,986.
7. (8/18) Authorize negotiation and execution of a 72-month extension option to the current lease agreement with Cornerstone Holding, LP, for approximately 71,920 square feet of office space for Austin Energy, located at 811 Barton Springs Road, in an amount not to exceed \$19,501,828 (District 9).
8. (9/1) Approve issuance of a rebate to KIPP Austin Public Schools, Inc., for the installation of energy efficiency measures at its North Campus, located at 8004 Cameron Road, in an amount not to exceed \$60,412. (District 4)
9. (9/1) Approve an ordinance amending the Fiscal Year 2015-2016 Austin Energy Operating Budget of Ordinance No. 20150908-001 to increase the Austin Energy Operating Fund transfers out \$14,400,000 and increase Cash by \$14,400,000 to recognize the proceeds from the sale of the Austin Energy Control Center (ECC) and transfer those proceeds to the Utility Revenue Bond – ECC Proceeds Reserve Fund per Council resolution 20080214-054.
10. (9/1) Authorize negotiation and execution of various cooperative contracts during Fiscal Year 2016-2017 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES cooperative purchasing program for the purchase of computer, network and other technology hardware and related maintenance in an amount not to exceed \$22,842,222.
11. (9/1) Authorize negotiation and execution of various cooperative contracts during Fiscal Year 2016-2017 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES cooperative purchasing program for the purchase of computer software and software maintenance and support in an amount not to exceed \$16,686,867.
12. (9/1) Authorize negotiation and execution of various cooperative contracts during Fiscal Year 2016-2017 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES cooperative purchasing program for the purchase of technology services in an amount not to exceed \$27,256,144.

**Note: Chair Hadden next took up Item 14 (Budget), followed by Vice Chair Heidebrecht presiding over Items 13 & 15 (Rates), with Chair Hadden presiding over remaining items. For purpose of Minutes, items remain in original order.**

#### **PRESENTATIONS**

13. Rate Review update.

**Mark Dreyfus, Vice President, Regulatory Affairs & Corporate Communications and Thomas Brocato, Outside Counsel provided update on rate review, detailing the proposed rate settlement agreement.**

## **OLD BUSINESS**

14. Discussion and possible action regarding Austin Energy's Proposed Fiscal Year 2016-17 Budget.

**Mark Dombroski, CFO and David Kutach, Director, Financial Planning & Budget. Motion (Ferchill) to "recommend Council approve Austin Energy's proposed budget;" seconded (Norris); passed on a vote of 6-3-2, with Biedrzycki, Roa and Wray "against;" Fath and Hadden "abstaining." Motion (Fath) "that Council amend the budget to change the 10kW threshold back to 20kW and that first-time customers hitting the 20kW or more threshold incur demand charges for 3 months rather than the usual 12 months;" seconded (Norris); failed on a vote of 4-5-2, with Biedrzycki, Ferchill, Heidebrecht, Norris and Stout "against;" Mahmood and Osborne "abstaining."**

15. Discussion and possible action regarding Austin Energy's proposed rates and the Impartial Hearing Examiner's Report.

**Motion (Ferchill) to "recommend to Council that the EUC endorses the proposed rate settlement plan as presented by staff;" seconded (Norris); passed on a vote of 9-1-1, with Osborne "against" and Hadden "abstaining." Motion (Wray) to "recommend that the City Council direct Austin Energy to propose a plan that will allow for the Fayette Power Project to be retired in 2023 and, if deemed necessary, to allocate the appropriate funding to do so;" seconded (Osborne); passed on a vote of 9-1-1, with Stout "against" and Hadden "abstaining."**

16. Discussion and possible action regarding the 2014 Austin Energy Resource, Generation and Climate Protection Plan, including the 2015 600 MW solar RFP.

**This item was not discussed.**

## **OTHER BUSINESS**

17. Report regarding Council action on previously-reviewed items by the EUC. **This report was distributed but not discussed.**

18. Discussion regarding potential future agenda items.

- **Results of Energy Storage RFI (Hadden)**
- **Follow-up/update on Pole Attachments (Roa)**
- **Cyber Security update (Biedrzycki)**
- **Discussion regarding EUC Annual Internal Review goals (Wray)**

## **ADJOURNMENT**

**At 8:00 p.m., motion to adjourn (Osborne); seconded (Ferchill); passed on vote of 11-0.**