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Late Backup

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Point Austin: Storm Surge

Finger-pointing follows lost fed funds for Weatherization Assistance Program

BY AMY SMITH, DECEMBER 2, 2011, NEWS

"It's complicated" is not the best way to begin an explanation of how the city lost \$400,000 in stimulus money targeted for weatherproofing 54 low-income households, but we'll try to break it down this way: On Nov. 10, City Council was set to bless \$600,000 in federal funding (via the Texas Department of Housing & Community Affairs) and approve the contracts necessary to begin weatherization work on the Mount Carmel Village apartments in East Austin. It would have been a nice wintertime gift for some elderly person sitting in a drafty apartment or a single mother trying to balance work, family, and checkbook.

At the last minute, the city manager pulled the weatherization measure from the agenda and the matter was moved to Dec. 8. It's not immediately clear why the postponement occurred, but hell broke loose when word got out that the delay cost the city two-thirds of the \$600,000 due to a complicated set of time constraints that come with such unexpected windfalls. You would need a forensic auditor to determine who's to blame for this forfeit, but there's no shortage of conspiracy theories. The bottom line is that 54 needy households on deck for weatherization were left out in the cold.

'He's Not Our Darling'

In the hours and days and weeks that followed the postponement, there were rumblings that City Manager Marc Ott pulled the agenda item after minority business representatives questioned whether the contracts met the city's goals that apply to women- and minority-owned businesses. Minority business reps went on the defensive, saying Austin Energy was blaming them for the postponement.

"You didn't hear anybody from Austin Energy say that, but you may have heard somebody say that Austin Energy shouldn't blame them," said Karl Rábago, AE vice president for Distributed Energy Services, who oversees the utility's Weatherization Assistance Program. Rábago, it should be noted, has been a target of scorn among many minority business members since the weatherization funding process started about two years ago. Some have described him as "dismissive," "arrogant," and "obnoxious."

What? Is this the same Karl Rábago who walks on water in the green community? Say it isn't so! "He's the darling of the environmentalists, but he's not our darling," says Carol Hadnot, program manager/consultant for the Austin Black Contractors Association. This isn't news to Rábago, who's caught plenty of flack from minority business groups with respect to his management of the Weatherization Assistance Program. At a City Council meeting in April, when \$2 million in federal funds

was on the agenda for approval, several minority business leaders aired their grievances about the lack of participation in the contract work. At the same time, they voiced their support for the program and went to great lengths to explain that they did not want to bring the program to a halt; they just wanted some adjustments. Paul Saldaña, representing the U.S. Hispanic Contractors Association, told council that his grandmother was one of the first recipients of the weatherization effort but that the program held few work opportunities for minority business owners.

A Cold Wind

Like the Nov. 10 agenda matter, the April action items also carried a "rush" that required securing the funding and getting the weatherization work under way within a certain time frame. City Council approved the funds in the interest of time but also directed Austin Energy to address the concerns of a city MBE/WBE advisory committee that was created after relations between AE and minority contractors reached a boiling point. The committee drew up a list of 15 recommendations designed to improve transparency and minority representation in the weatherization work. Committee members say AE has ignored those suggestions; AE denies it. In short, little progress has been made. "It was an exercise in futility," Hadnot said of the process.

Rábago, who tackles feel-good environmental projects with the discipline of an Army JAG officer, responds to the criticism this way: "Because we're human beings, sometimes there will be disagreements. Somebody has to make the decisions to get the job done." Those decisions, he added, have helped 2,000 families who were challenged by their high energy bills. (A related, not-coincidental side note: Austin Energy officials are expected to justify their proposed rate increase in a presentation to City Council on Dec. 14.) "If that means that I was obnoxious or whatever adjectives they want to use," Rábago continued, "that's the price to pay for leadership – that's the price we pay for trying to get a million dollars of federal money working in our community. If the price is that a few people got their noses out of joint or thought they had a better way of doing it, so be it." And if their noses weren't out of joint before, they may well be now.

The lesson learned in this weatherization assistance process is that the people who stand to benefit the most are also inevitably the ones who lose the most when things go awry. Rábago would argue that the program is a success – and for the most part it is, except for the ongoing tension with minority contractors and the lack of accountability on the \$400,000 hit. Four-hundred thousand dollars may not be a huge sum of money in the larger economic scheme, but it sure could have caulked a lot of windows and lowered a lot of electric bills.

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