



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved June, 18, 2012
MAY 21, 2012

The Electric Utility Commission (EUC) convened in a regular meeting in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. **CALL TO ORDER** – Phillip Schmandt called the meeting to order at 6:00 p.m.
Commissioners in attendance: Phillip Schmandt, Chair; Linda Shaw, Vice Chair; Gary ‘Bernie’ Bernfeld, Barbara Day, Shudde Fath and Dr. Michael Webber. Stephen Smaha was absent.
Staff in attendance: Larry Weis, Kerry Overton, Ann Little, David Wood, Karl Rabago, Mark Dreyfus, Steve Machicek, Jeff Vice, David Kutach, Jaime Gomez, Tim Harvey, Adrienne Brandt and Toye Goodson Collins of Austin Energy; Ed Van Eenoo and Michelle Perez of the Financial Services Department; and Rosemary Ledesma and Yolanda Miller of the Purchasing Department.
2. **APPROVAL OF MINUTES – Motion to approve minutes of the April 16, 2012 regular meeting by Commissioner Bernfeld, seconded by Commissioner Fath, passed on a vote of 6-0.**
3. **CITIZEN COMMUNICATIONS: GENERAL**
There were no speakers.

NEW BUSINESS – CONSENT ITEMS

4. Approve an ordinance amending the Fiscal Year 2011-2012 Austin Energy Operating Budget of Ordinance No. 20110912-005 to decrease the Austin Energy Operating Fund Ending Balance by \$1,630,000 and increase the transfer to the Conservation Rebates and Incentives Fund by \$1,630,000, and amend the Conservation Rebates and Incentives Fund to increase the transfer from the Austin Energy Operating Fund by \$1,630,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
5. Approve the issuance of Letters of Intent for rebates to LENNAR HOMES for the installation of solar energy systems designed to serve 10 new construction residential homes in the Bradshaw Crossing and Colorado Crossing developments for a total amount of \$83,481.30. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
6. Approve the issuance of a Letter of Intent for a performance-based incentive to BAE SYSTEMS for the generation of solar energy at their facility located at 6500 Tracor Lane #27 in Austin, Texas, for a total amount not to exceed \$390,000 over the 10-year period. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
7. Approve the issuance of a Letter of Intent for a performance-based incentive to the TEXAS PARKS AND WILDLIFE DEPARTMENT for the generation of solar energy at their facility located at 4200 Smith School Road in Austin, Texas, for a total amount not to exceed \$170,000 over the 10-year period. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**

8. Approve issuance of a rebate to Greystar Real Estate Partners, LLC, for performing energy efficiency improvements at Monterone at Steiner Ranch Apartments in an amount not to exceed \$129,711. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
9. Approve ratification of Amendment No. 1 to the contract with POWER SYSTEMS MFG., LLC., Jupiter, FL, for a long term maintenance agreement for the gas turbine and generator unit #5 at Austin Energy's Sand Hill Energy Center, to increase the contract authorization in an estimated amount not to exceed \$9,000,000, for a revised total contract amount not to exceed \$31,937,248. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0. Commissioners requested a report on power plant equipment repair, maintenance and protection in July.**
10. Authorize award, negotiation, and execution of a 60-month requirements supply agreement with ALTEC INDUSTRIES, INC. for the Phase I lease of truck-mounted aerial devices and digger derricks for Austin Energy in an estimated amount not to exceed \$4,253,490, with the option to enter into agreements for Phases II and III in an estimated amount not to exceed \$3,310,455 and \$3,169,785 respectively, for a total estimated contract amount not to exceed \$10,733,730. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
11. Authorize award and execution of a 24-month requirements service contract with H. BROWN MACHINE SHOP, INC., Eunice, LA, for the purchase of heavy hauling services to transport electric utility equipment for Austin Energy, in an estimated amount not to exceed \$1,864,000 with three 12-month extension options in an estimated amount not to exceed \$932,000 per extension option, for a total estimated contract amount not to exceed \$4,660,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
12. Authorize award and execution of three 24-month requirements supply agreements for the purchase of street light poles and pole parts for Austin Energy with: TECHLINE INC. in an estimated amount not to exceed \$761,049, with three 12-month extension options in an estimated amount not to exceed \$380,525 per extension option, for a total estimated contract amount not to exceed \$1,902,623; POWER SUPPLY, INC. in an estimated amount not to exceed \$47,854, with three 12-month extension options in an amount not to exceed \$23,927 per extension option, for a total estimated contract amount not to exceed \$119,635; and with KBS ELECTRICAL DISTRIBUTORS, INC. in an estimated amount not to exceed \$33,176, with three 12-month extension options in an amount not to exceed \$16,588 per extension option, for a total estimated contract amount not to exceed \$82,940. The annual amount for all street light poles and pole parts required under these agreements will be for a total estimated amount not to exceed \$421,040 each and combined. **Motion to approve by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
13. Authorize award and execution of a contract with PRIESTER-MELL & NICHOLSON INC for the purchase of SF6 pad-mounted automatic transfer switchgear for Austin Energy in an amount not to exceed \$369,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
14. Authorize award and execution of a 24-month requirements supply contract with PENNSYLVANIA BREAKER, LLC, for the purchase of 145kV Dead Tank Circuit

Breakers for use at Austin Energy substations, in an estimated amount not to exceed \$1,597,800, with three 12-month extension options in an estimated amount not to exceed \$798,900 per extension option, for a total estimated contract amount not to exceed \$3,994,500. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**

15. Authorize award and execution of a supply contract with TBEA USA CORPORATION for the purchase of 362kV capacitive coupled voltage transformers for Austin Energy in an amount not to exceed \$132,324. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
16. Authorize award and execution of four 24-month requirements supply agreements for the purchase of luminaires, floodlights, and associated parts for Austin Energy with: POWER SUPPLY in an estimated amount not to exceed \$10,562,358, with three 12-month extension options in an estimated amount not to exceed \$5,281,179 per extension option, for a total estimated contract amount not to exceed \$26,405,895; with TECHLINE INC. in an estimated amount not to exceed \$4,474,196, with three 12-month extension options in an estimated amount not to exceed \$2,237,098 per extension option, for a total estimated contract amount not to exceed \$11,185,490; with KBS ELECTRICAL DISTRIBUTORS INC. in an estimated amount not to exceed \$40,950, with three 12-month extension options in an estimated amount not to exceed \$20,475 per extension option, for a total estimated contract amount not to exceed \$102,375; and with PRIESTER-MELL & NICHOLSON, in an estimated amount not to exceed \$32,952, with three 12-month extension options in an estimated amount not to exceed \$16,476 per extension option, for a total estimated contract amount not to exceed \$82,380. The annual amount for all luminaires, floodlights, and associated parts required under these agreements will be for a total estimated amount not to exceed \$7,555,228 each and combined. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**
17. Authorize award and execution of four contracts for the purchase and installation of furnishings and fixtures for Austin Energy's new System Control Center through the TEXAS MULTIPLE AWARD SCHEDULE (TXMAS) cooperative purchasing program with: ROCKFORD BUSINESS INTERIORS in an estimated amount not to exceed \$1,420,038; AUSTIN BUSINESS FURNITURE in an estimated amount not to exceed \$1,198,370; and OFFICE SOURCE LTD. in an estimated amount not to exceed \$34,386 and through The Cooperative Purchasing Network (TCPN) with GRAINGER, INC. in an estimated amount not to exceed \$29,775 for a total estimated amount not to exceed \$2,682,569 each and combined. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0.**

BUDGET & FORECAST BRIEFINGS

18. Presentation on the Fiscal Year 2012-2013 City of Austin Budget by Ed Van Eenoo, City of Austin Budget Officer.
19. Presentation of Austin Energy's Five-Year Financial Forecast by Larry Weis, General Manager and Ann Little, Chief Financial Officer.
Chair Schmandt invited speakers on Items 18 and 19. Laura Pressley spoke regarding cost reductions and containment.

OLD BUSINESS

20. Discussion regarding solar generation planning – Michael Osborne, Special Assistant to the General Manager, reported that he was awaiting the Law Department's review of a determination by outside counsel regarding community solar. Commissioners requested an update at next month's meeting.

STAFF BRIEFINGS

21. Financial Report by Steve Machicek, Director, Corporate Accounting & Rates. Commissioners Day and Fath requested quarterly balance sheets. Commissioner Day requested additional data regarding Fayette. Both reports will be provided to the Commission prior to next month's meeting.
22. Rate Review Update by Larry Weis, General Manager.

FUTURE AGENDA ITEMS

23. Request items including information related to the Upcoming Procurements Report – Commissioner Day reminded staff of the request made at last month's meeting for an Executive Session on issues related to fuel. As stated earlier, an update on solar generation issues will be added to the June agenda and a report on power plant equipment repair and maintenance will be submitted in July.
24. **ADJOURN** – Chair Schmandt adjourned the meeting at 8:40 p.m. without objection.