



**ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved July 23, 2012
JUNE 18, 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, Stephen Smaha and Dr. Michael Webber.
Staff in attendance: Cheryl Mele, Ann Little, David Wood, Fred Yebra, Steve Machicek, Mark Dreyfus, Ed Clark, Jim Collins, Pat Alba, Adrienne Brandt, Michael Osborne, Dorthy Kester, David Tomczyszyn, Oswald Colon, Todd Shaw, Jerry Hernandez, Stephen Leinweber, Drusilla Saenz and Toye Goodson Collins of Austin Energy; and Rosemary Ledesma and Yolanda Miller of the Purchasing Department.
2. **APPROVAL OF MINUTES** – **Motion to approve minutes of the May 21, 2012 regular meeting by Commissioner Fath, seconded by Chair Schmandt, passed on a vote of 7-0.**
3. **CITIZEN COMMUNICATIONS: GENERAL**
There were no speakers.

NEW BUSINESS – CONSENT ITEMS

4. Authorize award and execution of a contract through the Texas Local Government Purchasing Cooperative (BuyBoard) with: CALDWELL COUNTRY CHEVROLET for the purchase of 35 light-duty service vehicles in an amount not to exceed \$820,932; GRAPEVINE DODGE, CHRYSLER, JEEP for the purchase of two 7-passenger minivans and one police sedan in an amount not to exceed \$67,408.25; ONE STOP BUS STOP, INC. for the purchase of three propane powered small passenger buses in an amount not to exceed \$209,894; PHILPOTT MOTORS, LTD. for the purchase of 70 light-duty vehicles in an amount not to exceed \$1,974,098.19. (Note: AE’s share is \$170,495 for six replacement vehicles.) **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
5. Authorize award and execution of a 36-month requirement supply contract with GULF COAST PAPER COMPANY, or one of the other qualified bidders for IFB-BV No. CB30070, to provide custodial supplies for all City of Austin Departments in an estimated amount not exceed \$5,040,000 with three 12-month extension options in an estimated amount not to exceed \$1,680,000 per extension option, for a total estimated contract amount not to exceed \$11,760,000. (Note: AE’s estimated share is \$88,000/year.) **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 7-0.**
6. Approve the issuance of a Letter of Intent for a Performance Based Incentive to Luby's Fuddrucker's Restaurants, LLC, for the generation of solar energy at their facility located at 13817 U.S. Highway 183 North in Austin, Texas, for an estimated \$18,000 per year with the total amount not to exceed \$193,000 over the 10-year agreement. **Motion to approve on**

consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.

7. Approve the issuance of a Letter of Intent for a Performance Based Incentive to Luby's FuDDRuckers Restaurants, LLC, for the generation of solar energy at their facility located at 8175 North MoPac Expressway in Austin, Texas, for an estimated \$46,200 per year with the total amount not to exceed \$465,000 over the 10-year agreement. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
8. Approve the issuance of a Letter of Intent for a Performance Based Incentive to Luby's FuDDRuckers Restaurants, LLC, for the generation of solar energy at their facility located at 5200 Brodie Lane in Austin, Texas, for an estimated \$23,000 per year with the total amount not to exceed \$268,000 over the 10-year agreement. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
9. Approve the issuance of a Letter of Intent for a Performance Based Incentive to Luby's FuDDRuckers Restaurants, LLC, for the generation of solar energy at their facility located at 1401 East Anderson Lane in Austin, Texas, for an estimated \$32,000 per year with the total amount not to exceed \$338,000 over the 10-year agreement. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
10. Approve the issuance of a Letter of Intent for a Performance Based Incentive to Luby's FuDDRuckers Restaurants, LLC, for the generation of solar energy at their facility located at 1616 East Oltorf in Austin, Texas, for an estimated \$46,000 per year with the total amount not to exceed \$470,000 over the 10-year agreement. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
11. Approve issuance of a rebate to IMT Capital Monterey Ranch, LP, for performing duct diagnostics and improvements at IMT Monterey Ranch Apartments in an amount not to exceed \$141,260. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
12. Authorize award, negotiation, and execution of a contract with AUTOMATED LOGIC CORPORATION for the purchase and installation of new Heating Ventilating and Air Conditioning controls in eighteen City of Austin facilities in an estimated amount not to exceed \$149,785. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
13. Authorize reimbursement of costs to ADHP, LLC, a Delaware Limited Liability Company, for the purchase and installation of heat exchangers and associated piping necessary to interconnect the Hyatt Place Hotel to the Austin Energy District Cooling System, in an amount not to exceed \$550,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-1 with Commissioner Day voting no.**
14. Authorize reimbursement of costs to Domain Parkside I, LP, a Delaware Limited Partnership, for the purchase and installation of heat exchangers and associated piping needed to interconnect the Parkside III residential complex to the Austin Energy District Cooling System, in an amount not to exceed \$475,264. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-1 with Commissioner Day voting no.**

15. Authorize reimbursement of costs to Domain Parkside I, LP, a Delaware Limited Partnership, for the purchase and installation of heat exchangers and associated piping needed to interconnect the Parkside IV residential complex to the Austin Energy District Cooling System, in an amount not to exceed \$324,864. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-1 with Commissioner Day voting no.**
16. Authorize award and execution of a 12-month requirements supply contract with AIR LIQUIDE INDUSTRIAL U.S. LP., for the purchase of bulk liquid nitrogen to be used at Austin Energy's Decker Creek Power Station in an estimated amount not to exceed \$28,100, with five 12-month extension options, in an estimated amount not to exceed \$28,100 per extension option, for a total estimated contract amount not to exceed \$168,600. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
17. Authorize award, negotiation, and execution of a 60-month supply and service agreement with INVENSYS SYSTEMS, INC. to provide power plant control system parts and maintenance services, in an amount not to exceed \$1,207,404. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
18. Authorize execution of a construction contract with UTILITY LINES CONSTRUCTION SERVICES, INC. for construction of Austin Energy's new Dunlap 345 kV Substation, in the amount of \$5,380,913 plus a \$269,046 contingency, for a total contract not to exceed \$5,649,959. **This item was withdrawn by staff in order to provide Commissioners with an update regarding a change in recommended contractors for this service. Due to the posting deadline associated with Open Meetings Act, the Commission could not take action. Cheryl Mele, Chief Operating Officer, and David Wood, Vice President, Electric Service Delivery, briefed Commissioners on the project.**
19. Authorize award, negotiation and execution of a contract with TELVENT USA, LLC, or one of the other qualified offerors to RFP No. AAA0033, to provide Advanced Distribution Management System (ADMS) – Supervisory Control and Data Acquisition (SCADA) software, hardware, implementation services, training and software maintenance and support services for Austin Energy, in an estimated amount not to exceed \$4,500,000, with four 12-month extension options for maintenance and support services, in an estimated amount not to exceed \$300,000 per extension option, for a total estimated contract amount not to exceed \$5,700,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**
20. Authorize award and execution of a supply contract with TECHLINE, INC. for the purchase of transmission and distribution steel poles to be installed by Austin Energy for the Manor Expressway Project in an amount not to exceed \$1,189,893. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 7-0.**
21. Authorize award and execution of Amendment No. 5 to a contract with SECURITY MANAGEMENT SERVICES, LLC, for installation, expansion, and maintenance of Austin Energy's Integrated Security Management System (ISMS), to add one additional 24-month extension option in an estimated amount not to exceed \$3,902,400 for a revised total contract

amount not to exceed \$13,211,752. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 7-0.**

Staff requested that Item 25 be heard next and Commissioners agreed.

25. Discussion and Possible Action regarding solar generation planning – Michael Osborne, Special Assistant to the General Manager, reported that the Law Department received an opinion from outside counsel stating that the Community Sun approach is likely valid under PURA with certain modifications. He also stated that staff might possibly be able to provide a draft tariff at next month's meeting.

NEW BUSINESS – DISCUSSION ITEMS

22. Discussion regarding Council Resolution 20120607-038, directing the study and evaluation of governance models for publicly-owned electric utilities – Mark Dreyfus, Director, Regulatory and Governmental Affairs, provided a summary of the direction laid out in the Council resolution. Staff is to provide a list of governance models of municipally-owned utilities to the EUC by August 31. The EUC is tasked with evaluating the models, consulting with former Austin Energy General Managers, the TPPA, the APPA and others, and report findings to City Council by October 31, 2012. Commissioner Fath suggested that, unless State law had changed, the only governance model allowed is the CPS Energy model. Chair Schmandt suggested the Commission follow Council's direction in the resolution. Materials, including Commissioner Fath's comprehensive historical materials on governance will be placed on the EUC web site. **The Commission formed a Working Group composed of the Chair Schmandt, Vice-Chair Shaw and Commissioner Smaha, on a motion by Chair Schmandt and seconded by Commissioner Webber, on a vote of 7-0.**
23. Review of the Draft 2011 Austin Energy Annual Performance Report – Ed Clark, Director, Corporate Communications, reviewed the report with Commissioners who made several suggestions for changes. Chair Schmandt requested that staff provide a red-lined version, showing their changes, on the revised report for next month's meeting. Commissioner Smaha requested that staff track the number of hits on the Online Data Library. Commissioner Fath requested that the final report be sent to City Council.

OLD BUSINESS

24. Fiscal Year 2013 Budget Work Session – Ann Little, Chief Financial Officer, provided a presentation and answered questions regarding Austin Energy's future budget.

STAFF BRIEFING

26. Financial Report by Steve Machicek, Director, Corporate Accounting and Rates.

FUTURE AGENDA ITEMS

27. Request items including information related to the Upcoming Procurements Report – Commissioner Bernfeld requested a report on the status of the AMI project in regards to providing training to customers on how to read meters to better manage their load. Ms. Mele suggested that staff provide that report after implementation of the meter data management system and portal to provide outbound data to customers next year. Commissioner Day requested a briefing on the utility's District Cooling business.

28. **ADJOURN** – Chair Schmandt adjourned the meeting at 7:50 p.m. without objection.