



**ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES
APRIL 21, 2014**

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.

CALL TO ORDER – Chair Bernie Bernfeld called the meeting to order at 6:05 p.m.

Commissioners in attendance: Bernie Bernfeld, Chair; Karen Hadden, Vice Chair; Clay Butler, Shudde Fath, Dr. Varun Rai, and Linda Shaw. Brent Heidebrecht was not present at the Call to Order, but arrived after approval of consent items.

Staff in attendance: Cheryl Mele, Kerry Overton, Ann Little, Pat Alba, Elaina Ball, Khalil Shalabi, Pat Sweeney, Erika Bierschbach, Jeff Vice, John Wester, Laura Lee Franks, Vince McGlone, Sandra Strauss-Jones, Danielle Murray and Toye Goodson Collins of Austin Energy; Edward Campos, Cyrenthia Ellis and Vincent LeMond of the Contract Management Department; and Rosemary Ledesma of the Purchasing Department.

- 1. APPROVAL OF MINUTES** – The motion to approve the minutes of the March 17, 2014 regular meeting, the March 17, 2014 special-called joint meeting with the Resource Management Commission, and the special-called March 27, 2014 meeting, by Commissioner Fath and seconded by Commissioner Shaw, passed on a vote of 6-0.

CITIZEN COMMUNICATIONS: GENERAL – There were no speakers.

NEW BUSINESS – CONSENT ITEMS

2. Recommend authorization for the award and execution of a 24-month requirements supply contract with Techline, Inc., for electrical distribution panel boards and circuit breakers for Austin Energy, in an amount not to exceed \$78,882, with two 24 month extension options in an amount not to exceed \$78,882 per extension option, for an estimate contract amount not to exceed \$236,646. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Vice Chair Hadden, passed on a vote of 6-0.**
3. Recommend authorization for the award and execution of a contract with TESCO – AN ADVENT DESIGN CO., for the purchase of 18 position mobile meter qualification boards for Austin Energy, in an amount not to exceed \$129,843. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Rai, passed on a vote of 7-0.**
4. Recommend authorization for the award and execution of a 24-month requirements supply contract with ENGINEERED ENDEAVORS, for the purchase of substation structural steel for Austin Energy, in an amount not to exceed \$1,950,030, with three 12-month extension options in an amount not to exceed \$975,015 per extension option, for a total contract amount not to exceed \$4,875,075. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Rai, passed on a vote of 7-0.**
5. Recommend authorization for the award and execution of a 12-month supply contract with ACE CONTRACTOR SUPPLY, for the purchase of arc-rated safety vests for Austin Energy personnel, in an amount not-to-exceed \$71,739, with three 12-month extension options in an amount not to exceed \$14,348 per extension option, for a total contract amount not to exceed \$114,783. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Vice Chair Hadden, passed on a vote of 6-0.**
6. Recommend authorization for the negotiation and execution of a Design-Build Agreement with Turner + Page/ for a new Austin Energy office building and parking structure at Riverside Drive

and Grove Boulevard with funding for preliminary phase services in an amount not to exceed \$8,300,000, plus a \$830,000 contingency for a total contract amount not to exceed \$9,130,000. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Rai, passed on a vote of 7-0.**

7. Recommend authorization for the award and execution of a 12 -month requirements supply agreement with Airgas Specialty Products Inc., to provide bulk amounts of aqueous ammonia to Austin Energy's Sand Hill Energy Center, in an amount not to exceed \$68,740 with three 12- month extension options in an amount not to exceed \$68,740 per extension option, for a total contract amount not to exceed \$ 274,960. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Vice Chair Hadden, passed on a vote of 6-0.**
8. Recommend authorization for the negotiation and execution of a 24-month service contracts with AUSTIN ARMATURE WORKS, LP, Buda, TX; EVANS ENTERPRISES, INC., Waco, TX; and ALLEN'S ELECTRIC MOTOR SERVICE, INC., Vivian, LA, for maintenance and repair services for large electric motors at Austin Energy power plants, in an amount not to exceed \$832,000 each and combined, with two 24-month extension options in an amount not to exceed \$832,000 each and combined for the first extension option, and \$836,000 each and combined for the second extension option, for a total contract amount not to exceed \$2,500,000 each and combined. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Rai, passed on a vote of 7-0.**
9. Recommend authorization for the negotiation and execution of a change order with TRC ENVIRONMENTAL CORPORATION, in the amount of \$154,873.88 to address the impact of additional, unforeseen asbestos discovered in Boiler 3 of the Holly Street Power Plant Demolition Project and to increase the original not-to-exceed amount of the contract, inclusive of contingency, from \$12,077,644 to \$12,232,518. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Vice Chair Hadden, passed on a vote of 6-0.**
10. Recommend authorization for the negotiation and execution of an agreement with International Biomedical, to provide a performance-based incentive for the generation of solar energy at its facility located at 8206 Cross Park Drive # 100, Austin, Texas 78754, for an estimated \$36,497 per year, for a total amount not to exceed \$364,970 over a 10-year period. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Vice Chair Hadden, passed on a vote of 6-0.**

OLD BUSINESS – DISCUSSION ITEM

11. Review the 2012 Austin Energy Performance Report, available online at austinenenergy.com/AnnualPerformanceReport.pdf, in order to provide suggestions for the content of the 2013 edition. Chair Bernfeld and Commissioners Fath and Heidebrecht offered several suggestions for the new edition. Commissioners requested this item be placed on next month's agenda to provide additional suggestions.

Chair Bernfeld recessed the meeting to go into Executive Session at 6:48 p.m.

EXECUTIVE SESSION

The Electric Utility Commission went into Executive Session, pursuant to Chapter 551 of the Texas Government Code, to discuss a competitive matter of Austin Energy as provided for under Section 551.086.

EXECUTIVE SESSION

12. Briefing on Austin Energy's risk management program, including hedging policies and fuel management

Executive Session ended and Chair Bernfeld called the meeting back to order at 8:29 p.m.

NEW BUSINESS – ACTION ON EXECUTIVE SESSION

13. Recommend authorization for the City Manager to negotiate and execute, subject to the Policy for Energy Risk Management set forth in Resolution No. 20030522-08, transactions for natural gas and wholesale electric power, related brokerage and credit agreements, and purchases of ERCOT congestion revenue rights, for terms not to exceed five years, in an aggregate amount not to exceed \$316,000,000 of net expenditures in any fiscal year and not to exceed \$800,000,000 of net expenditures over a rolling 60-month forward period. **Following discussion, the motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Shaw, passed on a vote of 4-1-2 with Commissioner Fath voting no and Commissioner Butler and Vice Chair Hadden abstaining.** Commissioner Fath read the following statement: "I cannot vote for a program that continues to lose money. Gas purchases can be funded directly out of the fuel charge, the PSA, which Council has the authority to change at any time."

FUTURE AGENDA ITEMS

14. Request agenda items, including information related to the Upcoming Procurements Report – Commissioner Butler requested a presentation on plant O&M costs; Vice Chair Hadden and Chair Bernfeld requested a presentation on the performance of the South Texas Project and information about relicensing; and Chair Bernfeld requested a briefing on Value of Solar methodology.

ADJOURNMENT – Chair Bernfeld adjourned the meeting at 8:52 p.m. without objection.