



**AUSTIN ENERGY UTILITY OVERSIGHT COMMITTEE
MINUTES**

**REGULAR MEETING
THURSDAY, DECEMBER 3, 2015**

The Austin Energy Utility Oversight Committee convened in a regular meeting on Thursday, December 3, 2015 at 301 W. 2nd Street in Austin, Texas.

Chair Sheri Gallo called the committee meeting to order at 9:15 a.m.

Committee Members in Attendance:

Chair Sheri Gallo
Council Member Gregorio Casar
Council Member Delia Garza
Council Member Ora Houston
Council Member Ann Kitchen
Council Member Sabino “Pio” Renteria
Mayor Pro Tem Kathie Tovo
Council Member Don Zimmerman

Committee Members Absent:

Vice Chair Leslie Pool
Mayor Steve Adler
Council Member Ellen Troxclair

APPROVAL OF MINUTES

- 1. Approve the minutes of the Austin Energy Utility Oversight Committee meeting of October 22, 2015.**

The minutes of the October 22, 2015 meeting were approved on Council Member Garza’s motion, and Council Member Casar’s second, on an 8-0 vote. Mayor Adler, Vice Chair Pool, and Council Member Troxclair were off the dais.

ITEMS FOR COMMITTEE CONSIDERATION

- 2. Recommend authorization to award and execute an amendment to the contract with PIKE ELECTRIC, LLC., for transmission and distribution electrical services, to increase the contract authorization for the current contract period in an amount not to exceed \$2,000,000, for a revised total contract amount not to exceed \$41,000,000.**

Discussion among Council Members included verifying the Fiscal Year from which funds will be expended for this contract extension, Electric Utility Commission review of items prior to Council Committee review, and possibly scheduling items for a City Council meeting agenda rather than a Council Committee agenda.

A motion to recommend the item for approval by Council was approved on Mayor Pro Tem Tovo's motion and seconded by Council Member Zimmerman on an 8-0 vote. Mayor Adler, Vice Chair Pool, and Council Member Troxclair were off the dais.

- 3. Recommend authorization to negotiate and execute a 24-month contract with PIKE ELECTRIC, LLC, or another qualified offeror to Request for Proposals LAG0105, for transmission and distribution electrical services, in an amount not to exceed \$30,000,000 with three 12-month extension options in an amount not to exceed \$15,000,000 per extension option, for a total contract amount not to exceed \$75,000,000.**

A motion to recommend the item for approval by Council was approved on Council Member Garza's motion and seconded by Council Member Zimmerman on an 8-0 vote. Mayor Adler, Vice Chair Pool, and Council Member Troxclair were off the dais.

BRIEFING

- 4. Austin Energy Low-Income Weatherization Program Audit.**

The presentation was made by Jason Hadavi, City Auditor's Office, and Debbie Kimberly, Vice President, Customer Energy Solutions. Discussion included qualifications to participate in the program, sources of funding, and the timeline recommendations will be addressed.

Paul Robbins questioned why program costs are higher than inflation benchmarks, stated that direct installation would be more beneficial, and urged for an audit of CAP.

Jeff Blackburn stated there are challenges to the weatherization program, and while streamlining could occur, customers are appreciative of the program.

DISCUSSION AND POSSIBLE ACTION

- 5. Set the 2016 meeting schedule of the Austin Energy Utility Oversight Committee.**

Chair Gallo suggested one change to the proposed meeting schedule by removing the August meeting due to budget sessions. A motion to approve the 2016 meeting schedule was made by Council Member Houston, seconded by Mayor Pro Tem Tovo, and passed on an 8-0 vote. Mayor Adler, Vice Chair Pool, and Council Member Troxclair were off the dais.

- 6. Recommend actions on presentations from the Low Income Consumer Advisory Task Force on its Final Report and Minority Report and from Austin Energy on its response to the Final Report.**

Presentations were made by: Carol Biedrzycki, Chair of the Low Income Consumer Advisory Task Force, regarding the recommendations contained in the Final Report; Michael Wong and Chris Strand regarding the Minority Report; and Debbie Kimberly with staff's response to the Final Report.

Discussion among the Council Members and presenters focused on the recommendations that were agreed on by the Task Force and staff, differences of opinion between the Final Report and the Minority Report regarding the efficiency savings of some recommendations, and an overview of the effectiveness of current programs.

Paul Robbins stated he has issues with some of the recommendations of the Task Force, including environmental concerns.

Heather Ball stated that renters need to be a priority in low income programs and suggested that door-to-door energy efficiency programs would be effective.

Tim Arndt, Vice Chair of the Low Income Consumer Advisory Task Force, stated that these recommendations address affordability, equity, and efficiency concerns.

The Committee recommended the proposals as separate items for approval by City Council.

A motion was made by Mayor Pro Tem Tovo and seconded by Council Member Zimmerman to recommend an item to Council directing the City Manager to report back to the City Council with a proposed schedule, plan, and budget for implementing the recommendations of the Low Income Consumer Advisory Task Force with which the electric utility and the drafters of the Minority Report concur per the November 10, 2015, memo titled "Response to Low Income Advisory Task Force Recommendations." The motion passed on an 8-0 vote, with Mayor Adler, Vice Chair Pool, and Council Member Troxclair off the dais.

A motion was made by Mayor Pro Tem Tovo and seconded by Council Member Houston to recommend an item to Council directing the City Manager to report back to the City Council with a timeline and information about specific actions taken toward achieving recommendations identified as "underway or current practice" in the recent staff response to the Low Income Consumer Advisory Task Force recommendations, as well as those planned for Fiscal Years 2016 and 2017. The motion passed on a 7-1 vote, with Council Member Zimmerman voting against, and Mayor Adler, Vice Chair Pool, and Council Member Troxclair off the dais.

A motion was made by Mayor Pro Tem Tovo and seconded by Council Member Houston to recommend an item to Council directing the City Manager to ensure that the Electric Utility Commission and the Resource Management Commission are provided an opportunity to review the recommendations of the Low Income Consumer Advisory Task Force and the Minority Report, with particular emphasis on those recommendations the electric utility does not support and/or about which there was not consensus among the Task Force members, and to forward any additional comments to the Council. The motion passed on a 7-1 vote, with Council Member Zimmerman voting against, and Mayor Adler, Vice Chair Pool, and Council Member Troxclair off the dais.

7. Discuss issues related to the selection and hiring of an independent consumer advocate for Austin Energy's current rate review process.

An update was provided by Mark Dreyfus, Vice President, Regulatory Affairs and Corporate Communications, and James Scarboro, City Purchasing Officer.

Council Member Zimmerman objected going into executive session to discuss the item further. The motion to go into executive session, made by Chair Gallo and seconded by Council Member Garza, passed 7-1 with Council Member Zimmerman voting against. Mayor Adler, Vice Chair Pool, and Council Member Troxclair were off the dais. The committee went into closed session to discuss this item at 12:45 p.m.

FUTURE ITEMS

8. Discussion of future agenda items.

This item was not addressed.

ADJOURN

Chair Gallo adjourned the meeting at 1:30 p.m. without objection.