

AGENDA ITEM 30

Discuss and consider adopting resolution to participate in aggregation group for purchase of electric power.

Donald Lee, Executive Director of Texas Conference of Urban Counties (CUC) and Bob Space, Williamson County Purchasing, discussed the proposed electric power aggregation group participation. The Public Power Pool could buy electricity at a reduced rate for those participating, and save the county money on power bought in Taylor and Round Rock.

Moved: **Commissioner Heiligenstein**

Seconded: **Judge Doerfler**

Motion: To adopt the minute order and resolution to participate in the aggregation group for purchase of electric power, and to appoint Commissioner Heiligenstein as the County's representative, with Joe Latteo as the technical contact.

Vote: **4 - 0**

< Attachment >



PUBLIC POWER POOL

206 W. 13th St.
Austin, TX 78701
512/476-6174
512/476-5122 (Fax)

FEATURES OF PUBLIC POWER POOL

Competitive Procurement Process

- P³ joins entities together into an aggregated load, and runs a competitive process all the way through final pricing, with a four-hour transaction process. This is true aggregation, not just joint purchasing. P³ identifies value inherent in the diversity and volume of load among members and returns that value to P³ members in the form of lower electric rates.

No Surprises

- P³ develops a detailed procurement strategy and plan that is approved by the P³ technical committee. Then the plan is executed. Members know before it starts what their T&D rates will be, the baseline, the target savings, threshold trigger savings, and expected savings. During the first procurement, the entire procurement followed the plan without fail.

Analytical Approach

- P³ consultants provide the most sophisticated quantitative analysis and modeling in the business. All decisions are rationalized and supported. P³ does not rely upon suppliers for analysis, modeling, T&D rates, or anything except their proposed energy rates and contract terms.

Lowest Cost

- P³'s aggregation fee is the lowest in the market place at .48%. Based on a million dollar spend, the aggregation fee is as follows:
 - P³ = \$4,800
 - HGAC = approximately \$8,333 ($\$.00045/\text{kwh} \times 18,518,518 \text{ kwh}$)
 - TASB = approximately \$16,000 (1.6%)

No Cross subsidization of members

- P³ has a unique methodology where every account gets a rate specific to its load profile. Members are assured that they do not subsidize other members in the group.

Professional, high quality service

- P³ staff will work with members to monitor their invoices and their usage, as well as keeping them informed about current events in the Texas electric market.

P³ is a non-profit political subdivision corporation created by local governments in Texas designed to save taxpayer money by aggregating power usage to procure the best power contracts at the lowest cost.

PROVEN PERFORMANCE OF P³

CASE STUDY #1: MUDs with HGAC vs. P³

HGAC energy cost = \$.041/kwh
 P³ average energy cost = \$.038/kwh (\$.0364 - .0420/kwh)
 Energy cost difference = 7.3%

Source: HGAC indicative pricing and P³ contract pricing

CASE STUDY #2: The City of Dallas

The City of Dallas issued its own RFP before deciding to remain a member of P³. The P³ contract will result in over \$3.5 million a year in savings over the individually procured contract.

Source: Dallas Morning News Article, 8-22-01 and P³ contract rates

CASE STUDY # 3: The City of Friendswood

HGAC energy cost = \$.0410/kwh
 P³ energy cost = \$.0366/kwh
 Energy cost difference=10.7%

Source: HGAC indicative pricing and P³ contract pricing

CASE STUDY # 4: HEB ISD vs. Irving ISD (TASB Member)

HEB ISD savings vs. 2000 rates = 20% under P³ contract
 Irving ISD savings vs. 2000 rates = 14% under TASB contract

Source: Dallas Morning News, Metro Section, 11-22-2001 and P³ contract rates

CASE STUDY # 5: Mesquite ISD (negotiated their own deal)

Dallas ISD savings vs. 2000 rates =27.5%
 Mesquite ISD savings vs. 2000 rates =20.7%

Source Dallas Morning News, 11-18-2001 and P³ contract rates

CASE STUDY # 6: Garland ISD (negotiated their own deal)

Garland ISD savings vs. current rates \$25,962/month, or 14%
 HEB ISD savings vs. current rates \$40,405/month, or 27%

Source Dallas Morning News, 12-06-2001 and P³ contract rates

CASE STUDY # 7: The City of Fort Worth

The City of Fort Worth originally was a member of P³. The City decided that it could procure better rates on its own. P³ rates were more than 10% better than those negotiated by the City of Fort Worth, and P³ negotiated a larger bandwidth provision, allowing for more variance in usage.

Source: City of Fort Worth and P³ contract rates

CASE STUDY # 8: Dallas Area Rapid Transit Authority (negotiated their own deal)

DART average energy cost= \$.0464/kwh
 P³ average energy cost= \$.0395/kwh
 Difference 15%

Source: DART and P³ contract rates

Political Subdivision	Estimated Annual Expenditure		
Tarrant County	\$3,517,906	City of Friendswood	\$725,466
Jefferson County	\$1,525,464	Ector County	\$855,232
Harris County	\$15,140,578	City of Cockrell Hill	\$43,772
McLennan County	\$674,760	Harris County MUD #102	\$286,230
Dallas County	\$4,881,911	Texas City	\$1,629,064
Collin County	\$1,382,315	Beaumont ISD	\$2,781,945
Chambers County	\$244,610	City of Bedford	\$727,608
Tarrant County Hospital Dst.	\$1,998,470	League City	\$1,559,913
Johnson County	\$396,638	Town of Lakeside	\$54,956
Bell County	\$866,750	Brazoria County	\$1,182,993
Chambers-Liberty Counties Navigation District	\$112,305	City of Alvin	\$852,214
Nueces County	\$1,112,289	City of Keller	\$159,771
Rockwall County	\$256,064	Mills Road MUD	\$98,835
Galveston County	\$1,378,544	Carroll ISD	\$532,670
Harris County Hospital Dst.	\$4,805,470	Harris County MUD #44	\$41,775
Webb County	\$957,975	Faulkey Gully MUD	\$175,860
Hardin County	\$167,914	North Mission Glen MUD	\$50,226
City of Nederland	\$376,316	Denton County	\$89,675
City of Groves	\$355,441	Chelford City MUD	\$359,115
City of Port Neches	\$356,368	Heatherloch MUD	\$80,837
Montgomery County Hospital District	\$110,835	Montgomery County Utility District #2	\$37,794
Lumberton ISD	\$677,729	Treschwig Joint Powers Board	\$185,883
Cherokee County	\$58,597	Kleinwood Joint Powers Board	\$192,368
San Patricio County	\$234,113	Jackson County	\$113,377
City of Dallas	\$55,510,349	Cameron County	\$504,956
Tyler County	\$74,253	Midland County	\$137,355
City of Mesquite	\$1,814,410	Willacy County	\$
HEB ISD	\$3,004,141	Green Trails MUD	\$225,656
Galveston ISD	\$1,769,780	Tarrant Appraisal District	\$85,845
Dallas Independent School District	\$21,133,019	City of Jamaica Beach	\$
Grayson County	\$351,092	Port of Houston Authority	\$2,007,729
City of Hutchins	\$105,596	Harris County MUD # 286	\$

Political Subdivision	Estimated Annual Expenditure		
Crowley ISD	\$1,677,173	Harris County Department of Education	\$430,870
Haltom City	\$253,476	Aransas County	\$190,739
City of Santa Fe	\$	Post Wood MUD	\$37,054
City of Crowley	\$245,307	Milam County	
Kaufman County		Calhoun County	\$250,000

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BENEFITS OF ELECTRIC LOAD AGGREGATION

A Pace Global Energy Services White Paper

Introduction

Electric load aggregation is the process by which individual energy users band together in an alliance to secure more competitive prices than they might otherwise receive working independently. Aggregation can be accomplished through a simple pooling arrangement or through the formation of clusters (the method Pace employs on behalf of its clients) where individual contracts are negotiated between the suppliers and each member of the aggregate group. While natural gas purchasing alliances have been around for years, states have only recently begun to allow businesses to purchase electricity from third party suppliers and, just as importantly, to aggregate loads across multiple facilities. This paper, one in a series, focuses on the benefits of electric load aggregation for industrial energy consumers.

Increased Buying Power

Big industrials with sizeable electric loads typically have greater purchasing power and more leverage in negotiations with their energy suppliers than smaller companies. It stands to reason that the more you buy of a given commodity, the more likely you are to secure a volume discount and therefore, lower per unit costs. When buying electricity from retail suppliers, bulk discounts are often contingent upon the purchaser's ability to buy efficiently traded blocks of power. Depending on the prevailing market conditions, the purchaser may need to buy a 25 to 50 megawatt block of power in order to approximate wholesale pricing. Since very few industrial facilities consume electricity in those quantities, companies have begun to aggregate the loads of several of their own plants or form purchasing alliances with other local businesses to purchase the larger blocks of power. The aggregate load also tends to attract more suppliers to the market. In turn, this creates a competitive bidding and pricing situation that benefits the pool members.

Improved Load Factor

Load factor is the ratio of electricity consumption to peak demand (expressed as a percentage) for each billing period. Through load aggregation, companies can enhance their purchasing power by taking advantage of load diversity among multiple facilities as a means of improving the overall load factor for the group. In order to understand this concept it is important to understand how load factor affects the purchase price of electricity.

Utility regulation allows energy suppliers to apply a demand charge to each customer's electric bill that reflects the proportionate investment in power generation capacity needed to meet that customer's maximum load requirements, or peak demand. The demand charge, unlike the energy charge, is a fixed cost that does not vary according to the number of kilowatt hours consumed during the billing period. To the extent that a customer's load factor is relatively high, meaning their load runs consistently at or near their peak demand, the demand charge will represent a smaller percentage of the overall cost of energy consumed.

When the loads of several customers are aggregated, non-coincident peaks and valleys in the load profiles of individual customers tend to offset one other. This dampening effect results in a

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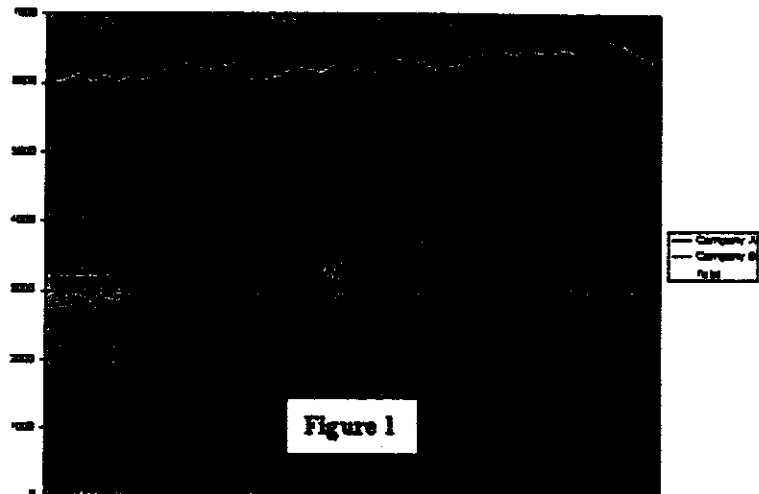
flatter overall load profile, a higher load factor, and ultimately, lower per unit energy costs for all members of an aggregate group.

Figure 1

Figure 1 at right shows the load factor for two companies, A and B, and the aggregate load curve. It can be seen that while the two companies experienced different load curves (high and lows) during the year, their combined loads resulted in a smoother, more predictable load profile that is more attractive to suppliers.

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Lower Transaction Costs/Scale Economies

Buying electricity on the open market has become a risky and complicated process. With dozens of power suppliers offering a confusing patchwork of contract terms, weighing the merits of competing bids can be a daunting task, especially for companies with limited experience in competitive power procurement. While most companies expect to pay less for electricity in deregulated markets, poorly negotiated contracts, defaulting suppliers, and failure to understand the "fine print" have actually resulted in higher energy costs in many cases.

Load aggregation creates economies of scale by making it possible for companies to share the cost of supplier selection and energy contract management. The aggregate group may be able to realize additional savings by engaging the services of an independent energy manager experienced in packaging load data for market, managing the RFP process, and leading negotiations with suppliers. By deploying a higher level of expertise in the power procurement process, the aggregate group will typically enjoy more competitive rates and lower transaction costs than they could achieve working independently.

Supply Portfolio Structuring

In the wholesale electricity market there are a variety of services or "products" that can be purchased to meet one's energy needs. For example, suppliers offer base load, peaking load, super peak load, and other products to meet consumer demand over a given time period. Many consumers, however, opt to pay a fixed rate for full-requirements to effectively cap their energy costs and minimize their exposure to price volatility. This approach has its advantage but the consumer ends up paying a hefty premium for, in effect, asking the supplier to assume the risks associated with meeting ill-defined load requirements.

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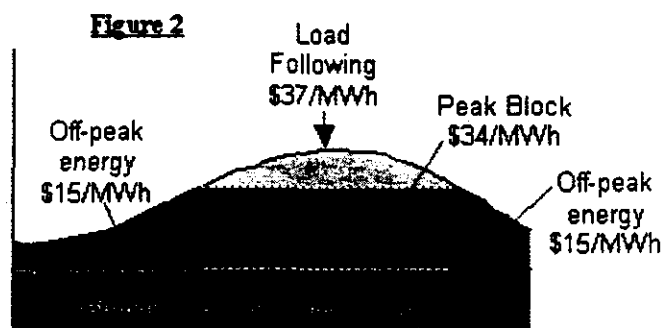
Alternatively, if a facility has carefully analyzed its load requirements and can effectively manage load going forward, the facility may be able to realize significant savings by acquiring a portfolio of energy products that meets its anticipated needs more efficiently than a full-requirements contract. As mentioned previously, these energy products are typically traded in volumes that far exceed the demand of most individual consumers. By aggregating the loads of multiple facilities it becomes feasible to purchase the larger blocks of power and take advantage of price signals associated with using power at different times of the day.

Figure 2 at right is an example of the various energy products available to meet one's energy requirements throughout a given day. Under a full-requirements contract, the end user typically pays for a greater proportion of high-cost power regardless of when the energy is consumed. Through supply portfolio structuring, the end user can lower energy costs by buying cheaper blocks of power to meet demand during off-peak hours.

Off-peak energy \$15/MWh
 Load Following \$37/MWh
 Peak Block \$34/MWh
 Around The Clock Block \$24/MWh
 Off-peak energy \$15/MWh

Figure 2

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Conclusion

Electric load aggregation is one of the most effective means of maximizing savings and mitigating risks in today's emerging power markets. The challenge lies in finding suitable aggregation partners and in finding an independent energy procurement specialist capable of analyzing load data, administering the RFP process, leading negotiations with suppliers, and providing ongoing management and monitoring services on behalf of the group. Pace Global Energy Services has been very successful at forming power (and gas) purchasing alliances by leveraging its extensive client base across the country. On behalf of its clients, Pace has developed creative ways of packaging load data for market, secured the most competitive rates available, enhanced supply security, and brought clarity and organization to a confusing procurement process.

It is important to note, however, that pricing for members of an aggregate group may vary depending on individual load factors, cost of service, and supply objectives. Despite minor pricing variances, electric load aggregation represents a powerful cost-reduction tool for companies with varying load shapes and sizes.

RECORDERS MEMORANDUM

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Pace Global Energy Services is a recognized leader in offering energy management and consulting services. To learn more about Pace, look for us on the Worldwide Web: www.paceglobal.com; or contact us by mail:

4401 Fair Lakes Court
Suite 400
Fairfax, Virginia 22033-3848
phone 703-818-9100 | fax 703-818-9108



The State of Texas

SECRETARY OF STATE

IT IS HEREBY CERTIFIED that the attached is a true and correct copy of the following described document on file in this office:

TEXAS CUC AGGREGATION PROJECT, IN.C
FILE NO. 1598709-01

ARTICLES OF INCORPORATION

SEPTEMBER 20, 2000

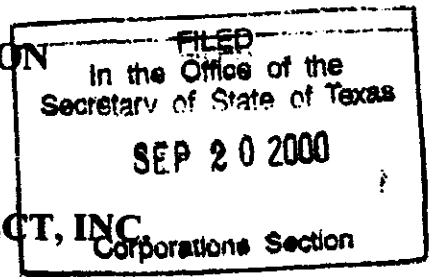


IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 21, 2000.

Elton Bomer
Secretary of State

DAE

**ARTICLES OF INCORPORATION
OF
TEXAS CUC AGGREGATION PROJECT, INC.**



We, the undersigned natural persons of the age of eighteen (18) years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation of such corporation:

ARTICLE ONE

The name of the corporation is Texas CUC Aggregation Project, Inc.

ARTICLE TWO

The corporation is a non-profit political subdivision corporation under §303.001, Texas Local Government Code.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The purpose for which the corporation is organized is to act as an agent to negotiate the purchase of electricity, or to likewise aid or act on behalf its members, with respect to their own electricity use for their respective public facilities, and all other purposes as may be permitted by

law for political subdivision corporations.

ARTICLE FIVE

The street address of the initial registered office of the corporation is 206 W. 13th Street, Austin, Texas 78701, and the name of its initial registered agent at such address is Donald Lee.

ARTICLE SIX

The direction and management of the affairs of the corporation and the control and disposition of its properties and funds shall be vested in a Board of Directors composed of such number of persons (not less than three) and as may be fixed by the By-laws. Until changed by the By-laws, the original number of directors shall be four. The directors shall continue to serve until their successors are selected in the manner provided in the By-laws of the corporation. The names and addresses of the persons who are to serve as Directors of the Corporation until their successors are duly elected and qualified are:

Carl Griffith
P.O. Box 4025
Beaumont, Texas 77704

Jerry Eversole
1001 Preston, Suite 924
Houston, Texas 77002

Jim Jackson
2311 Joe Field Rd.
Dallas, Texas 75229

Glen Whitley
645 Grapevine Hwy.
Hurst, Texas 76054

ARTICLE SEVEN

The initial By-laws of the corporation, and subsequent amendments thereto, shall be adopted by the Board of Directors and by the governing body of each political subdivision for which the corporation is created.

ARTICLE EIGHT

The corporation shall have members. Membership shall be determined under terms and conditions provided in the By-laws.

ARTICLE NINE

The name and address of each incorporator is:

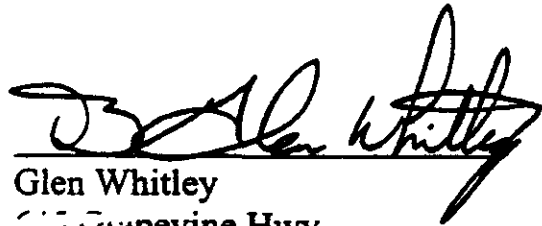
Carl Griffith
P.O. Box 4025
Beaumont, Texas 77704

Jerry Eversole
1001 Preston, Suite 924
Houston, Texas 77002

Jim Jackson
2311 Joe Field Rd.
Dallas, Texas 75229

Glen Whitley
645 Grapevine Hwy.
Hurst, Texas 76054

IN WITNESS WHEREOF, we have hereunto set our hands.



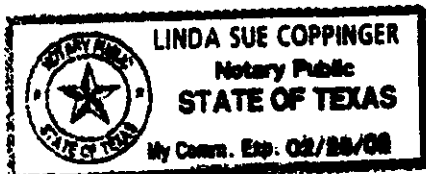
Glen Whitley
645 Grapevine Hwy.
Hurst, Texas 76054

STATE OF TEXAS)

COUNTY OF TRAVIS)

Before me, a Notary Public, on this day personally appeared GLEN Whitley known to me to be the person whose name is subscribed to the foregoing document and, **being by** me first duly sworn, severally declared that the statements therein ~~contained~~ **are** true and correct.

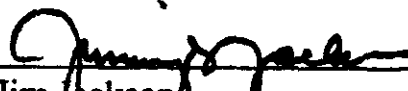
Given under my hand and seal of office this 12th day of September, 2000.



Notary Public, State of Texas

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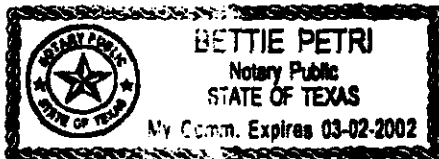

Jim Jackson
2311 Joe Field Rd.
Dallas, Texas 75229

STATE OF TEXAS)

COUNTY OF TRAVIS)

Before me, a Notary Public, on this day personally appeared Jim Jackson known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, severally declared that the statements therein contained are true and correct.

Given under my hand and seal of office this 19th day of September, 2000.




Notary Public, State of Texas



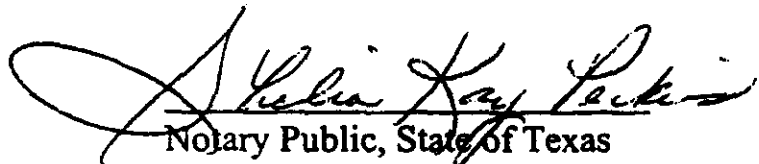
Carl Griffith
P.O. Box ~~4925~~ 4025
Beaumont, Texas 77704

STATE OF TEXAS)

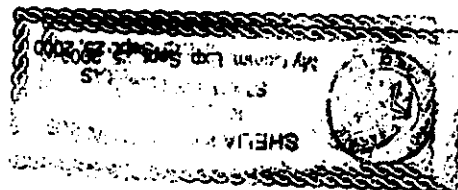
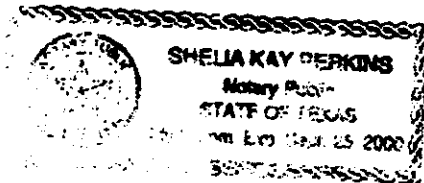
COUNTY OF TRAVIS)

Before me, a Notary Public, on this day personally appeared Carl R. Griffith, Jr. known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, severally declared that the statements therein contained are true and correct.

Given under my hand and seal of office this 18th day of September, 2000.

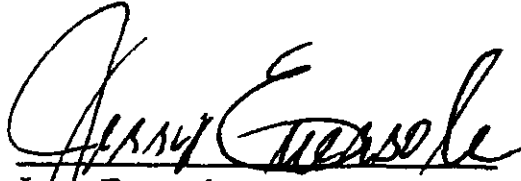


Notary Public, State of Texas



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Jerry Eversole
1001 Preston, Suite 924
Houston, Texas 77002

STATE OF TEXAS)

COUNTY OF TRAVIS)

Before me, a Notary Public, on this day personally appeared Jerry Eversole known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, severally declared that the statements therein contained are true and correct.

Given under my hand and seal of office this 15th day of September, 2000.

NO SEAL



Linda S. Nelson
Notary Public, State of Texas

BYLAWS
OF
TEXAS CUC AGGREGATION PROJECT, INC.

ARTICLE I.

Name and Purpose

*approved 12-18-01
John C. Daugherty*

Section 1. Name. The name of this Corporation shall be Texas CUC Aggregation Project, Inc., which is referred to in these Bylaws as the Corporation.

Section 2. Purpose. The specific and primary purpose of the Corporation is to act as an agent to negotiate the purchase of electricity on behalf of the member political subdivisions with respect to their own electricity use for their respective public facilities. Other purposes of the Corporation will be those permitted by law for political subdivision corporations.

ARTICLE II.

Powers

Section 1. In effectuating its purpose, the Corporation shall have all powers conferred by applicable law, specifically including, but not limited to, the following powers:

- a. To purchase, receive, lease, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with real or personal property, or any interest therein, wherever situated, as the purpose of the Corporation shall require, or as shall be donated to it.
- b. To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets.
- c. To make contracts and incur liabilities, borrow money at such rates of interest as the Corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property and income.
- d. To sue and be sued, complain and defend, in the name of the Corporation.

Section 2. Notwithstanding any of the foregoing statements of powers, this Corporation shall not

engage in any activities which are not in furtherance of, and limited to, the purposes set forth in Section 2 of Article I.

ARTICLE III.

Members

Section 1. Qualifications. The initial members of the corporation shall be the Counties of Dallas, Harris, Jefferson and Tarrant. Thereafter, additional political subdivisions shall qualify for membership in the Corporation upon the following:

- a. Adoption by the governing body of the political subdivision of the Corporation's Bylaws and Articles of Incorporation, which, pursuant to Section 303.001 of the Texas Local Government Code, authorizes the Corporation to negotiate and execute a binding contract or contracts on behalf of its members for the purchase of electric energy, capacity, energy services, ancillary services, or other electric services for retail or wholesale consumption;
- b. Designation by the governing body of the political subdivision of account(s) for the public facilities of the political subdivision for which TCAP is authorized to negotiate and execute a binding contract or contracts for the purchase of electric energy, capacity, energy services, ancillary services, or other electric services for retail or wholesale consumption; and,
- c. An affirmative vote of a majority of the Board of Directors of the Corporation approving the political subdivision as a member.

Each member shall appoint, by formal order of its governing body, a membership representative to the Corporation. Each representative shall serve until a successor is appointed by the governing body of the respective member political subdivision. Any notice to be sent to the membership shall be sent to the respective representatives. Only duly appointed representatives may act on behalf of members in the conduct of business of the Corporation.

Section 2. Title. The members of the Corporation shall be referred to collectively as the Membership.

Section 3. Withdrawal.

- a. Membership in the Corporation may be withdrawn without prejudice to any rights the Corporation

may have under any contract to which the member is a party or to any membership dues and/or fees owed the Corporation.

- b. Membership in the Corporation may be withdrawn by providing the Corporation written notice comprised of a resolution duly adopted by the governing body of the member clearly stating that the member is withdrawing from the Corporation and the Corporation is not to aggregate electricity purchasing for any electricity accounts of the member.
- c. Membership in the Corporation may be withdrawn at any time before the date on which the Corporation begins a competitive procurement process for the aggregated group. The Corporation shall notify each member representative at least 30 days before the date on which the Corporation will begin a competitive procurement process for the aggregated group.
- d. Membership in the Corporation may be withdrawn after the date on which the Corporation begins a competitive procurement process, but such withdrawal shall be effective at the end of the term of any contract procured in that competitive procurement process.
- e. Withdrawal of Membership also constitutes resignation from the Board of Directors of the Corporation.

Section 4. Meetings.

- a. The Membership shall meet annually and at such other times and locations as may be set by the Board of Directors.
- b. Upon receipt of a written petition by five (5) or more members requesting a special meeting of the Membership, the Board of Directors shall call such meeting.
- c. Written notice of all meetings shall be sent to all members at least ten (10) days prior to the date of the meeting.
- d. The transactions taken at any meeting of the Membership, however called and noticed, shall be as valid as if taken at a meeting held after regular call and notice, provided at least 10 days written notice is sent to all members and a quorum is present.
- e. A majority of the members shall constitute a quorum for the transaction of business at any meeting of the Membership. Unless otherwise provided in these Bylaws, meetings will be conducted in accordance with Robert's Rules of Order.

Section 5. Voting.

- a. Each member of the Corporation shall be entitled to one vote, to be cast by the member's representative, on all matters voted upon by the Membership as decided by the Board of Directors. Proxy voting will be permitted, but only if a written proxy is presented to the Chairman prior to the call for a vote.
- b. Except as otherwise provided, action by the Membership shall require the affirmative vote of a majority of the members present at a meeting attended by a quorum.
- c. The method of voting – whether by voice vote, a show of hands, a roll call or by written ballot – shall be at the election of the Chairman of the Corporation in his/her discretion.
- d. The Chairman of the Corporation may initiate a vote on any matter by mail, telephone, facsimile, electronic mail or similar means, in which case a deadline for response shall be established and a lack of response within the designated time shall be recorded as “not voting.” Action by such means shall require an affirmative vote of a majority of the members.

Section 6. Liabilities. No member shall be personally liable for any indebtedness or liability of the Corporation, and any and all creditors shall look only to the assets of the Corporation for payment.

ARTICLE IV.

Board of Directors

Section 1. Number. There shall be a Board of Directors, referred to hereafter as the Board. The Board shall be composed of four directors who are members of the Texas Conference of Urban Counties (hereafter “CUC Director”), and up to three directors who are not members of the Texas Conference of Urban Counties (hereafter “Non-CUC Director”).

Section 2. Qualifications of CUC Directors.

- a. Each CUC Director shall be an appointed representative of a member of the Corporation that is a dues-paying member of the Texas Conference of Urban Counties.
- b. Initially, the four CUC Directors shall be the representatives for Dallas, Harris, Jefferson and Tarrant Counties, and shall serve successive two (2) year terms until recoupment of initial investments as provided for in Article X, Section 3 of these bylaws. Upon final recoupment of initial investments by

the initial members of the Corporation, and thereafter upon the expiration of the remaining term of each director from Dallas, Harris, Jefferson and Tarrant Counties respectively, the four CUC Directors will thereafter be elected from any eligible member.

- c. At no time may the total number of CUC Directors be less than four.

Section 3. Qualifications of Non-CUC Directors.

- a. Each Non-CUC Director shall be an appointed representative of a member of the Corporation that is not a member of the Texas Conference of Urban Counties.
- b. At such time as the Non-CUC Corporation membership reaches, and so long as it maintains, a combined yearly amount of electricity purchasing of at least \$50 million, one Non-CUC Director shall be elected from those eligible member representatives.
- c. If the Non-CUC Corporation membership reaches, and so long as it maintains, a combined yearly amount of electricity purchasing of at least \$100 million, two Non-CUC Directors shall be elected from those eligible member representatives.
- d. If the Non-CUC Corporation membership reaches, and so long as it maintains, a combined yearly amount of electricity purchasing of at least \$150 million, three Non-CUC Directors shall be elected from those eligible member representatives.
- e. At no time may the total number of Non-CUC Directors be more than three.

Section 4. Election and Term of Office of CUC and Non-CUC Directors.

- a. Each Director shall serve for a term of two years and until a qualified successor is elected. Notwithstanding, a Director shall not be precluded from being re-elected and serving more than one term.
- b. If a Directorship becomes vacant, the Board shall select an eligible member representative, in accordance with these bylaws, to serve during the remainder of the term for which the vacating Director was elected.
- c. Only a representative of a member of the Corporation that is a dues paying member of the Texas Conference of Urban Counties may vote in the election of a CUC Director.
- d. Only a representative of a member of the Corporation that is not a dues paying member of the Texas Conference of Urban Counties may vote in the election of a Non-CUC Director.

- e. The voting strength of each member of the Corporation for the election of a CUC or Non-CUC Director shall be based solely upon the pro-rata share of that member of the estimated total amount of electricity purchased through the Corporation of all members eligible to vote in the election for that Director as of the date of the proposed election. The Board of Directors, before any meeting of the membership in which an election for director is scheduled, shall estimate annual electricity purchasing of the members eligible to vote in that election and determine the voting strength of each member for that election.
- f. If the Non-CUC membership falls below the applicable aggregated amount, then all Non-CUC Director terms shall expire at the next annual meeting of the Corporation and the Non-CUC Membership shall hold elections for the then applicable Non-CUC Director positions.

Section 5. Authority. The Board shall have the authority to manage the business affairs of the Corporation, including all lawful powers necessary, expedient and appropriate to:

- a. Issue policy statements on behalf of the Corporation;
- b. Determine the scope and extent of the activities of the Corporation in furtherance of its purpose and policies;
- c. Appoint and set the compensation of an Executive Director;
- d. Approve contracts;
- e. Initiate or respond to legal actions;
- f. Create committees in accordance with Article VI;
- g. Approve the publication and dissemination of any report or other document prepared by a component body of the Corporation, except where such approval is the responsibility of the Membership;
- h. Establish membership dues in accordance with Article X; and
- i. Submit issues to a vote of the membership.

Section 6. Meetings.

- a. The Board shall meet as often, at such locations, on such dates and upon such notice as it deems necessary and appropriate, but at least annually.
- b. A majority of the members of the Board shall constitute a quorum for the transaction of business.

- c. Executive sessions may be called either by a majority of the Board, or by the Chairman of the Corporation.
- d. Minutes of the meetings of the Board shall be available to all members of the Board and the Membership.

Section 7. Voting.

- a. Each member of the Board shall have one vote on every matter voted on by the Board. No proxy voting shall be permitted.
- b. A majority of the Board members shall constitute a quorum.
- c. Action by the Board shall require the affirmative vote of a majority of the members at the meeting attended by a quorum. The method of voting shall be at the discretion of the Chairman of the Corporation.
- d. The Chairman of the Corporation may initiate a vote on any matter coming before the Board by mail, telephone, facsimile, electronic mail or similar means, in which event a deadline for response shall be fixed and a lack of response within the designated time shall be recorded as "not voting." Approval of any action by such means of voting shall require the affirmative vote of a majority of the members of the Board.

Section 8. Reimbursement. Each member of the Board shall be entitled to reimbursement for their expenses for attendance at official meetings of and official functions for the Corporation to the extent such expenses are not otherwise reimbursed from other sources.

ARTICLE V.

Officers

Section 1. Number, Title and Qualifications. The officers of the Corporation shall be those designated as follows:

- a. **Number and Title.** There shall be a Chairman, a Vice-Chairman, a Secretary / Treasurer, and an Executive Director.
- b. **Qualifications.** The Chairman, Vice-Chairman and Secretary / Treasurer shall be duly appointed representatives of members of the Corporation and members of the Board of Directors.

Section 2. Chairman.

- a. Election. At the first meeting of the Board of Directors and at each biennial meeting of the Board thereafter (to coincide with the annual meeting of the Membership), a Chairman of the Corporation, heretofore designated as Chairman, shall be elected by the Board for a period of two years and until a qualified successor chairman is elected. Notwithstanding, a member of the Board shall not be precluded from being re-elected and serving more than one term as Chairman. Should the Chairman resign or be unable to continue in office, his/her duties and responsibilities shall be assumed by the Vice-Chairman for the remainder of the term and until a qualified Chairman is elected at the next biennial meeting of the Board.
- b. Authority and Responsibilities. The Chairman shall preside at meetings of the Membership and the Board, performing the usual duties of the presiding officer at such meetings. The Chairman shall be the official representative of the Corporation when the Corporation is to be represented, unless the Board, by a majority vote, shall designate some other member(s) or officer(s) to serve in such capacity. Where authorized, the Chairman shall, with the approval of the Board, appoint individuals to committees to serve at the pleasure of the Board.

Section 3. Vice-Chairman.

- a. Election. At the first meeting of the Board of Directors and at each biennial meeting of the Board thereafter (to coincide with the annual meeting of the Membership), a Vice-Chairman of the Corporation, heretofore designated as Vice-Chairman, shall be elected by the Board for a period of two years and until a qualified successor Chairman is elected. Notwithstanding, a member of the Board shall not be precluded from being re-elected and serving more than one term as Vice-Chairman. Should the Vice-Chairman resign or be unable to continue in office, the Chairman may designate a board member to serve as Vice-Chairman for the remainder of the term and until a qualified Vice-Chairman is elected at the next biennial meeting of the Board.
- b. Authority and Responsibilities. The Vice-Chairman shall, in the absence or disability of the Chairman, perform the duties of Chairman. He/she shall perform such other duties and have other responsibilities as may be delegated to him by the Board.

Section 4. Secretary / Treasurer.

- a. Election. At the first meeting of the Board of Directors and at each biennial meeting of the Board thereafter (to coincide with the annual meeting of the Membership), a Secretary / Treasurer of the Corporation, heretofore designated as Secretary / Treasurer, shall be elected by the Board for a period of two years and until a qualified successor Secretary / Treasurer is elected.
- Notwithstanding, a member of the Board shall not be precluded from being re-elected and serving more than one term as Secretary / Treasurer. Should the Secretary / Treasurer resign or be unable to continue in office, his/her duties and responsibilities shall be assumed by a successor to be appointed by the Chairman from among the members of the Board for the remainder of the term and until a qualified Secretary / Treasurer is elected at the next biennial meeting of the Board.
- b. Authority and Responsibilities. The Secretary / Treasurer, with such staff assistance as the Board shall deem appropriate to provide, shall perform all duties requisite of the Secretary / Treasurer of a Corporation, to include:
- (1) Keeping the minutes of the meetings of the Membership and of the Board;
 - (2) Maintaining custody and supervision of the records and the books of the Corporation;
 - (3) Providing oversight for the Board of financial transactions undertaken by the Executive Director; and
 - (4) Oversight of annual financial audits of the corporation to be conducted by an outside auditor and reporting of the findings to the Board.

Section 5. Executive Director.

- a. Selection and Term of Office. An Executive Director shall be selected and appointed by the Board to serve at the pleasure of the Board. At the discretion of the Board, the Executive Director may be an independent contractor or an employee of the Corporation.
- b. Authority and Responsibilities. The Executive Director shall be the chief executive officer of the Corporation, having all powers and performing all duties appropriate to the capacity and as may be further designated by the Board. Generally, he/she shall perform all acts and have all powers required or authorized by law for the chief executive officer of a corporation, including the signing or verifying of all documents required by law. The Executive Director shall maintain an annual budget and statement of objectives of the Corporation, to be approved by the Board. He/she shall have

authority to bind the corporation contractually, and to make expenditures on behalf of the corporation.

He/she shall exercise authority over the selection, employment, compensation and direction of all personnel necessary to operate the Corporation and of all vendors and contractors, including legal counsel.

Section 6. Compensation of Officers.

- a. Other than as set forth in Article IV, Section 7 (Reimbursement), the Chairman, Vice-Chairman and Secretary / Treasurer shall receive no compensation for their services as officers of the Corporation.
- b. The Executive Director shall receive such compensation and other benefits as the Board may determine, and, additionally, shall be entitled to reimbursement of expenses for attendance at official meetings of and official functions for the Corporation.

ARTICLE VI.

Committees

Section 1. Purpose. The purpose of any committee established shall be to provide information and recommend a course of action to the Board on matters relevant to the business of the Corporation.

Section 2. Establishment. The Board may establish such committees, and appoint members thereto from among the membership, as it deems appropriate.

ARTICLE VII.

Contractor Selection

Section 1. Competitive Bids. The corporation shall utilize a formal procedure of inviting and evaluating bids or proposals from as many providers as reasonably possible when acting to procure goods and services on behalf of the membership. However, when a procurement would not be subject to competitive bids if conducted by a county in this state, the Board may vote to allow the corporation to make such procurement without competitive bids.

Section 2. Corporation Purchases. The Board shall set policies for the purchase of goods and services for the administration of the corporation consistent with all applicable laws.

ARTICLE VIII.

Conflict of Interest and Ethical Standards

Section 1. Conflict of Interest. Any member representative of the Corporation or its component bodies having the right to vote shall be disqualified from voting on any matter in which, or where, he/she has a financial interest.

Section 2. Ethical Standards. Any member representative of the Corporation or of its component bodies having the right to vote shall disclose as to the decision-making body any past, current, or prospective association – personal, financial, or otherwise – if in his/her opinion such association may unduly influence his decision. Moreover, it shall be the policy that all employees shall be guided by this standard in making recommendations upon which any decision may be reached.

ARTICLE IX.

Amendment

These Bylaws may be amended by the affirmative vote of a majority of the Board.

ARTICLE X.

Membership Dues and Aggregation Fees

Section 1. Board Authority. The Board shall have the authority to establish membership dues, an aggregation fee, or both, to be applicable to all members of the corporation. The Board may amend such dues and fee at its discretion.

Section 2. Method of Calculation and Payment. The Board shall determine the method of calculating membership dues, be it a fixed sum, a percentage of commodity usage, or any combination of these or other methods. An aggregation fee, if any, shall be set in accordance with applicable law. The Board shall determine the method of payment to the corporation of any such dues and fees.

Section 3. Recoupment of Initial Investments. The initial members of the corporation will be granted a

credit against any membership dues or aggregation fee assessed equal to the amount of their respective initial contributions plus interest compounded annually at the prime rate of interest. The Board shall determine the period of recoupment, but it shall begin no later than January 1, 2003 and not exceed five (5) years.

Amendment History:

First adopted September 22, 2000.

Articles III & IV amended December 8, 2000.

Article III amended June 7, 2001.

Minute Order

State of Texas
County of Williamson

Be it remembered, at a regular meeting of the Commissioner's Court of Williamson County, held on the 18th day of December, 2001, on a motion made by Commissioner Heiligenstein, and seconded by Judge Doerfler, the following order was adopted:

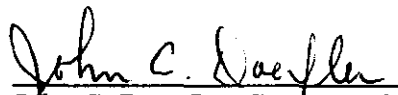
Whereas, the Williamson County Commissioners Court wishes to obtain the lowest cost available in the restructured competitive market scheduled to open in Texas;
and

Whereas, the Texas Conference of Urban Counties has formed Public Power Pool, or P3 (formerly known as the Texas CUC Aggregation Project, Inc., or TCAP); and

Whereas, P3 will aggregate the purchasing of electricity for all member political subdivisions with the goal obtaining electricity rates that are lower than any individual political subdivision could obtain by itself, or could obtain by any other means.

It is Therefore Resolved that the Commissioners Court of Williamson County agrees to join the Public Power Pool and:

1. Approves the TCAP, Inc. d/b/a Public Power Pool, or P3, Articles of Incorporation and Bylaws (dated June 7, 2001) as presented;
2. Appoints Commissioner Heiligenstein as the Representative Williamson County to P3;
3. Approves and authorizes the payment of initial dues to P3 in and amount of \$ 850.00;
4. and designates the following list of Williamson County facilities, identified by name, service address, and utility account number as facilities for which P3 is authorized to purchase electricity.


John C. Doerfler, County Judge

Taylor

Address	Account Number	Description
412 Vance	835-2119-98-9	New Taylor Annex
115 W. 6th	411-2218-99-7	
109 W. 5th	422-0780-97-9	JP 4
2604 Northlawn Dr.	804-7637-99-9	EMS
SO @ HWY 95 S	625-4969-99-8	Radio Tower
DPS @ Sign WT Stat US 79n W	427-1279-99-6	
Williamson County @ weight stat HWY 79 W	432-6428-98-6	
1427 N. Main St.	416-3616-99-0	EMS
Williamson County @ Allison Lake	408-3233-99-1	URS
1000 S. Main	423-0793-99-6	URS
1000 S. Main	423-0824-99-9	URS
116 W. 6th	511-8357-99-4	Guard Light
1427 N. Main	508-1746-99-1	Guard Light

Round Rock

Address	Account Number	Description
211 Commerce Cove	399-8789-99-8	Annex
211 Commerce Cove	754-0911-98-4	Addition
Williamson County 1823 Georgetown Innerloop	753-1921-99-2	911 Communications

Florence

Address	Account Number	Description
Williamson County Pct 3 @ Florence	281-1891-99-9	URS

Granger

Address	Account Number	Description
Williamson County Pct 3 @ RR 1 Box 1	446-5432-99-7	URS

Hutto

Address	Account Number	Description
3901 CR 130	965-6041-99-4	Gun Range

Thrall

Address	Account Number	Description
7800 CR 424	951-6386-99-3	Tower - 911 Communications

Demand Meters are meters that measure both energy used and peak demand per billing cycle, like those found on most governmental buildings and businesses. Count meters in this category if you have past usage data in electronic format for the meter showing the billing period, amount of energy used, peak demand, and account number for the meter. This data should be available to you from your local utility.

Demand Data Meters, or Interval Data Meters, are meters that measure and record in electronic format the peak demand at that meter for each 15-minute interval of each day of the year. These meters are found on large industrial, commercial, or institutional facilities. Only count meters in this category if you have past 15-minute interval data available in electronic format for the meter. This data should be available to your from the local utility.

Monthly Bill Meters are energy or demand meters that you cannot get past usage data on in electronic format, and can only provide paper copies of pass bills for those meters.

Energy Meters = 20 * \$30 = \$ 600.

~~Demand Meters = _____ * \$30 = \$ _____~~

~~Demand Data Meters = _____ * \$50 = \$ _____~~

~~Monthly Bill Meters = _____ * \$75 = \$ _____~~

Total from above four lines = \$ 600. (Add four lines directly above)

Add in base \$250: + \$ 250

Total Initial Dues amount: = \$ 850. (Use this total in the minute order)

Public Power Pool
206 W. 13th. St.
Austin, TX 78701
512/476-6174

For questions or comments, email donlee@cuc.org

AGENDA ITEM 31Consider ordering local option liquor election in Justice Precinct #1.Moved: **Judge Doerfler**Seconded: **Commissioner Heiligenstein**

Motion: To order a local option liquor election in Justice Precinct #1.

Vote: 4 - 0

< Attachment >

ORDER OF SPECIAL LOCAL OPTION ELECTION

On this the 18th day of December, 2001, the Commissioners Court of Williamson County, Texas, does hereby order that a special local option election for the legal sale of mixed beverages in restaurants by food and beverage certificate holders only in Justice Precinct Number 1 on Saturday, February 2, 2002.

It is further ordered that the following locations be open for voting from 7 a.m. to 7 p.m. on election day:

<u>PCT.</u>	<u>LOCATION</u>	<u>ADDRESS</u>
119	Old Town Elementary	2200 Chaparral Dr, Round Rock
122	Round Rock High School	300 Lake Creek Dr N, Round Rock
135	Bluebonnet Elementary	1010 Chisolm Valley Dr, Round Rock
137	St. William's Parish Hall	1000 McNeil Rd, Round Rock
138	Chisolm Trail Middle School	500 Oakridge Dr, Round Rock
142	First Methodist Church	410 University Ave E, Georgetown
146	Pond Springs Elementary	7825 Elkhorn Mountain Tr., Austin
147	Forest North Elementary	13414 Broadmeade Ave, Austin
149	Williamson County Annex	211 Commerce Cove, Round Rock
150	First Baptist Church	306 Round Rock Ave, Round Rock
151	Deer Park Middle School	8849 Anderson Mill Rd, Austin
152	Round Rock Opportunity Center	13401 Pond Springs Rd, Austin
162	Clairmont Retirement Comm	12463 Los Indios Tr, Austin
168	Calvary Christian Center	1351 FM 1460, Georgetown
172	First Baptist Church	306 Round Rock Ave, Round Rock
185	Pond Springs Elementary	7825 Elkhorn Mountain Tr., Austin
186	St. Vincent de Paul Catholic Ch.	9500 Neenah Avenue, Austin

It is further ordered that early voting by personal appearance be conducted each weekday from January 16 through January 29 between the hours of 8 a.m. and 5 p.m., and between the hours of 7 a.m. and 7 p.m. from January 27 through January 29. Saturday voting will be from 7 a.m. to 7 p.m. on January 26. Sunday voting will be from noon until 5 p.m. on January 27. Full-time early voting sites will be the Main Courthouse, First Floor, 710 Main, Georgetown; Griffith Library, 216 E. Main, Round Rock; and Round Rock ISD Administration Building, 1311 Round Rock Avenue.

Applications for early ballots by mail should be mailed to the Early Voting Clerk, P.O. Box 209, Georgetown, TX 78627. Applications for ballots by mail must be received no later than the close of business on January 25, 2002.

John C. Doerfler 12-18-01
John C. Doerfler, County Judge