

## AGENDA



Thursday, December 11, 2008

**Austin Energy**  
**RECOMMENDATION FOR COUNCIL ACTION**

**Item No. 3**

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**Subject:** Authorize reimbursement of costs to RREEF DOMAIN LP for electricity, water and wastewater services to power temporary cooling and heating equipment in an estimated annual amount not to exceed \$220,000, with one twelve (12) month extension option, for a total estimated contract amount not to exceed \$440,000.

**Amount and Source of Funding:** Funding in the amount of \$220,000 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy. Funding for extension options is contingent upon available funding in future budgets.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Jim Collins, Director On-Site Energy Resources, 322-6426.

**Boards and Commission Action:** Recommended by the Electric Utility Commission.

**Prior Council Action:** July 27, 2006 – Approved cost reimbursement agreement for installation of chilled water piping and amended ground lease and easements for Phase I of the Domain Redevelopment - RREEF Domain LP project.

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Redevelopment of the northern portion of the Domain necessitated removal of Austin Energy's chilled water and steam distribution infrastructure serving an AE customer. To continue service to the customer, AE placed temporary equipment to provide heating and cooling to the customer's building. The developer, RREEF Domain LP, agreed to reimburse AE for the rental of the temporary equipment. Also under this agreement, the developer will provide electric, water and wastewater services for the temporary equipment, the cost of which will be reimbursed by Austin Energy as provided for in this Council action.

Electric, water and wastewater services already exist where the AE temporary equipment is located. This is a private site owned by RREEF. Pricing for these services is comparable to what the Domain plant would pay if continued infrastructure connection to the customer was possible.

AE will continue billing the customer for chilled water and heating from the temporary equipment under the chilled water contract previously in place.

This agreement is temporary due to the customer's plans to move out of the buildings served by this temporary equipment in approximately 16 months.