

Closed Caption Log, Council Meeting, 02/10/11

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Mayor Leffingwell: Morning. I'm austin mayor lee leffingwell. We'll begin today with the invocation from pastor dr. bw mcclendon of st. James missionar baptist church. Please rise.

Shall we pray? Eternal god our father, we thank you for the start of this day, we thank you for keeping us and giving us life, health and strength. We thank you for the great nation, thank you for this greastate of texas and thank you for this great city of austin, texas. We pray now for the mayor and this council and give them wisdom and knowledge as they deliberate for the best for this city, for all of the citizens and its constituency. We thank you, father, for america, still the greatest country in the history of the world, so we thank you now. Bless these proceedings that whatever will happen will be for your glory and our good. Again, we thank you for this day. Bless us now for we ask it in the strong name of jesus the christ, our savior we pray, amen.

Mayor Leffingwell: Amen. Thank you, pastor. Please be seated. A quorum is present, so I'll quawl this meeting of the austin city council to order FEBRUARY 10th, 2011 AT 10:10 A.m. And we're meeting in the council chambers of austin city hall, 301 willie nelson boulevard, austin, texas. We'll start with the changes and corrections to today's agenda. Item number 22 is withdrawn. Item number 38 should read, add the phrase, first reading was approved on january 27th, 2011, vote 5-0 with the mayor pro tem martinez and councilmember cole off the dais. Our time certain items this 30 we'll have morning briefings. First the austin/travis county year at a glance, fiscal year 2009-2010. Second, the austin energy briefing on the rolling blackout protocol. And third, a briefing on municipal utility district policy. At 12 we will have our general citizens communication. we'll take up our zoning matters. 00 we have scheduled a meeting of the austin austinhousing finance corporation board of directors, but at its time certain a postponement of this meeting will be requested. And it will not be postponed until 3:00 p.m. 00 we'll have our public hearings with possible action. 30 live music and proclamations with the musician for today is hannah hagar. The consent agenda for today is items 1 through 34. And I will read item 28, which will remain on consent. That's are our board and commissions nominations and waivers. First to the austin airport advisory commission, james kelsey is counciember riley's nomination. To the human rights commission, paul ria is mayor leffingwell's nomination. Again the consent agenda is items 1 through 34. One item has been pulled, number 26, by councilmember bill spelman. And city clerk, I have no one signed up to speak on any consent items. So that will be t -- councilmember spelman?

Spelman: You can put 26 back on. My question has been answered. Item 26 is back on the consent agenda. So we'll entertain a motion on that consent agenda, which is all inclusive, items 1 through 34. Councilmember spelman moves approval, councilmember morrison seconds. Is there any discussion? All in favor say aye? Any opposed say no. That passes on a vote of six to zero with the mayor pro tem off the dais, and i would note that the mayor pro tem is home ill with the flu and will be offhe dais for all items today so that completes our consent agenda. With that without objection we'll go into recess until 10:30 for briefings.

Mayor Leffingwell: We're out of recess and will 30 morning briefings beginning with the austin/travis county year at a glance fiscal year 2009-2010.

Good morning. As administrative director of the austin-travis county round table it's my honor to share with you, mayor, and the city councilmembers, the exciting achievements made in 2010 by our

unbeatable volunteer force, the citizens of austin and travis county. It's the public and private entities, nonprofits, faith-based organizations and individual citizens that are the austin-travis county round table. It's only appropriate that i begin with the structure that makes us partners and sit side by side to promote public safety through successful re-entry and reintegration. This is our structure. If you look it's a top down structure starting with the community. We hold community forums, we have surveys and we want everyone there. We want people that are advocates of re-entry and people that don't want a person with a criminal history in their neighborhood. Because only until we can all get together and discuss the issues can we solve the problems. So that's where we get our -- we find out the issues and barriers for people that are pro re-entry and for people that are really fighting the population being in our community. From that information the round table does an analysis that then goes to our committees and form issue areas. They do research, they look at evidence-based practices and then they determine what strategies and what recommendations to make to the planning council. Our planning council is our governing body. It's the key policymakers that actually make the systemic change. I would like at this moment to introduce the chair of our re-entry round table who I might add is only going to be here for another month because he's been deployed to the middle east serving our country. Thomas cruz, the chair of the austin-travis county re-entry round table. So once the planning council makes its decisions on those recommendations that came from the committees, that came from the community, it goes back and system change actually takes place and the community as a whole benefits. The mission of the round table is to be a robust community wide collaborative and catalyst for systemic change that edge indicates, advocates to promote public safety through effective re-entry of incarcerated and formerly incarcerated persons. Our rationale is that by providing a second chance opportunities it will be cost effectively promote public safety by reducing recidivism. And so the assumption is that if this population is given appropriate re-entry supports and services, they have more successful -- more opportunity to successfully become law-abiding citizens. We have five major focuses this evidence, evidence based practices, funding opportunities, housing, policy reform and support systems. Just as kind of a brief way to put it all into one big category when you look at our key activities we held 13 community forums, we provided 14 strategies of advocacy around re-entry policy and created 2011 policy reform agenda. We created and funded to provide a technical assistance to 10 reports and a resource brochure related to their arrest protocols when children are present. I think distributed to you was our caregivers' guide for children and I think you have that in front of you. The brochure with services from both austin police department and travis county sheriff's offices are giving to the caregivers when a child is present at the time of an arrest. This is one of the many products that we reduced on the round table. And finally, we provided specialized technical assistance to local, state and national partners. Our key impact this year were austin police department and travis county sheriff's office began revising their arrest protocols and their trainings for dealing with children who are present during arrests. You the council adopted the neighborhood housing and community development fy 10-11 action plan that included permanent supportive housing in accordance with our 2009-2014 consolidated plan. That's applying the re-entry population in the special needs section. You also adopted a resolution supporting the creation of the 350 units of permanent supportive housing. The key outcomes from this year, last january a.p.d. And tscs, victim service divisions began disseminating a guide for caregivers. In april of 2010, caritas of austin acquired 10 units of permanent supported housing for persons exiting the travis state jail. And in september the city of austin's comprehensive permanent supportive housing strategy included the recommendation that 225 of the 350 units be targeted toward frequent users of victims and including -- which included those in the criminal justice system. Caritas of austin in partnership with the downtown alliance has proposed 20 units of permanent supported housing for frequent users of the downtown austin community. Just to give you some highlights of a few of our committees, policy reform committee. In 2008 and 2009 the austin-travis county re-entry round table began the first statewide coalition, pulling together the major cities across the state to have a unified voice to go to the legislature, to go to the federal government and to go to their individual localities to say this is what's needed to make re-entry successful. This year we passed the ball to bexar county and provided technical assistance throughout 2010 for that conference, which was held in october. The round table holds community forums this year it was a forum to listen to community voices, reintegrating people with criminal histories to assist the round table in setting the priorities for the 82nd legislature and to identify policies, procedures and community add tiewds that can create an improved environment. We also sent out surveys to get the input from community. Our evidence-based practice committee did an analysis with the university of tex

on re-entry services. This was a collaborative between the university of texas, crime prevention institute, the county center for workforce development and texas department of criminal justice to decide what housing employment and other service are utilized with servicesre most helpful and how they're easily accessed. It doesn't do any good to have those serces and supports if they're not easily accessed. It doesn't do any good to have them there if they're not being used or not helpful. So we decided to get in there and find out what's really working and what's not before we wasted any money. We provide a lot of research throughout the year for nonprofits and profits and the public entities, awareness and technical assistance all around evidence-based practice. That's where all the -- what all the federal dollars are now depending on. This new spring cycle of federal money is going to require evidence-based practice in just about every application that's filed. Our next committee is the support systems committee. Austin, I don't know if you're aware of it, is one of 14 cities in the nation that was selected to be a site for the children's bill of rigs. Our support systems committee heads this up. And this year in 2010 we collaborated with the restorative justice ministries network. We hosted the children of incarcerated parents bill of rights workshop, take an in-depth look on how community can help children who have an incarcerated parent and make recommendations to help realize the system of support that they envision. The second project as far as pport systems this year was the rights to reality. From the workshop we zeroed down to two primary areas of focus. One was arrest protocols and the other was visitation. We already talked about the arrest protocols. As far as visitation goes, that group has now gotten nonprofits, for profits, volunteers, individuals and citizens. We provide resource information at the visitation center at both the state jail as wel as the county jail. We have clothes closets at both locations. We have parenting programs at the state jail and we're working on a covered area so kids can play outside while they're waiting on their parents. A fairly important report was done called rights to reality, key informant findings if you want more information. Housing was the round table's primary initiative in fy 2010. We held -- just to briefly tell you rather than go through all this stuff you're looking at in front of you, I'll summarize it by telling you we held or sponsored 10 community forums around housing issues that impact persons with criminal backgrounds. We collaborated with the school of social work on that analysis of private sector housing and provider needs. To research needs and barriers and determine if tdcj vouchers are a beneficial strategy. We can't depend on the city and county to provide all the housing, so we're returning to the actual for-profit housing providers to say what are the barriers that are keeping you from housing this population? We also created six reports related to the corporation for supported housing as well as one report and presentation on the private sector housing provider needs and barrier analysis. We had 13 specific advocacy stroadges for housing for persons with criminal backgrounds that included letters of support, public testimony, participating in local and legislative round tables. I personally would like to knowledge the hard work and dedication of approximately 130 individual stakeholders across this city that participated in our two corporation for supported housing initiatives. The first was the financial modeling corporation for supported housing financial modeling, which is a collaborative with the mayor's mental health taskforce. Austin-travis county integral care, the city of austin hhs, ending community homelessss organization, which all produce supported housing programmatic and financial models for the city of austin. Th second major initiative here was the the corporation of supported housing, was the texas re-entry initiative, phase one reresearched and led -- which led to reports and recommendations for the actual implementation plan, which was phase 2. For any of you that are interested, the funding strategies for permanent supported housing report is out and on our website and we'll give you an extreme amount of data and research that our unbelievable volunteer force collected. It's with great satisfaction to know that these initiatives laid the groundwork for the progressive housing (indiscernible) being made by iou, the city council and by the city's neighborhood housing and community development. They've been terrific partners and listened and reached consensus and really cared about not only what the round table board, all the people had to say and what their concerns were. And I'd like to acknowledge their partnership and their friendship. Finally, our funding opportunities. This is looking out to bring money -- to try to bring money into the county from the federal government, from -- for the different foundations across the nation. We track and disseminate all of those solicitations as they come out and then send them out to the appropriate nonprofit or for-profit organizations that would be interested. Then we also hold and provide and host scins building forums. It doesn't do a whole lot to file an application by yourself nowadays. The federal government wants collaborative applications. Now you need to do who wants what and how much do you want for it? So we hold these forums to bring people together to say here's the solicitation that we

can bring some money into the city. Who all wants to join forces and get together and do this? We provide technical assistance and grant writing supports. Just finished one and turned one in that the round table looksor evidence-based practice committee to do the research and to help write the grant. We have several people that are reviewers for federal grants that do the reviewing and a lot of us do a lot of the assistance in grant writing. And so now for looking at the new year, which was to me the most exciting because we're halfway -- almost halfway through it now. We've already determined of course our goals and objectives. We revised our bylaws this year. We're expanding our membership as well as our committees and our planning council. We dieminate quarterly news letters and we host community forums and surveys. I'd like to make one point right here. You have in front of you an invitation for our community forum, which is there's a place for you. And that's going to be held at austin energy on FEBRUARY 22nd. We want everybody there. We want everybody there that cares about entry, either pro or con, because until we're all in the same room together we can't figure out what we need to do to make this really make re-entry successful. Our policy reform committee has -- has participated in the statewide re-entry conference. We hosted a session for the legislators and their staff. We've prepared issue papers for the 2011 policy priorities. We're already tracking the legislatio for the 82nd legislature. And coordinating public testimony from citizens in your city for the session. We provide training and advocacy strategies for john q public to go out there and tell the legislators what they want and what they feel like is needed. Our evidence-based practice goals are to develop a multidiscplined and re-entry specific faq's, which we've already accomplished. We're hosting two training minars on evidence-based practice strategies. And we're researching projects with both the , st. edward's. One thing about evidence-based practice that's really important, and I said it awhile ago and i want to repeat it again. All of the federal funding coming down is going to require evidence-based practice no matter what the discipline, whether it's criminal justice, health, whatever. So it was important to the round table goat word out. We did an faq this year imhunt action network that was very generic, had nothing to do with criminal justice. It was across the board. So the people in the city of austin that are applying for grants will understand what that is and why they have to include it in their grants. Our support system, i already told you about that. And our housing for this year, we're going to be advocating for permanent supportive housing for re-entry population and hope to continue working closely with neighborhood housing and community development. We're providing technical assistance and support to ending community homelessness organizations as they start their fst year as a nonprofit. Funding opportunities, we'll be doing the same thing this year as far as getting those solicitations out and holding forums to get people together to apply. So as the doors of opportunity open to design, plan and implement re-entry strategies, the austin-travis county re-entry round table membership looks forward to bringing criminal and juvenile justice behavioral health, human service, education, and advocacy stakeholders together to form partnerships that can break the cycle of recidivism while making austin-travis county a place for all citizens -- where all citizens can live, work and play safely in the community. Thank you all so much for your support, yourelp, your friendship. And see me on the street waving and knowing that we're all in this together. Appreciate you.

Mayor Leffingwell: Thank you for your briefing, council. Is there any questions or comments.
Councilmember spelman.

Spelman: I wonder if you can give us a sense for what this population looks like. I think a lot of people -- we watch television shows, we have a sense of what these guys look like and what they do. I wonder if you get a sense for what the re-entry population is in travis county, who they are, what they've done?

Let's see. The's 3, 6, 7, 8, 9, 10. 95 Percent of people return back to the community. So if I were to have everybody -- and I did this, by the way, with the commissioners' court. You're lucky I didn't pull this on one. At the commissioners' court I had everybody in the room stand up and I told them that they were all criminals and they were all in texas department of criminal justice. And then I had everyone sit down except for the commissioners because i figured out the percentage. And I said now, y'all were the really bad guys. Y'all stayed in prison. But everybody else that sat down in the audience have just returned to travis county. 95 Percent of the population that are in texas department of criminal justice come back to our community. So they're everywhere. But you're really bad guys, -- your really bad guys are still in prison. The ones coming bk to the community have been paroled or are on parole and have sanctions

or they have served their full time, which in that case they weren't typically real violent offenders in the first place or they wouldn't have been out that quickly. One of the things that I think we will be seeing is a large population of geriatric, medical fly fragile and your psychiatric ones coming back in the next two years. The reason I say that is number one I used to work as a psychology at sky view, which is a psychiatric prison and still have connections there and found out that they've already been told that they're getting those guys ready for release. They cost the Texas department of criminal justice the most money and that's the ones they'll release the fastest. We have to get ready for the supports and services for those populations. The average person coming back is somebody that has a family, somebody that has -- wants to -- a woman who wants to get her kids back. They've been through treatment programs. They're getting as many supports and services as we can provide them. We have re-entry specialists in the prison. We have great programs here in community that are also assisting that population as they get back on their feet. Our biggest problem is getting them housing and employment. And if we can -- if we can ever accomplish those two things, then we're going to find real successful recidivism. They typically don't want to go back. And they -- unfortunately what we find is many times because they can't find housing they end up going to aunt Judy's house who lets them stay for a couple of weeks and then they go to their friend's couch and then they move from couch to couch. You can't get a job without a house or without an address. And so it's a real problem. But the average person coming back, somebody that just made a mistake or a couple of mistakes. But the bottom line is whoever they are, whatever they are, they're coming back. And we've got -- we've got to figure out the strategies and ways to support them so that they don't go back. And they don't constantly be coming into our jail system. I think most of y'all might remember the testimony that we gave where we had zeroed down a population that was costing the city over three million dollars just to house 315 people in our county jail. You know, we can't afford that. And so -- and like I say, we're not collaborators anymore. We're actually getting to be partners that are sitting side by side to solve the problem.

Spelman: So the average member of this population is young, not a violent offender, a property offender or burglar, an auto thief.

A lot of substance abuse offenders. Out of all of the people coming back, that's your biggest population. They're given short-term, so they're sent to the state jail, which is under a year. And they come out usually having served this whole time. There's no sanctions and so therefore there's nobody to assist them to provide supports and services and they're pretty much left to themselves to do that. So that's one of the things the round table really looks at. That's why we have support systems committee is to look at what can we do as these guys, men and women come out. We have people coming, a lot of young people coming out of the state jail that are there on drug charges, have been there on drug charges, that don't even have any clothes to wear. They've been in the TDCJ outfit now for one year and their clothes got lost way down the line and they have no -- and they may not have families. They don't even have any clothes. So we've developed the clothes closet there for that. But as a general rule it's a young offender, non-violent, some property, but that usually is because of the drug situation in the first place. As far as the women are concerned, it's usually substance abuse.

Give me a sense if you could about the scale we're talking about. Are we talking about a few dozen, a few hundred, a few thousand?

Over 4,000 -- I believe it was over 4,000 came back last year.

Okay.

So I don't know what the new statistic is for this year.

4,000 People staying with aunt Judy. About how many of those people would prefer to have a place on their own, but can't find one because the private market or the city and the county are not able to provide it?

Almost all of them. The family support is really -- family reunification support is really important. A lot of these men and women have lost their spouse because of having been incarcerated. Those that didn't go back to their families, go back to their moms. Moms are real good at taking them in. But as a general rule they get tired of mom and mom gets tired of them. And to have a place of their own. And to have a residence so that when they fill out employment application it shows stability. It tells that perspective employer that that person is stable enough to have a house or have an apartment. So it's very important.

Spelman: Okay. So stability is important and being able to get a job. I'm guessing getting a job is the most important single thing to being able to avoid going back to prison. Am I right?

Either getting a job or -- we really need to also look at income stability because a lot of the population we're talking about, particularly those that are about to be released, the greater at risk population and those with mental disabilities, we have to get them ready to get -- to pull down ssi, ssdi, social security disability, those types of things, because they may not be able to work. They may have to have income stability in another way.

Spelman: I've been working in criminal justice stuff for 30-odd years and first started working in the late 1970's. The thing everybody was talking about then was a particular article written by a fellow named Marnson who was talking about what you could do with reentering populations and the usual -- his article is nothing works, there's nothing we could do. I wonder if you can comment on that? Has that changed over the last 40 years?

Fortunately there are some advantages to being an old woman. I've watched that pendulum swing back and forth several times. Yes, in Texas -- in fact, ironically, Texas is actually one of the leaders in the nation that people are looking to because we've reduced recidivism so much because of the supports and services, the treatment that's being provided, some of the treatment being provided in TDCJ now, but particularly the supports and services that are out there in the community. The fact that this city council set aside, acknowledged permanent supported housing and the need for 350 units and neighborhood housing and community development turns around and says you have 225 of those need to be vulnerable populations that include criminal justice, makes all the difference in the world. There's tons you can do. Nobody wants to go back to prison. People want to be just in the community like everybody else. When they're forced to go back to that same place that got them there in the first place where they're forced to go and not have a job and not to have income because there's nobody out there helping, we can expect them to go back. But the last four years we've had a reduction of recidivism rate not only in Texas, but particularly in Austin, Travis County and it's because of the support systems that we've developed. We have some great nonprofits. Our faith-based community is our really, really strong asset. They're the -- when we did -- when we did the analysis with the people coming out that had just come out to say what's working for you and what's not, I think I talked about what they said is family was the most important, but that the churches and the nonprofit organizations were the ones that really helped them the most. They talked about having social relationships, just friendships, just being part of the community. And the sense that places of goodwill were able to provide as far as getting help and employment and even some socialization things. It really is -- we think about living and working, housing and employment, but the play is important too. So when we start looking at supports and services, we all need to live, work and play safely. And there's no exception to that. He was wrong in the '70's.

Spelman: He may have as right as anybody knew in the 70's, but we've learned a lot of things and we have a better idea of what we need to do for these guys.

Around unfortunately with the new legislative session when we look at what the Legislature has come up with, a lot of the monies will be cut and it will fall on the communities, the individual localities and that's really a shame because we've shown such a reduction in recidivism because of the treatment programs and because of the re-entry specialist and the re-entry programs in the community that to have funds cut at

this point is going to stop that trend of reducing recidivism.

Spelman: That was where I was going to go next. Can you give me a next of the scale of what the budget cuts is?

Huge, enormous. It's enormous. They're cutting tremendous amounts out of particularly like for medical and UTMB, the university of Texas medical branch, who they interact with for all the medical and psychiatric. And those budgets are being cut huge and part of the reason is because that's the population, one of the populations they plan to release a lot of. There are also budget cuts for mental health for communities, like Austin, Travis County, for all the mental health authorities, their budgets are getting cut enormously, which will put a huge burden on us. The re-entry specialists that we got in last legislative session are being wiped out, as well as Project Rio, which is the pilot, was the employment division for CJ. That's been done away with. So the new legislative session is cutting all of those programs that we know have really reduced recidivism rate.

Spelman: I remember reading a report and at least the first version of SB 1 that was filed in January had eliminated the Windham School District, which would eliminate all education inside the prison system. Is that still in the bill?

It will be there. You always have some bills like that. That probably will not go very far.

So we were going to keep that.

Oh, yeah. One of the things we were trying to do is they're closing the Sugarland unit, mainly because it was sitting on a piece of property worth \$31 million. They decided they would close that unit. We were hoping to at least get a percentage of that money to go toward maintaining some of the supports and services and treatment programs, but it's going into general funds. The round table will be having representatives at this next state committee hearing finance budget hearing to say you got to maintain the programs you have. We've got to look at maintaining the monies that are going to the communities for supports and services. And we have citizens and policymakers that will be testifying at that committee hearing trying to save some of those funds.

Spelman: Let me see if I can summarize the current situation here. We have 4,000 people returning to Austin and Travis County every year. Many of them are involved in substance -- have been involved historically in substance abuse and would like to stop that. They all need a job. Rio has been at least slated to be eliminated so we're going to need more help getting a job than they've already had. They all need a place to live and although I'm happy with the work we've done so far on supportive housing, 225 units for that population is only between five and six percent of the total need. That's another 94, 95 percent of folks who are still staying with a family and don't have anyplace to go.

That's right.

Spelman: We have a lot of work to do, sound like?

We do. And there will be some real policy change I'll probably be knocking on all of your doors. There are certain changes, certain avenues we can take with like public housing authorities to relax some of their selection criteria. There's a lot of things like that. There's some incentives we can give to private -- the private sector housing. That we discovered from that research that would make them a little more open to accepting that population. So is going to be on us and need to start getting ready. We are getting ready for it.

Spelman: What is the role of the city in supporting you on this, other than continuing to do what we're doing and ratcheting up a little bit, what else can we do to help you?

We get funding from y'all. We get \$35,000 a year from the city, thanks to the assistance of Mike McDonald who is on our planning council. And the support from your individual divisions like neighborhood housing, a community development that opened that ability to realize that the population is here, whether you want it to be here or not. It's got to be included in your plan. It's got to be included -- whether it be your long-term consolidated plan or your action plans. We've got -- whether you're talking about health, whether you're talking about transportation, whether you're talking about housing, the re-entry population is part of what every other citizen is a part of. And so anything that your divisions can do that can help us get the word to them, how can we help y'all with adjusting your action plan or your yearly planning process to accept this population and make -- and provide some supports? Transportation is a really big problem because these guys come out without any transportation. Do they -- they don't have any money for bus tickets? For the transit system. Do I know everybody is in a bind, but when we all get together, it's not just a matter of money. Sometimes it's just a matter of pooling resources. And it's letting us in the door, inviting us to their meetings and not having a closed mind to say, oh, no, we don't want to talk about that population because they're there and they're not going away.

Spelman: Well, you don't have to rely on our altruism for this. It's in everybody's best interest to help this population stay in a legitimate economy and get a real job and get back with their families and stay away from stealing.

Supporting re-entry truly does promote public safety. People think that time an advocate to give people a second chance. Well, I am that, but more than that, I'm a grandmother that wants my grandkids safe. And if I want to promote public safety, then I want successful re-entry and integration. Spelman: Thank you. Appreciate it.

Cole: Mayor? I just have a couple of questions. I understand and correct me if I'm wrong, that the majority of your funding comes from the county. Is that correct?

No, it's pretty equal with the city and the county.

Cole: With the city and county. Do when you talked about the re-entry population cuts being huge, and I guess those -- those are cuts that are being contemplated at the legislature and you weren't able to tout a dollar figure on that, could you even give us a range?

Not really. I mean, it's -- they're cutting it from so many different areas. And it's just their recommendation. And like I say, we'll be fighting really hard to maintain some of that. Now, the funding for the Austin-Travis County re-entry round table comes from the city and county and it's very minimal and it just pays for two staff people. Everything else is totally voluntary. When we hold forums, the money that we get from the city and the county is used if we have to rent buildings or whatever, refreshments, whatever. All of our supplies. That all comes out of our budget. The round table itself strictly operates from our volunteer force. There's a whole lot more that we are really going to be required to do after this next legislative session. And that is why I said I might be knocking on y'all's door because it looks to me like we're going to have to really be able to fund the services and the community since the state is going to be cutting them. And I think to do that we're going to have to help volunteer y'all can't afford to pay for all of those services, but you can afford to fork up a little bit of money to be able to get that volunteer force and working in action and doing all of the actual -- having the manpower to provide the supports and services. Mentoring and things like that. There's tons of strategies that we know make successful re-entry. But we've got to get the workforce out there to do it. And there's only so much -- our plates are full and now that -- now they're getting ready to get fuller. So we're just a team. We have to all do it together. But I think the money is part of it, but like I say, I think the biggest part of it is having somebody to coordinate and be able to bring all -- the worker bees together. We have good hearts in this city, and our faith-based community, our nonprofits, our young citizens really do want to volunteer and make this a better community. So we just need to get out there and do the outreach. I gave you an invitation to community forum on the 22nd and we will have the welcoming introduction we want the people there. We want them to know what y'all care and -- that y'all care about what they have to say. And that then gets them to join

our committees and our focus teams which then can do all the work provide some of these supports and ones that we financially can't afford. Does that make sense?

Cole: We support you 100%. Thank you.

Thank you so much.

Leffingwell: I would just mention that the city of Austin has a full-time employee right now housed in my office and he's funded by a grant from the Bloomberg and Rockefeller foundations and his sole full-time job is to work on community volunteerism.

Oh, I need his name and address.

Mayor Leffingwell: His name is Andy Yormon and he's in my office. So that is going to be his job for the next two -- it's a two year grant. So that will be his job for the next year and half mainly now I believe or a little bit more than that. So please feel free to get in -- feel free to get in contact with him.

Ask him to join me for a cup of coffee.

Mayor Leffingwell: He will be glad to do it.

Thank you all.

Mayor Leffingwell: All right. Thank you very much. We'll go on to the next briefing, which is -- if we can keep the light on for this full briefing now, Austin Energy is going to talk to us about the rolling blackout protocol.

Good morning.

Mayor Leffingwell: Morning.

Before I get started, I had to take the opportunity this morning to recite what the temperatures were historically for today. And I note that in 1899 the temperature today was minus 1 was the record. And the record high in 1969 was 99 degrees. So there's obviously a wide swing of temperatures that can occur. AND THIS WAS GENERALLY -- Started as a temperature event. First of all, I want to talk about reliability regions a little background in North America is set up as an electric grid. It's very fundamental, very important to understand here I go through this presentation. The North American Reliability Corporation was formed in the 60's, 1960's after the massive blackout in the Northeast. After that the federal government said that the electric utilities in North America, you need to do a better job, you need to plan, you need to coordinate and you need to figure out how to make sure that reliability is important. There have been several blackouts since the '60's and there has been more regulation and more enforcement of reliability. The largest interconnection is the Western Electric Coordinating Council, which is known as one of the largest machines that man has ever built. Works at the speed of light simultaneously at 60 cycles per second. All the generation coordinated, everything works together. And the most independent one is ERCOT in Texas. Texas ERCOT in this map up here serves 85 percent in the state of Texas. ERCOT is unique in that it operates as one balancing authority in that all of the generation and operations in this map, in this area is operated by ERCOT even though Austin Energy has its own generation, enough to match its own load with its consumers that ERCOT operates and balances the needs of energy simultaneously with the load and the generations. So if it needs more it gets more and it is the entity that we're responsible to. [One moment, please, for change in captioners]

High consumption happens in the evenings and the mornings. This is the third time in Austin Energy's recent history of rolling blackouts. On December 22 in 1989 there was a large ice storm that required it.

Now, the current ERCOT system wasn't in place then but there were rolling blackouts that happened. In April 17 in 2006 that was a heat event. So if you remember what I said before I started this slide program, 1999 that a record temperature. So that's a warm year. Additional generation was unable to start and stay on-line so what happened is the generation was ruined after midnight, and we will hear from ERCOT on this. They will be giving presentations on this later. But additional generation unable to start, there's a lot of reasons for that the reasons are that their transducers and fuel lines and a variety of different mechanical systems that have problems when it's really cold, so they started to drop and then they started to force more generation to come on-line and when the big cold front that came through they were having a difficult time getting generation. ERCOT issues alerts when reserves are below 3,000 megawatts. It's very frequent that we see these alerts, and the operation -- myself, some senior operational staff at Austin Energy, there's quite a long list of operational people, we get these alerts automatically. And this happens quite frequently. In fact, since the natural gas market has been around get these almost every day. What does that mean? That means that ERCOT falls below 3,000 they get more resources. Rolling blackouts were ordered by ERCOT as a last step to restore the grid balance. If the grid frequency 3-hertz, then the relays activate automatically to prevent system blackout. The grid operates at 60-hertz, 60 Cycles per second. If it starts to decay, it decays but generation isn't there. If it decays too far there is a total blackout. In my opinion there was a potential for that here and it got very close. So the rolling blackout response. Austin Energy system shares the outage with the rest of the state, so can't decide what you're just not going to participate. It is a system wide, it is an ERCOT wide participation. Our energy control center, which is a few blocks just to the west of me, it responded to ERCOT directly with load shedding immediately. Our Austin Energy generation had interruptions. It was on and understanding, we switched some to oil, but for the most part all of our generation was on and running. The situation progressed rapidly, too rapidly. Over 80 generating units tripped and reduced output additionally getting additional generators on-line was very difficult. At 47 am reserve shortage was called by ERCOT, and there's three levels of reserve for shortage, but at 08 they entered into a more critical one. That was a 2500 megawatt notice. That meant there was 2500. At 17 am the emergency level 2 was activated, which I realize we're a business full of acronyms, but what it means is it's an energy -- or energy emergency alert level 2, activate interruptible load service. At that means is that there are certain industrial customers that have contracts that they can be interrupted, so their load can be turned off. The next one of that is resources that can act as load, so in other words, they're asked to turn loads off and they also responded. There wasn't enough. A load shed was ordered, so ERCOT communications is you must start shedding load and shedding now. The communications on that, just to go back on this and they corresponded with the city of Austin, emergency operation center --

go back. There was a little confusion about the 12:43 a.m. We couldn't find it on your table there. You meant 5:43?

Yes, I'm sorry. Thank you. Austin Energy corresponded with the city of Austin, EOC and ERCOT. At 14 we communicated with the media. We sent out a massive media email, and I think -- I was watching the media and I think around a little after 00 it was on -- it's on television. And then we maintained staffing at the Austin emergency operation center once it was activated. Let me start now into the criteria for how we do this load shed plan and what -- this talks about what happens. So after ERCOT requires us to develop a load shed plan, that's something we have to have in place. The plan is to shed 4%. That's our share of any load rolling blackout or any load shed. I use those words interchangeably, but load shedding and rolling blackouts are really two of the same thing. That 4% share, is 40 megawatts. That's what we started with. That was what our initial response was. That plan includes 44 circuits with rotations targeting about 7 to 10 minute outages for ten circuits at a time, and again, that's for 40. The internal policy considers the function and service of each of the 376 circuits, which is the total of Austin Energy system, in service at any given time. Of those 332 circuits, other circuits, we have 211 that are in health and safety critical loads and industrial loads we have 31 serving the downtown network, and we have 90 with automatic required underfrequency load shed relays, and I'll talk about that in a minute. 48 Circuits utilized for rolling blackouts impact more than 80,000, or 20%, of our Austin Energy customers, and this is where it becomes difficult with our consumers is, the question is why do we have just these circuits for these customers and how -- why -- how are they separated from the other and we can get into them in a minute. So getting back to this map, here's where the circuits are. So of the circuits that we can actually do the load shedding and rolling blackouts on, I know this map is difficult to see it all, but it's a very large service area, but the

top one, that red color, is the load shed circuits. The next one are the industrial circuits, and this is all part of Austin Energy's current plan going into this. This is what the industrial circuits are, and they are not part of the load-shedding scheme. The reason for that is because those loads are very difficult. If we -- we effectively turn these off from our substation, and if we were to turn those back on there are a lot of problems doing that with these size of loads, so that's one of the reasons that those circuits are not a part of it. They are part -- however, some small industry, part of the frequency circuits. The critical load circuits, those can be hospitals, communication, nursing homes, all of the circuits that serve those types of loads are there -- where we want to make sure the power stays on. The underfrequency circuits are the next one. Those are circuits should -- we gotten down to the 3, we would have shed the first layer of those. There's a next layer. It's a little bit below that, and it is -- and then there's another level, and if it goes and it goes very quickly, there could have been a total blackout. So the whole effort by ERCOT was to avoid having a system-wide blackout, and it worked, but it worked with some pain and it worked with some customers having to take outage. The downtown network, talk about that, it serves the central business districts, multiple circuits back up each other, redundancy is automatic. We cannot use it for rolling blackouts. We would end up with a lot of problems. It's meant to be a full-time ready-state system, so the on time it will go dark is if everything goes dark. It serves from the capitol, down here. I talked about that. The health and safety, critical loads, hospitals inpatient census, elder care, nursing facilities, dialysis facilities. What's hard here is that there are some homes that are also on these circuits. They are not defined discretely to just these loads. Every go through our system and as they change and growth changes and other things happen, there's a variety of customers on some of these circuits. Water and sewage facilities, the airport, public safety, military, detention facilities, 911 and media broadcasting facilities, we want to make sure that those all stay operating. The outages were larger and longer than we planned. We had a thousand meeting a what the for -- mega what the ERCOT increased it to 4,000 system wide. This happened very fast. That meant that out of our 160 megawatts for Austin Energy, and I think mathematically we actually shed 158. The duration of the rolling blackout interval then increased. They increased to 30 to 45 minutes. This is because we had to keep output at number of 160, again, our plan was to be down around 40. That was our -- that was our plan, but as this kept getting larger we kept reaching deeper and deeper into these circuits and keeping them off longer. Also what happens is, is that when we effectively turn these circuits off we do it from a substation, we do it automatically from our control center, and then when we go to put the back on we have problems because of the load, so some of those circuits we couldn't get back on we have to go out and manually work on them. We also had outages occurred at this time, and we could not go out and do anything with those outages so if simultaneously there were some outages, and those did happen, we had outages on top of doing rolling blackouts. Very hard for us to determine and sort that all out, but that's why there was some customer confusion. We had customers that said they went off and then they went on and they went off for long periods of time and came back. It's very difficult for us to manage this. So about 45 commercial industrial customers couldn't respond for their account staff they appealed to industrial customers to cut back as much as we could that happened. These constant contact with 500-plus customers to encourage conservation. We worked with the state and local agencies issue the schools, the hospitals, the industrial facilities and the large residential retirement communities and we expanded these communications to include all businesses and did the very best we can to encourage conservation of energy system-wide. Over all Austin Energy's power plants performed very well. We planned for the weather. We had outage crews standing by at our north and south operation centers. There were some weather impacts. 400 Megawatts unit we had producing 9 megawatts tripped was back on-line at and I think you can see the other machines there that we had some trip in operations, but generally speaking with our generation fleet we had really minor disturbances and we switched from natural gas to oil at the Decker facilities which is capable of doing that, so we switched to oil. So the state, reviews of this event are already initiated by the Texas Public Utility Commission, the Electric Reliability Council of Texas, NERC, North American Reliability Component, and the Texas component, this is the Texas Reliability Entity. There will be a committee hearing on the 15th, next Tuesday. Austin Energy has been invited to participate in the panel. I think there's three panels that I know of so far that are going to happen and the Texas Railroad Commission has already committed some of which commenced work on natural gas. I think you've read there have been natural gas issues that have arisen from this. And Austin -- Austin Energy my job is to figure out with our team how do we evaluate and identify improvements that we can make to this. I think there are several that we can do. We need to take a look at our policies. Our policies and our load shed plan. If we have to reach deep like this again, what do we do differently than we've done this time? So we will do that, and we will

investigate that thoroughly. Our communications procedures we had some automatic emails that went out. We realize there were some individuals that should have been contacted that weren't and some of our emails that went out. We want to do a better job at that, so that's going to be reviewed, and other alternatives. I've been asked to look at reverse 911, a variety of other tools that we might be able to use. We will look at everything that we can -- that we can use. I can tell you, though, had we in the morning that we knew we were going to be doing load shedding as the load came up, we would have been prepared and it would have been much easier. And I can't explain the speed at which this happened. That's erco's particular job to explain on -- erco's job to explain that but unfortunately in my career I have been through rolling blackouts before, and we knew more in advance what we were going to do and we mobilized and got to our industrial customers and we did the work as utility staff to get out there and do, you know, advance warning. It was there. That was a great event, however, and it wasn't a large cold front that blew through here like this. So that's -- so we're going to look at other alternatives, and I realize we kind of blown through this presentation pretty fast, but this is pretty high-level, and I realize there might be some good questions and I'll take those -- I'll take them now. So just to clarify, on the critical circuits designated as critical circuits, how is that determined, if there's one critical use within this entire circuit, then the entire circuit, even though it may be 90% of it, wouldn't be a critical one, but

that's correct. -- the entire circuit is exempt.

Right. So -- you know, obviously that's a big industrial problem to try to change that.

Right. but I -- I certainly don't have any answers but I want to do make that clear.

Maybe I could clarify that, maybe, a little bit. If you have a large hospital, like Seton hospital, for example, it will have a fairly dedicated circuit because of the size load that it is. You may have a convalescence center that's out -- for example out at Barton Creek there's one out there and there's a lot of homes on those same circuits, so those homes wouldn't have been used. So that's correct. So a lot of these circuits maybe had only one or two critical uses within the circuit and they were exempt from the --

right. -- from the load shedding. Now, all -- all electric utilities within the ERCOT area are required to take a certain percentage of this load shed?

Yes. and to your knowledge did all do so?

To my -- I do not know if all utilities in the state of Texas did. I think that's -- what is the enforcement mechanism for failure to comply?

My understanding is, is that there are rules that include fines and other actions that could be taken. ERCA, THE WHOLE BUSINESS of reliability in the electric utility industry has gotten to the level of fines. So the whole idea of this rolling blackout, the load shedding directive that comes from ERCOT is to prevent massive blackouts, perhaps, statewide throughout the area.

Yes, sir. so it's a shared -- it's the price we pay for some degree of stability in our electrical system.

Right. -- to join in this partnership and --

right.

Mayor Leffewell - share the pain, so to speak.

I -- without going too technically deep into this, what's important to understand is that when we entered the underfrequency situation, it is automatic and it moves at the speed of light. So we were that close to a blackout. If you go to a blackout where the grid is out, it takes hours, if not a day, to get the system back,

and I think it's -- I think it's important for customers to understand that this was an emergency situation where the plane is in a dive and we've got to pull it out real quickly, and that -- that's what happened, and -- so without taking this action, complying with this load shedding directive, we ran the risk of --

yes, sir. - an automatic trip, perhaps throughout the circuit

yes. The first level of underfrequency -- on this map that I have shown you, there are several areas that have had underfrequency relays, and technically what that means is when the frequency gets to a point, those stations are off, and we have several levels of that, and it goes to another level and then another level and then the whole system is off at that point. That means all of ERCOT, and that is very serious if that happened. That was an ERCOT-wide blackout and that is -- it's kind of like back to the stone age that scenario.

Ees. the automatic trip --

yes, sir. the automatic trip, seems to be that's very small deviation from normal, isn't it? The automatic frequency trip? Didn't you say normal was 60? And it tripped at 59.3?

Yes. That's -- well, that's the importance of frequency, maintaining frequency. So, it has to be there, and if it gets down a little bit lower than that at 58 it trips, and then it trips another, and when that trips, lights out. The automatic trip is a safety procedure --

yes. -- to prevent damage to users, damage to electric motors and that kind of thing?

Well, what happens is the generation will start to separate from the system. If the frequency isn't there then what happens is the generation will separate from the system and that is, in fact, that happens when you have a blackout the generation will separate and then the system will go dark and then what you have to do is get the generation back on line and sync it back up and rebuild the system back. When you say the generation separates, you mean the generation is not connected to the distribution --

grid. Correct. It opens from the grid. that happens automatically?

Yes, sir, it does. further questions? Council member morrison?

Morrison: thank you. Thank you for explaining. You know, clearly we were in a situation -- austin energy was in a situation that they had to just react, and this is an opportunity -- I appreciate that we're taking the opportunity to figure out how do it better next time, and I want to make a couple of comments. First I have a question. You know, collectively, many of the residents and the businesses experienced what is essentially a total blackout because of some of the things you're seeing or they had their electricity come back on for just a few minutes and all of that. So I wanted to ask a couple of things. Back on the map of distribution circuits, obviously one way to ease the effect would be to find other circuits that could actually be added to the load shed circuit, and you talked about the underfrequency circuits that would get added to the load shed in a certain circumstance. Can you talk about that a little bit more and is that an opportunity for somehow to add them to the category of load shed circuits?

No, it's not because ERCOT protocol requires that we have a certain number of those circuits. 25% Of our system peak of the year has to be dedicated on these underfrequency circuits. That's ERCOT's system protection, so we can't really operate those at all. They have to be operated automatically as part of the scheme that I was talking about. You touched on something that we're going to look at. One of them is that we're going to look at can we get customer participation or other voluntary circuits and try to arrange -- make arrangements with customers to have -- to be part of this, and that's something I learned from my previous experience, that we can probably start investigating but it's critical to know that there's also customer load that act as resources within the ERCOT protocol, so distinguishing those between the ones I just talked

about, we'll have to work through that and see. I'm probably confusing you, but some are already identified as part of the scheme, and then there is a question of, well, do you want to list something for rolling blackouts and then how do you compensate and how do you set up a business arrangement for that so that then we wouldn't have to use what residential circuits. Well, and you touched on an issue that I've certainly heard from folks, and that is in residential situations, the suggestion that they are receiving a lower level of service because they're on a circuit that's going to go out and the suggestion that they deserve a discount for being -- having lower level of service. And you're saying that there are some industrial or commercial users that we actually do that with --

Oh, we don't currently do that. We don't have any interruptible rates, any interruptible arrangements with any of our large customers. But that's a policy that we could look at.

Yes. And in your experience when residences are on the interruptible circuits, or even businesses are on the interruptible circuits, has there ever been a discussion of having some kind of discount -- you know, some retribution --

No. That they're on that circuit?

No, just an effort to make better communication and to work towards making them understand and educating the consumers -- first all, it's fundamental to know the whole system could go dark, so nobody is immune from it completely, but it's just the question of the protocol, that when it comes down to the utility being asked to short of it happening automatically, come down to the point where you say, we have too it and we're thenessing the button, that's where consumers get, you know, upset, frankly, that well, you're doing this on purpose. This isn't a squirrel on my transformer. This is Austin Energy pressing a button. And that's the difficulty. But I think we have to understand that it's businesses that are affected by this --

Yes. -- and there's also I see the circuit that I was on that went out, there's some big businesses nearby that had to shut down, and I'm sure that there was a lot of cost to the business for having --

Right. -- go through that.

You know better than I the going that Austin has had, so while some circuits have been residential historically there's a lot of change and a lot of commercial businesses have moved into areas that were residential and everything. So -- residential and everything. So there really isn't a distinction between residential and commercial circuits, and we -- unfortunately our job is really not to design a system for rolling blackouts. I mean, that's -- we have to develop a protocol and a way to handle it, but design our system around it is not practice, nor is it fundamentally what we want to do. Our job is the utmost liability, and I will say within the industry Austin Energy has one of the highest reliability rates -- statistics, excuse me, of any utility in the United States. Very, very high reliability. So you bring up a good point, that we don't design our system with load shedding as a major consideration but what about as -- if the Austin Energy service area expands, and we're looking at situations, you know, as the mayor pointed out, that we have some criticisms at actually a loss of residential. Does it make sense to even just keep that in mind as circuits are designed for future service areas?

Well, -- you know, it can be. Can be, and, you know, I think in our post-analysis, what we look at going down the road, I think we're going to do, you know, some of that work, try to figure that out. Then when we lay out circuits for customers, we don't do the urban planning, okay? So we -- when we lay out a substation and we respond to growth lay these feeders out, and the feeders are three-phase lines that you see. They have three wires on a pole versus one, a neutral, but they go down major roads and then the ranch off from there. Those are the feeders that I'm talking your question, land use where this goes also plays into it too, because we might lay a feeder out and it may go down this major road, and what customers choose to be there, whether they're residential or commercial, we really don't have a choice over it. So while we might plan it in the beginning, I guess is what I'm saying, in the end it might

he said up different.

Morrison: could change. Now -- so I also wanted to talk -- I'm glad to hear you say you're going to work more tls for a more effective communication plan, and I just want to comment that I think one of the issues was not so much a tool -- the tools that were used, and we can certainly improve on that, but there was a huge frustration because for some amount of time the word that was being put out didn't match people's experience.

Right. So that's why folks were calling and -- and, you know, it's only natural to say, hey, the city is saying such and such is going on. That's not what's happening to me so something else must be happening. So in terms of being able to get -- keep the information up-to-date and accurate I think is another thing that I'm sure you'll consider in working on this, and, in fact, that brings me to one other question. Is there going to be sort of a formal study after action assessment and report on this as we would with any kind of -- maybe the city manager wants to comment on that -- as we would with any kind of event, disaster?

Certainly with Austin Energy piece of this, yes, absolutely, we'll be doing a more in-depth report on actually what happened, step by step, the procedures we went through. We have a draft out right now that I've looked at. It -- what strikes me in it is, again, the speed within which this happened. Within an hour -- within an hour [inaudible] all these reserves. I would have liked to know an hour before, two hours before. Then we wouldn't be talking so much about this communication issue. We would be -- till would have concerned citizens. We still would have had that, but the school districts would have been notified earlier, all of that so that's the unfortunate part about this, and I can't answer to the speed of which all of this happened because that's really ERCOT's responsibility, not --

Well, I think that -- already answered the question, certainly yes with respect to Austin Energy, but in dealing with this emergency set of circumstances, as you all know we went to full activation in the EOC, so there will also be an evaluation of you know, how things were managed there as well and in cooperation with Austin Energy, and all of our other partners. When we activated the EOC, and I think you all know this, this involves a whole bunch of other parties, certainly the schools and the other institutions of education and other cities and emergency personnel and so on and so forth. There were times when we were participating in conference calls as early as in the morning where we had anywhere from 39 and on one count nearly 70 people on the phone forming and getting updated and, you know, collectively making decisions about you know, what we wanted to do in response to the circumstances that were at hand in realtime, when we were having conversation about it. So it was a very serious and complex set of circumstances, but I think at the end of the day, I think, as Larry has indicated, well-coordinated. It could have been a heck of a lot worse, as he's already characterized but we will be debriefing thoroughly, and we will involve our partners in that.

Morrison: thank you. And I think that it's very important part of what I hope everyone takes away from today is the twofold nature of that, that this was a situation that was put upon us, and then it was up to us to just deal with it, and we have things to learn to do a better job. I -- if there is a next time, hopefully there isn't. Just one more question. One of the concerns I have for the folks that did go without power for quite a while is, you know -- folks with medical situations and all, because heard that for some people their -- for some people their houses were down to 40 degrees and below. And I don't know how people dealt with that. I would be particularly concerned about people that live alone that in that kind of situation and being able to respond and make sure that they're all safe. If we were able to put together -- we can think about that, in terms of -- what we can put together in terms of improving our communication plan, if we can put together for instance a reverse 911 to make sure that we get information and alerts out to, you know, go check on your neighbors if they live alone or if you are living alone, be sure to call for help if something comes up. So I think that's an important element.

There is a lot of education that needs to be done. I know -- I was having a conversation yesterday that for example, you should have a plug-in phone in your home, not a cordless -- if cordless phone is all you

have, you have no phone if the power goes out. Simple things like that. If you plug one into the wall, it will still work. So I know that for myself and I bet sharing -- -- sheryl -- wherever sheryl is she plugs it into the wall, because whenever power is out we need to be able to communicate. So education is the key, and you're right, so we will do our job.

Morrison: thanks. Welcome to austin.

Thank you very much. I thought I left rolling blackouts on the west coast, but find out -- but yeah, it's part of our job to do what we did and to do -- and thankfully the system -- unfortunately for these customers that lost their power, we feel badly about that but the rest of the system stayed on and I think performed very well. I'm very impressed with austin energy staff and how they held up through this. Very impressed.

Morrison: thank you, council member spelman? thank you, mayor. I have people been asking me about this and I've been like, "ning their jobs to anesthesiologists or air traffic controllers. 95% of their job is really routine but when things go to hell a handbasket they have to be able to respond quickly and that sounds like what they did in this case."

Yes. council member morrison -- mentioned all of us hope this never happens again but historically this seems to happen every six or seven years as we get a particular ice storm or unexpectedly hot weather, and ERCOT as a group is just not prepared for it. This more or less likely in the current regulatory environment to happen in the future? Is it going to happen more likely than every six or seven years?

You're putting me on the spot. Think -- I think from what I know of the ERCOT grid and the operations here, I would expect it to happen less frequently in the future.

Okay.

Because every time these happen the pain of them and everything that we go through with it, in the industry, about how we're not reliable and how we need to be more reliable, it keeps getting more important and we're changing it and changing it. So my expectation is that everybody will work very hard to make sure that we don't enter one of these again, but of course we can't predict these are weather-related events, but there are other events that happen, but -- but they're almost always weather-related events that trigger these. Weather going on, after all. We responded to the ice storm in 1989, something happened. We responded to the hot day in April 20, '06 and presumably improved reliability again and set ourselves up for that not to happen, that particular sequence of events. I want to ask you just what motivated us to have a 4 megawatt -- that was the amount that we were prepared to turn off on a rolling basis, about a fifth of that at any given time over what -- ten minutes of the time, 10, 15 minutes and then we turn it back on and turn somebody else off. That was the original plan.

Right. a lot of people have been asking why didn't you just do that, sounds like that was the plan to do it. Were we able to implement that plan more or less like it or were we able to turn everybody off at once.

I don't know the answers to that. I can call sheryl up and see if she can answer that. Sheryl Mealy, our chief operating officer.

I'm not sure that I have the exact answer to that either. The guideline that's issued to us in terms of having a plan ready to go, the load shed design that ERCOT uses starts in hundred megawatt blocks, so if we had started with 100, gone to 200, gone to 300, obviously we would have been pretty well prepared. As Larry said, it went very quickly. So it started out with a thousand megawatts, goes to 2,000, then 4,000. So there's nothing in definition, so initially we made our plan based on a thousand megawatt load shed.

Wouldn't have a guideline. How did we choose to go the way we did?

That's what I said. The blocks in the design for emergency energy alert prescribes starting with 100 megawatt blocks, so planning for ten times that 30 thousand, at 30 thousand seems legitimate to make.

We don't see these things very often because they --

that's true, they don't happen and we've not had this duration. We've had three times when we go back to April 2006, that able to roll through and those 40 circuits for a 7 to 10 minute block, we never expect the duration that happened this time. In 2006 though we were able to work the plan --

we did. the way it was supposed to work. Were you here in '89?

I was not here in '89. so you couldn't speak at least from personal experience as to whether it worked, but at least sometime in the previous past, in the last -- for 20 years the plan looked like it was going to work because we were able to cycle through the only time we had to implement.

Yes, it did.

Spelman: okay. With -- let me -- I can talk to you or Larry, whatever. The question of the underfrequency circuits I want to be sure I understand this we've got industrial circuits, which we don't want to turn off because it's going to be very difficult to turn back again. We've got critical load circuits that we don't want to turn off because people are going to get hurt if we turn those off. So that leads the load shed circuits and the underfrequency circuits, and we have a deal with ERCOT for good engineering reasons to [inaudible] off some of these circuits which we don't want to -- which we could all go down at dark, to be the underfrequency circuits. And there are automatic circuits, when the frequencies go down a particular amount they automatically go out. Right. and if we try to get those underfrequency circuits to be industrial or critical loads then we would be unnecessarily cutting off critical loads or industrial units. These need to be conceivably load shed circuits, am I right?

I think if I -- I'm not sure got your question exactly right, but that -- the industrial load -- the critical load circuits, the industrial load circuits that are off limits, we have -- we have protection on these underfrequency protection on those and others that we try to do, but we keep those at a different stage of underfrequency. So we get to the last step. We have a first step, second step, third step.

Right. and what I might also point out is that the underfrequency of relay, this technology that exists is in the substations. It very high-level not all our substations system-wide have all of this high technology in them, and so when we've looked at what works for underfrequency and what doesn't, a lot that has come with substation upgrades, where we've had development and new capacity and everything else, so we've included this high technology relay capabilities in these stations where some older ones may exist still with analog equipment that operates under that, and that -- so that's all part of the planning, and again, we don't spend a lot of time planning for the load shed part of it. We spend time working about the load planning and the protection planning and everything and making sure that we adhere to ERCOT's protocols and rules for reliability and NERC, which we are now -- the utility is under very strict requirements with all of this for liability. despite the fact we do have much to do with the rest of the United States, ERCOT still has to pay attention to NERC standards.

Right. I think I've understood. But let me be sure. The underfrequency circuits are substations which have been recently upgraded for the most part, and although conceptually they could be load shed circuits, we've set them aside for the underfrequency because we need -- they have to be set aside for that. right, and we couldn't redesignate in real time one of those underfrequency circuits to a load shed circuit.

Oh. No. No.

Spelman: okay.

That has to be. That's automatic. That's part of the physics of it because it moves so fast that that has to be set ahead. It can't be -- it can't be altered. do we have any capacity or would it be possible conceptually for us to build some capacity for some shifts, maybe on a monthly or six-monthly basis? So somebody who is in a load shed circuit could conceivably be redesignated for a period as an underfrequency circuit. So if you're a load shed circuit, you won't always be a load shed circuit.

There is some capability too that, and I know because I've done that before, because that was an outfall of a previous experience, and what happened there was not what the customers wanted to do that again. They wanted everybody to participate, so we went to an effort, just as you described, to figure out, well, where can we operate. Now, having said that, ERCOT operates differently with its protocols than others -- in the first slide I showed you North America and how it's divided up into different grids, eight of them. Not all of them have the same scheme, exactly, to deal with this as others. So -- and maybe that will change at that level. I don't know. Presumably the scheme is at least in part because ERCOT's situations are different. Our load capacity -- our load is different.

Yes, and one of the things that is unique and different about ERCOT is it is one balancing authority for all of ERCOT. At one time in the state there were ten, each being one of them. Austin Energy was its own electric island, if you will. So when some other parts of the state might have had a problem, the job here was to solve a problem, but if the lights went out here I probably would have more of a problem. So, you know -- and so as you design these grids, you can make a decision about whether you have one balancing authority or control. For example, the West Interconnection, the West Electric Coordinating Council, there are 35 independent ERCOTs, so to speak, inside there, and they all have a duty to run their own island, if you will, independently, but they'll interact with each other. So it is potentially that there could be a statewide emergency or systemwide emergency that affects all of them but they still want to share the pain together. So that becomes more complicated. And I realize I'm getting into an area that's beyond that. But fundamental to understand is that we operate ERCOT as one grid, one independent grid. So we can make a choice based on the protocol, about which circuits are in and which are out and everything else, but we have to do a considerable amount of rewiring, if you will, to make that happen.

Spelman: okay. But it is at least conceptually possible and that's something you're talking about doing?

I want to look into it.

Spelman: okay.

I want to look into it. Thank you, sir, I hope this -- well, I hope when it does happen again, because it's almost inevitable it does, it will be an event like we had in April '06 where our plan is more than sufficient to take care of the problem and everybody's electricity is back on in an hour.

That's right.

Spelman: thanks. so I have just a couple more comments. One, I want to follow up on council member Morrison's comment about constantly changing uses with each one of these circuits. So, for example, a zoning change could trigger a new critical use, overnight, almost. So do we have some process to continually upgrade the -- your analysis of the grid system to be able to tell which are critical and which are not critical? Because obviously that's going to change over time. Is there a process to --

yes, there is a process internally to do that, to make sure that we have that, and it's combined with our customer service part of the company along with our electric planning and our distribution part of the company. so part of your -- one of your next steps is to take a look at this entire system, which circuits are critical and which aren't, and we can perhaps expect some revisions in that, some that are now

critical may not be so critical and that pain could be more equally shared around the community, or it could go the other way.

Yes. -- which would be a bad scenario. We'd have maybe 10% of the city taking the entire brunt. Just a comment. Ercot, as you pointed out, common grid throughout the entire area, so that means on the one hand we -- we have the protection of the rest of the utilities outside austin energy ccn. If we had some kind of disaster and several power plants went down we would have the protection from the grid, but then on the other hand, as I understand what happened in this latest event, power plants outside of austin energy's area, particularly in north texas because of the extreme cold weather, significant outages, so we're subject to what happens in areas over which we have no control as far as the maintenance and design of the power plants. Does somebody have purview over that, standards for how the power plants within the grid or to make sure that everybody is stepping up to the plate? [00:06:17]

Well, that's -- the answers to those questions i think are coming next week as ercot gets before the public utility commission and before the hearings that are going to happen next week. Those are questions which are -- which are good ones. That is, our standards for taking care of our plants a austin energy, we make sure we are responsible to our customers' loads. What exists in energy markets today are a lot of power plants that are independently owned. They're not owned by utilities. This is a function of deregulation. It's a function of different markets as the united states has changed, and so what incentives do certain customers -- or certain generators have to keep their generating units going is the market, their market incentive versus a load serving incentive. It's ercot's job to make sure there's sufficient generation. They create the market that will attract the generation. So that's -- those are very good questions. I think those are some -- some of those answers i would like to see, and we'll see that coming forward. yeah, i'm sure there are questions being asked at levels above where we are here in the city of austin, and i think that's a good thing, because evidently they are -- there are deficiencies and those need to be addressed. Council member shade. i'm really glad you brought that up because that was actually a question i was going to ask, and the second thing related to that was, you know, i recognize the difficult position this austin energy and its staff were put in and how difficult the communication was without really even having all the facts that you needed at your disposal, and i do want to, like others, appreciate the extra effort that staff put in under difficult circumstances, but i am curious, because other utilities, at least in the press that i was able to look at from other cities, made similar kinds of comments about how the load was shared and then you'd see people writing in saying, well, no, that's not actually what my experience was, just like council member morrison described. And then i talked to people in other cities who said, oh, no, i was out in san antonio without -- without several hours. It wasn't exactly explained as the statement issued by their comparable utility. So how does that work so that there's in consistency in that messaging?

Well, it's a very good point. I think what will come out his is that there are different ways that entities, load serving entities, utilities, there's different ways that they responded to this. I've described to you the way that austin energy has responded to this. I think the story that other utilities and how they responded to it are going to be a lot different. And the question is, did they respond, is the question. There are many different utilities in texas, some very, very, very small, on the order of one substation, and how are they supposed to you know, it's -- it's a challenge that's put before the industry that is not normal, this load shedding, they situation that we're in. It is -- for a utility the size of austin energy, if we were planning this for ourselves it would be normal. We could figure out what our protocols are and how we operate, but that's the difficulty, is that there's a lot of this that happened around the state that we don't know about. We don't know how went. so council member riley, you had some questions. We are past our time for citizens communication. If you anticipate it will be -- we can take five minutes or so, but if you need the time, we can interrupt this briefing. I can try and get through in five minutes. [00:10:13]

Mayor leffingwell: okay. Go ahead. yes, larry, just a few questions. First I know we've been saying that 20% of austin energy's customers were affected by the blackout. Do we know what percentage of

residential customers were affected?

I don't have that number at my fingertips. as we go on evaluating exactly what happened, is that one thing we can look at?

We know it was 80,000 total customers. Yeah, what the total residential versus others, we can find out that. as we look over what happened I'd like to look at that, and also I'd be interested in seeing exactly what customers were affected and in particular I'm troubled about the schools being out of hours at a time. It seems like that's one thing that we would want them to look at carefully as we make plans for how we will deal with things like this in the future. Have we heard any reports about people who had medical needs served by electrical devices that were affected by the blackouts?

I have not heard of any really direct acute issues that happened with any customers. I think what I've also seen in the press is that some utilities, as council member shade was talking about -- some utilities did turn hospitals off. It's different everywhere you go. So I'd be careful that what is in the media, that we -- some of these -- that didn't happen here. But I am not aware of any acute medical situations that happened because of what occurred here. one way that we could be more careful about who gets cut off is by having a greater number of circuits. Obviously if your system is more finely grained, you have more control over who gets cut off and who doesn't. And looking back over the tools on austin energy's web site related to the 2006 outage, at that time APPARENTLY WE HAD ABOUT 250 Circuits and I understand now we're up to about 361. That represents about a 45% increase in the number of circuits just within the past five years or so. Are we trying to move towards a greater number of circuits?

That's just growth. There's a lot of growth, and I think that -- and you're talking since '96?

Just since '96. That '96 -- according to austin energy's web site there were about 250 circuits then and now i understand there's 361.

I wouldn't doubt that. have we been trying to make an effort towards fewer cusrs per circuit?

Normally, the way circuits are designed, they're designed on the load that's in the circuit, not the numbers of customers, so it's load. So we've had iustrial load -- I mean, we can have a dedicat circuit to one customer, so it's all load dependent. you mentioned on slide 13 that about 35 commercial industrial customers responded to [00:13:11] [inaudible] for conservation, and that we did have some good response here locally with large industrial consumers being able to respond. Do you see any potential for improvement in conservation that would put us in a better position to manage situations like this in the future? If we got better at demand side management, are there any -- are there methods, things that could be activated in emergency situations to manage this?

Well, there is, and one of the areas I want to look into is whether we can get into sort of a voluntary participation-type situation with some of our larger customers. If we could do that, then we would be able to eliminate some of the residential circuit tripping.

That's the interruptible rates that you mentioned?

Well, interruptible or -- what I've negotiated before is not just necessarily interruptible rate but more of a -- if we get into a load shed event, will you participate, can we roll you instead of rolling a residential circuit, and we have to negotiate what the value of that is and what happens. Is that the understanding -

riley: yeah. Last question. A lot of people -- a lot of frustration that I've heard was related to the fact that this was not an unexpected weather event. We knew days in advance that there was going to be severe weather then and yet we saw all these generation issues, not so much in austin but across the state. It -

- the mayor asked something about this before but I just wanted -- I need to ask again. Are there -- do you see potential for improvements in weather preparedness that would help avoid situations like this in the future?

Yes.

Riley: okay. And so that's something that will be discussed with ERCOT --

Austin Energy -- we knew it was coming. We were prepared, and we had on standby. I can't answer as to why these generating units -- but there may be room for additional improvement at the state level that may avoid the generation issues related to -- okay. Thanks, Larry.

Mayor Leffingwell: okay. Thank you very much. And we'll look forward to learning what happens in the hearings next week at the state level. Let's go to our general citizen communications, and the first speaker is Carol Vandurstoep. Carol, you have three the topic is water. That's a deep subject. [00:16:00]

It is a deep subject. Good afternoon, Mayor, Council members. I've been a Baylor-trained dental hygienist for the last 30 years. I'm also the single mother of two children and the author of this book, *Mouse Matters*, how your mouth ages your body and what you can do about it. I wrote it because every day in my practice I see reflected in most people's mouths the inflammation that affects almost all Americans. I find that new clients don't understand inflammation, nor do they understand the role their mouths play in it. I poured 26 years of dental experience and my heart into this book and a great deal of anguish. I feel that anyone who has heart disease, the possibility of stroke, diabetes, osteoporosis, someone who has Alzheimer's in their family or has children or an organ transplant needs to know what's in this book. The information is that important. Yet when I started writing the second half of this book I kept -- my research kept coming up against two elephants in the room. These are two practices that the American Dental Association advocates and yet all my research shows that science kept rubbing shoulders against politics and policies. It was kind of anguishing for me to decide whether to through those two topics in this book because what's in the first half is so important that I felt like I needed to maintain my credibility, and yet I was rubbing up against, you know, opposition. Nonetheless, I felt that I had to be true to my audience and tell the truth the way I saw it. In addition to all their other drawbacks, mercury fillings and fluoride in the water are major okay dicers and oxidation is one of the major ways we age. Oxidation, the way most people can understand this, it's like rust. Many people know that their diets should be replete in foods rich with antioxidants and also that they take antioxidant vitamins throughout the day to fight these processes. I wonder if they know the tap water they drink to hydrate themselves or to take their antioxidant vitamins are going to shower their body with free radicals. I don't think so. There's a new report out recently by Gazano that explains the complicated reaction by which that happens, but we just have to look at its place on the periodic table to see that it's one of the most reactive elements that we have on the planet. I realize it's difficult to keep science and policy aligned, but we have to do it. Research constantly changes what we know. It is not reasonable to think in these days of open and easy communication in the face of new research that we must continue policy voted on 40 years ago by an unaware public during more unsophisticated times. And that was the end of your time so please conclude. [00:19:16]

Okay. Thank you. Thank you. [Applause] Paul Robbins, speaking about city issues.

There is a saying that insanity is making the same mistake over and over and expecting a different result. Can someone here please explain why Austin is investigating expanded involvement in the South Texas Nuclear Project? I do not recall any city council vote directing this to happen. But had there been a vote, given the sad history of this project I would think a rational person would not go near it. The project is politically, historically and financially radioactive. The first two units, which Austin was held captive partner in because of a poorly written legal contract, were 460% over budget and eight years later. Austin had also -- Austin also had to buy replacement power during this delay. Austin has been involved in four lawsuits regarding this project. Three of them have resulted in little or no financial restitution and

took inordinate amounts of time and energy. When the two new units of st and p were proposed, the initial cost was incredulously predicted to be lower than the first two reactors when adjusted for inflation, yet the city of san antonio was gullible enough to pursue involvement. When the cost overruns surprised the city council, two senior members of the utility resigned. San antonio's utility sued the partnership, sued nrg and others in the partnership, for the outrageous sum of \$32 billion. The suit was settled by capping san antonio's investment to the amount already invested. So with the new projects two major -- excuse me, with one of the project's two major partners curtailing investment, the project is now looking for someone even more gule. With all the problems and challenges facing the city and the ream, why do we want -- the region, why do we want to make the same mistake again? I have heard it said that city council has to look at all proposals for power in order to be financially respsible. How responsible is it to be considering project with a proven track record of delays, cost overruns and false claims, a track record going back 40 years. Are there any spontaneous questions? Thank you. [00:22:33] [Applause] thank you. This is not a question so you don't have to come back, but I'll just comment that there is no proposed evaluation of any proposal to participate in the south texas nuclear plant. That issue was addressed about two years ago by the city council and was rejected for a lot of the reasons that you cited in your discussion. Next speaker is paul avina. Topic is poverty.

Looking at why blacks and chicanos are particularly poorer and ignorant, the majority of the precincts, you start with the police force and the barrios. After one engagement they fall into a miserable [inaudible] that triggers neighborhood induced stress, in the form of anxiety acquired when people are forced to run scared under pressure and the young gets confused. This was where security forces step up their activities, gangs free, cops break into our cars, cops shooting into an empty house, cops killing women and kids, traffic ticket raids, teachers rejecting our kids for magnet programs, radio station, bashing of immigrant businesses, 911 calls delayed given thieves a headstart. [Inaudible] charging high insurance rates, that phone company [inaudible] the county jail milking immigrants and 100 caucasians coming into town every day and getting jobs. The [inaudibl during bruce todd's tenure [inaudible] a politician who now enjoys [inaudible] that he can generate out of himself, working out of the jewish community center. All of these at a time when blacks and chicanos were growing into a beautiful promise that [inaudible] lbj. They were strong, they were smart and they were able. For mexican immigrants it was easy to work past them because they were already smarter for by corner store operators from the middle east. Now they [inaudible] immigrants from many countries because of your policy and the [inaudible] given to blacks in government. Increasing the numbers in ghettos and homeless shelters, they don't understand the basic of water or the dynamics of whipped. How is your governor helping? He goes to israel to bring in [inaudible] money to taxes, precisely at election time, then gathers [00:25:15] [inaudible] in the capital. We already have [inaudible] education policies. But just like [inaudible] ahead of his perry is loong good by giving away the dignity of the state, showing that you only care about yourselves. The austin police [inaudible] remains a criminal enterprise that takes our money and liberties by force. Benefits [inaudible] investors and pays for the excessive salaries that many of you enjoy. Under this scheme the option for blacks and chicanos [inaudible] is prison while immigrants are sought for their money. We don't deserve what you do to us, but if you'd rather keep those [inaudible] don't forget that all the host companies collapsed because public servants collaborated with them. All I want to do is just ask about [inaudible] and southwest. Thank you. thank you. Russell doyle? The topic is water.

Good afternoon. Doctor hardy line back, a in biochemicals and dent tries -- head of the dental try at toronto wrote an article entitled why I am now officially opposed to adding fluoride to drinking water. First reason is that water fluoridation is ineffective. He says that even using in very large studies, the best result of fluoridation is that one-half of one surface of one tooth would be saved from decay. He says that recent studies show that health and fluoridation will either result in only a marginal increase in dental decay which can't be detected or no increase in dental decay at all. He says that what little benefit fluoridated water may provide is topical and that it need not be swallowed to be effective. He further states that the notion that systemic floor are needed in non-fluoridated areas is an outdated one that should be abandoned altogether. He opposes water fluoridation because of new evidence for potential serious harm from long-term ingestion. [Inaudible] during the production of phosphate fertilizers. Fluoro sill cats have never been tested for safety in humans. Furthermore these toxic wastes

are contaminated with trace amounts of arsenic, lead and radium that accumulate in humans. Increased lead levels have been found in children living in florida communities. Bone cancer has been associated with radium in the drinking water. Half of all ingested fluoride remains in the scelt system and -- skeletal system and accumulates with age. Several recent studies show that only a few years of fluoride ingestion from fluoridated water increases the risk of bone fracture. People who are unable to eliminate fluoride due to kidney damage or to ingest more water than average, such as athletes and diabetes diabetics, are more at risk. Fluoride is geno toxic, damaging to genetic material. Public studies shows that floirt interferes with the reproductive system, thyroid function. Fluoride is also a proven carcinogen. Water fluoridation is mass medication and the dose can't be controlled. It has contaminated most processed food and beveres and individuals who are sue accept I believe to the harmful effects cannot avoid these affects. Alberta canada, a city of 1 million people, people took out of their fluoride supply on tuesday, february 8. It is high time that austin did the same. [00:29:07] [Applause] for more information, people can contact -- can go to org or fluoride free austin.m. Thank you. you have a question -- a question from council member shade. I just -- it's not really a question specific to you, but I was going to say thanks to, you know, both you and the previous speaker on this, but we haven't yet gotten a report from public health perspective, so I was just going to say since you-all come so often, that we are going to take that up in the public health committee soon.

Very glad to hear that.

So we can have a better understanding from that, not from the water perspective but from the had you been health perspective.

Thank you very much. john bush, city issues.

Good afternoon, john bush, executive director texans for accountable government. I just want to say that you guys ner cease to surprise me. I know there's all this stuff going on about the open meetings act, and i want to thank the atin bulldog for doing these provocative interviews with you guys. I just got the transcript from the interview with randi shade and the austin bulldog, and, you know, you show the book there and you say that you're going to do something with your public health commission, but here in your transcript you say, you know, there's a lot of different ways to kind of get the message to us prior to votes. There's a lot of different ways to influence the council, and I know that you can hear what the fluoride folk are saying, because they come every time. We even brought in the nation's leading expert, a , but I don't think you're listening, and you guys are still waiting to act on the environmental board's recommendation to do an independent investigation. I think this has gone on for far too long to refer to those that advocate for fluoride is gad flies. I don't mind the gad flies on one topic, you say, like the people who come every week on fluoride. They come every week and say the same thing, yet you still don't listen and there's still a lack of action. We're sick and tired of it. It's not just the issue on the fluoride, there's a multitude of issues, and it's a rcurring theme whereby the city council is pleased to ignore the boards and commission when they vote to do something that will upset the status quo. There's many on the council absent -- counci member morrison and spelman, who it seems like your only purpose is to cement the status quo, and that's the growth machine that [inaudible] the politics. That's the reason we need the treatment plant for your -- the other is status quo is the government and grants are dictating policy, not the people. It's flipped upside down, and again, frankly we're sick and tired of it. Now, you say that it confuses you when people speak on different issues and it makes them lose their influence. So again, let me tie them together. They're all related, all of these issues are interrelated, be it you-all's refusal to act on the airport advisory commission's request to do a resolution opposing the tsa body scanners, your inaction on the environmental board for six-plus months now for the independent investigation of the fluoride, and now we see the fusion center, which is operational since december. You've voted to take fusion software, game tracking software and now you're ignoring the public safety commission which wants to set up the policy advisory committee. So this is a pattern making it easy for us to talk on different issues but they're interrelated and the interrelation is you guys are cementing status quo. I don't know if you're afraid to act or you're so arrogant that you think you can't get unelected. But the message obviously isn't getting sent from us continuing to speak here. So we'll continue to speak but we'll take these videos, pop them on youtube. We've done that. Tens of

thousands of views and you can bet you'll see us at your forums for upcoming elections for iPad. We'll let the people it may not -- about the unresponsive government here. time has expired. [00:33:07]

We're tired of it. council member phrase.

Who used the word gad fly in my interview?

You responded a affirmed it. I don't --

he used the -- he used the term.

I wasn't the one who called the people the gad flies.

But you reaffirmed it by stating it.

I said the people he's referring to doesn't bother me and I think that's pretty clear. bush, your microphone has been cut off for the last few seconds. So we'll now take the next speaker, anthony walker. Topic to be determined.

Start out by saying greetings, may peace be unto you. So mayor and council member,)[everyone had a point to make this evening. I want to wish everyone the best to help in a grateful spirit. As I stand before you today, I raise my right han god almighty, our father who art in heaven is my witness. I'm not afraid of death. I want to thank the brothers and sisters of the civil rights struggle and movement that came before I who have made such a difference, such an impact. I have not been in the city before that is so divided along racial lines than it is in austin, texas. You cannot continue to move forward until you take care of unfinished business. We have plenty of unfinished business in this city. When it comes to african-americans in this city we can't so much disrespect from the city council. Turn the clocks back to 105. You go in the back, go to city chamber, you come out with votes you need, 4-3 votes on the [inaudible] this case. You already had your votes made up, so when you come t and take public comments hear what they had to say, it didn't make no difference what any of us had to say, because it wasn't going to change your mind. You had already made your decision. That's the way you treat african-americans in this city. You go ahead and have your council meeting on the east side but you didn't dialogue, get the people involved in the east side and part of that council meeting. It wasn't effective. If you want to be effective have a town hall meeting. You should be able to hear from the people, hr what their concern is. That's how you interact. Try to get something going so we can move forward. That's the same in this city right here, that we can't move forward. You go ask all the community leaders, ask the preachers, the pastors, the police department, the police association, tell them one thing that has been done positive in building a strong relationship with the police department since this case. Not one, because you are not sincere. I think former president kennedy when he was in a position to make the case, he made a strong case, he made a strong impact to the civil rights movement, but you as elected officials has the power vested in you to do that but you don't have the respect for the african-americans here in this city. That's no secret. When people come to this city they figure it out immediately. I want to thank council councilmember cole for trying to do -- she has things she wants to support, but when she raised issues of supporting this case, you had a problem with that. So there's no way possible we can move forward as long as tha-- so go ahead and do your research and see who you want to talk to. We got to come up with some kind of ideas, to put our minds, our visions together, our resources together, come up with an idea how we can bring this back to the table so we can move on. We can't move forward as long as we're sitting here. But like I said, we have some serious problems in this city right here, especially the quality of life. People come down here and tell you about the things that we can do get involved, but it's ignored. We're not doing enough. When it comes to some [inaudible] west austin, building trees, doing this, it's okay, but thank you for your time. thank you. Robert cullin? Toll I can is purchasing department related to txmas. That's the topic. Pass them out a at the end of the.

I want to thank you you mayor and council members and other dais members. I appreciate you-all allowing the ten speakers at every council meeting. This is my first time to speak here and I'm going to make an issue because i believe it might be costing the city hundreds of thousands, if not millions of dollars. Kern is how the city purchasing department is award contracts through the txmas, texas multiple awards schedules. I have made three open records requests this year and haven't received one reply. I'm speaking specifically in regards to austin airport, [inaudible] service contract that expired in december of 2010. The rfp hit the streets for two days, t cancelled. The and yeah contract was then -- abia contract was rolled into a txmas contract created in 2007 that is now in an amount not to exceed \$5,200,065. The 2007 contract, when created it was not to exceed \$143,264. There are two more contracts that expired in 2011 that are going to roll into this contract or already have. Purchasing deptment claims to have conducted a price analysis to determine that the txmas contract was the best value for the city, but they have not produced that study, which has been requ through the open records act on december the 15th, 2010 i sent an email for notice of intent to protest, stating i believe that ace fire equipment saved abia over \$400,000 over the four years that we had the previous contract. Also, that abia personnel were hoping that we would not lose the contract. I have a letter from byron johnson stating that the protest procedures do not allow for protesting of an award based on a cooperative contract. Therefore, I cannot grant a protest hearing. The city web page states that these contracts have a total authorization of 235 million and an expenditure of 100 million. I can see the concept and understand it, but is it working? As a taxpayer I hope I am proven wrong. Thank you all. thank you. Francoise luca. Neighborhood planning.

Good afternoon. My name is francoise luca and I am the president of the gracy woods neighborhood association. I'm here to speak about neighborhood planning processes. Currently there are three neighborhood plans areas adjacent to gracy woods. These are the north lamar plan, the north austin civic association, and the north burnet/gateway neighborhood plans. Our neighbors and I believe the neighborhoodnning process is a responsible and proactive planning process. Mostly it is a collaborative process whereby all stakeholders in the neighborhood can work together toward developing a common vision for future land use. This is a very important community-building process. As an adjent neighborhood, gracy woods participated in the formation meetings of the north burnett/gateway plan. We are an interested party and a stakeholder in that we have overlapping boundaries, we share major traffic routes, bike and park trails, plus we are the primar patrons of the businesses in our immediate area. Together with surrounding neighborhoods we bought into the vision brought forth by the city council and the city planning department to create a second downtown with higher density and mixed use development in our area. The city spent four years and close to half a million dollars in just the planning document for the north burnett/gateway plan, not to mention the hundreds of volunteer hours logged by the community. The city council approved the plan in march of 2009, thus mandating that all current and future ndowners would be required to follow the strict development and zoning standards specified in the plan. The law shod apply the same to all. The zoning requirements that are enforceable on local businesses in the area should also apply to city-owned land, including the McCullough tract in the north burnett/gateway plan, which is a site being considered for a homeless park. So the city has only three possible choices. First, it can comply with the current zoning of this tract, which is li, for limited industrial services. Under this category long-term mobile home parks are not allowed, and so the McCULLOUGH TRACT SHOULD BE Removed from consideration for the homeless park. Econd, the city could rezone the tract to the current -- to the proposed zoning district prescribed by the city council-approved neighborhood plan, in which CASE the McCalla tract would still need to be removed from consideration for the homeless park since it is not within the intended land use prescribed by the nbg plan, or finally the city could leave this tract undeveloped for use as an urban park or green space. I'm here today to implore you to direct city staff to honor the approved north burnet/gateway neighborhood plan, to respect the community-built documt and direct city staff to remove the McCullough tract from consideration for the homeless park. thank you, francoise, and just for your information, no such proposal has been made to this council about that particular site. I know that many sites around the city are being studied by the staff, but there has been no specific proposal to this body with regard to that.

Thank you, mayor. gust pena.

Mayor, council members, gus pena, proud east austin native, produced united states marine corps veteran. Number one, I was late in hearing the austin energy presentation and ERCOT. I want to tell you, I spoke personally to governor dewhurst wrangle the problems. There's a trailer park in southeast austin and it's right off of 71 west, whose electricity was turned off twice, twice in one day for up to three or four hours. Ladies and gentlemen, mayor, these trailer parks are -- these trailer parks are cold when you don't have heating. People suffer. People with disabilities, people with health care issues. That's not acceptable, so I ask and strongly urge, lieutenant dewhurst to investigate what happened in east austin but what happened in the trailer park area in southwest austin is not acceptable. Mayor and council members, do we even have a legal department? Why are you spending up to \$400 per hour for outside legal? Don't we have a competent attorney on staff? Why do we hire -- use our tax dollars for attorneys at the legal department when you can have anybody give you legal advice on what you-all did behind closed doors? This has been going on for a long time. I brought this up to mayor todd back in the early '90s so this is not new. But I'm glad -- I hope he gets down to the bottom of this and stops this issue or issues or whatever occurred. Bring it to light. Transparency is the word that is used throughout the united states of america, even out through the world, transparency, a lot of it lacks transparency here. I'm a native east austinite. I'm sick and tired having to come over here, even when roy butler was mayor. I'm not new to council. I ran for council in '96, '97, received thousands of votes, couldn't get elected but I do have council members, I'm on constituency, I'm shamed of, I helped you against your opponent, and I have confirmed 9,600 votes on paper and I'll share with you if you want me to, and we need to get rid of business as usual. Please, I know you're all doing something about this but please contact our senators, reps. Everybody. We can't afford to lose funding for our schools, cut pre-k, kindergarten, not acceptable. Close schools not acceptable. We need funding for mental health issues, a lot of our veterans coming back from iraq and afghanistan. Show your support and appreciation for military veterans coming back with different catastrophic illnesses and mental illnesses, housing, homeless, we saw them come out when it was cold. It's a disgrace to our country to have veterans who fought for our country's rights and beliefs homeless. Families that are homeless also. Mayor and council, this is not an affordable city. I'll leave it up to that. Thank you very much and I look forward to speaking to you-all again.

Mayor Leffingwell: okay. Next speaker is Kelly Tagle. The topic is AISD's proposal to close schools.

Hello, mayor and city council members. I'm Kelly Tagle. I serve as the PTA president of the schools my kids attend. I'm here to ask you to exercise joint leadership with the district to protect our public neighborhood. As you know the district is in the final stages of a facilities planning process that seemed destined to result in final recommendations that will close one or more central city schools. What began as a facilities review was overwhelmed by the dire news of a looming state budget shortfall. I'm here to ask the city of austin to provide monetary and facilities assistance to austin independent school district in this time of financial crisis. Last month when the district facilities task force announced preliminary recommendations to close nine high performing central city schools, the mayor expressed opposition to this proposal. Thank you. In March 2009 the city and the district signed an agreement to ensure ongoing coordination and support of neighborhood schools. This is indeed the time to step forward and to help in substantive ways to honor that forward-thinking document. The joint subcommittees of Travis County, AISD and city of austin foresaw the need to shape this city in ways that consider the educational impact of its decisions by instituting an assessment process. We ask that you step forward and share in the work that must be done to protect neighborhood schools in your policy making and budget process. In response to the budget and facilities discussions, members of the community have identified many innovative approaches to help the district solve its financial problems. Some of these ideas include partnership with city of austin, and we ask that you exercise leadership by bringing these partnership ideas to the public for consideration. Taxpayers and citizens expect the city of austin to work closely with the district leadership team to evaluate all possible solutions and to implement any of them that are feasible. In the coming weeks you will hear more from concerned citizens on this issue. We are looking forward to innovative solutions from leaders and we'll be calling on city and state leaders to assist in protecting public neighborhood schools which are vital to our economy, tax base and most importantly, excuse me, our children. Please join me in supporting public education, which is so integral to the well-being of austin's children and to maintaining your vision for the vibrant and thriving austin community. Thank you. Thank you. Council member Shade. May I have a question for you. I don't know. Yeah, I was just going to

say that we talked in an open work session yesterday about this very subject, and the need for the council to work together to address some of those, and we are scheduled to have an agenda item next week. Posting rules and that sort of thing, so it will be next week that we officially take that up. But thank you for your comments and the work you're doing.

Thank you. I appreciate it. thank you. Council, those are a the speakers that we have, and our agenda is a little bit short this afternoon. We do have one more briefing, so I would suggest that we go into recess and and take up our briefing and then it will be time for our zoning and other business. So without objection we 00

Mayor Leffingwell: We are out of recess and we will take up our briefing on the municipal utility district policy.

Good afternoon, mayor, councilmembers. Would you prefer me to go ahead and proceed?

Mayor Leffingwell: I'm waiting on you.

All right.

Mayor Leffingwell: I thought you were waiting on the slide show to work or something like that.

Yes, sir, I was, but I can go ahead and start. Bart jennings with the austin water utility, here to provide you a briefing concerned he proposed municipal utility district. There are three district applications that you may know of that have been filed with the city since last fall. Other than a unique circumstance in 1994, it's BEEN SINCE THE 1980s BEFORE Council and the city had to deal with creation of m.u.d. Statutory changes have occurred since the adoption of the city council's m.u.d. Policy in 1984, and council adopted a public improvement district policy as a hird developer financing option in 2008. However, in 2009, legislation interest rates potentially affected p.i.d. Bond marketability. financing more be more attractive to some developers. City council priorities policy may be able to be imported policy but with differentequirements relating to governance issues. As part of this briefing, we will discuss the differences between p.i.d. and m.u.d. City council's current policies, and more specifically the genesis for bringing this issue for your consideration as well as staff recommendations. The differences between P.I.D.s AND M.U.D.s ARE Significant. is a simply a designated geographical area; , it does have a defined boundary, but it is a governmental entity, a political subdivision of the state with an elected board by property owners located within that district. City council issues p.i.d. Bonds; whereas the m.u.d. bonds, and cannot be created without city council consent. can be created without city consent either through special legislation or application to tceq. It is these differences that have led to the city's as a financing mechanism for developers. policy is reflected in two particular documents. First is a 1981 ordinance. That ordinance provides mostly technical, nonpolicy requirements related to district applications. Second is the 1984 m.u.d. Resolution which provides policy guidance. In that resolution, it states city council will deny the consent of a creation of a if the city can provide service. And the city will take necessary actions to oppose a if the developer continues to try to create over e city council's objection and denial of consent of that. That includes also the annexation of the subject tract. The genesis for bringing this issue for your consideration is two-fold. Statutory changes and recent filing of district applications accompanied by public notices of the intent to file legislation for the creation of the district. Now, over time statutes have changed in favor of m.u.d. They now have an improved gateway to the creation as well as enhancing their powers and authority. FOR EXAMPLE, M.U.D.s NOW Have the ability to bond for parks and roads, to force deed restrictions, dispose of solid waste, contract for law enforcement. NOW, WHILE M.U.D.s CAN BE Created through the legislative process, there is a defined process what must be FOLLOWED FOR M.U.D.s TO BE Created by the tceq. OF THE 17 REMAINING M.U.D.s , nine have been created through tceq. So the process of creating a district in a municipality's the developer must file an application to the city for the district creation. Within 90° of receipt of that application, city council must either deny or consent to the creation of the district. If city council denies the creation of the district and the developer may ask for a contract to be enteed into for water and

wastewater service. If within 120 dayswf that request, that a contract is not executed between both the parties, then the developer can seek relief from the tceq, and the tceq is now required by law to approve the creation if certain findings are found. the city did not enter into a contract to provide utility service, the city laced unreasonable conditions or costs upon the developer for utility service, or the city was unable to or otherwiseunwilling to provide timely utility service. The second driver for bringing this issue to you for your consideration is that the city has received three applications for districts in its e.t.j. TWO FOR.U.D.s AND ONE FOR A municipal managed district also m.m.d. However, at this time most developer interests communicated to staff has been regarding m.u.d. If additional applications are RECEIVED FOR M.M.D.s AND IT Becomes apparent we need more general council direction on those, we will bring those to you in return. Aesult of these conditions, city staff has brought to you for your consideration a proposed and updated m.u.d. policy. Now, t place the existing policy in context, it should be noted as creation of p.i.d. have a similar effect in that the city foregoes the collection of property tax for a specified period of time until the district is dissolved. That is why the city's p.i.d. Policy requires that the city receive extrao benefits, superior development and further the city's other interests that could not be obtained or achieved through the standard development process. policy has four components. First, we believe that under CERTAIN CONDITIONS M.U.D.s May be able to provide extraordinary benefits similar TO P.I.D.s SUCH AS LAND USE Controls, the extension of city infrastructure allowing projec to be used on other projects, affordable housing, improved transportation facilities, additional open space and additional amenities. The second component is that city council would consider policy and procedure RESTRICTIONS ON M.U.D.s VIA Special legislation such as limitations on the board's organizational structure which includes a requirement for the board to only issue bonds and a homeowners association to contract for operation and maintenance of most services and activities. A board member term limit and a limit on per diem. And a council appointed board representative. ALSO THE M.U.D.s COULD NOT Operate until city council approved a consent agreement. Another limitation is that a would have to have a comparable tax rate to the city so that during the life that happens and when the natural life of the comes to an end, then the residents within the district don't have rate shock or have a tax based disincentive for city annexation. The third component is that city staff would review each application on a case-by-case basis to assess their ability to provide the city extraordinary benefits, superior development, as well as assess the impact of the proposed district upon other interests of the city. Finally, taken from the 1984 resolution, the city would take action to a pose on creation if the developer ctinued to seek the reation aftr city council had denied their consent. So in summary, even though M.U.D.s CAN BE CREATED Legislatively or through the tceq, those mechanisms are not a sure thing for a developer. Because of this uncertainty, the developer and the city would both consider the benefits and the risks in time and in money in evaluating a district proposal and taking action. can potentially be created over the city's objection, working with a developer might enable the city to obtain extraordinary benefits, enhance the interests of the city not otherwise provided through the without the city's consent. In addition, the developer may ultimately save time and monday by working with the city to meet the city's expectations. Next we propose to request your consideration and discussion of the proposed updated policy. In order to give council an oppounity to provide clear guidance to staff on pending as well as any future m.u.d. Application. That concludes the briefing.

Mayor Leffingwell: So i have a question.

Yes, sir.

Mayor Leffingwell: CURRENTLY M.U.D.s HAVE THE Ability to bond for utilities.

Yes, sir.

Mayor Leffingwell: Parks, roa trash services, other public amenities or needs. And you are proposing that they only be allowed to bond for utilities. Is that correct?

No, sir, actually what we are proposing is that -- that that restriction is limited to city water and wastewater infrastructure. So they could bond for city water and wastewater infrastructure, but not

another utility's water and wastewater infrastructure. The other powers that they have and authority to bond for other types of infrastructure would still continue as stated -- as allowed by state law.

Mayor Leffingwell: Okay. Well, I misunderstood that then. But it seems to me that the key element here, and maybe you covered this too, is that there be -- right now they can bond, issue bonds as long as the is the governing body, correct?

That's correct.

Mayor Leffingwell: And so they could extend the life -- the indebtedness virtually forever, right?

There is usually some limitations on the length of the bonds, and during the consent agreement you will set a date in the consent agreement to when the city can annex that m.u.d. So as soon as the city annexes is district is resolved.

Mayor Leffingwell: SO WE Can do that now. We can set a deadline when all of the indebtedness has to be paid off or the city take it over.

Or that the last bond issuance is at a certain day or they have some length of time for a particular -- to pay off a particular issue, limiting that to like 25 years so it's not going on and on.

Mayor Leffingwell: So all that we have the ability to do right now.

We have the ability to do that and the consent agreement. That's something that would have to be mutually agreed upon.

Mayor Leffingwell: And we don't have the ability to require that they use Austin utilities right now.

We do not have a policy that requires that.

Mayor Leffingwell: So is that what you are asking for?

Yes, that's what we're asking for, yes, sir.

Mayor Leffingwell: Does this require any action, the legislature to enable this policy change?

Policy change, no, sir. IN TERMS OF CREATING M.U.D.s With certain characteristics such as a city council appointed representative, then yes, we would need legislation for that, we believe.

Mayor Leffingwell: But that is part of your proposal, right? Is to have a city council appointed person on the m.u.d. Board?

That's for your consideration if that's something you would like us to include.

Mayor Leffingwell: This would just be one person on like a four or five-person board?

Reporter: Yes, sir. Board.

Yes, sir. Currently statute requires five persons be on a m.u.d. Board so we would require at least one be --

Mayor Leffingwell: And the others are elected by the residents?

Yes, sir, that's correct.

Mayor Leffingwell: Okay. Any other questions? Councilmember cole.

Cole: Thank you. I know we've had a long HISTORY WITH M.U.D.s, BUT I Also know that a lot of the law has changed, and we recently got comfortable with P.I.D.s AND NOW YOU ARE HERE Ying well, what do y'all want to do about the M.U.D.s. SO I'M GOING TO Try to help me understand how we got here. With our prior concerns versus how that's been fixed. First of all I know that we historically have always had a concern about the bonds that they issued and then us ultimately trying to annex a m.u.d. and assume that debt. So what flexibility is there now?

In the proposed policy what we would hope to be able to do is start negotiation process for a potential district is that we would limit the term of the bond so it would make sure that it follows our financial policies so that, for example, the debt is levelized over a period of time. We would have a requirement in there that within a certain period of time, from the time the district is created that the first bond must be issued so that you don't have a shell of a district living on that essentially you start the district moving forward in the process which would speed up the time to be able to seize opportunity to annex.

Cole: So when we talk about the city's opportunity to annex, we at least want to try to do that at a time that it would be financially prudent.

That's correct.

Cole: Cole so if we in the consent agreement gave them a 25-year bond issuance, would it only be prudent to wait until the end of the bond and we have the option to stop them from issuing new bonds during that period or I guess how does that work?

Usually what happens in terms of an annexation of an and there's bond indebtedness, then the city assumes the assets as well as the liabilities for that so we would have to pay that. What we could do in a consent agreement is say that the unbonded reimbursement that having gone back to the developer that we pay that back over time so there's not one big to pay upon annexation. There's some other things we can do in this the consent agreement to minimize the pain associated with annexation and assuming that debt. But by law we're not going to be able to get away from the requirement of assuming those obligations.

Cole: Well, we talked about there being three current m.u.d. applications. Are they all in a certain area? And let me tell you why I ask that is I know that about 10 years ago that we just made -- not this council, but another council made an executive decision that we're going to annex and we're going to annex far because that's what's best for the long-term health of the city and we're going to assume the debt and that's what we're going to do. And so I'm trying to figure out if the current applications are in a certain portion of the city so that we can gauge this is where the growth is going and we need to have a more broader liberal s in that area. All three applications are in the desired development zone. One of them is located pretty close to the intersection of Cameron road and Palmer lane. Another one is east of -- around the area of 1626 and 183. And the other one is just above the Colorado river adjacent to FM 973. So they are all in the eastern portion of the city.

Cole: Northeastern, I guess.

Northeastern, central.

Cole: Let me try to ask you a couple of questions about TCEQ and the interface and actually going to TCEQ

for the creation of the m.u.d.

Yes, ma'am.

Cole: How likely is it that tceq would not grant the or do you have any sense of that?

No, we don't have -- that's part of the risk analysis is you don't know what they would consider unreasonable. We have in 1994 you may remember the windfield m.u.d. Now known as sun field. With when they originally filed with the tceq the city fought that application and on a technicality the tceq rejected the application, which essentially allowed us to have another opportunity to talk to the applicants about the city's needs and the benefits to the city. So we've had that one experience, but it's hard to say whether that would be something that you would prevail on every single time. I'm sorry, go ahead. Sharon Smith, our -- oh, 2004 instead of 1994.

Cole: She's yelling answers at you.

I'm supposed to only answer ..

Cole: You talked about for extraordinary benefits foregoing property taxes, and I think that's basically what WE DO WITH P.I.D.s.

Yes, ma'am, that's correct.

Cole: And then at the same time we talked about having a comparable tax rate for that that's in the city so that when we do annex next that is not so shocking.

That's correct.

Cole: So can you give me an example where we would approach it in two different ways?

Well, the initial m.u.d. Revenue sources are really two-fold. They can have some revenue by providing services, or primarily what they use is ad valorem tax. So what you don't have the situation take away the canyon creek issue, you don't have the situation in which the city has annexed the property full purpose and then the has a property tax on top of that. Generally what you do is you have a -- the mud is created in the city's e.t.j. We would limited purpose annex that for zoning purposes, but we would not limited-purpose annexation you are not collecting the property tax. would be responsible for the bonds and the infrastructure and everything that they have to build. The developer would be. would reimburse the developer through the collection of property taxes. So what happens in terms of , generally you see this bell curve of debt. So it starts off there's a little bit, reaches a peak, and then towards the end of the life of the district, it goes down. Well, when you have, like, for that has 11 cents per hundred av and the city has 44 cents, I believe it is taxed for hundred dollars av, those are significant difference. So what we're saying is when you start issuing bonds and everything, we want your property tax rate within the is collecting to pay back bonds, we want that to be comparable or greater than the city's. That will help them pay back the bonds quicker well as then when it comes time for us that city council decides yes, , that we can do so without having that particular disincentive for annexation. Does that make sense?

Cole: Thank you, mayor.

Mayor Leffingwell: I think we've said this a couple of times and I want to get it nailed down. We can prescribe is life of the m.u.d. But what I'm trying to avoid is the scenario where the can perpetuate itself indefinitely by issuing more debt and basically making it -- with outstanding debt and the city recreates a canyon creek scenario. In other words, where they would be paying taxes to debt and also to the city at the same time which would be a disincentive for the city to annex. So you are saying in the consent

agreement that we can limit the life of their 's indebtedness. We can say 30 years, whenever you issue those bonds, it all has to come to an end at a certain time. Is that correct?

Let me clarify. We can set a time period for the length of the bond. We can set a time period for when the bonds start having to be issued. But in terms of saying that is dissolved at a particular period of time, we can't do that, but we can set a date, a date certain that from this date forward the city has the ability to annex.

Mayor Leffingwell: That's not what I'm saying.

I'm sorry.

Mayor Leffingwell: I'm saying if they start off 15 years later they decide they need some upgrades or new roads or whatever, another bond issue. Can it be set up so that those would only be 15-year bonds so that the debt would still be retired at a time certain?

There would be financial analysis that would need to be able to be done to be able to see if that would happen. Usually when they go through -- let me back up. 's have to have their bonds approved by tceq. They do a financial analysis to see if there is enough av on the ground to support the bond. So that is what's going to drive whether the bond time period could be shortened or lengthened.

Mayor Leffingwell: So there's not a time certain.

There's not a time certain, a clear, absolute certainty we can do that. There's certain things we can put in the consent agreement to encourage that to happen and to lessen the time of the , but telling them no, you have to stop bonds at this point in time, we're not going to be able to do that.

Mayor Leffingwell: To me I think we have to address that issue in some way.

Yes, sir.

Mayor Leffingwell: To from being able to regenerate debt and extend forever the time that -- in practical terms they can't be annexed. That's just a comment, really. I've got one more question. Are you going to follow it?

Shade: Yeah, but if you have a question, I'm sorry.

Karen was reminding me that we can set a maximum time of which they have to do a bond issuance and they can't do it any further than that. So that would in itself create a limitation. But if you wanted to get to a point of being able to annex without assuming debt, have you to wait until those bonds are totally paid off.

Mayor Leffingwell: Okay. Every time I think I understand it, it gets a little more confusing. Is there -- is there a date certain that the indebtedness has to end or is there not?

We can set a time frame for them to stop issuing the bonds.

Mayor Leffingwell: But you can't set an end date where all the debt has to be retired.

Yes, sir, that's correct.

Mayor Leffingwell: That's a concern. Now, this should be an easy question. We talked about how the

utilities, water and wastewater, presumably, would have to be from city of austin. What happens in a situation where all or part of the is not within the water's ccn? And I know that's going to be a factor in some of these east side development projects.

Right. It would be part of the assessment that city council would be given in terms of whether there's a sufficient enough extraordinary benefits and development superiority to overcome. That but the essence of what we're wanting to do is that the city's infrastructure is extended by having a district provide service or bond other utility's infrastructure, you are essentially setting up a situation where you are enabling them to become a better competitor against the city of austin's water utility. You are also making it easier for them to do things such as expand their service area or be able to bring in additional water from other sources. So you are enabling that kind of thing.

Mayor Leffingwell: I'm not wanting to do that. I'm just saying how do we address that problem because maybe we should review the mechanism for transfer of ccn. Does it require mutual consent or how does it work? Refuse to provide the service and the other has the ability --

there's two ways. Either that there's a voluntary transfer of ccn or that the landowner can go through tceq through the water code and request that they have a different utility provider because the one that currently they are in their ccn is unable to provide them supply, they are unable to financially to be able to fund the infrastructure or they are incapable of doing that. So there's a process in the statutes for the landowner to be able to get their area withdrawn from that c.c.n. It's either mutual or the land owner --

Mayor Leffingwell: Or the tceq based on circumstances can approve the transfer without their consent.

Yes, sir.

Mayor Leffingwell: Councilmember shade.

Shade: Explain to me what happens -- what does a developer have to do with the cash that's left at the end of the period? And how is that specifically addressed?

State statute indicates that if a developer, let's say, has built some infrastructure, built some water lines, they take that money, they pay for that out of their pocket. Now, when there is sufficient on the ground that tceq says, okay, well, now you have enough people that are living in the district to be able to generate through taxes to pay this infrastructure off. If you are in the middle of that process and the developer has paid for the infrastructure but has not been reimbursed through the district obtaining bonds and the city annexes that, the city is then responsible in one-time lump fee to pay the developer back for unbonded reimbursement. Does that make sense?

Shade: Yes. And that's all set by state statute?

Yes, ma'am.

Mayor Leffingwell: One more quick -- this will be quick. So it's scheduled to come back, the resolution is scheduled to come back next week; is that correct?

Yes, sir, that's correct.

Mayor Leffingwell: Councilmember spelman.

Spelman: The only way we could prevent tceq from to be created is if any -- if the tceq finds that any

requests we're making in our negotiations with the people who are the developer are reasonable.

Yes, that's one of the criteria. If we execute an agreement, was it reasonable in terms of the conditions within the agreement, is it a cost that's reasonable for the developer and that we're able to provide water supply, treatment plants, those kind of things to provide the developer utility service.

Spelman: So do we have any -- what's our gauge as to what it is tceq will consider to be reasonable. How do we know what reasonable means in this context?

I don't have any indication of that. In discussing that with our attorneys, it varies depending upon the commission and there's not a set standard to follow.

Well, that's something that I'm not aware of has been extensively litigated at the tceq. So I think the reasoning behind allowing the city to put conditions on its consent TO M.U.D.s IS BECAUSE THAT Infrastructure is supporting land use growth patterns that are eventually going to be absorbed when the city annexes the district. So my take on the way that would be applied would be that if the conditions were within that umbrella, then that would be considered to be reasonable. If it were outside whatever the scope of that was and there would be a continuum then it wouldn't. So unrelated to something affecting the infrastructure or the both patterns. But we have had when we've entered into consent AGREEMENTS WITH M.U.D.s IN The past, land use plans and all kinds of things outside the specifically bonded infrastructure but that support things that the city would be interested in upon annexation.

Spelman: So everything we're asking of the developer has got to be tied to our police powers with respect to land use regulation.

The statute simply says that when there are noncity SERVICE M.U.D.s WE'RE Limited much more stringently to what kind of positions we can impose and they have to be related either to the bonding or specifically to the infrastructure. The statute does not speak to what conditions that you can impose for a city service m.u.d. It only denotes what the limitations are on a noncity service m.u.d. That's my opinion on how they would interpret that.

Spelman: That was the next question. Are we going to be walking into our negotiations with developers in these cases with a template in mind? We want the following class of benefits, here's the following class of restrictions we're going to have don't ask, don't tell you to place on your boards or --

I would say a little bit of both. If the districts are comparable in terms of the way the city views those, then we do intend to have a list of things that we're looking for. If there are wildly competing considerations because maybe, it's a different kind of district or let's say it's in the beginning water protection zone we might have different things. But our intentions and staff's intentions are to come up with much like you do with your p.i.d. policy and the m.u.d. Resolution that you will see from us incorporates a lot of the things that you've already identified in the p.i.d. Policy as being desirable to y'all.

Spelman: We've got the policy that helps establish a rational basis.

Right.

Spelman: We talked in my office about this a few days ago. And in looking at the components of your policy, the only thing which strikes me that might be a red flag and I would like to you address it here is they maintain a comparable tax rate to the city. It seems to me that a m.u.d. Board might reasonably say we're not providing services that are consistent with city services therefore we shouldn't have to -- [inaudible].

That would depend on what the scope of the services of were and the way they structured their debt. If they structure their debt in such a way it would support that tax rate, then yes. If there's an issue they are not going to be able to substantiate that tax rate that could be a stumbling block that we would have to work out.

Spelman: Certainly the best case is if they are maintaining a tax rate --
exactly.

Spelman: That is something which we can consider on a case-by-case basis.

Yes, sir. As well as that we've had discussions with m.u.d. Attorneys and they have indicated that that's something that can easily be worked out and they believe it's a reasonable request by the city.

Spelman: That was actually the last question. You led into it perfectly, ad -- bart. You've talked to some m.u.d. Attorneys about th stuff. You are negotiating now with TWO M.U.D.s AND AN MMD.

The entire policy or the comparable tax rate portion?

Spelman: Whole thing.

I think what we would say is that we're not so much negotiating at this point, that we are in the research stage of trying to understand exactly what they believe extraordinary benefits look like. That they are want to go provide. And then when we get that information nailed down in terms of quantitatively or at least specifically to where we can go back to cit manage and say here's what they are willing to provide, here's some things that we've identified before, there may be a gap there, and then we'll need to bring it back for your consideration of wheter there's a sufficient amount of extraordinary benefits and superior development or the impacts on other city's interests of whether then you want to consent to the creation of the m.u.d.

Spelman: Okay so what you are talking about sounds like it's quantitative issue, is this enough benefits in order to support this. But there's nothing qualitative as a stumbling block, no, we can't possibly go into this particular class of benefits from our point of attorney is completely off the table [inaudible] come up.

We haven't heard anything like that yet. It's possible that it can come up because we've just started these discussions.

Spelman: With the policy and professional restriction that hasn't shown up that under no circumstances can we possibly go there.

No, it hasn't shown up as a sorry, we don't do that. There has been a question about how in terms of lgally do you establish the language related to council being able to appoint a board representative. So we are working with our legislative staff to figure out how we get that done. We think that it is definitely a possibility to be able to do attorneys that we've talked abot, they have not raised a red flag saying there's no way that you can get that done.

Spelman: And given that you are negotiating with two M.U.D.s AND M.M.D. RIGHT Now, the reason for us pass ing this policy in advance of you is provide you with appropriate guidance in the going through that negotiation process.

Yes, sir. That's something that we really would like to have from council is where are you wanting to go

with us in dealing with this.

Spelman: Thank you.

Mayor Leffingwell: Councilmember morrison.

Morrison: Just a couple of questions. To go back to the very first slide in terms of the -- TALKING ABOUT THE P.I.D.s And the fac in 2009 LEGISLATION LIMITED P.I.D.s Interest rates which essentially affected how desirable they were for developers.

Yes, ma'am, that's correct.

Morrison: So I have two questions. One is is there any potential that you see, not that anyone has a crystal ball at the legislature, of that changing? And -- okay, I'll save my second question.

The answer is yes, i understand there's legislation that's going to be filed to try to correct that issue.

Morrison: And okay, so that could actually change in the near term. And then secondly, do you foresee if that did change so that the financing of m.u.d. bonds was essentially the same cost, that there would be less of a DRIVE FOR M.U.D.s AND WE Might just be looking at p.i.d.s in that case?

It's hard for me to predict. One of the things that's DIFFERENT IS THAT M.U.D.s Have existed for a long time so investors are very used to that type of bond that's being sold. WHEREAS P.I.D.s ARE KIND OF A new animal and so investors are a little bit, hmm, what is , and because of their more speculative nature of a , that's what's causing the inst rate. So can that be -- I think that can be mitigated over time with experience with P.I.D.s, BUT WOULD IT BE Able to go totally away with just the interest capped issue being addressed, I'm not certain that's how it would happen. It would still, I think, have some preclusion to want to create a m.u.d.

Morrison: And I guess the next question I have really then is are there other reasons someone would want a in doing their development, besides the financing issue? does is have its own board. It's a governing entity. And so with that, for the developers that we've spoken to, that provides them a little more certainty in terms of how the development is going to happen, what happens to bond issues, so there's more control essentially in versus a p.i.d.

Morrison: All right. Thank you.

Yes, ma'am.

Mayor Leffingwell: Conversery less control by the city.

That's absolutely correct.

Mayor Leffingwell: All right. Anything? Thank you very much. See you next week.

Thank you.

Mayor Leffingwell: So i believe we can do to our zoning cases. Mr. guernsey.

Good afternoon, mayor and council. Greg guernsey with planning and development review. 00 consent items were the zoning ordinances and covenants where the public hearings are closed. First item for consent is c 14 h-2010-0226, the zeta tau alpha house to change to mf-4-np combining district zoning.

This is road for consent approval on second and third reading.

Mayor Leffingwell: So that that's the only item on the consent agenda on those items we've already held a public hearing. Just as a reminder, council, there was a change or -- change and correction on item 38 to say that on first reading the vote w 5-0 with the mayor pro tem and councilmember cole off the dais. So that is the consent agenda. I'll entertain a motion on item 38. Councilmember cole moves approval. Councilmember spelman seconds. Any discussion? All in favor say aye. Opposed. That passes on a vote of 6-0 with the mayor pro tem off the dais.

Thank you, mayor and council. I'll go to the zoning and neighborhood plan amendment items, these are the public hearing items, possible action this evening. First I would like to offer for consent is 39 related to 40. 01 for the cristo rey church at 2110 east second street. Staff is requesting indefinite postponement of this item since the planning commission requested indefinite postponing. The related case is item 40. Again, for the property located at 210 east second street, and staff is requesting indefinite postponement of this item as well. If these items were to come back, we would renotify property owners and utility customers within 500 feet and registered neighborhood association. Item 41 and 42 are related items. We have a request a postponement. The applicant disagrees with the date of postponement. We should offer it for discussion postponement. I can come back to those. Item 43, c14-2010-0166 for property located at 12412 toman he et trail, to change zoning to general office, conditional overlay. The planning commission recommendation was to grant the goco and this is ready for consent approval on all three readings. Item 44, case c14-2010-0185 for property at 7901 cameron road to change to commercial liquor sales. The zoning and platting commission's recommendation was to grant the cs-1. This is ready for cosent approval on all three readings. Item 45 is case h-2010-0033, an historic case.

Shade: I would like to see the presentation on that. Thank you.

Okay.

The final for consent is item 46. The applicant is quick postponement of this item on NUMBER 46 TO MARCH 24th. So we have an applicant's request for p on item number 46. -- Postponement.

Mayor Leffingwell: So the consent agenda for those items where we've yet to hold a public hearing is to postpone items 39 and 40 indefinitely. Require renotification. Could close the public hearing and approval all three readings 43 and 44. And to postpe item number 46 UNTIL MARCH 3rd. I believe that's the consent agenda.

MARCH 24th.

Mayor Leffingwell: Correction, 46 postponeduvtill MARCH 24th.

Spelman: Mayor, question?

Mayor Leffingwell: Councilmember spelman.

Spelman: Greg, that last one sounds like a long postponement. WHY DO WE GO TO THE 24th? Why do they need six weeks?

I don't have the applicant's letter before me requesting the postponement so I'm not sure of the length of time for that request. I can get back to you in just a moment.

Mayor Leffingwell:O That is request by the applicant and there are no speakers signed up in opposition

or in favor. On this item.

Spelman: Going to answer the question.

Sounds like they were waiting for anticipation of a task force report and they wanted to see what the results of that might be before they bring this case forward.

Spelman: They may want to postpone longer than MARCH 24th, UNFORTUNATELY.

Mayor Leffingwell: They didn't say what year, councilmember.

Spelman: That's true. Good point. Mayor, I move approval of the consent agenda as written.

Mayor Leffingwell: Okay. Does everybody understand the consent agenda does -- includes the postponement until march 24th on item 46. Motion by councilmember spell a man seconded by councilmember morrison. All in favor say aye. Opposed no. Passes on a vote of 6-0, mayor pro tem off the dais. So I propose we take up the discussion postponement on 41 and 42.

41 For the property to change the east riverside/oltorf combined neighborhood plan to change the future land use map decision anything to mixed use. Item 42, 191 sh for that same property on the service road northbound to change the zoning to community commercial mixed use conditional overlay neighborhood plan. We have a request from the green briar neighborhood association to postpone to march 10th agenda. The applicant is agreeable to a postponement, but only to next week. So I think a representative from green briar is here.

Mayor Leffingwell: What was the date requested?

March 10th by the neighborhood. And then walter is here and can peak to the applicant's agreement to postpone until NEXT WEEK, THE 17th, BUT IS Not agreeable to the [inaudible]

Mayor Leffingwell: Let's have someone speak who is opposed -- first opposed to the postponement. You are the applicant? Opposed to expecting until MARCH 10th, RIGHT?

Mayor and councilmembers, I'm walter moreau.

Mayor Leffingwell: And you are speaking for which case, postponing until MARCH 10th?

We would request just postponement for a week to your council meeting on the 17th.

Mayor Leffingwell: Okay. And so your comments are only with regard to the postponement date.

We've worked very diligently with the neighbors. There are some neighbors new tall and supporti, there's a few that are opposed, and we've agreed to extensive coitional overlay. We're this close to having an agreement on a restrictive covenant. We've compromised and agreed to two 8-foot fences, trees, drainage improvements, exterior, heights, the c.o. We've done everything we think we can to satisfy a few neighbors' concerns that don't want the project as all and we think we're ready for a vote next week. That's it.

Mayor Leffingwell: Well, is there some particular hardship would be involved with a longer postponement than next week?

We are working to close on the purchase of this property using \$2 million in city general obligation

bonds, but it leverages a roughly \$6 million in funding from the texas department of housing.

Mayor Leffingwell: So that would be in jeopardy with the longer postponement?

I don't think -- I think we would be able to work through the details in it was a longer postponement. On the other hand, dragging this out further is expensive and takes energy and effort from us getting environmental clearance, getting the architect hired, all the other steps in the development process.

Mayor Leffingwell: Normally there really is no normal, but I think I can say normally the case would be two weeks. But we don't have a meeting in two weeks, but we do have one ON MARCH 3rd, DON'T WE?

Yes.

Mayor Leffingwell: So march 3rd present you with any particular problems? I'm just asking.

We will follow whatever you want. We really would like to you for your come to a vote next week. Through a postponement, we didn't have any problem with planning commission postponing it. We're -- we would request that this move ahead and we think we're ready and with we've gone what we can.

Mayor Leffingwell:HANK You.

Cole: Mayor, I have a couple of questions. How long was your planning commission postponement?

I think it was two weeks.

Cole: It was two weeks? So between the time that you were at planning commission till now, how long was that? I guess I'm trying to get a sense for how long you've already had to --

we had the first neighborhood plan amendment meeting in early december. Then we had another meeting in january with the neighborhood association and numerous subsequent to meetings with individuals in the neighborhood and nearby and site visits with leadership of the east riverside planning committee. So we've been at it december, january -- not quite three months.

Cole: Okay. I guess, mayor, I would go ahead and mke a motion that --

Mayor Leffingwell: Councilmember, we need to hear from the person -- go ahead. i ayor, councilmembers, my name is patricia henry. My family has been at the greenbiar association or the neighborhood since 1967. I am stepping up and asking, and first I'd like to say please forgive my ignorance on protocol. This is my first appearance before the city council and i am trying to get myself up on speed as far as protocol and procedures are concerned. Please bear with me. We realize that it must be frustrating for the applicant to go through these delays, and all we're asking is for to us have a little bit more time to go through the recent restrictive covenants that we received this morning and have the rest of the owners along the property that is affected be able to go through this and make sure that everyone is agreeable to the terms that have been -- that we have been so diligently working through. Our -- our -- one of our biggest things is notifying the owners. We are a very high rental area and a lot of our owners do not live in the area so -- and a lot of them don't have email addresses so the high-tech correspondence is not an option. So we are asking at least till march 3rd extension, postponement of this voting so that we may be able to get in touch with those owners and make sure to go through the details of these recent restrictive covenants and keep working out details with the applicant. Thank you.

Mayor Leffingwell: Thank you. Questions? Councilmember cole.

Cole: Can you give us a sense of what details are in the residents that you need to work out with other owners?

I haven't been directly involved with thi and that's part of the reason why I am asking, it's a personal reason on my parted. I have been out for the majority of december and january traveling and I was unable to attend those meetings that the applicant was at and was able to answer questions and have the site visit. And on a personal note, i would like to have that opportunity to be able to look through this myself, make sure my neighbors are aware of what's happening in our neighborhood and are agreeable to some of the restrictive covenants that have been worked on with our other neighbors in the area. Did I answer the question?

Cole: I think so. Let me ask mr. moreau. What type of restrictive covenants and why couldn't we or could question get this covered in a week?

A week is adequate. I've got the draft that's gone back and forth numerous times. I think we're down to number of trees. One person wants instead of a fence a concrete panel wall. I'm not willing to do that. We're not building a fortress around this property. They want to limit the ps units to 20 units. I will not do that in a restrictive covenant. That is not the practice of those who live in the communities. We may not be able to get a restrictive covenant resolved even in a week. But -- because there's a couple points that are just -- I've been otiating in good faith to try to get this resolved. A couple people are trying to round up a valid petition and oppose and I've done what i can and I will continue in good faith -- we're going to be great neighbors. We're committed to that. Whether there's a restrictive covenant or not. That's our reputation and our track record and we're not going to compromi that.

Mayor Leffingwell: Councilmember spelman.

Spelman: When did you begin negotiating with the neighbors on this?

I thin the neighborhood plan amendment meeting was DECEMBER 4th. OR DECEMBER 7th. That was the first meeting that we had. Actually in november we met with some of the leaders of the east riverside planning group and they helped us identify folks that were in the more immediate neighborhood. Carl brawn and pastor krebs and gale goff. We met with them in november.

Spelman: Ma'am.

I would just like to see we are a very young neighborhood asciation. We basically formed as an interest for this hearing. We -- we are trying to get those neighbors and owners more invold in our neighborhood and actively more involved in this case. And there is a communication delay in as far as trying to get some of the word out to these owners to know that they are -- you know, what's definitely going on. We don't have a problem working with mr. moreau. It's just ironing out these small little details and we're asking for just a couple more weeks to go through them, and for myself personally to be able o assure my family and my neighbo of what is going on.

Spelman: It sounds to me as though these absent teen landords are difficult to reach they don't care much moreau's develot.

That may be the case, it might not be the case. If because of the communication we're not sure whether all the owners are getting aware of this situation. So we would just like to you have a little bit more time to try to reach those owners that we have been able to get ahold of that -- unable to get ahold of that are directly affected by the property.

Mayor Leffingwell: Councilmember shade.

Shade: I just want to understand, how long have you been working on this?

Since december. I believe.

Shade: Early december before the holidays?

Again, I was out for the majority of december and january and was unable to attend. My associate over here, my neighbor, cindy gilbert, has been working more directly with the applicant in trying to get some of these restrictive covenants resolved.

Shade: But again, it sounds like there are certain ones that you are not going to reach a meeting of the minds. You think that's the case? I mean we always like to see everything get worked out, but -- but there may be some issues that sounds like are nonnegotiable from one side or the other.

No, and I'm sorry if I gave that impression. We're just trying to ask for a little more time to make sure that what we're asking for, we just got this new restrictive covenant this morning. We're just asking for a couple more weeks to go through it, notify those neighbors that we can get ahold of and let them know about this and that's all. We're just asking for a few more weeks.

Cole: At the same time we don't want to slow up a development that is very much needed in this community especially permanent support i have housing. So I'm -- supportive housing. I'm going to make a motion we proceed the hear the case on february 17th that the caveat that you continue to work through this.

Mayor Leffingwell: Councilmember cole moves to po FEBRUARY 17th. Seconded by councilmember shade. Discussion? Councilmember morrison.

Morrison: I just wanted to see I'll support this motion and, you know, hopefully there will be a real effort to come together here, and if it sounds like there's just a few things still to be on the table, if new things come up fine, but I think really after all this time to get things moving forward.

Mayor Leffingwell: Okay. All in favor of the otion to postpone say aye.

Aye.

Mayor Leffingwell: Posed say no. Passes on a vote of 6-0, mayor pro tem off the dais.

Thank you, council.

Mayor Leffingwell: Council, there has been a request from staff to postpone the entire ahfc agenda which is posted. Is that correct? So without objection, council, we could pass our zoning cases and go ahead and address that postponement issue on the entire ahsc agenda. Is there objects? If not, we'll recess, this meeting of the austin city council, call to order the meeting of the austin housing finance corporation board of directors.

Good afternoon, betsy spencer, treasurer of the austin housing finance corporation. Staff requests a postponement of the meeting. We have pulled the item number 2 and we request a postponement until the next scheduled meeting of MARCH 3rd.

Mayor Leffingwell: Request for postponement until march 3rd of all the items on this meeting agenda. Is

there a motion? Motion by councilmember spelman. Seconded by councilmember cole. Discussion? All in favor say aye. Opposed say no. Passes on a vote of 5-0 with councilmember riley and the mayor pro tem off the dais. So with that, we'll adjourn the austin housing finance corporation board of directors meeting and call back to order this meeting of the austin city couil and resume with case number 45.

Good afternoon, mayors of council. Steve sadowsky. Our case is the fitzgerald-power-lynn house. This is a 1928 house done in what's been called medieval revival style. This house represents a lot of the best of the romantic revivals of the 1920's. You can see in this phtograph it's got the cat slide roof that simplifies the tudor style. The round arched doorways, the gables, the hipped roof, all that brings back the romantic era of english country cottages and other period romantic revival styles of the 1920s. We think that the house was designed by roy thomas, who was a prominent architect in austin, but we don't have proof of that. He did design a house similar to this in the same neighborhood so there's good reason to believe he is also the designer of this house. [One moment, please, for change in captioners] it out. I they had very prominent renters, they rented to james a. and clyde d. Fitzgerald from the university of texas, fitzgerald was the -- was the dean of the business and he established the bureau of business research, he was named one of the top economistsin the country in 1940 and then he served as a consultant before coming as a consulting business dean until he retired in 1959. After the fitzgeralds moved out, it was rented to harry and gladys power until 1943. He was in charge of operations for gulf oil. Came to the university of texas in 1936 and started teaching petroleum engineering. Grew that department to be one of the more prominent in the engineering school at -- at the university of texas and he was one of the first petroleum engineers to specialize in that field. The robinsons sold the house in 1945 to hugh lynn and his wife. lynn was a dentist here in town, but his wife [indiscernible] was a fascinating woman. She was the leader in women's education in sociology and especially in women's physical education. And this is something that we make take lightly today. Consider at the time this was basically the first generation moved off the farms into the city and these people were actually very thankful that they didn't have to do a lot of hard labor anymore, but physical education was not something that was accepted for women. Women were supposed to take care of the house, whereas the past generation they had been workers on the farms. Physical education for women was a real new field and lynn was a pioneer in that field. She went back to school at after her children were in school. Another thing that most women didn't do. They simply just raised thr children and took care of the house. She became a home and family life counselor at aisd. She worked at govalle elementary school and then worked for the hogg fodation for mental health. She became a very outspoken sociologist and an advocate of -- of new methods of child rearing, including focusing on the parents and their interests rather than having the parents focus completely on the children. She felt it was very important for the parents to continue to grow and develop so that their children would have the benefit of that experience. So the house has had a number of very prominent and significant folks associated with it. It is one of the very few examples of medieval revival style that we have in the city. The other houses that would fall under the style owe under this style are what we call the little castle houses, two on park boulevard, one on 32nd street and then there's this. This one really brings a combination of -- of a romantic style of english untry cottage and the tidor revival, staff, landmark commission and [indiscernible] all recommended for historic designation.

Mayor Leffingwell: No one signed up to speak.

Actually the owner iu here if you have any questions of here.

Mayor Leffingwell: If there is questions --

I'm sorry the agent is here if you all have any questions.

Mayor Leffingwell: All right. Questions of the agent? Discussion? Councilmember morrison?

Mayor Leffingwell: No? Okay, councilmember shade?

Shade: I'll intervene here before you do your part, chris. So I have a couple of questions. I'm -- it seems like this is kind of a catch all of lots of different styles. Is that -- is that the case?

Well --

it's kind of not quite this, not quite that, but that's what makes it unique.

That is what makes it unique. It took some of the best of the other period revivals. Tudor was strictly a period revival. The tudor architecture of old -- of -- spanish colonial revival was also a period revival, but much more formal styles than this was. This was really trying to evoke a different sort of ambience than a strict interpretation of a formal style. As I said in los angeles they call this the story book style. There's been books published on it. But it takes a lot of the elements of tudor revival. they have a lot of elements of spanish colonial revival as well but they put it altogether and also emphasize other things like the artisanship of the rocks and the chimney and the heavy plastering on the walls.

Shade: If I was going to study this type -- i but not likely austin?

This is the only one that I'm aware of in austin. That has this sort of embellishment in the architecture.

Shade: Then can you talk to me -- again there's -- there isn't a single house that you bring forward to us that doesn't have, you know, interesting stories about the people who live there. I mean, austin is filled with great, interesting, merchants, tons of wonderful academicians, I want you to kind of concisely, what is the historic association that I would attribute to this house?

Well, I would say there's three. There would be fitzgerald, at the -- at the business school at u.t. Founded the bureau of business research, which was nationally recognized at the time. power, one of the very first petroleum engineers in the lynn, who was -- who was very influential in -- in child rearing and women's physical education at a time where these were not fields of focus. I agree, every single building, every single house in the city has a history.

Shade: There were things that were talk -- that you were talking about with the -- with the -- that reminded me a lot of my grandmother. You know, when you were talking about her educational pursuits, interests, child rearing. So it's just really hard to think about -- about, you know, again the significance of historic associations because there's -- there isn't a single house on my block that doesn't have an amazing story. There isn't a single story -- it's always a challenge to figure out if the historic association is significant to the -- to the point where it adds, you know, where every citizen in the city should be contributing to that -- to the -- to the -- this abatement. So -- but I appreciate your summary of that. And I do think this is kind of a strange situation in that it's not really so that -- the significance from a style perspective is very different than what we've talked about. Doesn't fit into any categories that we study, that makes it its own category, therefore worthy of this -- this distinction. You would think -- you would think architecture students are going to be looking for that. And citizens are going to be gaining a lot from that perspective.

Well, I think so, only from the perspective of -- this house is unique in its treatment of its exterior materials and it's -- it really does more than any other house that comes to mind really bring out the romantic aspect of the period revivals of the '20s. So I think students of architecture and citizens are going to be able to appreciate the fact that this house is not just brick or not just wood. There was a real artistry involved in applying the stucco to the house, decor, ornamentation of the stone and chimney the way it was done. It really does stand out for those reasons.

I guess the agents here maybe would like to add something, I would certainly like to give her the opportunity to do that.

My name is stephanie [indiscernible], I prepared the nomination on behalf of its owners. I think that as -- as steve so eloquently put, the medieval revival styles in this house can be reflected through tudor revival architecture, french eclectic architecture and english cottage revival. It has elements of all of these. And while it's not -- putting all of these together in an umbrella of what we call medieval revival is very unique. If you see that stucco on the outside of the house, it's only amplified on the inside. Each room has a different treatment of stucco. The living room, dining room, the hallways. So it really -- really interior of the house is really reflected on the exterior as well.

Shade: But the interior with this distinction, with e landmark, there's no rules about protecting the interior.

No, no, but --

Shade: The citizens won't ever be seeing the interior of a private residence.

That are. But I -- that is true. But I think that the treatment on the inside -- it's -- it's only kind of -- an additional quality of the house that -- that -- the treatment that was on the outside of the house can be -- can be -- is really unique. The cup cake stucco, like -- like steve said, the cat slide roof and the arched door, to the entry, the really heavy door with the origin features, these are all elements of that romantic and medieval style architect.

Just to remember there, we do have examples of the other types of -- we do have tudor in our inventory and we do have the gothic in our inventory. We just don't have one that combines them in one house.

Into one house in this unique kind of style.

If this were not deemed historic would that change anything about this house? With or without the zoning change, what would change in terms of this house's look, feel, owner's relationship with the house, et cetera?

Well, I think the owners are very -- they are very good keepers of the house. They wanted to pursue this status because they wanted to recognize not only the style of the house but the people that lived there.

Mayor Leffingwell: I'll just add a comment. I think that I'm agreeing with councilmember shade. It's a beautiful house but not a monument type of house. If we' going to -- based on the -- on this -- based on that criteria, if we zone this house as historic, we would be zoning every house in austin just about that's over 50, 75 years old historic. They are all going to have the same characteristics, if they are well kept. The historic association, certainly several prominent austinites lived there. In my opinion, with all due respect, no historic figures lived there. So I'm going to say that I'm not going to go able to support a designation of that -- of this property as historic. Councilmember spelman.

Spelman: Do we have a motion on the table, mayor.

Mayor Leffingwell: No, we don't.

Spelman: I move to -- to approve the staff recommendation, which I -- which I assume is consistent with the planning commission and the historic landmark commission's recommendation. And I'm -- I disagree with you, with respect in this case. Partly because I think the house is drop dead gorgeous, I love the house. I think it would be a mistake for it to disappear and then one of the reasons why they have this is to put a label on monuments. But part of the reason is to put a label on anchors for neighborhoods to ensure that the kind of housing which gives a neighborhood a look and feel and a character and ensures a quality of life for the people who live around it stay put. And I think this is the sort of house which I would like to stay put. I think that it helps to anchor the look and feel of the aldridge place

neighborhood. Also I disagree with the historic significance of the people who lived in the house. Not that they were my favorite examples, I brought this up one time before, I see this differently than you guys. The -- the case I liked best was when Steve you brought the case of the person who was the foremost piano tuner in Austin, Texas. We don't usually think about putting monuments on houses of the foremost piano tuner in Texas. I was so taken by the story, that was a much more important person to the average middle class households than they are now, there's a value in our putting a landmark status on that. That's an important thing for us to remember about what life was like 50 or 100 years ago. I think collectively the value of all of the people who lived in this house was more than sufficient to go over the bar.

Mayor Leffingwell: So councilmember Spelman moves to close the public hearing and approve on all three readings. Is there a second to that motion? Councilmember Riley.

Riley: I will second that with the understanding that there may be changes in the benefits associated with the historic zoning in the not too distant future. I expect that those changes would apply to -- in the event this house gets historic zoning, I would expect those changes would apply to this house as well.

Mayor Leffingwell: Further suggestion? Motion on the table. Councilmember Morrison?

Morrison: I wanted to comment that I think that in terms of architecture, the physical architecture of this house, it is absolutely singular in style and exact -- what exists in the city of Austin. So it is very significant in that regard. In my view. Then secondly, I'm especially taken by Ms. Lynn's biography. I think that what you have described in terms of her -- her promoting physical education for women, that's really reflective of a societal shift and to have a pioneer sort of marked and remembered in our history in that regard I think it's fairly important.

Mayor Leffingwell: Councilmember Cole, were you -- were you going to comment?

Cole: I just wanted to make a brief comment. I did think that the architect and the history was very, very compelling. And I am always struck by the historic zoning cases in considering the architectural significance versus the impacts on our tax base and I think in this situation that I have decided that we need to support our tax base more.

Mayor Leffingwell: Okay. So -- so motion is on the table with a second. Anything further? All in favor of the motion say aye.

Aye.

All opposed say no.

No.

Mayor Leffingwell: Motion fails on a vote of 3 to 3 with councilmember Shade, myself and councilmember Cole voting no. So -- the case is denied? The case is denied. The request is denied. And I believe that's all of our zoning cases. And, council, we have no more on our agenda until 4:00. So without objection, we stand in recess until 4:00. And I anticipate that that 00 meeting.

We're out of recess, we will public hearings, possible action. 47 Has been withdrawn.

That is correct, Camille Perry is dropping her appeal. After an agreement with the -- with the property owner no the person of Irie Bean Coffee Bar. This case been withdrawn, no action required on 47.

Mayor Leffingwell: Thank you. 48? Mayor and council, my name is Kevin Shunk from the watershed protection department. The item before you today, 48 is a floodplain variance request at 419 Johanna Street. As you may recall, we first brought to you a year and a half ago on December 9th meeting. Since that time the applicant and staff have worked together and have made some significant and positive changes to the development. We'll talk about those a little bit tonight first of all, I want to mention that some of the language in the agenda item itself was incorrect. So I want to point out to you some of the correct items in the actual posting language, the findings themselves were correct. It was the items in the agenda section itself that -- that were not updated appropriately. For example, below the one in the first paragraph it starts off with the owner's proposal, the third sentence now reads, the owner has agreed to remove this existing house, once the new house is ready for occupancy, second paragraph, identifies the variances that are requesting and the difference between the language in the agenda and this current correct language is that the variance request for no adverse impact has been removed, no longer required. Two significant items. The third paragraph also lists some of the depth of the floodplain at the lot. The appropriate depth that should be shown here is one and a half feet for the 100 year flood and 2 feet for the 25 year floodplain. With that, I will now briefly go through some of the items so you can see the -- the -- this is the -- in red as outlined is the lot itself. This is on East Boulder Creek on Johanna Street, one block east of South First Street. You can see in the green polygons here the existing house and a carport which both are being -- carport which both are being proposed to be removed, they are proposing to build a new house in the magenta color. It does have a 125 year floodplain located on the east except the far [indiscernible] portion of the lot doesn't extend up that far. There's a portion of the existing house and carport. Both of these will be removed. This house is below the 100 year floodplain. Picture of the rear portion of the lot where the proposed house will be constructed. Again the variance request at they are still requesting, because of the floodplain located on the front portion of the lot, pretty much covers the entire front portion of the lot. There's essentially no way for this lot to meet the safe access requirements of the floodplain regulations. The requirements essentially say that you have to get from the house to a point that's one foot above the floodplain and be able to exit off of the property. Since this entire property at the right-of-way is covered in floodplain, that part I don't -- they are not able to meet that portion of the code. They are requesting a variance from that section. In addition to the drainage easement variance request, the building footprint itself from the floodplain. Again talked a little bit about the safe access criteria. The proposed driveway where it does hit the right-of-way, the floodplain depth is about 1 foot for the 100 year flood and about 2 feet for the 25 year floodplain. The applicant did make a significant effort to contact not only the adjacent property owner to the side of them but even to the rear of them to try to get some safe access easements. There really wasn't any realistic option for them to do that. That is what truly gave them a safe access. So when it comes to that situation where this lot doesn't -- there's not a way for them to get safe access, we consider that to be a hardship condition for that property that doesn't exist. So just a quick summary of our findings. There is a hardship for the property. The safe access cannot be maintained. We do feel that it is a significant benefit for the property to remove the existing house, the house is below the 100 year floodplain, it was a flood risk. In addition removing the house compensates for some of the floodplain volume that they were putting into the floodplain. Blvd so that's what removed the -- the adverse impact variance that they were requesting. The finished floor of the house is above the minimum required, it's required to be one foot above the 100 year floodplain. They are proposing to construct the house three feet above the 100 year floodplain so that's a benefit as well. Again, staff is recommending approval of this variance request. We do have a draft ordinance in your packet. Just wanted to point out three conditions of that draft ordinance. Again, they will be required to record a drainage easement up to the limits of the 100 year floodplain and that -- that the variance request is to exclude the building footprint from that drainage easement. They will be required to submit an elevation certificate. At a minimum is required by FEMA to indicate that the house is in fact above the 100 year floodplain. In addition there are conditions in there that will require them to complete the demolition or relocation of the existing house prior to them receiving a certificate of occupancy for the new structure. If you have any questions, I will be happy to answer them.

Mayor Leffingwell: So -- so just so summarize real quickly a decrease in the amount of living space from what there is now to what is proposed at the end of the day?

There's an increased living space with the new house, which is -- which is an additional variant that they

are requesting.

Mayor Leffingwell: What are the numbers before and after?

The existing house about 850 square feet. The proposed house is on the order of 3200 square feet.

Mayor Leffingwell: They are decreasing another structure, I guess that would technically be a decrease in impervious cover.

The impervious cover may go down a little bit because of some of the driveway area that they are putting in. As far as the condition area itself, that's what we look at as far as the compliance of the property.

Mayor Leffingwell: So there's a decrease in impervious cover. The impact on the floodplain is -- is -- it's not a factor. The floodplain, if anything, would be less, infinitesimally less than it is right now. Then the next thing is safe access. Is there any change in that from before and after?

No, the safe access requirement that we were talking about previously is similar to what they are requesting now. The only difference is when we were looking at the floodplain depth previously, we looked at the depths of the floodplain in front of the existing house, which was deeper into the floodplain. Now we look at the floodplain depths at the proposed driveway, which is a little more shallow.

Mayor Leffingwell: Less impervious cover, less impact on the floodplain. I believe, also, you said that there was an increase in the elevation above the 100 year floodplain level, raising the floor a bit. No change in the access.

Right.

Mayor Leffingwell: Okay, that all that I have. Anything else? Councilmember Shade?

Shade: I just want to say how much I appreciate the extra effort that went into this because I think that when you get -- these are always really hard cases and as you -- as you have taught me so well, mayor, they are heart breaking. I mean, so this is situation where there's a decrease in the floodplain and actually a safer situation in very hard work on the part of Ron and the homeowners, I want to say that I'm looking forward to supporting this.

Mayor Leffingwell: Thank you. Do we -- any more questions from staff? For staff? Does the applicant want to speak on this subject?

Mayor, councilmembers, Ron [indiscernible], representing the landowners, I think Kevin Shunk summed it up well. I want to point out there is a decrease in the occupancy of the intended development of the property. Because the 800 square foot home will be removed from the property. The idea is that it will be removed 90 days after the semi prairie certificate of occupancy for the new home is granted. So it's all in all it's a net benefit to the floodplain for what is occurring on this piece of property. And the access is also a bettering condition because they are not -- the emergency service workers would not have to wade through the water to a longer depth as they do with the existing house to get to the new house. So it's a bettering condition all in all for everything they are doing for this piece of property. And I'm available if you have any questions.

Mayor Leffingwell: Thank you, we also have signed up in favor and willing to answer questions Scott Kramer and Timothy Lee. Those are all of the folks that we have signed up. Council, will entertain a

motion on item 48. Councilmember riley5

Riley: [Indiscernible] public hearing and approve staff recommendation.

Mayor Leffingwell: Councilmember riley moves to close the public hearing and approve on all three reading item 48. Seconded by councilmember spelman. Further discussion? Aye opposed say no. Passes on a vote of 6-0, mayor pro tem off the dais. Item 49. Mayor, Kevin Snick again, item 49 is a floodplain variance expiration extension request for the floodplain variance for the property 801 Red River Street, also known as Stubb's within the Waller Creek watershed. Back in February of last year, council approved a floodplain variance for this property. As you may recall, here's a brief quick picture of the property with the 125 year floodplains delineated on it. That floodplain variance allowed them to -- to put in some of these existing structures that were already on the property that they are working towards getting building permits approved for them. Since that time they've been working on completing their site plan application and getting building permits. They need additional time to get a lot of the building permit required, so they are requesting a one-year extension of the floodplain variance.

Just real quickly the permitting time line, they applied for a site plan application, it has expired couple of times, but they are certainly proceeding on that site plan application the most recent one and the one that was approved in December was submitted in May of 2010. And again it was -- it was approved in December. They have been working, getting their building permit. They have the stage and walkway building permits completed in February of last year and they are [working towards getting some of the other building permits so the additional structure on the property itself. The city council approved the -- the initial floodplain variance February 2010 it does expire here in a couple of days, February 2011, they requested a one-year extension to February 2012. If you have any questions, I would be happy to answer them.

Mayor Leffingwell: Questions for staff councilmember cole?

Cole: I just want to thank you for your work on this. I know that you have been working on it for quite a while. Also -- quite a while. Also to say thank you to the Stubb's representatives in the audience, recognize that Stubb's is located on Waller Creek, a lot of their future expansions are contingent upon us continuing our [indiscernible], with that I will move approval mayor.

Mayor Leffingwell: Motion by councilmember cole to -- to close the public hearing. And approve the ordinance extending the expiration DATE TO FEBRUARY 15th, 2012, Seconded by councilmember spelman. Further discussion? All in favor say aye.

Aye.

Mayor Leffingwell: Opposed say no? Passes on a vote of 6 with the mayor pro tem off the dais. And, council, I believe that completes our agenda, city clerk. Without objection, we stand