

## AGENDA

**Recommendation for Council Action****AUSTIN CITY COUNCIL****Regular Meeting: May 10, 2018**Item Number: **002****Austin Energy**

Authorize negotiation and execution of an interlocal agreement with the City of Bee Cave ('Bee Cave') in order for Bee Cave to reimburse the City of Austin for an amount not to exceed \$867,796 for costs associated with the construction of underground electric lines along Bee Cave Parkway located in Travis County and within Austin Energy's service territory.

<b>Lead Department</b>	Austin Energy
<b>Fiscal Note</b>	Funding in the amount of \$867,796 is available in the Capital Budget of Austin Energy. This amount will be fully reimbursed as a contribution in aid of construction by the City of Bee Cave.
<b>For More Information</b>	Jeff Vice, Director, Local Government Issues (512) 322-6087; Dan Smith, Vice President, Electric Service Delivery (512) 505-7009; Michael Pittman, Power System Principal Engineer, (512) 505-7678, Pamela England, Manager, Public Involvement and Real Estate Services.
<b>Council Committee, Boards and Commission Action</b>	April 16, 2018 - Recommended unanimously by the Electric Utility Commission on a 7-0 vote, with Vice Chair Hadden and Commissioner Reel absent and two vacancies.

**Additional Backup Information:**

This project, which will be designed and managed by Austin Energy, is necessary to extend the existing overhead electric distribution feeder (identified by the utility as TP-01) along Bee Cave Parkway. This new circuit will connect with the existing underground distribution along Bee Cave Parkway located across from the entrance to the Bee Cave City Park to create a connection with another feeder (TP-08). This project will provide improved switching flexibility, allow for future capacity upgrades to the overall electric system, and allow electrical load to be transferred from the heavily loaded feeder, TP-08, to the TP-01 feeder. The project is necessary to increase the safety and overall reliability of electric service to both existing and future customers in the City of Bee Cave.

Bee Cave desires to add betterment ("Bee Cave Betterment") to the Feeder Project in order to construct the Feeder Project underground. In accordance with Austin Energy Line Extension Policy, Bee Cave will bear the additional cost of undergrounding. On March 27, 2018 the Bee Cave City Council approved an Interlocal Agreement with the City of Austin for this project. Bee Cave City Council authorized up to \$867,796 for the increased costs associated with installing the Feeder Project underground to be reimbursed to Austin Energy. The reimbursement includes the cost differential of the civil engineering, and materials and labor between Austin Energy's standard overhead construction and underground installation.