



Austin City Council MINUTES

WORKSESSION
WEDNESDAY, MAY 13, 1998

Mayor Watson called the meeting to order, Council Members Griffith, Slusher and Spelman temporarily absent.

BOARD AND COMMISSION REPORTS

1. ELECTRIC UTILITY COMMISSION—Teresa Reel, Chair
Presentation given by Teresa Reel.
2. RESOURCE MANAGEMENT COMMISSION— Peter Pfeiffer, Chair
Presentation given by Peter Pfeiffer and Roger Duncan.
3. MONTHLY AUSTIN ENERGY MANAGEMENT REPORT

BRIEFINGS

4. Presentation by Committee for Justice Advisory Council.
Presentation given by Terrell Hunter and Chief Stan Knee.
5. Presentation by University of Texas Graduate Class in Community and Regional Planning on their analysis of the Flood Plain Task Force Report. (Council Member William Spelman) [Time Certain ? 2:30 p.m.]
Presentation given by University of Texas Graduate Class.
6. Presentation by Lawrence W. Speck regarding the Town Lake Park Comprehensive Plan's Reference to Auditorium Shores (54 acres of contiguous parkland). (Mayor Pro Tem Gus Garcia and Council Member Beverly Griffith) [Time Certain ? 3:30 p.m.]

CITIZENS COMMUNICATION: GENERAL

READING OF CONSENT AGENDA

READING OF DISCUSSION AGENDA

CITIZENS COMMUNICATION: CONSENT AGENDA

ACTION ON CONSENT AGENDA

PREVIEW OF ITEMS FOR NEXT COUNCIL MEETING

7. Review of Proposed Agenda Items from the City Manager for May 21, 1998.
8. Review of Proposed Agenda Items from Council for May 21, 1998.
9. Discuss and identify consent and discussion agenda items for the May 14, 1998 Council meeting agenda. (Agenda for May 14, 1998 is attached and incorporated by reference.)

Items pulled for discussion: 11, 14, 26 and 32. Items set for time certain: 11 @ 5:00 p.m. and 32 @ 3:30 p.m. Items on consent: 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 30 and 31.

ITEMS CONTINUED FROM PREVIOUS MEETINGS

10. Approve a resolution authorizing an amendment with TATEAUSTIN ADVERTISING AND PUBLIC RELATIONS, (WBE/FR), Austin, Texas, to provide advertising agency services for a twelve month period in an amount not to exceed \$720,000 for a total contract amount not to exceed \$750,000. (Funding in the amount of \$360,000 is available in the 1997-98 operating budget of Austin Energy.) 65.93% WBE Prime participation. 14.07% MBE, 18% WBE Subconsultant participation. [Recommended by Electric Utility Commission]
Resolution No. 980513-10 approved on Council Member Goodman's motion, Mayor Pro Tem Garcia's second, 6-1 vote, Council Member Slusher voting "NO".
11. Amend Ordinance 970917-C to authorize the provision of certain electric products and services and the respective fees to be charged by Austin Energy. (\$450,000 in estimated revenue was included in the 1997-98 operation and maintenance budget for six months as proposed in the Business Plan for Austin Energy.) [Recommended by Electric Utility Commission]
Ordinance No. 980513-C approved on Mayor Pro Tem Garcia's motion, Councilmember Spelman's second, 7-0 vote.

AUSTIN ENERGY

12. Approve amendments to Ordinance No. 961121-A, the Series A Note Ordinance, and any other related documents, Approve an ordinance authorizing the issuance of taxable Commercial Paper Notes to provide interim financing for the Electric Utility Department transmission and other taxable projects, in the maximum amount of \$60,000,000; and approve the execution of all related documents, including a Dealer Agreement, Paying Agent Agreement and Reimbursement Agreement for the issuance of a Letter of Credit. (\$1,012,600 for taxable commercial paper interest expense will be provided in the 1997-98 operating budget of the Austin Energy Department.) [Reviewed by Audit and Finance Committee and Recommended by Electric Utility Commission]
 - (a) Ordinance No. 980513-A approved
 - (b) Ordinance No. 980513-B approved on Mayor Pro Tem Garcia's motion, Council Member Griffith's second, 6-0 vote, Council Member Spelman out of the room.
13. Approve the defeasance of certain outstanding Combined Utility Systems Revenue Bonds including the execution of an escrow agreement and all related documents. (Approximately \$2,000,000 is available from the Austin Energy Department.) [Recommended by Electric Utility Commission]
Approved
14. Approve a resolution authorizing the sale of eighteen electrical transformers and related electrical utility equipment to H.E. Butt Grocery Company, valued at \$153,455, in exchange for which HEB will

provide eighteen new transformers to Austin Energy valued at approximately \$220,458. (Revenue generated from sale of equipment.) [Recommended by Electric Utility Commission]

Resolution No. 980513-14 approved

15. Approve a resolution authorizing the sale of transformers and related electrical utility equipment to Columbia/HCA Healthcare Corporation, in the amount of \$234,709. (Revenue generated from sale of equipment.) [Recommended by Electric Utility Commission]

Resolution No. 980513-15 approved

16. Approve a resolution authorizing execution of a contract with GENERAL ELECTRIC SUPPLY COMPANY, Austin, Texas, for the purchase of pad mounted transformers used in commercial installations, in the amount of \$1,143,169.22. (Funding was included in the 1997-98 operating budget of the Austin Energy Department.) Low bid of seven. No M/WBE Subcontracting opportunities were identified. [Recommended by Electric Utility Commission] Resolution No. 980513-16 approved

Items 13 through 16 approved on Mayor Pro Tem Garcia's motion, Council Member Griffith's second, 6-0 vote, Council Member Spelman out of the room.

17. Approve a resolution authorizing execution of a twelve month service agreement with BURNUP & SIMS OF TEXAS, Austin, Texas, for underground transmission and distribution construction and maintenance services, in an amount not to exceed \$5,000,000 with four twelve month extension options in an amount not to exceed \$5,000,000 per extension, for a total contract amount not to exceed \$25,000,000. (Funding in the amount of \$80,834 was included in the 1997-98 operating budget and \$752,500 was included in the 1997-98 Capital budget of Austin Energy Department. Funding for the remaining ten months and the extension options is contingent upon available funding in future budgets.) Low bid of five. 24.08% MBE, 7.92% WBE Subcontractor participation. [Recommended by Electric Utility Commission]

Resolution No. 980513-17 approved on Council Member Spelman's motion, Mayor Pro Tem Garcia's second, 7-0 vote.

18. Approve a resolution authorizing Amendment #1 of a contract with THIELSCH ENGINEERING, INC., Cranston, Rhode Island, for generation maintenance services at Holly, Decker Creek and Seaholm power plants, in an amount not to exceed \$368,430 for the remainder of the current contract year, for a revised annual contract amount not to exceed \$1,182,175 and an increase in an amount not to exceed \$368,430 for each of the remaining two extension options, for a revised annual contract amount not to exceed \$1,184,175, and a total revised contract amount not to exceed \$8,474,015. (Funding was included in the 1997-98 operating budget of the Austin Energy Department. Funding for the extension options is contingent upon available funding in future budgets.) 14.1% MBE, 15% WBE Subcontractor participation. [Recommended by Electric Utility Commission]

Resolution No. 980513-18 approved

19. Approve a resolution authorizing execution of a contract with AVO INTERNATIONAL, Dallas, Texas, for the purchase of a three-phase protective relay test system, in the amount of \$58,101. (Funding was the 1997-98 Capital budget of the Austin Energy Department.) Sole source. No M/WBE Subcontracting opportunities were identified. [Recommended by Electric Utility Commission]

Resolution No. 980513-19 approved

20. Approve a resolution authorizing execution of five twelve month supply agreements for the purchase of substation transmission items with the following five firms: (1) TECHLINE, INC., Austin, Texas in an amount not to exceed \$79,969; (2) PRIESTER SUPPLY COMPANY, INC., Austin, Texas, in an amount not to exceed \$48,049; (3) KBS ELECTRICAL DISTRIBUTORS, Austin, Texas, in an amount not to exceed \$39,578; (4) PRIESTER-MELL & NICHOLSON, Austin, Texas, in an amount not to exceed \$27,834; and (5) POWER SUPPLY, INC., Austin, Texas, in an amount not to exceed \$11,657 with two twelve month extension options in amounts not to exceed \$79,969, \$48,049, \$39,578, \$27,834, and \$11,657 respectively per extension, for total contract amounts not to exceed \$239,907, \$144,147, \$118,734, \$83,502, and \$34,971 respectively. (Funding in the amount of \$69,029 was included in the 1997-98 operating budget of the Austin Energy Department. Funding for the

remaining eight months and the extension options is contingent upon available funding in future budgets.) Low bids of eight meeting specifications. No M/WBE Subcontracting opportunities were identified. [Recommended by Electric Utility Commission]

Resolution No. 980513-20 approved

21. Approve a resolution authorizing execution of twelve month services agreements to provide asbestos abatement services for Austin Energy with the following four firms: (1) SOUTHWEST CONSTRUCTORS, INC., Austin, Texas, 9.28% MBE, 4.19% WBE Subcontractor participation; (2) A.A.R., INC., Austin, Texas, 16.45% MBE, 0% WBE Subcontractor participation; (3) A & A ENVIRONMENTAL, (MBE/MB), San Antonio, Texas, 100% MBE Prime participation. No M/WBE Subcontracting opportunities were identified; ALAMO ENVIRONMENTAL, San Antonio, Texas, 0% MBE, 12% WBE Subcontractor participation, in an amount not to exceed \$400,000 each and \$400,000 combined; and with the following four firms to provide asbestos abatement services for the Public Works and Transportation Department: (1) TARGA, INC., Houston, Texas, 2.5% MBE, 4% WBE Subcontractor participation; (2) A.A.R., INC., Austin, Texas, 15.66% MBE, 0% WBE Subcontractor participation; (3) SOUTHWEST CONSTRUCTORS, INC., Austin, Texas, 9.01% MBE, 4% WBE Subcontractor participation; and (4) OLMOS ABATEMENT INC., Manor, Texas, no M/WBE Subcontracting opportunities were identified, in an amount not to exceed \$150,000 each and \$150,000 combined, for a total amount not to exceed \$550,000 for both departments with three twelve month extension options in an amount not to exceed \$400,000 and \$150,000 per extension, for a total amount not to exceed \$2,200,000. (Funding in the amount of \$400,000 was included in the 1997-98 Capital budget of Austin Energy; \$150,000 was included in the 1997-98 Capital budget of the Public Works and Transportation Department. Funding for the remaining eight months of the contract and the extension options is contingent upon available funding in future budgets.) [Recommended by Electric Utility Commission]

Resolution No. 980513-21 approved

Items 18 through 21 approved on Mayor Pro Tem Garcia's motion, Council Member Griffith's second, 6-0 vote, Council Member Spelman out of the room.

22. Approve a resolution authorizing execution of a twelve month service agreement with PIKE ELECTRIC, INC., Mount Airy, North Carolina, for overhead transmission and distribution construction and maintenance services, in an amount not to exceed \$6,400,000, with four twelve month extension options in an amount not to exceed \$6,400,000 per extension, for a total amount not to exceed \$23,000,000. (Funding in the amount of \$103,467 was included in the 1997-98 Operating Budget of the Electric Utility Department; \$963,200 was included in the 1997-98 Capital Budget of the Electric Utility Department; funding for the final 10 months of the original contract period and the extension options are contingent upon available funding in future budgets.) Low bid of five. .64% MBE, .92% WBE Subcontracting opportunities were identified. (Recommended by Electric Utility Commission)

Motion to reject all bids on Mayor Pro Tem Garcia's motion, Council Member Spelman's second, 7-0 vote.

PLANNING, ENVIRONMENTAL AND CONSERVATION SERVICES

23. Approve a resolution authorizing the issuance of a Letter of Intent and a installation at their facility located at 11705 Research Boulevard, Austin, Texas, in the amount of \$150,000. This equipment will save an estimated 738 kilowatts at a cost of \$203 per kilowatt saved. (Funding is available in the 1997-98 operating budget of the Conservation Rebates and Incentives Fund.) [Recommended by Resource Management Commission]

Resolution No. 980513-23 approved on Mayor Pro Tem Garcia's motion, Council Member Griffith's second, 6-0 vote, Council Member Spelman out of the room.

EXECUTIVE SESSION (No Public Discussion on These Items)

Motion to have staff briefing on Mayor Pro Tem Garcia's motion, Council Member Spelman's second, 7-0 vote.

Executive session held at 2:00 p.m. to 3:10 p.m. on items posted and items 17 and 22.

The City Council will announce it will go into Executive Session, if necessary, pursuant to Chapter 551 of the Texas Government Code, to receive advice from Legal Counsel to discuss matters of land acquisition, litigation, and personnel matters as specifically listed on this agenda. The City Council may also announce it will go into Executive Session, if necessary, to receive advice from Legal Counsel regarding any other item on this agenda.

Private Consultation with Attorney – Section 551.071

24 Discuss legal issues related to the requirement for issuance of taxablecommercial paper notes for certain utility projects.

Staff Briefing - Section - 551.075

25. Staff briefing to discuss Deregulation in the Electric Utility Industry.

4:30 P.M. - CITIZENS COMMUNICATION OPEN FORUM

ADJOURNED at 7:35 p.m. on Council Member Slusher's motion, Council Member Lewis' second, 5-0 vote, Mayor Pro Tem Garcia and Council Member Griffith out of the room.

Approved the minutes for Regular Meeting of April 30, 1998, Special Called Meeting of May 12, 1998, Worksession of May 13, 1998 and Regular Meeting of May 14, 1998, on this the 21st day of May 1998 on Mayor Pro Tem Garcia's motion, Council Member Lewis' second, 5-0 vote, Council Members Goodman and Spelman off the dais, Special Called Meeting of April 22, 1998, postponed.