



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 4
AGENDA DATE: Thu 05/27/2004
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SUBJECT: Approve execution of a new lease between the City of Austin, the Lower Colorado River Authority and Union Pacific Railroad Company for continued use of the Smithville Railroad Car Maintenance Facility serving the Fayette Power Project over a 20-year term in an amount not to exceed \$130,000.

AMOUNT & SOURCE OF FUNDING: Funding is included in the Fiscal Year 2003-2004 Approved Operating Budget of the Electric Utility Department.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Austin Energy
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Juan Garza

FOR MORE INFORMATION CONTACT: Michael McCluskey, Sr. VP, Wholesale & Retail Markets/
322-6295

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

The Lower Colorado River Authority and the City of Austin (Austin Energy) jointly own the Fayette Power Project (FPP), a coal-fired electric generating facility located near La Grange, Texas. FPP also includes the Smithville Railroad Car Maintenance facility located in Smithville, Texas, which has operated under a lease from the Union Pacific Railroad for the past 25 years. This facility is used to maintain and repair FPP's fleet of approximately 1,500 railcars used to haul coal from mines in Wyoming to FPP. It provides FPP a lower cost alternative to commercial or railroad operated facilities. The new lease term will allow continued operation of the facility over the new 20-year term.



Electric Utility Commission
April 19, 2004
Meeting

Approve execution of a new lease between the City of Austin, the Lower Colorado River Authority and Union Pacific Railroad Company for continued use of the Smithville Railroad Car Maintenance Facility serving the Fayette Power Project over a 20-year term in an amount not to exceed \$130,000.

Motion by: Skcith

Seconded by: LeGette

Ayes: Carr, Fath, LeGette, Owens, Sarma, Shaw, and Skeith

Nays: NONE

Abstaining: NONE

Off the dais: NONE

Absent: Fernandez

The motion passed on a 7 – 0 vote.