


A U S T I N C I T Y C O U N C I L

AGENDA

Thursday, June 22, 2006

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#4

**Austin Energy
RECOMMENDATION FOR COUNCIL ACTION**

Subject: Authorize negotiation and execution of a contract for reimbursement of costs to STRICTLY PEDIATRICS LAND COMPANY, LLP, Austin, TX, for the purchase and installation of heat exchanger(s) and associated piping needed to interconnect the new medical office building to the Mueller Energy Center district cooling system in an amount not to exceed 114,000.

Amount and Source of Funding: Funding in the amount of \$114,000 is available in the Fiscal Year 2005-2006 Capital Improvement Budget.

Fiscal Note: A fiscal note is attached.

Additional Backup Material

(click to open)

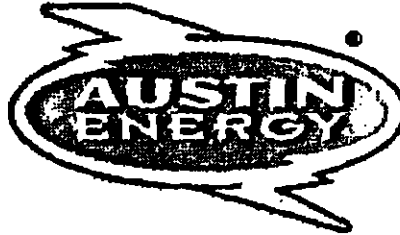
☐ Memo re: EUC☐ Fiscal Note

For More Information: Cliff Braddock, Director, Energy
Product Sales, 322-6302

Austin Energy is negotiating an agreement with Strictly Pediatrics to provide Austin Energy's chilled water-cooling services for its new five-story medical office building at Mueller Redevelopment Project.

This new medical office building is located to the north of the new Seton/Dell Children's Hospital and immediately adjacent to Austin Energy's new combined heat and power facility (on-site electric generation and chilled water production) known as the Mueller Energy Center ("MEC").

There is sufficient chilled water capacity at the MEC to serve the new medical office building in addition to the Children's Hospital. Austin Energy will reimburse costs that the building owner incurs to install metering and related piping and equipment in an amount not to exceed \$114,000.00. Austin Energy will recover the cost for these reimbursable items as a part of the multi-year chilled water services agreement that Austin Energy and Strictly Pediatrics will enter into.



MEMORANDUM

TO: Mayor and Council Members
Toby Hammett Futrell, City Manager

FROM: Juan Garza, General Manager
Austin Energy


DATE: June 14, 2006

SUBJECT: Lack of Electric Utility Commission action on Strictly Pediatrics RCA

The Electric Utility Commission routinely reviews and gives us feedback about the items Austin Energy brings to Council, as noted on the RCAs. However, at the last scheduled meeting, staff oversight caused an item pending on this week's agenda to not be included in the list of items being reviewed on the EUC's posted "Items Scheduled for Council Action." We were unable to gather a quorum for a special called meeting before the Council meeting on June 22nd, and the EUC's next meeting is not until June 26th, right before the Council's summer break.

Due to time constraints, I am requesting that you consider this item on the June 22, 2006 Council agenda without the appropriate commission action. To delay the RCA for the reimbursement of costs to Strictly Pediatric for the purchase and installation of heat exchangers and associated piping would cause AE to miss prior scheduling commitments to this new, long-term chilled water customer. In addition, Strictly Pediatrics has assisted in an emergency reroute of piping, which was necessary due to the relocation of the Mueller Energy Center, which occurred previously at Seton's request, and in order to enable the construction of the Strictly Pediatrics medical office building. Council's approval of the reimbursement agreement is needed to enable Austin Energy to complete the interconnection of the customer to the district chilled water system and to assist the customer with their project expenditures and associated cash flow needs.

I apologize for requesting this exception to procedure, and I assure you I will inform the Commission of this action. Please let me know if you have any questions. I can be reached at 322-6002.


Juan Garza
General Manager
Austin Energy

CIP BUDGET

Fiscal Note

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

**6/22/2006
Resolution
Austin Energy**

SUBJECT: Authorize negotiation and execution of a contract for reimbursement of costs to STRICTLY PEDIATRICS LAND COMPANY, LLP, Austin, TX, for the purchase and installation of heat exchanger(s) and associated piping needed to interconnect the new medical office building to the Mueller Energy Center district cooling system in an amount not to exceed \$114,000.

FINANCIAL INFORMATION:

Parent Project Name: Non-Electric Plant Assets - Chillers
Project Authorization: 2005-2006 Approved Capital Budget

Current Appropriation	\$ 112,067,916.00	
Unencumbered Balance		\$ 16,040,225.99
Amount of This Action		<u>(114,000.00)</u>
Remaining Balance		\$ 15,926,225.99

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director, Planning & Budget

Signature: J. E. Pokorny Date: 6/15//2006