



**Budget Amendment
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 3
AGENDA DATE: Thu 11/17/2005
PAGE: 1 of 1**

SUBJECT: Amend the Fiscal Year 2005-2006 Electric Utility Department Operating Budget of Ordinance 20050912-001 to create the Performance Contracting Fund and to appropriate \$5,000,000 in revenues from the LoanSTAR Loan Program and appropriate \$5,000,000 from the performance contracting expenditures to fund the Performance Contracting Fund

AMOUNT & SOURCE OF FUNDING: \$5,000,000 in low interest loans through the LoanSTAR Loan Program

FISCAL NOTE: A fiscal note is attached

REQUESTING Austin Energy
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Juan Garza

FOR MORE INFORMATION CONTACT: Fred Yebra, Director, Demand Side Management / 482-5305, Jaycie Pokorny, Director, Financial Planning & Budget / 322-6296

PRIOR COUNCIL ACTION: 6/23/2005 authorization to secure a low interest loan through the LoanSTAR Loan Program from the State Energy Conservation Office

BOARD AND COMMISSION ACTION: Recommended by the Electric Utility Commission

On June 23, 2005 City Council approved an alternative procurement process and evaluation criteria to select an Energy Service Company (ESCO) for Energy Savings Performance Contracting. The ESCO will be hired to reduce energy and water consumption and/or operating costs in various City of Austin facilities. This action also included the authority to secure a low interest loan from the State of Texas to purchase these services.

In the 2001 legislative session, Texas Senate Bill 5 was approved. This bill, also known as Texas Health and Safety Code Section 385.005 ENERGY EFFICIENCY PROGRAMS IN CERTAIN POLITICAL SUBDIVISIONS, was passed to help Texas comply with federal Clean Air Act standards. It applies to all political subdivisions within 41 designated counties. SB5 requires implementation of all cost-effective energy efficiency measures to reduce electric consumption in existing facilities, the establishment of goals to reduce consumption by 5% annually for five years beginning in January 2002, and the reporting of each entity's efforts and progress annually to the State Energy Conservation Office.

Through 2004, the City of Austin has reported a 9% electric savings at its existing facilities. One way the City has achieved energy savings was the installation of LED traffic signals purchased through a previous LoanSTAR Loan from the State. Additionally, Austin Energy has encouraged the retrofitting of facilities with more efficient lighting and energy management systems.

This action would provide the required budgetary authority to enter into agreements with the three firms



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in the accompanying Item #___

ORDINANCE NO. 20051020-NNN

**AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF GRANT FUNDS
AND AMENDING THE FISCAL YEAR 2005-2006 ELECTRIC UTILITY
DEPARTMENT OPERATING BUDGET OF ORDINANCE NO. 20050912-001 TO
APPROPRIATE GRANT FUNDS.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The Council amends the Fiscal Year 2005-2006 Electric Utility Department Operating Budget of Ordinance 20050912-001 to create the Performance Contracting Fund and to appropriate \$5,000,000 in revenues from the LoanSTAR Loan Program and appropriate \$5,000,000 from the performance contracting expenditures to fund the Performance Contracting Fund

PART 2. This ordinance takes effect on October 31, 2005

PASSED AND APPROVED

October 20, 2005

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§
§

Will Wynn
Mayor

APPROVED: _____
David Allan Smith
City Attorney

ATTEST: _____
Shirley A. Brown
City Clerk

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION
WHERE ON AGENDA
DEPARTMENT.

11/17/2005
Ordinance
Austin Energy Performance Contracting Fund

Description Amend the Fiscal Year 2005-2006 Electric Utility Department Operating Budget of Ordinance 20050912-001 to create the Performance Contracting Fund and to appropriate \$5,000,000 in revenues from the LoanSTAR Loan Program and appropriate \$5,000,000 of performance contracting expenditures (Related to Item ____ - RCA 9945)

FINANCIAL INFORMATION

Performance Contracting Fund

	<u>2005-2006 Approved Budget</u>	<u>This Action</u>	<u>2005-2006 Amended Budget</u>
Beginning Balance	<u>\$0</u>		<u>\$0</u>
Revenue			
LoanSTAR proceeds	<u>\$0</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>
Total Revenue	<u>\$0</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>
Requirements			
Performance Contracting Expenditures	<u>\$0</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>
Total Requirements	<u>\$0</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>
Excess/(Deficit) of Available Funds Over Requirements	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Director of Financial Planning & Budget, Austin Energy

Date

[Signature] 10/20/05