City Hall
1101 Texas Ave
College Station, TX 77840

College Station, TX

Meeting Agenda - Final

City Council Regular

Thursday, November 8, 2018 | **6:00 PM** | **City Hall Council Chambers**

1. Call to Order, Pledge of Allegiance, Invocation, Consider Absence Request.

Proclamation

• Proclamation on a Centennial Remembrance of the Armistice to the fighting in World War I, "Bells of Peace."

Hear Visitors: During this time a citizen may address the City Council on any item which does not appear on the posted Agenda. Registration forms are available in the Office of the City Secretary. This form should be completed and returned to the office by 5:30 PM on the day of the Council meeting. Upon stepping to the podium the speaker must state their name and city of residence, including the state of residence if the city is located out of state. Speakers are encouraged to identify their College Station neighborhood or geographic location. Each speaker's remarks are limited to three minutes. A group of five or more may register at the Office of the City Secretary by 5:30 PM on the day of the meeting and designate an individual to speak for 10 minutes on their behalf. All signers must be in attendance when the speaker is introduced and may not speak individually during Hear Visitors. A speaker who wishes to include computer-based information while addressing the Council must provide the electronic file to the City Secretary by noon on the day of the Council meeting. During presentations a series of timer lights will change from green to yellow and an alarm will sound after two and one-half or nine and one-half minutes to signal thirty seconds remaining. When time expires the timer light will change to red, the final alarm will sound, and the speaker must conclude the remarks. The City Council will listen and receive the information presented by the speaker, ask staff to look into the matter, or place the issue on a future agenda. Topics of operational concerns shall be directed to the City Manager. Comments should not personally attack other speakers, Council or staff.

Consent Agenda

At the discretion of the Mayor, individuals may be allowed to speak on a Consent Agenda Item. Individuals who wish to address the City Council on a consent agenda item not posted as a public hearing shall register with the City Secretary prior to the Mayor's reading of the agenda item. Registration forms are available in the lobby and at the desk of the City Secretary.

2. Presentation, possible action, and discussion of consent agenda items which consists of ministerial or "housekeeping" items required by law. Items may be removed from the consent agenda by majority vote of the Council.

2a. 18-0731

Presentation, possible action, and discussion of minutes for:
• October 25, 2018 Workshop
• October 25, 2018 Regular

Sponsors: Smith

Attachments: WKSHP102518 DRAFT Minutes
RM102518 DRAFT Minutes.docx

2b. 18-0714

Presentation, possible action, and discussion regarding ratification of a construction contract 19300084 with Duro-Last, Inc., in the amount of $350,000 for the roofing of the City Hall and Annex buildings.

Sponsors: Harmon

2c. 18-0715

Presentation, possible action, and discussion on a resolution approving an Assist in Construction Request by Bryan Texas Utilities to the City of College Station in the amount of $125,184.51.

Sponsors: Harmon

Attachments: BTU - Barron Rd AIC Letter.pdf
RES BTU Relocation v2.docx

2d. 18-0716

Presentation, possible action, and discussion on a Relocation Reimbursement Agreement between the City of College Station and the Explorer Pipeline Company in the amount of $350,000.

Sponsors: Harmon

Attachments: Explorer Reimburse Agreement.pdf
Project Map.pdf

2e. 18-0717

Presentation, possible action, and discussion regarding approval of Construction Change Order No. 3 in the amount of $213,963.46 to the Lakeway Drive Extension Project construction contract 17300495 with Larry Young Paving, Inc.

Sponsors: Harmon

Attachments: Construction CO 3 UNSIGNED COPY.pdf
Project Location Map.pdf

2f. 18-0718

Presentation, possible action, and discussion regarding approval of a Real Estate Contract and Real Estate Option Contract with Olive Margaret Arnold for the purchase of 12.84 acres of land in the amount of $1,665,000 and the option to purchase an additional 2.0 acres of land, both tracts needed for the expansion of the College Station Utilities Service Center facility.

Sponsors: Harmon

Attachments: Map for Coversheet - Olive Arnold.pdf

2g. 18-0719 Presentation, possible action, and discussion on the consideration of an ordinance amending Chapter 38, “Traffic and Vehicles”, Article VI, “Traffic Schedules,” Section 38-1002 “Traffic Schedule II, Four-Way Stop Intersections,” of the Code of Ordinances of the City of College Station, Texas, by implementing an all-way stop at the intersection of Victoria Avenue and Castlegate Drive.

Sponsors: Harmon

Attachments: Victoria and Castlegate all-way stop map.pdf

Victoria Av. and Castlegate Dr. all-way stop ord..docx

2h. 18-0723 Presentation, possible action, and discussion regarding Change Order 1 to Contract 18300287 with Weisinger Inc. for a deduct of $54,300 from the original $213,657 to replace the pump assembly and motor for Well 7.

Sponsors: Mechler

Attachments: Change Order #1

Bid Tab

Regular Agenda

Individuals who wish to address the City Council on an item posted as a Public Hearing shall register with the Office of the City Secretary. Registration forms are available in the Office of the City Secretary. This form should be completed and returned to the office by 5:30 PM on the day of the Council meeting. Upon stepping to the podium the speaker must state their name and city of residence, including the state of residence if the city is located out of state. Speakers are encouraged to identify their College Station neighborhood or geographic location. Each speaker's remarks are limited to three minutes. A group of five or more may register at the Office of the City Secretary by 5:30 PM on the day of the meeting and designate an individual to speak for 10 minutes on their behalf. All signers must be in attendance when the speaker is introduced and may not speak individually during that Public Hearing. A speaker who wishes to include computer-based information while addressing the Council must provide the electronic file to the City Secretary by noon on the day of the Council meeting. During presentations a series of timer lights will change from green to yellow and an alarm will sound after two and one-half or nine and one-half minutes to signal thirty seconds remaining. When time expires the timer light will change to red, the final alarm will sound, and the speaker must conclude the remarks. If Council needs additional information from the general public after the Public Hearing is closed some limited comments may be allowed at the discretion of the Mayor. Comments should not personally attack other speakers, Council or staff.

1. 18-0730 Presentation, possible action, and discussion of the rendering of the exterior of the new City Hall building as designed by Kirksey Architecture and reviewed by the Architectural Advisory Committee.

Sponsors: Wozniak

2. 18-0737 Presentation, possible action, and discussion regarding the possibility of creating an electric advisory board or independent utility board.

Sponsors: Nettles

Attachments: 2015 APPA Governance Study

Governance Study of Public Power Utilities 2012

3. 18-0739 Presentation, possible action, and discussion regarding the appointment of a Councilmember Representative to the Sister Cities.

Sponsors: Smith

4. Presentation, possible action, and discussion on future agenda items and review of standing list of Council generated agenda items: A Council Member may inquire about a subject for which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.

5. Adjourn.

The City Council may adjourn into Executive Session to consider any item listed on this agenda if a matter is raised that is appropriate for Executive Session discussion. An announcement will be made of the basis for the Executive Session discussion.

I certify that the above Notice of Meeting was posted at College Station City Hall, 1101 Texas Avenue, College Station, Texas, on November 2, 2018 at 5:00 p.m.

Tanya Smith

City Secretary

This building is wheelchair accessible. Persons with disabilities who plan to attend this meeting and who may need accommodations, auxiliary aids, or services such as interpreters, readers, or large print are asked to contact the City Secretary's Office at (979) 764-3541, TDD at 1-800-735-2989, or email adaassistance@cstx.gov at least two business days prior to the meeting so that appropriate arrangements can be made. If the City does not receive notification at least two business days prior to the meeting, the City will make a reasonable attempt to provide the necessary accommodations.

Penal Code § 30.07. Trespass by License Holder with an Openly Carried Handgun.

"Pursuant to Section 30.07, Penal Code (Trespass by License Holder with an Openly Carried Handgun) A Person Licensed under Subchapter H, Chapter 411, Government Code (Handgun Licensing Law), may not enter this Property with a Handgun that is Carried Openly."

Codigo Penal § 30.07. Traspasar Portando Armas de Mano al Aire Libre con Licencia.

“Conforme a la Seccion 30.07 del codigo penal (traspasar portando armas de mano al aire libre con licencia), personas con licencia bajo del Sub-Capitulo H, Capitulo 411, Codigo de Gobierno (Ley de licencias de arma de mano), no deben entrar a esta propiedad portando arma de mano al aire libre.”

College Station, TX

Legislation Details (With Text)

File #:	18-0731 **Version:** 1	**Name:**	Minutes
Type:	Minutes	**Status:**	Consent Agenda
File created:	10/26/2018	**In control:**	City Council Regular
On agenda:	11/8/2018	**Final action:**	
Title:	Presentation, possible action, and discussion of minutes for: • October 25, 2018 Workshop • October 25, 2018 Regular		
Sponsors:	Tanya Smith		
Indexes:			
Code sections:			
Attachments:	WKSHP102518 DRAFT Minutes RM102518 DRAFT Minutes.pdf		

Date	Ver.	Action By	Action	Result

Presentation, possible action, and discussion of minutes for:
• October 25, 2018 Workshop
• October 25, 2018 Regular

Relationship to Strategic Goals:

- Good Governance

Recommendation(s): Approval

Summary: *N/A*

Budget & Financial Summary: None

Attachments:
• October 25, 2018 Workshop
• October 25, 2018 Regular

MINUTES OF THE CITY COUNCIL WORKSHOP
CITY OF COLLEGE STATION
OCTOBER 25, 2018

STATE OF TEXAS §
§
COUNTY OF BRAZOS §

Present:
Karl Mooney, Mayor

Council:
Bob Brick
Jerome Rektorik
Linda Harvell
Barry Moore
John Nichols
James Benham

City Staff:
Jeff Capps, Interim City Manager
Jeff Kersten, Assistant City Manager
Carla Robinson, City Attorney
Tanya Smith, City Secretary
Ian Whittenton, Deputy City Secretary

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Workshop of the College Station City Council was called to order by Mayor Mooney at 3:30 p.m. on Thursday, October 25, 2018 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77840.

2. Executive Session

In accordance with the Texas Government Code §551.071-Consultation with Attorney, and §551.074-Personnel, the College Station City Council convened into Executive Session at 3:30 p.m. on Thursday, October 25, 2018 in order to continue discussing matters pertaining to:

A. Consultation with Attorney to seek advice regarding pending or contemplated litigation; to wit:

- Kathryn A. Stever-Harper as Executrix for the Estate of John Wesley Harper v. City of College Station and Judy Meeks; No. 15,977-PC in the County Court No. 1, Brazos County, Texas; and
- McCrory Investments II, LLC d/b/a Southwest Stor Mor v. City of College Station; Cause No. 17-000914-CV-361; In the 361st District Court, Brazos County, Texas
- City of College Station v. Gerry Saum, Individually, and as Independent Executrix of the Estate of Susan M. Wood, Deceased; Cause No. 17-002742-CV-361; In the 361st District Court, Brazos County, Texas
- Maura Juarez Garcia v. Andres Garcia and City of College Station; Cause No. 18-000419-CV-85; In the 85th District Court, Brazos County, Texas.

B. Deliberation on the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer; to wit:
- Council Self-Evaluation
- City Manager
- Internal Auditor
- City Attorney
- City Secretary

The Executive Session recessed at 5:06 p.m.

3. Take action, if any, on Executive Session.

MOTION: Upon a motion made by Councilmember Rektorik and a second by Councilmember Harvell, the City Council voted seven (7) for and none (0) opposed, to appoint Bryan Woods as City Manager of the City of College Station to be effective December 3, 2018, and to authorize the Mayor to negotiate a contract with Mr. Woods setting out reasonable terms of his employment and to execute such contract on the City's behalf. The motion carried unanimously.

Mr. Woods thanked the Mayor and Council for this opportunity and articulated his desire to work with the citizens and City staff as he serves our growing community.

4. Presentation, possible action and discussion on items listed on the consent agenda.

No items were pulled for discussion.

5. Presentation, possible action, and discussion of an update on Texas A&M University's dockless bike share program.

Aubrey Nettles, Specials Project Coordinator, provided a brief overview on Texas A&M University's exclusive contract with the bike share company OFO which it entered into in February of 2018. OFO launched their program in March with the introduction of 850 OFO bikes in College Station. In July, City Council passed an ordinance regulating dockless bike share companies. Per the ordinance, any dockless bike share company operating in the city limits must obtain a permit with the city to operate. OFO obtained a permit with the city on August 23, 2018. On October 12, 2018 the City revoked the OFO permit due to violating the auto liability insurance mandate. The City provided OFO until the end of October 26, 2018 to deliver an updated auto liability insurance, rebalancing plan, communication plan, and replenishment of escrow to be reinstated. TAMU assume operational control and took a proactive rebalancing approach where all OFO bikes will be collected, donated, repurposed, or recycled.

Council directed staff to move forward as presented.

6. Presentation, possible action, and discussion regarding the powers and duties of the BioCorridor Board.

Molly Hitchcock, Assistant Director of Planning and Development, stated that City Council requested this item at their September 13th meeting after considering a rezoning request to amend the development standards of the BioCorridor Planned Development District, to which the BioCorridor Board did not provide a recommendation.

In 2011 the cities of Bryan and College Station enter into an ILA for the Joint BioCorridor Development Project. Provisions included cost and revenue sharing, coordinated infrastructure delivery, unified economic development incentives, and unified land uses, development standards, and project review processes. The Planning and Zoning Commissions of both cities worked together to provide the BioCorridor PDD zoning intended to deliver predictability and flexibility. Staff from both cities comprise the BioCorridor Design Review Committee to review submitted plans. The development standards require a BioCorridor Board that is representative of the multijurisdictional nature of the ILA area in this area which meets on an as needed basis. Mrs. Hitchcock presented a brief overview of the Biocorridor Board's Powers and Duties:

Recommendations:

- To City Staff of College Station and Bryan regarding improvements in the public realm that further the aesthetics, identity, and access to and within the BioCorridor Planned Development District.
- To the City's Planning and Zoning Commission regarding Waivers of the standards in the Subdivision Design and Improvements article of the BioCorridor Planned Development District ordinance.

Final Action:

- Special District Identification Signs
- Temporary signs promoting positive communications
- Works of art and their locations when located in public right-of-way or other public area
- Appeal of the BioCorridor Review Committee's determination regarding applicability of plat requirements
- Appeal of the BioCorridor Review Committee's denial of a site plan
- Waivers to the dimensional requirements and number of parking spaces required
- Appeal of the BioCorridor Review Committee's denial of an alternative parking plan
- Alternative Highway Buffers Standards
- Appeal of the terms of the Highway Buffer Standards

Council directed staff to keep board in place and authorize Mayor Mooney to reach out to Mayor Nelson of the City of Bryan to ensure there is a quorum for each meeting.

7. <u>Council Calendar</u>

Council reviewed the calendar.

8. <u>Discussion, review and possible action regarding the following meetings: Animal Shelter Board, Annexation Task Force, Arts Council of Brazos Valley, Arts Council Sub-committee, Audit Committee, Bicycle, Pedestrian, and Greenways Advisory Board, Bio-Corridor Board of Adjustments, Blinn College Brazos Valley Advisory Committee, Brazos County Health Dept., Brazos Valley Council of Governments, Bryan/College Station Chamber of Commerce, Budget and Finance Committee, BVSWMA, BVWACS, Compensation and Benefits Committee, Experience Bryan-College Station, Design Review Board, Economic Development Committee, FBT/Texas Aggies Go to War, Gulf Coast Strategic Highway Coalition, Historic Preservation Committee, Interfaith Dialogue Association,</u>

Intergovernmental Committee, Joint Relief Funding Review Committee, Landmark Commission, Library Board, Metropolitan Planning Organization, Parks and Recreation Board, Planning and Zoning Commission, Research Valley Partnership, Research Valley Technology Council, Regional Transportation Committee for Council of Governments, Sister Cities Association, Spring Creek Local Government Corporation, Transportation and Mobility Committee, TAMU Economic Development, TAMU Student Senate, Texas Municipal League, Twin City Endowment, Walk with the Mayor, YMCA, Youth Advisory Council, Zoning Board of Adjustments.

Councilmember Rektorik report on Experience Bryan College Station.

Councilmember Brick report on the Arts Council of Brazos Valley.

Councilmember Harvell report on the 80th Birthday of College Station with HPC.

9. Adjournment

There being no further business, Mayor Mooney adjourned the workshop of the College Station City Council at 6:15 p.m. on Thursday, October 25, 2018.

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Karl Mooney, Mayor

ATTEST:

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Tanya Smith, City Secretary

MINUTES OF THE REGULAR CITY COUNCIL MEETING
CITY OF COLLEGE STATION
OCTOBER 25, 2018

STATE OF TEXAS §
§
COUNTY OF BRAZOS §

Present:
Karl Mooney, Mayor

Council:
Bob Brick
Jerome Rektorik
Linda Harvell
Barry Moore
John Nichols
James Benham

City Staff:
Jeff Capps, Interim City Manager
Jeff Kersten, Assistant City Manager
Carla Robinson, City Attorney
Tanya Smith, City Secretary
Ian Whittenton, Deputy City Secretary

Call to Order and Announce a Quorum is Present

With a quorum present, the Regular Meeting of the College Station City Council was called to order by Mayor Mooney at 6:27 p.m. on Thursday, October 25, 2018 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77840.

1. Pledge of Allegiance, Invocation, consider absence request.

Community Service Recognition to Brazos Fellowship Church.

Mayor Mooney introduced Chief Scott McCollum, College Station Police Deparment, and Chief Jonathan McMahan, College Station Fire Department, who presented Will Lewis and Shawn Parish with Brazos Fellowship Church a plaque for their support to both departments during the barricaded subject incident which occurred on August 13, 2018.

Proclamation in recognition of Municipal Court Week, November 5th through the 9th.

Mayor Mooney presented a proclamation marking November 5th through 9th as "Municipal Court Week" to Judge Ed Spillane; Court Operations Supervisor, Marie Barringer; Customer Services Coordinator, Shasi Smith; Collection Services Coordinator, Lucy Coronilla; Deputy Court Clerk, Sherry Brown; Deputy Court Clerks, Cynthia Sosa, Jongelyn Williams, and Leticia Rico; Assistant Collections Coordinator, Alysia Ybarra, and City Marshal, Michael Lundy.

Proclamation in recognition of October as Community Planning Month.

Mayor Mooney presented a proclamation marking October 2018 as "Community Planning Month" to Planning and Development Services Director, Jennifer Prochazka; Assistant Director, Molly Hitchcock; City Engineer, Carol Cotter; Planning Administrator, Justin Golbabai; Development Coordinator, Bridgette George; GIS Analyst, Julie Burden; Graduate Engineer, Anthony Armstrong; Senior Planner, Alaina Helton; Staff Planner, Rachel Lazo; Senior Planners, Laura Gray, Lauren Hovde, and Justin Constantino; and Engineering Program Specialist, Debbie Stickles.

A certificate of achievement for planning excellence was also presented to the Planning Department by Mayor Mooney on behalf of the Texas Chapter of the American Planning Association.

Hear Visitors Comments

Jerome Rektorik, College Station, came before Council to thank Jeff Capps for his leadership during his time as Interim City Manager.

CONSENT AGENDA

2a. Presentation, possible action, and discussion of minutes for:

- **October 8, 2018 Regular Meeting**
- **October 8, 2018 Workshop Meeting**
- **October 15, 2018 Special Meeting**
- **October 16, 2018 Special Meeting**

2b. Presentation, possible action, and discussion of approval of the renewal of the award of RFP No. 18-001 for the purchase of City branded uniforms (T-Shirts, Caps and Polos) for Parks athletic programs and for other City departments with CC Creations ($65,000) and M&M Apparel ($65,000) for a combined annual estimated expenditure of $130,000.

2c. Presentation, possible action, and discussion regarding approving a contract 19300043 with Marek Brothers Construction, Inc. for the renovation of the Bob and Wanda Meyer Senior and Community Center (formerly the Arts Council Building) for the construction value of $589,787.

2d. Presentation, possible action, and discussion on the renewal of the award for the annual blanket purchase of three phase pad-mounted transformers, which will be maintained in electrical inventory and expended as needed. The total recommended renewal is for an amount not to exceed $503,214.55.

2e. Presentation, possible action, and discussion on a bid award for the annual purchase of electric distribution poles, which will be maintained in electrical inventory and expended as needed. The total recommended award is $859,640 to Techline, Inc.

2f. <u>Presentation, possible action, and discussion on a construction contract with Larry Young Paving, in the amount of $1,415,178.75 for the rehabilitation of Bachmann and Central Park parking lots and lighting.</u>

2g. <u>Presentation, possible action, and discussion regarding approval on Resolution No.'s 10-25-18-2g, 10-25-18-2g-a, and 10-25-18-2g-b declaring intention to reimburse certain expenditures with proceeds from debt for Public Works, General Government, and Waste Water projects that were included in the FY19 Capital Improvements Program Budget.</u>

2h. <u>Presentation, possible action, and discussion on approval of the 2018 Property Tax Roll in the amount of $46,985,166.65.</u>

2i. <u>Presentation, possible action, and discussion on amending Ordinance Number 2018-4031ordering a General and Special Election to be held on November 6, 2018 for the purpose of electing a City Council Member, Place 4, a City Council Member, Place 6, and to submit proposed amendments to the City Charter to the voters; establishing early voting locations and polling places for this election; and making provisions for conducting the election. The amended Ordinance No. 2018-4050 modifies the location, dates and times for voting in the general and special election. (Presentación, posible acción y discusión acerca de una enmienda de ordenanza número 2018-4031 que ordene Elección General y Especial a celebrarse el 6 de noviembre de 2018 con el propósito de elegir un Miembro del Consejo de la Ciudad, Puesto Número 4, un Miembro del Consejo de la Ciudad, Puesto Número 6, y para presentarles a los votantes las enmiendas propuestas a los Estatutos de la Ciudad; estableciendo los sitios de votaciones anticipadas y los centros de votaciones para estas elecciones; y elaborando las provisiones para llevar a cabo las elecciones. La ordenanza enmendada número 2018-4050 modifica la ubicación, las fechas y los horarios de votación para la elección general y especial.)</u>

MOTION: Upon a motion made by Councilmember Rektorik and a second by Councilmember Brick, the City Council voted seven (7) for and none (0) opposed, to approve the Consent Agenda. The motion carried unanimously.

REGULAR AGENDA

1. <u>Public Hearing, presentation, possible action, and discussion regarding Ordinance No. 2018-4051 vacating and abandoning a 20-foot wide Public Utility Easement lying centered on the shared lot line of Lots 5 and 6 of the Century Hill Development Subdivision, according to the plat recorded in Volume 7623, Page 231, of the Deed Records of Brazos County, Texas.</u>

Carol Cotter, City Engineer, stated that This Public Utility Easement abandonment will accommodate future development of the aforementioned tract. There are no existing City utilities within the Public Utility Easement, and there are no planned needs for use of the Public Utility Easement. Mr. Armstrong explained that the 20-foot Public Utility Easement is located centered on the shared lot line of Lots 5 and 6, of the Century Hill Development, according to the plat recorded in Volume 7623, Page 231, of the Deed Records of Brazos County. Staff recommended approval of the easement abandonment.

At approximately 6:54 p.m., Mayor Mooney opened the Public Hearing.

There being no comments, the Public Hearing was closed at 6:54 p.m.

MOTION: Upon a motion made by Councilmember Moore and a second by Councilmember Benham, the City Council voted seven (7) for and none (0) opposed, to adopt Ordinance No. 2018-4051 vacating and abandoning a 20-foot wide Public Utility Easement lying centered on the shared lot line of Lots 5 and 6 of the Century Hill Development Subdivision, according to the plat recorded in Volume 7623, Page 231, of the Deed Records of Brazos County, Texas. The motion carried unanimously.

2. <u>Public Hearing, presentation, possible action, and discussion regarding Ordinance No. 2018-4052 to consider a Conditional Use Permit request for a Night Club, Bar or Tavern use encompassing 1,425 square feet on approximately eight acres, located at 2418 Texas Avenue South Suite F, generally located southwest of the intersection of Southwest Parkway and Texas Avenue South.</u>

Rachel Lazo, Planning & Development, stated that this request is for a Conditional Use Permit for the use of a Night Club, Bar or Tavern for 1,425 square feet of an existing shopping center, located at 2418 Texas Avenue South Suite F, and currently zoned GC General Commercial. The land use requested includes: a drive-up window; potential food sales; retail sales; limited interior-only seating; and alcohol sales for on-site and off-site consumption. The proposed use of a bar in this location requires a Conditional Use Permit to allow for a Nightclub, Tavern or Bar Use. The applicant has proposed to turn approximately 1,425 square feet of existing commercial space in the Parkway Square Shopping Center into a use classified as a Nightclub, Tavern or Bar, allowing more than 75% of their annual gross revenue to be derived from the sales of alcohol. The applicant has not proposed any additional changes to the site. Ms. Lazo explained that the proposed location is within an existing space with a drive-thru, therefore keeping the site plan and circulation plan harmonious with the character of the surrounding area. Also, given the property's close proximity to multiple commercial developments in the area, the location supports the proposed use, while matching the character of the surrounding area.

The Planning & Zoning Commission considered this item at their October 4, 2018 meeting and voted unanimously to recommend approval. Staff also recommends approval.

At approximately 7:09 p.m., Mayor Mooney opened the Public Hearing.

There being no comments, the Public Hearing was closed at 7:10 p.m.

MOTION: Upon a motion made by Councilmember Benham and a second by Councilmember Moore, the City Council voted five (5) for and two (2) opposed, with Councilmembers Harvell and Nichols voting against, to adopt Ordinance No. 2018-4052 a Conditional Use Permit for a Night Club, Bar or Tavern use encompassing 1,425 square feet on approximately eight acres, located at 2418 Texas Avenue South Suite F, generally located southwest of the intersection of Southwest Parkway and Texas Avenue South. The motion carried.

3. <u>Presentation, possible action, and discussion regarding contract 19300095 with CORE Construction as the Construction Manager at Risk (CMAR) for the new City Hall project.</u>

Erica Wozniak, Project Manager - Vertical Design & Construction, gave a brief explanation on the 12 proposals received from Construction Management firms, and after reviewing the proposals and completing a bid tabulation; 4 of the 12 firms were selected for interviews. Staff believes CORE Construction would provide the best value for the City of College Station in regards to the New City Hall project. Staff is recommending approval of contract 19300095 with CORE Construction as the CMAR for the New City Hall Project.

MOTION: Upon a motion made by Councilmember Nichols and a second by Councilmember Benham, the City Council voted seven (7) for and none (0) opposed, to approve contract 19300095 with CORE Construction as the Construction Manager at Risk (CMAR) for the New City Hall project. The motion carried unanimously.

4. <u>Presentation, possible action, and discussion regarding Resolution No. 10-25-18-04 appointing Mr. Bill Harris as a member of the Brazos Valley Groundwater Conservation District Board of Directors, subject to approval by the Brazos County Commissioners Court.</u>

MOTION: Upon a motion made by Councilmember Benham and a second by Councilmember Rektorik, the City Council voted seven (7) for and none (0) opposed, to approve Resolution No. 10-25-18-04 appointing Mr. Bill Harris to Brazos Valley Groundwater Conservation District Board of Directors. The motion carried unanimously.

5. <u>Presentation, possible action, and discussion on future agenda items and review of standing list of Council generated agenda items: A Council Member may inquire about a subject for which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.</u>

Councilmember Harvell requested presentation from Troy Rother on the Brazos Route Transit and round about policy.

6. <u>Adjournment.</u>

There being no further business, Mayor Mooney adjourned the Regular Meeting of the City Council at 7:35 p.m. on Thursday, October 25, 2018.

____
Karl Mooney, Mayor

ATTEST:

____
Tanya Smith, City Secretary

City Hall
1101 Texas Ave
College Station, TX 77840

College Station, TX

Legislation Details (With Text)

File #:	18-0714 **Version:** 1	**Name:**	City Hall and Annex Building Roofing Project
Type:	Contract	**Status:**	Consent Agenda
File created:	10/21/2018	**In control:**	City Council Regular
On agenda:	11/8/2018	**Final action:**	
Title:	Presentation, possible action, and discussion regarding ratification of a construction contract 19300084 with Duro-Last, Inc., in the amount of $350,000 for the roofing of the City Hall and Annex buildings.		
Sponsors:	Donald Harmon		
Indexes:			
Code sections:			
Attachments:			

Date	Ver.	Action By	Action	Result

Presentation, possible action, and discussion regarding ratification of a construction contract 19300084 with Duro-Last, Inc., in the amount of $350,000 for the roofing of the City Hall and Annex buildings.

Relationship to Strategic Goals:

- Core Services and Infrastructure

Recommendation(s): Staff recommends approval of the contract ratification.

Summary: This contract is for the roofing of the City Hall and Annex buildings. The scope of work includes removing the existing roof down to the deck and installing insulation and a new membrane roof. The roof had been severely damaged with a spring hail storm.

Budget & Financial Summary: Funds for this project are available in the Property & Casualty Insurance Fund. It is anticipated that the City's deductible will be approximately $180,000. The remaining costs will be reimbursed by the City's insurance company.

Attachments:

1. Contract No. 19300084 (on file with the City Secretary)

City Hall
1101 Texas Ave
College Station, TX 77840

Legislation Details (With Text)

File #:	18-0715 **Version:** 1	**Name:**	BTU Utility Pole Relocation Resolution for Barron Road
Type:	Resolution	**Status:**	Consent Agenda
File created:	10/21/2018	**In control:**	City Council Regular
On agenda:	11/8/2018	**Final action:**	
Title:	Presentation, possible action, and discussion on a resolution approving an Assist in Construction Request by Bryan Texas Utilities to the City of College Station in the amount of $125,184.51.		
Sponsors:	Donald Harmon		
Indexes:			
Code sections:			
Attachments:	BTU - Barron Rd AIC Letter.pdf RES BTU Relocation v2.pdf		

Date	Ver.	Action By	Action	Result

Presentation, possible action, and discussion on a resolution approving an Assist in Construction Request by Bryan Texas Utilities to the City of College Station in the amount of $125,184.51.

Relationship to Strategic Goals:

- Core Services and Infrastructure
- Improving Mobility

Recommendation(s): Staff recommends approval of the Resolution.

Summary: The widening of Barron Roadway to a 4 lane minor arterial between FM 2154 and SH 40 has necessitated the relocation of 8 Bryan Texas Utilities poles adjacent to Barron Road. These poles have BTU and College Station Utility electrical lines on them. CSU provides service to the area from the BTU poles. BTU has requested that the City of College Station assist in the payment of the relocation since relocation is due to a City of College Station Capital Improvement project.

Budget & Financial Summary: Budget in the amount of $7,065,000 is included for this project in the Streets Capital Improvement Projects Fund.

Attachments:

1. Assist In Construction Letter
2. Resolution

BTU
THE DIFFERENCE IS YOU

August 21, 2018 Project#: **1706S34111**

Mr.James Smith
Barron Rd. Project

Dear: Mr.Smith:

Your request for relocating an existing 8 poles has been investigated.

Your cost to provide this service is $125,184.51. Included in this cost is removing of 8 existing poles, installing 8 new poles, pulling in new wire and framing all the poles

Please note that this AIC amount is based on the line routing we discussed and is subject to change 90 days from the date of this letter.

Before your project can be scheduled construction, I need the following items returned to me:

AIC invoice and payment with project number referenced on the check,

BTU's Information Desk at 205 E. 28th Street is open between the hours of 8AM and 5PM, Monday through Friday excluding City holidays. They will be happy to assist you with accepting your AIC payment and any other requested paperwork.

Please use your assigned project number, **1706S34111**, to identify any correspondence you may have with our office. A copy of the project job print is included. I appreciate the opportunity to answer any questions you may have and to provide you with competitive reliable electric service.

Sincerely,

Brandon Charanza

Brandon Charanza
Line Designer

Office: 979-821-5784 Cell: 979-200-9104 Fax: 979-821-5796 Email: bcharanza@btutilities.com

BTU
THE DIFFERENCE IS YOU

CHARGE TO:
Mr. James Smith
City of College Station
Barron Rd. Project

MAIL REMITTANCE TO:
Bryan Texas Utilities
Attn.: Brandon Charanza
Project #: 1706S34111
P. O. Box 1000
Bryan, Texas 77805

QUANTITY	DESCRIPTION OF ITEM	UNIT PRICE	AMOUNT
	Cost to provide relocating an existing 8 poles.		$125184.51

NOTE: Do not include AIC payment in your monthly BTU bill.

RESOLUTION NO. ____________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, APPROVING AN ASSIST IN CONSTRUCTION REQUEST FROM BRYAN TEXAS UTILITIES (BTU) AUTHORIZING THE EXPENDITURE OF $125,184.51 FOR CERTAIN ELECTRICAL IMPROVEMENTS TO FACILATE INFRASTRUCTURE IMPROVEMENTS TO BARRON ROAD; AND CONTAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER.

WHEREAS, the City of College Station ("City") desires to make certain improvements including roadway widening, adding retaining walls, curb and gutter, sidewalks, drainage improvements along Barron Road between FM 2154 and SH 40, installation of a traffic signal at FM 2154 intersection and the realignment of Capstone (the "Project"); and

WHEREAS, in order to do this it is necessary to relocate several electrical poles that are owned by Bryan Texas Utilities which are also utilized by College Station Utilities for electrical service to the area.

WHEREAS, the City Council of the City of College Station, Texas, desires to continue said Project including relocating Bryan Texas Utilities electrical infrastructure as hereinafter set out; and by approving the assist in construction request; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That the facts and recitations set forth in the preamble are hereby declared true and correct.

PART 2: That the City Council hereby approves the assist in construction request for $125,184.51 for costs associated with the relocation of Bryan Texas Utilities infrastructure to facilitate the Project as set forth in the Assist In Construction Letter & Invoice as set forth in Exhibit "A" attached hereto and authorizes the City Manager to execute all necessary documents related to this relocation.

PART 3: That this resolution shall take effect immediately from and after its passage.

ADOPTED this____day of____________, A.D. 2018.

ATTEST:	APPROVED:
________________________________	___________________________________
City Secretary	MAYOR

APPROVED:

____

City Attorney

City Hall
1101 Texas Ave
College Station, TX 77840

Legislation Details (With Text)

File #:	18-0716	**Version:** 2	**Name:**	Explorer Pipeline Agreement for Barron	
Type:	Agreement		**Status:**	Consent Agenda	
File created:	10/21/2018		**In control:**	City Council Regular	
On agenda:	11/8/2018		**Final action:**		

Title: Presentation, possible action, and discussion on a Relocation Reimbursement Agreement between the City of College Station and the Explorer Pipeline Company in the amount of $350,000.

Sponsors: Donald Harmon

Indexes:

Code sections:

Attachments: Explorer Reimburse Agreement.pdf
Project Map.pdf

Date	Ver.	Action By	Action	Result

Presentation, possible action, and discussion on a Relocation Reimbursement Agreement between the City of College Station and the Explorer Pipeline Company in the amount of $350,000.

Relationship to Strategic Goals:

- Core Services and Infrastructure
- Improving Mobility

Recommendation(s): Staff recommends approval of the Reimbursement Agreement.

Summary: This Agreement covers work and costs needed to relocate and lower the existing Explorer pipeline that crosses the Barron Road right-of-way. This relocation is necessary for the planned widening improvements to be constructed. The City of College Station is responsible for reimbursing Explorer for the relocation due to Explorer having an easement across Barron Road. The agreement includes a payment of $350,000 to Explorer for the relocation work. A true-up of actual relocation costs will be performed after the relocation is complete and funds will be adjusted accordingly between Explorer and the City.

Budget & Financial Summary: Funds in the amount of $7,065,000 are currently budgeted for this project in the Street Capital Improvement Projects Fund. A total of $1,025,957.57 have been expended or encumbered to date, leaving a balance of $6,039,042.43 for design, construction, and related expenses.

Attachments:

1. Reimbursement Agreement (includes project location)
2. Project Map

REIMBURSEMENT AGREEMENT

State of Texas |
|
County of Brazos |

1. This document is dated October 12, 2018.
2. The land affected is depicted on Exhibit A attached hereto.
3. This agreement is made by and between the CITY OF COLLEGE STATION, a municipality organized and existing under the laws of the State of Texas, with its principal offices at 1101 Texas Ave., College Station, TX 77840 ("**CITY**") and EXPLORER PIPELINE COMPANY, a corporation organized and existing under the laws of the State of Delaware, with its principal offices at 6120 S. Yale Ave. #1100, Tulsa, OK 74136 ("**EPL**").
4. EPL operates a refined petroleum products pipeline system, which runs from Port Arthur, Texas, west to Houston, and then north to Dallas, Fort Worth and Tulsa, then northeast to St. Louis and the Chicago area. One section of that pipeline system passes under Barron Road in College Station, Brazos County, Texas.
5. CITY has requested EPL to relocate/lower/take necessary steps to protect the line described in the paragraph above to accommodate widening of Barron Road.
6. As reimbursement for EPL's costs in accomplishing the necessary work, CITY agrees to pay EPL the sum of Three Hundred and Fifty Thousand and 00/100 DOLLARS, ($350,000.00), paid in advance.
   - 6.1. EPL will make a complete accounting of all costs associated with this project. If at the end of the project, costs are less than estimated, EPL agrees to promptly pay CITY an appropriate refund. If costs are more than estimated, CITY agrees to promptly pay EPL the excess.
   - 6.2. In the event unforeseen conditions arise that cause a significant change in the estimated cost, the parties will cease work and renegotiate the terms of this agreement before proceeding.
   - 6.3. Should work be stopped for any reason, regulatory, economic or otherwise, EPL will restore its pipeline to a permanent working condition as soon as possible and with least cost. Thereafter, EPL will perform an accounting and reimburse CITY accordingly.
7. EPL will have full control over the methods, supervision, materials and equipment used to complete its work. EPL's scope of work is as follows:

   Relocate (lower) 10-in Plantersville to Bryan pipeline with 7-10 foot offset for 145 feet at Barron Road crossing in College Station, TX.
8. CITY, whether by contract or in-house, agrees to do the following work, at its sole cost and expense, to assist EPL in completing its scope:

   Provide location and pot hole information for all utilities, (existing and proposed) within 100 feet of existing pipeline. Provide permits.
9. Time is of the essence in this agreement. Pipeline downtime must be minimized, and temporary piping detours must be restored to permanent state as soon as possible. The agreed price in ¶6 above is based on a downtime of no more than two (2) calendar days, and if pipeline downtime is increased beyond that, or if the project is delayed such that construction costs increase, CITY agrees to pay EPL all associated costs.

10. EPL shall furnish any and all labor, supervision, permits, machinery, equipment, tools, fuel, supplies, facilities, materials, transportation and all other things necessary for the performance and completion of all Work authorized and will perform the work at its sole risk.

11. CITY shall provide EPL unfettered access to the work site.

12. The primary point of contact for each party is as follows:

    EPL – MJ Green, Project Engineer, (918) 359-5419

    CITY – James Smith, Project Manager, (979) 764-3690

13. By executing this document, the signatories agree they are duly authorized agents for their respective companies, and have the power and authority to bind their respective companies to the promises made herein.

14. This document incorporates the complete agreement between the parties. All claims to promises made regarding any aspects of this project outside of this writing are presumed invalid.

15. Except as provided in the following sentence, the invalidity of any one or more covenants or provisions of this Agreement shall not affect the validity of any other provisions hereof or this Agreement as a whole, and in case of any such invalidity, this Agreement shall be construed to the maximum extent possible as if such invalid provision had not been included herein. In no event shall partial or incomplete invalidity, illegality or unenforceability affect the validity of this Agreement. Upon the complete invalidity or termination of this Agreement, the Parties will reasonably cooperate to return the Parties to the same economic situation they were in prior to such Closing to the maximum extent reasonably possible.

16. EPL may make available to CITY certain Confidential Information, which information EPL regards as confidential and proprietary. This information is furnished solely in connection with Work to be performed for EPL by CITY. CITY agrees that it and subcontractors used by CITY to assist in the performance of the Work will keep all such information confidential.

17. This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto; and the rights herein granted may be leased or assigned, together or separately and in whole or in part.

IN WITNESS WHEREOF, EPL has executed this instrument this 12th day of October, 2018.

WITNESS:

Explorer Pipeline Company

By: Brett Cowan
Name: Brett Cowan
Title: Manager – Project Engineering

State of Oklahoma

County of Tulsa

BEFORE ME, the undersigned authority, on this day personally appeared Brett Cowan, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of Explorer Pipeline Company for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office, this 12th day of October, 2018.

KATRINIA M. MOSS
NOTARY PUBLIC
Commission # 06001721
My Commission Expires 02-13-2022
STATE OF OKLAHOMA

Katrinia M. Moss
Notary Public in and for Tulsa County, Oklahoma

My commission expires: 2/13/22

When recorded, please return to Explorer Pipeline Company, P.O. Box 2650, Tulsa, OK 74101-2650
File Ref: 211-41, C6/D4, Brazos County, Texas

IN WITNESS WHEREOF, CITY has executed this instrument this ________ day of October, 2018.

WITNESS:

City of College Station

By:______________________________

Name: Jeff Capps

Title: City Manager

State of Texas |

County of Brazos |

BEFORE ME, the undersigned authority, on this day personally appeared Jeff Capps, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of City of College Station for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office, this ________ day of October, 2018.

____

Notary Public in and for Brazos County, Texas

My commission expires: ____________________

When recorded, please return to Explorer Pipeline Company, P.O. Box 2650, Tulsa, OK 74101-2650
File Ref: 211-41, C6/D4, Brazos County, Texas

<u>Exhibit A</u>

When recorded, please return to Explorer Pipeline Company, P.O. Box 2650, Tulsa, OK 74101-2650
File Ref: 211-41, C6/D4, Brazos County, Texas

Deed Records of Brazos County, Texas filestamp


City of College Station
NORTH
Explorer Pipeline Relocation
Project Limits
BARRON RD
CAPSTONE DR
FM 2154
BUGGY LN
NORTON LN
ALLEY
WILLIAM D FITCH PW
WS PHILLIPS PW
BARRON CUT-OFF RD
0 425 850 Feet
This product is for informational purposes only and has not been prepared for and is not suitable for legal, engineering, construction, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of certain geographic features. No warranty, expressed or implied, is made by the City of College Station as to the accuracy, completeness, suitability, or timeliness of the information contained herein.The City of College Station assumes no responsibility for any private or commercial use, misuse, reliance, or interpretation of the information provided herein, or any loss resulting therefrom.

City Hall
1101 Texas Ave
College Station, TX 77840

Legislation Details (With Text)

File #:	18-0717 **Version:** 1	**Name:**	Lakeway Construction Change Order No. 3
Type:	Change Order	**Status:**	Consent Agenda
File created:	10/21/2018	**In control:**	City Council Regular
On agenda:	11/8/2018	**Final action:**	
Title:	Presentation, possible action, and discussion regarding approval of Construction Change Order No. 3 in the amount of $213,963.46 to the Lakeway Drive Extension Project construction contract 17300495 with Larry Young Paving, Inc.		
Sponsors:	Donald Harmon		
Indexes:			
Code sections:			
Attachments:	Construction CO 3 UNSIGNED COPY.pdf Project Location Map.pdf		

Date	Ver.	Action By	Action	Result

Presentation, possible action, and discussion regarding approval of Construction Change Order No. 3 in the amount of $213,963.46 to the Lakeway Drive Extension Project construction contract 17300495 with Larry Young Paving, Inc.

Relationship to Strategic Goals:

- Core Services and Infrastructure
- Improving Mobility

Recommendation(s): Staff recommends approval of this change order with Larry Young Paving, Inc. in the amount of $213,963.46.

Summary: The project consists of the construction of the extension of Lakeway Drive between its current southern terminus near William D. Fitch Parkway to the existing northern terminus near Scott and White Hospital near Rock Prairie Rd. Also, Pebble Creek Parkway shall be constructed from its intersection with the new section of Lakeway Drive to the northbound State Highway 6 frontage road. This change order includes revisions to the sidewalk quantity, the trench safety quantity for storm drain, and excavation of hard rock/shale/sandstone, additional electrical conduit, and an update to the subgrade treatment. The total awarded quantity of concrete sidewalk in the bid was 13,528 square yards between the base bid and bid alternate 'A'. While preparing for concrete paving operations an error to the bid quantities for 4" sidewalk was discovered throughout the half boulevard section of the project. Though included in the construction plan set and additional 4,081 square yards are needed in the quantity of the 4" sidewalk due to the omission in the bid quantity. In working with the design engineer and the contractor, a quantity of 8,000 Liner Feet was agreed upon as the actual amount of trench safety required for the installation of the storm drainage utilities. During excavation of utility trenches, hard rock/shale/sandstone was encountered in thicknesses not predicted based on the geotechnical data. The thickness of the deposit of rock varied between a few inches to deposits in excess of 3-feet in thickness. Additionally, the hardness of the rock was found to not be sufficient enough to trigger the originally bid unit price based upon the project specification. In light of the unforeseen thickness of the rock formations the contractor did need extra time and effort to excavate through the deposits. This revision reflects the quantities and effort put forth to do so. The alignment of the proposed underground electrical facilities found in the field necessitated an additional need of 335 LF of 4" PVC Conduit adjacent to the existing substation. When the project was bid, three options for subgrade treatment were provided pending the testing of the properties of the native soil and the total subgrade stabilization quantity was evenly distributed between all three potential methodologies. All test results have resulted in the treatment of the soil with an 8-inch depth of lime stabilization. This change orders revised all the quantities for subgrade treatment to reflect this circumstance.

Budget & Financial Summary: Funds in the amount of $12,477,000 are currently budgeted for this project in the Streets CIP Fund. A total of $9,848,928 have been expended or encumbered to date, leaving a balance of $2,628,072 for design, construction, and related expenses.

Attachments:

1. Change Order No. 3
2. Project Map

CHANGE ORDER NO. 3	DATE: June 21, 2018	Contract No. 17300495
P.O.# 17206357	PROJECT: Lakeway Drive Extension Project	

OWNER:	**CONTRACTOR:**	
City of College Station	Larry Young Paving, Inc.	
P.O. Box 9960	PO Box 11779	Ph: 979-823-4888
College Station, Texas 77842	College Station, TX 77842	Fax: 979-823-4884

PURPOSE OF THIS CHANGE ORDER:

A. Concrete Sidewalk Quanitiy Revision: The total awarded quantity of concrete sidewalk in the bid was 13,528 square yards between the base bid and bid alternate 'A'. While preparing for concrete paving operations an error to the bid quantities for 4" sidewalk was discovered throughout the half boulevard section of the project. Though included in the construction plan set and additional 4,081 square yards are needed in the quantity of the 4" sidewalk due to the omission in the bid quantity.

B.Trench Safety for Storm Pipe: The estimated quantity for trench safety for storm pipe was too low. In working with the design engineer and the contractor, a quantity of 8,000 Liner Feet was agreed upon as the actual amount of trench safety required for the installation of the storm drainage utilities.

C. Excavation of Hard Rock/Shale/Sandstone: During excavation of utility trenches, hard rock/shale/sandstone was encountered in thicknesses not predicted based on the geotechnical data. The thickness of the deposit of rock varied between a few inches to deposits in excess of 3-feet in thickness. Additionally, the hardness of the rock was found to not be sufficient enough to trigger the orginally bid unit price based upon the project specification. In light of the unfreseen thickness of the rock formations the contractor did need extra time and effort to excavate through the deposits. This revision reflects the quantities and effort put forth to do so.

D. Additional Electrical Conduit: The alignment of the proposed underground electrical facilities found in the field necessitated an additional need of 335 LF of 4" PVC Conduit.

E. Subgrade Stabilization Quantity Revision: When the project was bid, three options for subgrade treatment were provided pending the testing of the properties of the native soil. All test results have resulted in the treatment of the soil with 8-inches of deep lime stabilization. This change orders revised all the quantities for subgrade treatment to reflect this circumstance.

ITEM NO	UNIT	DESCRIPTION	UNIT PRICE	ORIGINAL QUANTITY	REVISED QUANTITY	ADDED COST
18	SQYD	8" Deep Lime Stabilization (6% Lime)	$5.10	19118	57354	$195,003.60
19	TON	Extra Lime	$148.30	127	0	($18,834.10)
20	SQYD	8" Deep Cement Stabilization (4%) of Material In Plac	$4.20	19118	0	($80,295.60)
21	TON	Extra Cement	$148.30	127	0	($18,834.10)
22	SQYD	4% Lime Plus 3% Fly Ash	$5.63	19118	0	($107,634.34)
25	SQYD	Concrete Sidewalk (4" Thick)	$36.00	12828	16909	$146,916.00
73	LNFT	Trench Safety for Storm Pipe	$2.50	4047	8000	$9,882.50
126a	CUYD	Excavation of Hard Rock/Shale/Sandstone	$200.00	100	0	($20,000.00)
126b	CUYD	Excavation of Hard Rock/Shale/Sandstone not meeting original hardness specification	$120.00	0	776	$93,120.00
CO 3	LNFT	(2) 4" PVC SCH 40 Conduit with no interduct	$43.70	0	335	$14,639.50
					TOTAL	$213,963.46

THE NET AFFECT OF THIS CHANGE ORDER IS A 1.88 % INCREASE.

LINE 1 (WTWOC-6581)	$0.00		
LINE 2 (WTWOC-6581)	$0.00		
LINE 3 (SCWOC-6590)	$0.00		
LINE 4 (9101072-6541)	$0.00		
LINE 5 (9101072-6541)	$14,639.50		
LINE 6 (41399971-6561	$0.00		
LINE 7 (41399971-6561)	$0.00		
LINE 8 (41399971-6561)	$0.00		
LINE 9 (41399971-6561)	$0.00		
LINE 10 (41399971-6561)	$0.00		
LINE 11 (41399971-6561)	$0.00		
LINE 12 (41399971-6561)	$0.00		
LINE 13 (41399971-6561)	$0.00		
LINE 14 (41399971-6561)	$199,323.96		
TOTAL CHANGE ORDER	$213,963.46		
ORIGINAL CONTRACT AMOUNT	$11,361,015.62		
CHANGE ORDER NO. 1	($1,500.00)	-0.01%	CHANGE
CHANGE ORDER NO. 2	$36,214.00	0.32%	CHANGE
CHANGE ORDER NO. 3	$213,963.46	1.88%	CHANGE
REVISED CONTRACT AMOUNT	$11,609,693.08	2.19%	% TOTAL CHANGE
ORIGINAL CONTRACT TIME	480	Days	

Time Extension No. 1	0	Days
Revised Contract Time	480	Days

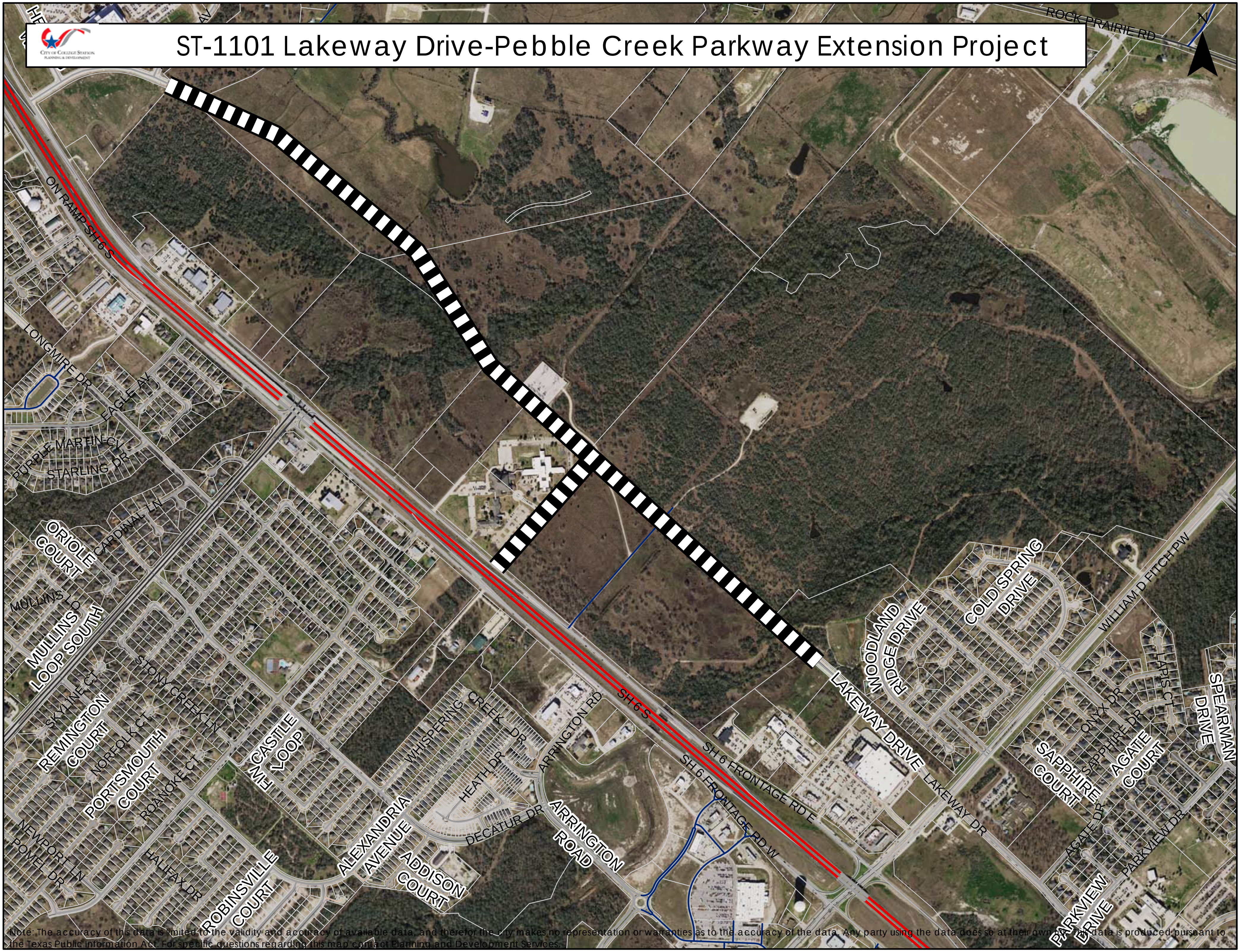
SUBSTANTIAL COMPLETION DATE	15-Feb-19
REVISED SUBSTANTIAL COMPLETION DATE	15-Feb-19

APPROVED

A/E CONTRACTOR	Date	DEPARTMENT DIRECTOR	Date
CONSTRUCTION CONTRACTOR	Date	ASST CITY MGR - CFO	Date
PROJECT MANAGER	Date	CITY ATTORNEY	Date
CITY ENGINEER	Date	CITY MANAGER	Date

Revised 2012 0719

ST-1101 Lakeway Drive-Pebble Creek Parkway Extension Project



Note: The accuracy of this data is limited to the validity and accuracy of available data, and therefor the city makes no representation or warranties as to the accuracy of the data. Any party using the data does so at their own risk. This data is produced pursuant to the Texas Public Information Act. For specific questions regarding this map contact Planning and Development Services.

City Hall
1101 Texas Ave
College Station, TX 77840

Legislation Details (With Text)

File #:	18-0718	**Version:** 1		**Name:**	Utility Service Center Expansion Land Acquisition
Type:	Contract			**Status:**	Consent Agenda
File created:	10/21/2018			**In control:**	City Council Regular
On agenda:	11/8/2018			**Final action:**	
Title:	Presentation, possible action, and discussion regarding approval of a Real Estate Contract and Real Estate Option Contract with Olive Margaret Arnold for the purchase of 12.84 acres of land in the amount of $1,665,000 and the option to purchase an additional 2.0 acres of land, both tracts needed for the expansion of the College Station Utilities Service Center facility.				
Sponsors:	Donald Harmon				
Indexes:					
Code sections:					
Attachments:	Map for Coversheet - Olive Arnold.pdf				

Date	Ver.	Action By	Action	Result

Presentation, possible action, and discussion regarding approval of a Real Estate Contract and Real Estate Option Contract with Olive Margaret Arnold for the purchase of 12.84 acres of land in the amount of $1,665,000 and the option to purchase an additional 2.0 acres of land, both tracts needed for the expansion of the College Station Utilities Service Center facility.

Relationship to Strategic Goals:

- Core Services and Infrastructure

Recommendation(s): Staff recommends that City Council approve both the Real Estate Contract and Real Estate Option Contract and authorize the City Attorney to acquire the 12.84 acres of land for $1,665,000.00 with the option to purchase an additional 2.0 acres of land.

Summary: The 12.84 acre property is located at 1775 Arnold Road which is adjacent to the existing Utilities Service Center. It is considered essential for the continued expansion and operation of the Electric and Water utility as identified in a Facilities Programming Report conducted by Jacobs Engineering in 2017. The report investigated the needs of the two utilities over the next 30 years and the most cost effective way to address these needs.

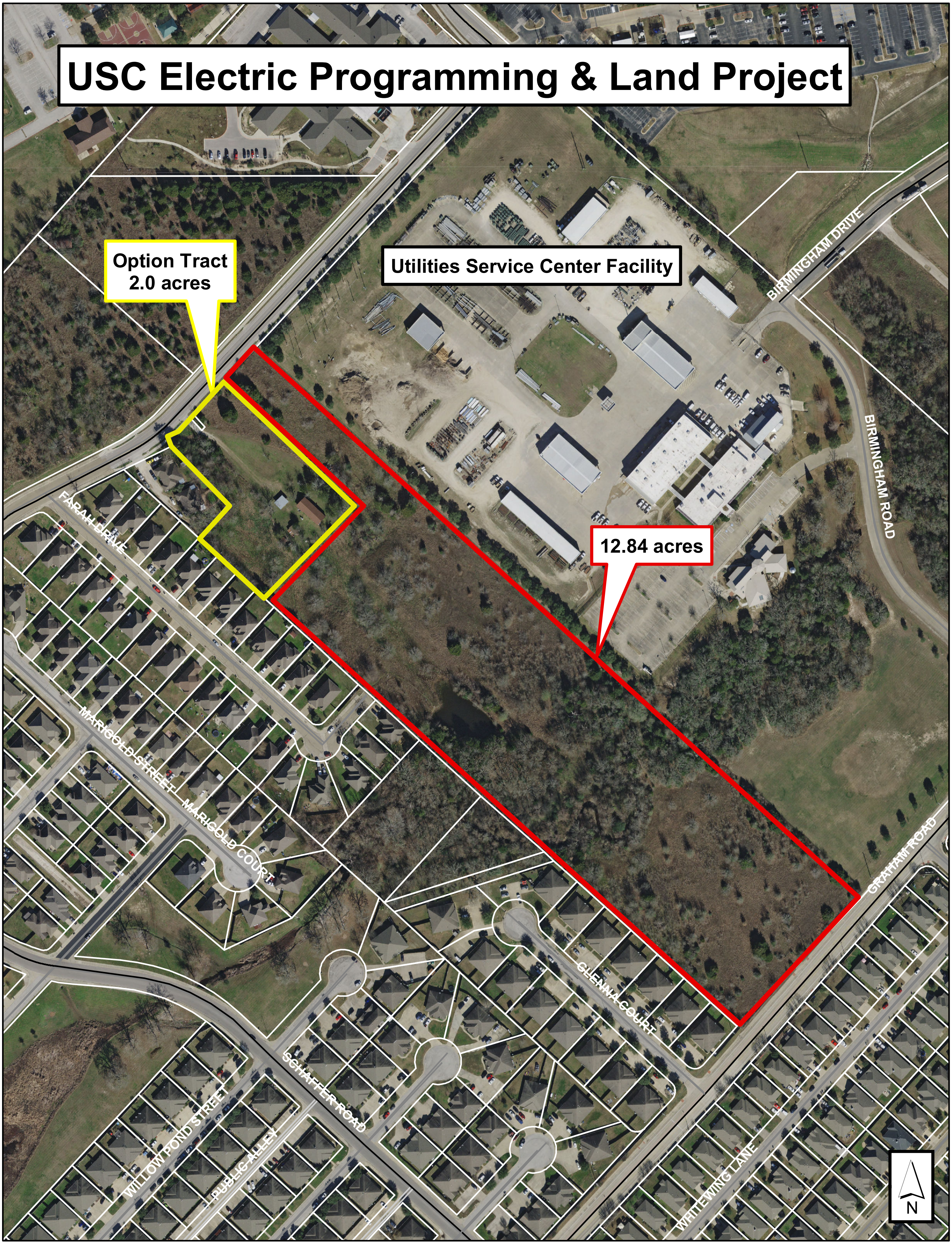
Budget & Financial Summary: The contract purchase price is $1,665,000.00, which is slightly more than the value reported by an independent appraiser. The decision to acquire the property is considered reasonable and prudent based on the costs and logistics of expanding versus relocating the facility.

In addition to the Real Estate Contract for 12.84 acres, the City will enter into a Real Estate Option Contract that will enable the City to purchase an additional 2.0 acre tract where Mrs. Arnold currently lives. Council will be presented the Real Estate Contract for the 2.0 acre tract purchase at a later date, upon exercise of the option by the City.

Funds for these acquisitions have been budgeted for and are available in the College Station Utilities Electric Department Capital Improvement Project Budget.

Attachments:

1. Project Map
2. Real Estate Contract is on file in the City Secretary's Office.


USC Electric Programming & Land Project
Option Tract
2.0 acres
Utilities Service Center Facility
12.84 acres
BIRMINGHAM DRIVE
BIRMINGHAM ROAD
GRAHAM ROAD
FARAH DRIVE
MARIGOLD STREET
MARIGOLD COURT
GLENNA COURT
SCHAFFER ROAD
WILLOW POND STREET
PUBLIC ALLEY
WHITEWING LANE
N

City Hall
1101 Texas Ave
College Station, TX 77840

Legislation Details (With Text)

File #:	18-0719 **Version:** 1	**Name:**	Castlegate at Victoria All-Way Stop
Type:	Ordinance	**Status:**	Consent Agenda
File created:	10/21/2018	**In control:**	City Council Regular
On agenda:	11/8/2018	**Final action:**	
Title:	Presentation, possible action, and discussion on the consideration of an ordinance amending Chapter 38, “Traffic and Vehicles”, Article VI, “Traffic Schedules,” Section 38-1002 “Traffic Schedule II, Four-Way Stop Intersections,” of the Code of Ordinances of the City of College Station, Texas, by implementing an all-way stop at the intersection of Victoria Avenue and Castlegate Drive.		
Sponsors:	Donald Harmon		
Indexes:			
Code sections:			
Attachments:	Victoria and Castlegate all-way stop map.pdf Victoria Av. and Castlegate Dr. all-way stop ord..pdf		

Date	Ver.	Action By	Action	Result

Presentation, possible action, and discussion on the consideration of an ordinance amending Chapter 38, “Traffic and Vehicles”, Article VI, “Traffic Schedules,” Section 38-1002 “Traffic Schedule II, Four-Way Stop Intersections,” of the Code of Ordinances of the City of College Station, Texas, by implementing an all-way stop at the intersection of Victoria Avenue and Castlegate Drive.

Relationship to Strategic Goals:

- Core Services and Infrastructure
- Improving Mobility

Recommendation(s): Staff recommends approval of the ordinance amendment.

Summary: To improve safety and mobility for people driving, walking, and riding bicycles in the Castlegate Neighborhood, an all-way stop is warranted at the intersection of Victoria Avenue and Castlegate Drive. This change would have limited impact on mobility for people driving along Victoria Avenue while improving the mobility for people driving on Castlegate Drive. An all-way stop warrant analysis was conducted by the Traffic Division of Public Works. Based upon engineering analysis, the intersection at Victoria Avenue and Castlegate Drive meets the minimum requirements as outlined by Section 2B.07 of the Texas Manual on Uniform Traffic Control Devices (TMUTCD). This ordinance allows for the implementation and enforcement of an all-way stop at this intersection to improve safety and mobility for residents and visitors to the Castlegate Neighborhood.

Budget & Financial Summary: The installation of the Stop signs and Stop Bars is covered in the traffic operations budget.

Attachments:

1. Ordinance
2. Location Map

Proposed All-Way Stop Intersection

Victoria Avenue at Castlegate Drive

N

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 38, "TRAFFIC AND VEHICLES," ARTICLE VI "TRAFFIC SCHEDULES," SECTION 38-1002 "TRAFFIC SCHEDULE II, FOUR-WAY STOP INTERSECTIONS," BY ADDING THE INTERSECTION OF VICTORIA AVENUE AT CASTLEGATE DRIVE, OF THE CODE OF ORDINANCES OF THE CITY OF COLLEGE STATION, TEXAS, BY AMENDING CERTAIN SECTIONS AS SET OUT BELOW; PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That Chapter 38, "Traffic and Vehicles," Article VI "Traffic Schedules," Section 38-1002 "Traffic Schedule II, Four-Way Stop Intersections," of the Code of Ordinances of the City of College Station, Texas, be amended as set out in **Exhibit "A"** attached hereto and made a part of this Ordinance for all purposes.

PART 2: If any provision of this Ordinance or its application to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality does not affect other provisions or application of this Ordinance or the Code of Ordinances of the City of College Station, Texas that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this Ordinance are severable.

PART 3: That any person, corporation, organization, government, governmental subdivision or agency, business trust, estate, trust, partnership, association and any other legal entity violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not less than twenty five dollars ($25.00) and not more than five hundred dollars ($500.00) or more than two thousand dollars ($2,000) for a violation of fire safety, zoning, or public health and sanitation ordinances, other than the dumping of refuse. Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

PART 4: This Ordinance is a penal ordinance and becomes effective ten (10) days after its date of passage by the City Council, as provided by City of College Station Charter Section 35.

PASSED, ADOPTED and APPROVED this ______ day of _______________, 20__.

ATTEST:

____

City Secretary

APPROVED:

____

Mayor

APPROVED:

____

City Attorney

EXHIBIT A

That Chapter 38, "Traffic and Vehicles," Article VI. "Traffic Schedules," Sec. 38-1002 "Traffic Schedule II, Four-Way Stop Intersections" is hereby amended to read as follows:

An all-way stop sign controlled intersection located at the intersection Victoria Avenue and Castlegate Drive.

Legislation Details (With Text)

File #:	18-0723 **Version:** 1	**Name:**	Replacement of Well #7 Pump Assembly and Motor Change Order #1
Type:	Change Order	**Status:**	Consent Agenda
File created:	10/23/2018	**In control:**	City Council Regular
On agenda:	11/8/2018	**Final action:**	
Title:	Presentation, possible action, and discussion regarding Change Order 1 to Contract 18300287 with Weisinger Inc. for a deduct of $54,300 from the original $213,657 to replace the pump assembly and motor for Well 7.		
Sponsors:	Gary Mechler		
Indexes:			
Code sections:			
Attachments:	Change Order #1 Bid Tab		

Date	Ver.	Action By	Action	Result

Presentation, possible action, and discussion regarding Change Order 1 to Contract 18300287 with Weisinger Inc. for a deduct of $54,300 from the original $213,657 to replace the pump assembly and motor for Well 7.

Relationship to Strategic Goals: (Select all that apply)

- Core Services and Infrastructure

Recommendation(s):
Staff recommends approval.

Summary:
Contract #18300287 was awarded to Weisinger Inc. for $213,657.00 at the May 5, 2018 Council Meeting. Existing Well #7 pump and motor are at the end of their service life and normal maintenance cycle and need to be replaced with new units. The old pump and motor will be refurbished under separate contracts and kept as emergency spares for use at any of the City's Water Wells. While the pump is out of the Well, the Contractor will perform a video inspection of the Well bore and provide a condition assessment report to the City. This contract also performs some Well maintenance, if that is determined necessary. Well 7 has experienced subsidence issues which created problems with the Well block and discharge piping, and this contract provides remedies for those problems too.

As detailed in the attached Change Order, additional concrete was demolished from the well base to perform this work justifying additional pay of $13,200.00. However, a video inspection of the well casing confirmed the wire brushing and air lift cleaning of the casing outlined in Alternates 1-A, 2-A, and 3-A were not warranted therefore justifying a deduct of $67,500.00. The net effect of this Change Order is deduct of $54,300.00 bringing the Revised Contract amount to $159,357.00.

Budget & Financial Summary:
Funds have been approved and are available in the Water Capital fund, project #WA1877982.

Attachments:
1. Change Order
2. Original Bid Tab

CHANGE ORDER NO.	DATE: 10-1-2018	Contract No. 18300287
P.O.# 18202796-00	PROJECT: Replacement of Water Well #7 Pump Assembly and Motor	

OWNER:
City of College Station
P.O. Box 9960
College Station, Texas 77842

CONTRACTOR: Weisinger Incorporated
PO Box 2848 Ph: 936-756-7721
Conroe, TX 77305 Fax: 936-756-7723

PURPOSE OF THIS CHANGE ORDER:
A. Increased cost for labor for sub-contractor to remove additional concrete beyond specified amount.
B. Credit for planned work that was funded, but, upon inspection of the well, was not needed.

ITEM NO	UNIT	DESCRIPTION	UNIT PRICE	ORIGINAL QUANTITY	REVISED QUANTITY	ADDED COST
1	LS	Additional concrete removed	$13,200.00	0	1	$13,200.00
2	Per Hour	Wire brushing of well casing	$225.00	100	0	($22,500.00)
3	Per Hour	Air lift cleaning of the Well	$225.00	200	0	($45,000.00)
				100	TOTAL	($54,300.00)

THE NET AFFECT OF THIS CHANGE ORDER IS 25.415 % DECREASE

LINE 1 (acct./work order number)			
LINE 2 (acct./work order number)			
LINE 3 (acct./work order number)			
TOTAL CHANGE ORDER	(54,300.00)		
ORIGINAL CONTRACT AMOUNT	$213,657.00		
CHANGE ORDER NO. 1	($54,300.00)	-0.25414566	% CHANGE
CHANGE ORDER NO. 2		0	% CHANGE
REVISED CONTRACT AMOUNT	$159,357.00	-0.25414566	% TOTAL CHANGE
ORIGINAL CONTRACT TIME	120	Days	
Time Extension No. 1	30	Days	
Revised Contract Time	150	Days	
SUBSTANTIAL COMPLETION DATE	12-Jul-18		
REVISED SUBSTANTIAL COMPLETION DATE	11-Aug-18		

APPROVED

A/E CONTRACTOR	Date	DEPARTMENT DIRECTOR	Date 10-3-18
CONSTRUCTION CONTRACTOR	Date 10/2/18	ASST CITY MGR - CFO	Date
PROJECT MANAGER	Date 10/3/18	CITY ATTORNEY	Date
CITY ENGINEER	Date	CITY MANAGER	Date

City of College Station - Purchasing Division
Bid Tabulation for #18-049
"Replacement of Water Well# 7 Pump Assembly and Motor Project"
Open Date: Thursday, January 25, 2018 @ 2:00 p.m.

				Weisinger Incorporated (Conroe, TX)		Advanced Water Well Technologies, LLC (Converse, TX)		Brien Water Wells (Hearne, TX)		Jurgensen Pump (Valley Mills, TX)		Smith Pump Company, Inc. (Waco, TX)		C&C Water Services LLC (Cypress, TX)	
ITEM	QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
CATEGORY															
1	1	LS	Move in and set up necessary equipment to construct Water Well No. 7 Rework	$3,600.00	$3,600.00	$2,450.00	$2,450.00	$4,500.00	$4,500.00	$850.00	$850.00	$1,704.00	$1,704.00	$6,000.00	$6,000.00
2	1	LS	Provide performance and payment bonds for Water well No. 7 Rework	$4,800.00	$4,800.00	$4,900.00	$4,900.00	$5,625.00	$5,625.00	$5,200.00	$5,200.00	$2,035.00	$2,035.00	$9,750.00	$9,750.00
3	1	LS	Remove motor, column assembly, pump and accessories, complete. Column assemblies and pump to be stored at Owners specified location	$8,000.00	$8,000.00	$7,200.00	$7,200.00	$10,200.00	$10,200.00	$6,000.00	$6,000.00	$7,562.00	$7,562.00	$13,400.00	$13,400.00
4	1	LS	Bail oil from the Well and dispose of it offsite	$400.00	$400.00	$975.00	$975.00	$1,500.00	$1,500.00	$2,700.00	$2,700.00	$1,415.00	$1,415.00	$600.00	$600.00
5	1	EA	Conduct video inspection of entire Well to include side view inspection of the casing.	$1,200.00	$1,200.00	$2,775.00	$2,775.00	$3,000.00	$3,000.00	$1,800.00	$1,800.00	$1,412.00	$1,412.00	$1,800.00	$1,800.00
6	1	LS	Replace existing pump with new pump having, been made of the same construction materials which has the ability to work within existing system parameters which are designed to produce 3,000 gpm @ 418 ft TDH with a 450 hp motor(new pump depth 530ft)	$19,400.00	$19,400.00	$22,400.00	$22,400.00	$21,678.00	$21,678.00	$13,750.00	$13,750.00	$20,492.00	$20,492.00	$27,349.00	$27,349.00
7	26	EA	Provide and install up to (26) new 12" by 20' sections of column pipe, as needed, and complete as specified.	$850.00	$22,100.00	$860.00	$22,360.00	$858.00	$22,308.00	$948.00	$24,648.00	$1,100.00	$28,600.00	$1,200.00	$31,200.00
8	26	EA	Provide and install up to (26) new 2.44" by 20' sections of line shaft, as needed, and complete as specified.	$500.00	$13,000.00	$465.00	$12,090.00	$510.00	$13,260.00	$629.00	$16,354.00	$685.00	$17,810.00	$600.00	$15,600.00
9	26	EA	Provide and install up to (26) new 12" by 3 1/2" rubber tube centralizers, as needed, and complete as specified.	$26.00	$676.00	$18.00	$468.00	$27.00	$702.00	$34.00	$884.00	$37.00	$962.00	$30.00	$780.00
10	106	EA	Provide and install up to (106) new 3 1/2" by 5' oil tubes, as needed, and complete as specified	$72.00	$7,632.00	$85.00	$9,010.00	$88.00	$9,328.00	$99.00	$10,494.00	$112.00	$11,872.00	$128.00	$13,568.00
11	106	EA	Provide and install up to (106) new 3 1/2" by 2.44" bronze line shaft bearings, as needed, and complete as specified	$78.00	$8,268.00	$117.00	$12,402.00	$132.00	$13,992.00	$150.00	$15,900.00	$171.00	$18,126.00	$173.00	$18,338.00
12	26	EA	Provide and install up to (26) new 2.44" line shaft couplings, as needed, and complete as specified	$26.00	$676.00	$100.00	$2,600.00	$29.00	$754.00	$46.00	$1,196.00	$34.00	$884.00	$140.00	$3,640.00
13	1	LS	Provide and install new 3 1/2" by 2.44" tension bearing with stuffing box, complete as specified.	$1,400.00	$1,400.00	$1,800.00	$1,800.00	$1,500.00	$1,500.00	$4,600.00	$4,600.00	$1,923.00	$1,923.00	$1,800.00	$1,800.00
14	1	EA	Provide and install new 12" by 10' column pipe	$450.00	$450.00	$520.00	$520.00	$473.00	$473.00	$700.00	$700.00	$606.00	$606.00	$760.00	$760.00
15	1	EA	Provide and install new 12" top special column pipe	$500.00	$500.00	$655.00	$655.00	$522.00	$522.00	$1,200.00	$1,200.00	$2,096.00	$2,096.00	$890.00	$890.00
16	1	EA	Provide and install 2.44" by 10' line shaft	$250.00	$250.00	$233.00	$233.00	$281.00	$281.00	$500.00	$500.00	$377.00	$377.00	$370.00	$370.00
17	1	EA	Provide and install 2.44" top special line shaft	$350.00	$350.00	$495.00	$495.00	$354.00	$354.00	$1,500.00	$1,500.00	$377.00	$377.00	$480.00	$480.00
18	1	EA	Provide and install 3 ½" top special oil tube	$150.00	$150.00	$345.00	$345.00	$750.00	$750.00	$350.00	$350.00	$112.00	$112.00	$300.00	$300.00
19	1	EA	Provide and install 2 3/16" motor drive shaft with head shaft, nut, jib key and lock bolt.	$1,050.00	$1,050.00	$992.00	$992.00	$561.00	$561.00	$900.00	$900.00	$596.00	$596.00	$1,100.00	$1,100.00
20	530	Per LF	Provide and install up to 530' of 1" HDPE pipe for water level sounding line.	$0.60	$318.00	$2.30	$1,219.00	$4.00	$2,120.00	$1.30	$689.00	$1.00	$530.00	$1.00	$530.00
21	1	LS	Clean, sandblast and paint existing discharge head, add new O-rings, dripper oil line and all new hardware and gaskets for proper re-installation.	$450.00	$450.00	$995.00	$995.00	$750.00	$750.00	$1,000.00	$1,000.00	$681.00	$681.00	$700.00	$700.00
22	530	Per LF	Provide and install 530' of ¼" PVC coated stainless steel airline, including strapping material, fittings and gauge.	$2.00	$1,060.00	$2.90	$1,537.00	$3.00	$1,590.00	$2.60	$1,378.00	$2.00	$1,060.00	$2.00	$1,060.00
23	1	LS	Subsidence Mitigation of Well 7. See plans and notes to include all concrete work, steel and welding by certified welder.	$7,800.00	$7,800.00	$32,195.00	$32,195.00	$28,966.00	$28,966.00	$47,900.00	$47,900.00	$41,167.00	$41,167.00	$32,700.00	$32,700.00
24	1	LS	Reinstall pump assembly and provide nuts, bolts, gaskets, mechanical reconnections, leveling wedges, pipe joint compound and other minor parts to make pump operational	$12,000.00	$12,000.00	$8,760.00	$8,760.00	$10,200.00	$10,200.00	$8,500.00	$8,500.00	$7,031.00	$7,031.00	$13,500.00	$13,500.00
25	1	LS	Disinfect the Well in accordance with AWWA standards, including three consecutive bacteriological samples, per TCEQ requirements, and put well into service.	$900.00	$900.00	$2,800.00	$2,800.00	$1,500.00	$1,500.00	$2,500.00	$2,500.00	$4,931.00	$4,931.00	$700.00	$700.00
26	1	LS	Demobilize equipment and restore site as specified.	$250.00	$250.00	$1,800.00	$1,800.00	$300.00	$300.00	$850.00	$850.00	$1,669.00	$1,669.00	$900.00	$900.00
27	1	LS	Perform wire to water efficiency test using the permanent pump after repairs are complete and deliver written report to owner.	$475.00	$475.00	$975.00	$975.00	$1,500.00	$1,500.00	$1,800.00	$1,800.00	$831.00	$831.00	$750.00	$750.00

City of College Station - Purchasing Division
Bid Tabulation for #18-049
"Replacement of Water Well# 7 Pump Assembly and Motor Project"
Open Date: Thursday, January 25, 2018 @ 2:00 p.m.

				Weisinger Incorporated (Conroe, TX)		Advanced Water Well Technologies, LLC (Converse, TX)		Brien Water Wells (Hearne, TX)		Jurgensen Pump (Valley Mills, TX)		Smith Pump Company, Inc. (Waco, TX)		C&C Water Services LLC (Cypress, TX)	
ITEM	QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
28	1	LS	Supply one new US Motors 500HP, 1800RPM, WPI enclosure, Vertical Holloshaft, 5008P frame, 480V, 24.5" Base Diameter, Non-Reverse Ratchet, dual oil bath	$29,000.00	$29,000.00	$37,995.00	$37,995.00	$37,443.00	$37,443.00	$28,857.00	$28,857.00	$38,717.00	$38,717.00	$39,000.00	$39,000.00
			TOTAL BASE BID - ALL ITEMS	$146,155.00		$192,946.00		$195,657.00		$203,000.00		$215,578.00		$237,565.00	
ADDITIVE ALTERNATE BID ITEMS															
BID ALTERNATE 1															
1-A	100	Per Hour	Perform wire brushing of the Well casing, if needed.	$225.00	$22,500.00	$240.00	$24,000.00	$375.00	$37,500.00	$250.00	$25,000.00	$169.00	$16,900.00	$375.00	$37,500.00
2-A	100	Per Hour	Perform air lift cleaning of the Well to remove debris, if needed.	$225.00	$22,500.00	$275.00	$27,500.00	$425.00	$42,500.00	$250.00	$25,000.00	$104.00	$10,400.00	$450.00	$45,000.00
3-A	100	Per Hour	Perform additional air lift cleaning, if needed.	$225.00	$22,500.00	$275.00	$27,500.00	$425.00	$42,500.00	$250.00	$25,000.00	$104.00	$10,400.00	$450.00	$45,000.00
4-A	1	LS	Supply thread protectors for all used drive shafts for storage	$1.00	$1.00	$400.00	$400.00	$500.00	$500.00	$250.00	$250.00	$186.00	$186.00	$750.00	$750.00
5-A	1	LS	Supply thread protectors/pipe cap for all used collumn pipe for storage	$1.00	$1.00	$500.00	$500.00	$1,000.00	$1,000.00	$500.00	$500.00	$800.00	$37,886.00	$1,000.00	$1,000.00
			ALTERNATE 2 - TOTAL ADD OR DEDUCT	$67,502.00		$79,900.00		$124,000.00		$75,750.00		$75,772.00		$129,250.00	

Notes:

ITEM 6 MANUFACTURER
Weisinger Incorporated: Goulds
Advanced Water Well Technologies: Goulds
Brien Water Wells: Goulds
Jurgensen Pump: Simmons
Smith Pump Company: Goulds
C&C Water Services LLC: Goulds

College Station, TX

Legislation Details (With Text)

File #:	18-0730	**Version:** 1	**Name:**		
Type:	Presentation		**Status:**	Agenda Ready	
File created:	10/26/2018		**In control:**	City Council Regular	
On agenda:	11/8/2018		**Final action:**		
Title:	Presentation, possible action, and discussion of the rendering of the exterior of the new City Hall building as designed by Kirksey Architecture and reviewed by the Architectural Advisory Committee.				
Sponsors:	Erica Wozniak				
Indexes:					
Code sections:					
Attachments:					

Date	Ver.	Action By	Action	Result

Presentation, possible action, and discussion of the rendering of the exterior of the new City Hall building as designed by Kirksey Architecture and reviewed by the Architectural Advisory Committee.

Relationship to Strategic Goals: (Select all that apply)

- Core Services and Infrastructure

Recommendation(s): Staff recommends approving the exterior rendering of the new city hall building, which was designed based on input and direction from the Architectural Advisory Committee.

Summary: The Architectural Advisory Committee (AAC) met, several times, with Kirksey Architecture to develope and review renderings for the exterior design of the new city hall building. The rendering presented today meets the expectations and requirements of the AAC.

Budget & Financial Summary: None

Attachments: None

Legislation Details (With Text)

File #:	18-0737 **Version:** 2	**Name:**	Options for creating an electric advisory board or independent utility board.
Type:	Presentation	**Status:**	Agenda Ready
File created:	10/29/2018	**In control:**	City Council Regular
On agenda:	11/8/2018	**Final action:**	
Title:	Presentation, possible action, and discussion regarding the possibility of creating an electric advisory board or independent utility board.		
Sponsors:	Aubrey Nettles		
Indexes:			
Code sections:			
Attachments:	2015 APPA Governance Study Governance Study of Public Power Utilities 2012		

Date	Ver.	Action By	Action	Result

Presentation, possible action, and discussion regarding the possibility of creating an electric advisory board or independent utility board.

Presentation, possible action, and discussion regarding the possibility of creating an electric advisory board or independent utility board.

Relationship to Strategic Goals:
Good Governance

Recommendation(s): staff recommends Council’s feedback and direction.

Background & Summary: At the FY2019 budget workshops City Council directed staff to look at the possibility of creating an electric advisory board or independent utility board. Since then staff has reviewed municipally owned utility governance studies and benchmarked similarly situated cities with municipally owned utilities that have an advisory board or independent board of trustees. Tonight staff will give City Council an overview of our findings, and explore options going forward.

Budget & Financial Summary: N/A

2015 Governance Survey

Published May 2015

American Public Power Association

2451 Crystal Dr.
Arlington, VA 22202
202/467-2900

www.publicpower.org

Introduction

In April 2015 the American Public Power Association conducted its ninth "Governance Survey." The purpose of the survey is to determine the type of control local governments exercise over publicly owned electric systems. This report summarizes the survey data, presenting information on the type of governing bodies that oversee public power systems, term limits and compensation of governing body members, and the authorities granted to utility governing bodies.

Questionnaires were mailed to almost 1,900 local publicly owned electric systems in the United States, and 534 completed survey forms were returned to APPA. Excluded from the survey are public power systems, such as joint action agencies, that sell power primarily at wholesale. Although 534 utilities completed the survey, not all of the respondents answered every question.

Profile of Respondents

Since the composition of survey respondents is heavily weighted toward utilities with a relatively small number of customers, most survey results are presented by customer size class. As shown in Table 1, 86 percent of respondents serve less than 20,000 customers, and the two largest customer size classes account for the remaining 14 percent of respondents.

Table 1
Number of Respondents by Customer Size Class

Customer Size Class	Number of Responses	Percent of All Respondents
Less than 5,000 Customers	323	61%
5,000 to 20,000 Customers	134	25%
20,000 to 50,000 Customers	47	9%
Greater than 50,000 Customers	30	5%
TOTAL	534	100%

Ninety-three percent of respondents are municipally owned utilities. The other 7 percent are state-owned utilities or political subdivisions, for example county-wide utilities, public power districts or public utility districts in Washington, Oregon and Nebraska, and irrigation or utility districts in Arizona and California.

The majority of respondents, or 56 percent, are governed by a city council, while the remaining 44 percent are governed by an independent utility board. (The term "city council" includes similar entities such as a county council, town council, borough council or board of selectmen.) Results vary significantly when summarized by customer size class as the smallest customer size class is the only one in which the majority of utilities are governed by a city council. Sixty-eight percent of the respondents with less than 5,000 customers are governed by city councils compared to only 23 percent of respondents with greater than 50,000 customers.

Independent utility boards that are appointed are more than twice as common as utility boards that are elected. However, almost all public utility districts and public power districts are governed by elected utility boards. Virtually all city councils are elected. Table 2 summarizes survey respondents by customer size class and the by type of governing body which exercises primary control over the utility.

Table 2
Type of Primary Governing Body

Customer Size Class	Number of Responses	Independent Utility Board Elected	Independent Utility Board Appointed	City Council
Less than 5,000 Customers	323	9%	23%	68%
5,000 to 20,000 Customers	134	19%	42%	39%
20,000 to 50,000 Customers	47	23%	34%	43%
Greater than 50,000 Customers	30	23%	54%	23%
TOTAL	534	14%	30%	56%

City councils play a large part in determining the make-up of appointed utility boards as they either appoint or approve the board in most cases. Fifty-four percent of the boards are appointed by the mayor, but 86 percent of the time, the mayor's choices must be approved by the city council. The city council appoints the board jointly with the mayor for 7 percent of the utilities and on its own for 29 percent of the utilities.

Eighty-seven percent of utilities with independent utility boards have either residency or service territory requirements for board members. These require board members to be a resident of the city or to be a customer of the utility.

Independent utility boards name their own chair in 86 percent of the cases, and this is true whether or not the board is elected or appointed. In regard to city councils, the mayor is the chair in 66 percent of the cases, the city council names its own chair in 28 percent of the cases, and in another 12 percent of the cases, the chair is elected as chair in the general election. Table 3 summarizes this information.

Table 3
How Governing Body Chair is Named

Type of Governing Body	Mayor Is the Chair	Chair Named in General Election	Governing Body Names Chair	Chair is Appointed
Elected Utility Board	3%	10%	86%	1%
Appointed Utility Board	1%	6%	86%	6%
City Council	66%	12%	28%	4%

Term Length of Governing Body

The average term length for governing bodies is 3.9 years. Term lengths range from one to ten years, and nearly 40 percent of respondents report term lengths of four years. Almost all of the utilities reporting governing body term lengths of more than four years are governed by independent utility boards. Table 4 shows, for each type of governing body, the percent of respondents by length of governing body term.

Table 4
Term Length of Primary Governing Body

Type of Governing Body	Number of of Responses	1 to 3 Years	4 Years	5 Years or More
Independent Utility Board	227	31%	23%	46%
City Council	277	30%	68%	2%

Term Limits on Governing Body

Only 12 percent of electric utilities' governing bodies are subject to term limits. Restrictions range from one to five terms, with two terms reported as the limit 69 percent of the time. Responses varied significantly by customer size class, with utilities in the largest classes most likely to have term limits applied to the governing body. Table 5 summarizes term limits by customer size class.

Table 5
Term Limits on Governing Bodies

Customer Size Class	Number of Responses	Percent with Term Limits on Governing Body
Less than 5,000 Customers	323	4%
5,000 to 20,000 Customers	134	19%
20,000 to 50,000 Customers	47	26%
Greater than 50,000 Customers	30	53%
TOTAL	534	12%

Citizens Advisory Committee

Ten percent of respondents reported that there is a citizens advisory committee or board that serves in an advisory capacity to the governing body. Utilities governed by city councils are more likely than those governed by independent utility boards to have a citizens advisory board: 14 percent of respondents governed by a city council reported having a citizens advisory board, as compared to 5 percent of respondents governed by an independent utility board.

The incidence of electric utilities with a citizens advisory board increases by customer size class, with the percent ranging from 7 percent of respondents in the smallest size class to 26 percent of respondents in the largest size class.

Compensation of Governing Body Members
Overall, 84 percent of utility governing bodies are paid, and this percentage is the same for both city councils and independent utility boards. The percentage of paid city councils is higher for smaller utilities than large, as 87 percent of utilities in the less than 5,000 customer class are paid versus 71 percent for those in the over 50,000 customer class. The same is true for appointed independent utility boards, as 79 percent of smaller utility boards are paid, as compared to 56 percent for boards of the largest utilities. There is almost no variation by customer class for elected boards, where 82 percent of members are paid.

Survey respondents reported compensation data on either an annual, monthly or per meeting basis, and all responses were converted to an annual average. Table 6 shows the median compensation for each type of governing body and customer size class.[1] Median compensation increases as customer size class increases, with the exception of elected independent utility boards. The highest median compensation in this category is the 20,000 to 50,000 customers class, which is dominated by Washington public utility districts.

Table 6
Median Annual Compensation of Governing Body Members
(Number of Responses in Parentheses)

	Independent Utility Board					
Customer Size Class	Elected		Appointed		City Council	
Less than 5,000 Customers	$ 1,100	(20)	$ 825	(64)	$ 1,500	(164)
5,000 to 20,000 Customers	5,000	(17)	2,400	(46)	5,460	(31)
20,000 to 50,000 Customers	19,656	(9)	3,000	(9)	7,068	(10)
Greater than 50,000 Customers	11,700	(6)	3,600	(7)	N/A	(3)*
TOTAL	$ 4,098	(52)	$ 1,300	(126)	$ 1,800	(208)

**Note: Medians are not calculated for fewer than five responses.*

Survey respondents were asked whether governing board members were eligible for either the city's or utility's medical benefit plans. Twenty-five percent of utilities with independent utility boards and 16 percent of utilities with primary oversight from the city council have governing bodies that are eligible for employee benefit plans. The results differ significantly by customer class, with 9 percent of respondents in the smallest customer class offering medical benefits, rising to 57 percent of respondents in the largest customer class.

Survey respondents were also asked whether governing board members were eligible for retirement benefit plans. Fifteen percent of utilities with independent utility boards and 19 percent of utilities governed by a city council have governing bodies that are eligible for retirement benefit plans. Fifteen percent of respondents in the two smaller customer classes have governing bodies that are eligible for retirement benefits; in contrast, 26 percent of respondents in the two larger customer classes have governing bodies that are eligible for these benefits.

Note that the survey asked only about eligibility for either medical or retirement benefits. It did not ask who was responsible for paying for the benefit plans: the city/utility or the governing board member.

[1] The median amount represents the middle observation: half of the respondents reported a higher amount, and half reported a lower amount than the median.

Authority of Governing Body

Survey respondents were asked to indicate which governing body or individual has final approval for eight specific actions: setting retail electric rates, approving the utility budget, setting salaries of key utility officials, issuing long-term bonds, making financial investments for the electric utility, approving purchased power contracts, exercising the right of eminent domain, and hiring and firing utility personnel. Except for the last function – hiring and firing – the authority for these functions overwhelmingly resides with the city council for utilities under city council control. However, for utilities under the control of an independent utility board, the results are more mixed. While the independent utility board has authority for a majority of utilities for seven out of the eight functions, the city council – either on its own or jointly with the utility board – retains authority for a significant number of utilities.

The following descriptions and tables summarize the distribution of authority under independent utility boards as the primary governing body and under city councils as the primary governing body.

Independent Utility Board as Primary Governing Body

Approximately 234 utilities report that an independent utility board is their primary governing body. A majority of these utilities list the independent utility board as retaining final authority for all of the eight functions except for issuing long-term bonds. Utility boards are most likely to have final approval over setting salaries of key utility officials, approving utility budgets, approving purchased power contracts and making financial investments. Boards are least likely to have final approval over issuing long-term bonds and exercising the right of eminent domain.

Table 7 summarizes the results by customer size class. For each of the eight functions, the table shows the percent of responses indicating power of final approval for (1) the independent utility board (2) the city council and (3) other entities.

Most of the "Other" responses shown in Table 7 indicate joint authority between the utility board and the city council. Exceptions include the authority to make financial investments for the utility, which often resides with the financial director, city or town treasurer or general manager, and authority to hire and fire, which typically resides with the general manager of the utility or the city manager. In addition, authority to set retail rates can reside with the state public utility commission, or with the Tennessee Valley Authority, in the case of TVA distribution systems. For some small systems (mainly in Massachusetts) a town meeting provides the final authority to issue long-term debt and to exercise eminent domain.

There are differences when comparisons are made by customer size class, but the same general pattern remains. Larger percentages of utilities report that the independent utility board has final approval over salaries, budgets, financial investments and purchased power contracts, and smaller percentages report that the board has approval over issuing long-term bonds and exercising the right of eminent domain.

Table 7
Exercise of Specific Authorities for Utilities with Independent Utility Boards as the Primary Governing Body

Authorities	Number of Responses	Independent Utility Board	City Council	Other
Less than 5,000 Customers				
Set retail electric rates	102	72%	8%	20%
Approve utility budget	101	86%	12%	2%
Set salaries of key utility officials	102	83%	12%	5%
Issue long-term bonds	100	53%	37%	10%
Make financial investments for utility	101	84%	9%	7%
Approve purchased power contracts	102	76%	15%	9%
Exercise right of eminent domain	101	50%	39%	11%
Hire and fire utility personnel	100	68%	6%	26%
5,000 to 20,000 Customers				
Set retail electric rates	82	66%	17%	17%
Approve utility budget	82	84%	12%	4%
Set salaries of key utility officials	82	87%	8%	5%
Issue long-term bonds	82	41%	55%	4 %
Make financial investments for utility	82	81%	6%	13%
Approve purchased power contracts	82	85%	9%	6%
Exercise right of eminent domain	79	51%	43%	6%
Hire and fire utility personnel	81	53%	3%	44%
20,000 to 50,000 Customers				
Set retail electric rates	27	63%	22%	15%
Approve utility budget	27	85%	11%	4%
Set salaries of key utility officials	27	78%	0%	22%
Issue long-term bonds	26	50%	42%	8%
Make financial investments for utility	24	85%	9%	6%
Approve purchased power contracts	26	88%	4%	8%
Exercise right of eminent domain	26	62%	27%	11%
Hire and fire utility personnel	26	38%	0%	62%
Greater than 50,000 Customers				
Set retail electric rates	23	70%	30%	0%
Approve utility budget	23	70%	30%	0%
Set salaries of key utility officials	23	87%	9%	4%
Issue long-term bonds	23	57%	39%	4%
Make financial investments for utility	23	78%	4%	18%
Approve purchased power contracts	23	83%	4%	13%
Exercise right of eminent domain	23	52%	39%	9%
Hire and fire utility personnel	23	57%	0%	43%

City Council as Primary Governing Body

Three hundred utilities report that the city council is their primary governing body. For all customer size classes combined, 85 percent or more of these utilities indicate that the city council has final approval for six of the eight functions surveyed. The two exceptions are making financial investments for the electric utility and hiring and firing utility personnel. These two functions are still performed by the city council for the majority of respondents, but an individual controls these decisions in many other cases. The city treasurer, city manager, financial director, or other utility staff are the individuals most often listed as making financial investments, while the utility general manager or the city manager most often have final hiring and firing authority.

The "Other" category is of significant size for two additional functions: setting retail rates and setting salaries. State utility commission authority makes up the largest part of the "Other" category for setting retail rates, and the city manager (or other city administrator) is the "Other" category for setting salaries.

There are differences in the city council's authority when comparisons are made between customer size classes. For example, the proportion of city council that maintains authority for hiring and firing decreases as utility sizes increase. In addition, city councils have final approval over salaries and making financial investments for a smaller percentage of utilities in the larger customer size classes.

Table 8 summarizes the results by customer size class. For each of the eight functions the table shows the number of responses and the percent of responses indicating power of final approval for (1) the city council and (2) other entities.

Table 8
Exercise of Specific Authorities for Utilities with City Councils as the Primary Governing Body

Authorities	Number of Responses	City Council	Other
Less than 5,000 Customers			
Set retail electric rates	219	87%	13%
Approve utility budget	219	94%	6%
Set salaries of key utility officials	218	89%	11%
Issue long-term bonds	213	92%	8%
Make financial investments for utility	219	89%	11%
Approve purchased power contracts	218	89%	11%
Exercise right of eminent domain	215	93%	7%
Hire and fire utility personnel	216	70%	30%
5,000 to 20,000 Customers			
Set retail electric rates	51	90%	10%
Approve utility budget	52	94%	6%
Set salaries of key utility officials	52	77%	23%
Issue long-term bonds	52	90%	10%
Make financial investments for utility	52	79%	21%
Approve purchased power contracts	52	92%	8%
Exercise right of eminent domain	51	98%	2%
Hire and fire utility personnel	52	37%	63%
20,000 to 50,000 Customers			
Set retail electric rates	20	90%	10%
Approve utility budget	20	95%	5%
Set salaries of key utility officials	19	58%	42%
Issue long-term bonds	20	100%	0%
Make financial investments for utility	19	79%	21%
Approve purchased power contracts	20	90%	10%
Exercise right of eminent domain	18	94%	6%
Hire and fire utility personnel	19	5%	95%
Greater than 50,000 Customers			
Set retail electric rates	6	100%	0%
Approve utility budget	7	100%	0%
Set salaries of key utility officials	6	50%	50%
Issue long-term bonds	6	100%	0%
Make financial investments for utility	6	67%	33%
Approve purchased power contracts	6	83%	17%
Exercise right of eminent domain	6	100%	0%
Hire and fire utility personnel	6	33%	67%

Referenda
Tables 9 and 10 present information on actions required to issue bonds and to sell the utility system. Nineteen percent of respondent utilities require a voter referendum to issue bonds, and smaller systems are more likely than large utilities to require a referendum.

Table 9
Referendum Required to Issue Revenue Bonds

Customer Size Class	Number of Responses	Voter Referendum
Less than 5,000 Customers	323	26%
5,000 to 20,000 Customers	134	8%
20,000 to 50,000 Customers	47	9%
Greater than 50,000 Customers	30	10%
TOTAL	534	19%

Forty-six percent of utilities require a voter referendum to sell the utility system. Of those requiring a referendum, 78 percent need the approval of a simple majority to sell the utility, and 22 percent require a supermajority.

Fifty-six percent of utilities require a vote of the governing body to sell the utility, and smaller utilities are more likely to require a vote than larger utilities. Of those requiring a vote by the governing body, 79 percent require a simple majority of the vote and 21 percent require a supermajority. A few entities either did not indicate the action needed to sell the utility or said that state action would be required to sell. Some utilities require both a vote of the governing body and a voter referendum to sell the utility.

Table 10
Action Required to Sell the Utility

Customer Size Class	Number of Responses	Voter Referendum	Vote of the Governing Body
Less than 5,000 Customers	323	43%	59%
5,000 to 20,000 Customers	134	56%	52%
20,000 to 50,000 Customers	47	43%	49%
Greater than 50,000 Customers	30	43%	47%
TOTAL	534	46%	56%

Aggregation of Demand Response
Utilities were asked if their regulatory body had passed an ordinance concerning the aggregation of demand response for sale to the wholesale power market. Eleven percent of utilities have passed such an ordinance. Most of these utilities are in the two smallest customer size classes.

Payments in Lieu of Taxes

Seventy-three percent of survey respondents make payments in lieu of taxes to their state or local governments. (Payments in lieu of taxes may be called by a different name, such as tax equivalents or transfers to the general fund.) Results differ by customer size class, as only 65 percent of utilities in the smallest customer size class make payments in lieu of taxes, compared to over 85 percent of the utilities in the three largest classes. Seventy-eight percent of utilities with independent boards make payments compared to 69 percent of utilities governed by city councils. Table 11 shows, by customer class, the percent of respondents that make payments in lieu of taxes.

Table 11
Utilities that Make Payments in Lieu of Taxes

Customer Size Class	Number of Responses	Percent that Make Payments
Less than 5,000 Customers	323	65%
5,000 to 20,000 Customers	134	88%
20,000 to 50,000 Customers	47	79%
Greater than 50,000 Customers	30	80%
TOTAL	534	73%

Of the utilities that make payments in lieu of taxes, 64 percent use a formula to determine the amount. Utilities in the smallest customer size class are least likely to use a formula, while utilities in the largest classes are the most likely to use a formula. Seventy-four percent of utilities governed by a utility board use a formula to determine the amount of payments in lieu of taxes, compared to only 55 percent of utilities governed by a city council. Table 12 shows, by size and governing body type, the percent of utilities that use a formula to determine the amount of payments in lieu of taxes.

Table 12
Percent of Utilities Making Payments in Lieu of Taxes
that Use a Formula to Determine the Amount
(Number of Responses in Parentheses)

	Primary Governing Body					
Customer Size Class	Utility Board		City Council		Total	
Less than 5,000 Customers	64%	(75)	48%	(136)	54%	(211)
5,000 to 20,000 Customers	80%	(71)	62%	(47)	73%	(118)
20,000 to 50,000 Customers	84%	(19)	78%	(18)	81%	(37)
Greater than 50,000 Customers	83%	(18)	100%	(6)	88%	(24)
TOTAL	76%	(224)	53%	(266)	64%	(390)

(More detailed information on payments in lieu of taxes and other payments and contributions is available in APPA's series of reports, *Payments and Contributions By Public Power Distribution Systems To State and Local Government*. The reports include data on the amount and type of payments and contributions, summaries by customer size class and region, and comparisons with investor-owned utilities. The most recent report is available on APPA's website at http://publicpower.org/files/PDFs/Pilot_Report_2012.pdf.)

Utility Service to Customers Outside of Municipal Boundaries
The public power systems that completed APPA's survey include both municipally owned utilities and other political subdivisions – such as state-owned utilities, public power districts, public utility districts, and municipal utility districts – that provide electric service. Of the 534 respondents, 495 or 93 percent are municipally owned utilities, and these utilities are the basis for information provided about service to customers outside of the municipality's boundaries. Sixty-one percent of respondents from municipally owned utilities – or a total of 301 systems – serve at least some customers located outside the municipality's boundaries.

Utilities that served customers outside of the municipality's boundaries were asked to estimate the percent of their total customers residing outside of the boundaries. Table 13 shows that 55 percent of these utilities serve a relatively small number of customers – five percent or less of their total customers – outside of the boundaries. At the other extreme, nearly a quarter of the utilities reported that more than 20 percent of their customers are outside of the municipal boundaries.

Table 13
Percent of Customers Outside Municipal Boundaries
(Some utilities did not respond to this question)

Percent of Customers that are Outside Municipal Boundary	Number of Utilities Reporting	Percent with Customers Outside of Boundaries
One Percent or Less	61	24.7%
More than One and Up to Five Percent	78	31.6%
More than Five and Up to Ten Percent	28	11.3%
More than Ten and Up to Twenty Percent	31	12.6%
More than Twenty Percent	49	19.8%
TOTAL	247	100%

The 301 utilities were asked about the relationship between the utility and the customers located outside of the municipality. Two percent of these utilities include on the governing body a representative for customers outside the municipality, and 13 percent make payments in lieu of taxes to jurisdictions outside the municipal boundaries. The pattern is the same for both actions: larger utilities and utilities with independent utility boards are the most likely to have a governing body representative for customers outside the municipality and are most likely to make payments to jurisdictions outside the municipal boundaries. (See tables 14-A and 14-B.)

Table 14-A
Utilities that Serve Customers Outside Municipal Boundaries

Customer Size Class	Number that Serve Outside Boundaries	Governing Body Includes a Representative From Outside Municipality	Utility Makes Payments in Lieu of Taxes to Outside Jurisdictions
Less than 5,000 Customers	182	0%	4%
5,000 to 20,000 Customers	79	4%	25%
20,000 to 50,000 Customers	25	0%	40%
Greater than 50,000 Customers	15	20%	20%
Total	301	2%	13%

Table 14-B

Type of Governing Body	Number that Serve Outside Boundaries	Governing Body Includes a Representative From Outside Municipality	Utility Makes Payments in Lieu of Taxes to Outside Jurisdictions
Independent Utility Board	117	3%	21%
City Council	184	1%	9%
Total	301	2%	13%

Finally, the 495 municipal electric utilities were asked which other utility services are provided by the municipal government. As shown in Table 15 below, water and sewer are the most common utility services provided by the municipal government.

Table 15
Other Utility Services Provided by the Municipal Government

Utility Service	Number that Provide Service	Percent of Municipal Electric Utility Respondents
Gas	104	21%
Water	476	96%
Sewer	422	85%
Wastewater	359	73%
Cable TV	34	7%
Other	95	19%

Respondents included services such as garbage, broadband, telecommunications, Internet, sanitation, and storm water in the “other” category.

GOVERNANCE STUDY OF PUBLIC POWER UTILITIES

FOR THE CITY OF AUSTIN

Bob Kahn, LLC

Energy Consultants

August 27, 2012

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Appendix pp—Cruz, Nuno, Sanford V. Berg, and Rui Cunha Marques. 2011 "Managing Public Utilities: The American Way" University of Florida, Dept. of Economics, PURC Working Paper

Appendix qq— A December 1994 Document titled "Electric Utility Independent Board"

Appendix rr—Excerpts from the 1995 Price Waterhouse "Strategic Assessment"

Information was also gathered thru interviews of representatives of the MOUs cited in this Study.

Austin City Council Resolution

On June 7, 2012 the City of Austin City Council passed Resolution No. 20120607-038 directing the City Manager "to study and compile a list of the various governance models of public power utilities that serve customers located outside of the regulating municipality. The study should include municipally-owned utilities from across the country with a focus on Texas-based utilities." The City council further directed the Electric Utility Commission (EUC) "to evaluate the models presented by the City Manager, including at a minimum the impacts on local control and public participation, effects on bond ratings, legal and municipal charter issues, and impacts on utility and regional finances." Council also directed the City Manager and EUC to "consult with former General Managers of Austin Energy, the Texas Public Power association (TPPA), the American Public Power Association (APPA), and other sources they consider appropriate to inform their understanding of the issues and enhance the analysis."

The City Manager was directed to present his report to the EUC no later than August 31, 2012. The EUC was directed to report its findings and input to the City Council no later than October 31, 2012.

The Resolution is attached as Appendix A.

Past City Council and Electric Utility Commission Actions Regarding Governance

September 29, 1994—Council passes a resolution directing "the City Manager to work with the Electric Utility Commission to develop and report on options for an independent Electric Utility governing board." Item 47 of the Council Minutes (Appendix B)

February 14, 1996—Price Waterhouse issues the City of Austin Electric Utility Department Competitive Performance Review. (Appendix C)

April 29, 1996, May 8, 1996—The EUC announces a series of Public Forums to discuss and develop recommendations identified in the Competitive Performance Review of the Electric Utility by Price Waterhouse. (Appendix D)

May 13-14, 1996—Public Forums regarding Utility Governance are held at Town Lake Center over a two day period for about three hours each evening. The forum consisted of panel participants, EUC members, and pubic input. (A list of participants may be found in Appendix E) The transcripts of the Public Forum may be found at the City of Austin website under Boards and Commissions.

June 4, 1996—The EUC forwards a Memorandum to the City Council, citing the Price Waterhouse Competitive Performance Review and the Public Forums, recommending Council hold a Charter election to establish an independent board to govern the Austin Electric Utility. (Appendix F)

September 13, 1999—City Council passes a Resolution stating among other items that the "City may initiate a public education and input process that may culminate in a City Charter amendment election to consider governance options for its electric utility, including establishing a partial powers governing board using the San Antonio model. This board model will retain for City Council the powers of eminent domain, rate setting, debt issuance and budget approval." (Paragraph 5 of Appendix G)

January 7, 2002—The EUC Forwards a Memorandum to Council recommending Council hold a Charter election to establish an independent electric utility board to govern Austin Energy. (Appendix H)

July 23, 2012—The EUC Approves the following motion: "Resolved, the Austin City Council should hold a Charter election in the fall of 2012 to determine whether an electric utility board should be established to govern the utility." (Appendix I)

Background

Governance Models in Texas

There are three basic governance models of MOUs in Texas. These are 1) city council governance by elected officials 2) a board of trustees with not more than five members, one of which must be the mayor (Section 1502.070 of the Texas Government Code-Appendix J) and 3) a board of trustees where the City Council may prescribe the number of members for appointment to the board. In addition, the Council may delegate to the board virtually all of its powers including the power to establish rates, the power of eminent domain, and to issue obligations. (Section 552 of the Texas Local Government Code-Appendix K)

There are other local variations for governance of MOUs discussed below. The Austin City Attorney will opine as to the legality of governance models available to be considered by the City of Austin.

Austin, Texas

Austin, Energy

Austin has a City Manager form of governance. The City Council governs the electric utility department, Austin Energy (AE). However, there is a citizens' advisory committee called the Electric Utility Commission (EUC). The EUC typically meets at 6:00 p.m. once a month, unless otherwise determined by the Commission. It has 7 members that serve three year staggered terms and are appointed by Councilmembers. The Commission has members from outside the City limits, as membership includes persons from within the service area. The EUC responsibilities include reviewing and analyzing all policies and procedures of AE, rate structure, fuel costs and charges, new generation facilities, budget, the general fund transfer, and strategic planning. Austin Energy has approximately 417,000 customers.

San Antonio, Texas

CPS Energy

City Public Service Board of San Antonio was created in 1942 under the predecessor Texas statute to Section 1502.070 of the Texas Government Code. The Board oversees the electric and gas systems. The electric system has approximately 725,000 customers. The Board of Trustees consists of 5 members, one of which is the Mayor, who serves in an ex-officio capacity. The Mayor is a voting member of the Board and is responsible for keeping the City Council "…fully advised and informed at all times of any actions, deliberations, and decisions of the Board and its conduct of the management of the Systems." (Appendix L-Excerpts from the May 23, 2012 Official Statement) The other four members of the Board represent each quadrant of the service area (which contain areas outside the City limits) and must reside within the CPS Energy quadrant that they represent. (Appendix M) Although there is no requirement that ratepayers outside the City limits have a representative on the Board, the current Chair of the Board resides outside the City limits. The trustees serve a term of five years and are eligible to serve an additional term.

The Board meets once a month but will occasionally meet more often to hold special meetings on such issues as rates, transmission projects, etc., in order to receive public input.

Board Trustees recommend replacements for vacancies to the City Council but Council may only vote to approve or reject the nomination. It may not approve a Board member different than nominated by the Board. In other words, if Council rejects a nomination the Board would then forward a new nomination to the Council for its consideration. Reappointments also require approval by City Council. City Council has the right, upon passage of an ordinance, to change the method of selection and appointment to the Board. Examples of a public notice that has been used to seek out interested candidates to apply for a position on the Board are attached. (Appendix N) Board Trustees are required to complete a financial disclosure statement to assure there are no conflicts of interest. Board Trustees receive an annual stipend of $2000 with the Chair receiving $2,500. Trustees are reimbursed for reasonable expenses.

The Board appoints and employs all officers and employees. CPS Energy provides pension, employment benefits and post employment benefits to its employees, which are operated completely separate and independent from the City's plans. CPS Energy self funds its pension and health care plans. CPS Energy has its own oversight committee for its pension plan consisting of a Board member, the CFO and the CEO. In addition, CPS Energy is also completely independent regarding use of City services in that it does not utilize any City services such as HR, financial, fleet, etc.

The Bond Ordinance states that "…the Board of Trustees shall have absolute and complete authority and power with reference to the control, management, and operation of the Systems…" However, pursuant to the bond ordinance the San Antonio City Council retains the authority to approve the issuance of bonds, notes or commercial paper, exercise eminent domain and set rates. The Council also has the authority to review Board action concerning policies adopted related to research, development and planning. Neither the Board nor the Council set the amount of the General Fund Transfer; rather it is contained in the Bond Ordinance authorizing issuance of the bonds.

A Citizens Advisory Committee was created in 1997 by CPS Energy "…to enhance its relationship with the community and to address the City Council's goals regarding broader community involvement with CPS Energy." The Committee meets monthly and provides "…recommendations from the community on the operations of CPS Energy for use by the Board and CPS staff." The Committee has 15 members consisting of one representative, nominated by City Council members, from each of the 10 districts in San Antonio, and five at-large candidates interviewed and nominated by the Committee. The Board appoints all members to the committee who may serve up to three two-year terms.

During 2010 the Board of Trustees authored a document containing its vision and values, Board of Trustees' job description and activities, roles of the chairman and vice-chairman, relations with management and with the City, and role of the Mayor. (Appendix O) The document may be instructive if the Board option is pursued by the Austin City Council.

The City of San Antonio has a City Manager form of government.

Greenville, Texas

Greenville Electric Utility System

The voters of the City of Greenville voted to amend the City Charter and create an Electric Utility Board in 1988. The Greenville Electric Utility System (GEUS) Board of Trustees was created pursuant to Sections 552.121-.124 of the Local Government Code referenced above. The Board oversees the electric system, provision of cable services and internet access. GEUS has approximately 13,000 electric customers. The history and reasons behind the creation of the Board, as well as additional information regarding the Board, are contained in Appendix P. However, in an excerpt from a memo by the City Manager to the Utility Study Committee explaining why the organization of the electric system should be changed, some of the reasons he stated included "… (1) political interference, (2) lack of consistent policy direction, (3) lack of consistent management at the top, (4) failure to operate the system on a business like basis, has resulted in inefficiently operated and controversial electric utility system…".

The City and GEUS share a common benefit structure, such as payroll, insurance , retirement, and workers compensation, but GEUS's personnel policies differ somewhat. For example vacation and time off policies differ. In addition, the employee compensation is governed by the Board and is independent of the City compensation structure.

The Board of Trustees consists of 5 persons appointed by a majority vote of the City Council. The Mayor serves as a non-voting, ex-officio sixth member of the Board. The term of office of each member is 3 years and members may serve no more than 2 terms. The members of the Board receive no compensation, but are reimbursed for reasonable expenses. In order to be a Board Member one must be a qualified elector of the City (therefore customers from outside the City limits may not be on the Board), cannot owe the City any past due monies, must be a customer of the utility, and cannot be a councilmember or be related to a councilmember.

The Board actively recruits candidates and seeks diversification in its members. The Mayor and Board Chair submit qualified candidates names to the Board of Trustees. The Mayor forwards a single recommendation from the Board to fill each vacancy to the City Council which may only confirm or reject the candidate. If the candidate is not confirmed then the Board must begin the selection process again.

It was decided the Board should be appointed rather than elected in an attempt to take as much politics out of the Board as possible. The Board does not micromanage but sets policy and general guidelines.

The Board meets once a month with meetings beginning at 6:00 pm.

The Board hires/fires the General Manager and employees are employed by the Board. The General Manager is responsible for hiring and firing all employees. The retirement system for GEUS employees is the same as the City's (Texas Municipal Retirement System) and managed by the City for GEUS.

The City and GEUS provide some services to each other with the costs for the services determined by an annual cost allocation study.

Under the City Charter the Board of Trustees has "full and complete power and authority in all matters relating to the System". This includes the authority to issue bonds, exercise the power of eminent domain, and to set rates. (Appendix Q)

The City of Greenville has a City Manager form of Government.

Georgetown, Texas

Georgetown has a City Manager form of government. The Assistant City Manager of Utilities reports to the City Manager. Georgetown has been looking at the option of forming a board but has taken no action. The utility serves approximately 21,400 electric customers. It also has customers outside the City limits.

A seven-member Advisory Board makes recommendations to the City Council regarding the Energy Services Division of Georgetown's utilities. That advisory board makes recommendations regarding capital improvement projects and priorities, utility services, resource supplies and other Council-assigned projects. Advisory Board membership consists of at least two councilmembers with the remaining members having expertise, in among other matters, construction standards, electricity and environmental engineering, if available. Members voluntarily serve and advise on the budget and once approved the utility is not required to seek City Council approval for items that were included in the budget. Board members must reside inside the City limits or within the ETJ. The Advisory Board meets once a month, on a Friday at 2:00 pm. (Appendix R)

The utility uses City services and the employees are City employees.

Boerne, Texas

Boerne has a City Manager form of government. The City Charter states that the "City Council shall act as the Board of Directors of all utilities owned and operated by the City". (Appendix S) Boerne has approximately 4,800 electric customers. A Committee meets once a month on utility matters that makes recommendations to the City Council. The Committee consists of the Mayor, a councilmember that is rotated monthly, and staff. It is an internal meeting but there are public participation opportunities thru other Councilmembers, staff and Council meetings. The City serves customers outside the City limits. There has been no negative reaction from rating agencies or the public in their manner of governance.

Brownsville, Texas

Public Utilities Board of the City of Brownsville

The City Charter indicates that "In connection with the management and operation of the various systems, and the expenditures and application of the revenues therefrom, the Utilities Board shall be vested with all the powers of the City with respect thereto…" (Appendix T) The Board oversees the electric, water and sewer systems. BPUB has approximately 47,000 electric customers. The most recent City Ordinance provided the Board authority to increase rates up to 5% over a five year period in whatever manner it chooses. For example, a 1% a year rate increase for 5 years or a 4% rate increase one year and a 1% increase two years later, etc. The Board chose to implement a 5% rate increase in one action, so now any further rate increases must be approved by the City Commission. The City Commission has also retained the authority to issue debt and exercise the power of eminent domain. The General Fund Transfer is approximately 8% of gross revenues and is established with close coordination between the Board and the City Commission.

The Charter provides for 7 members, including the Mayor as an ex officio voting member. The 6 members of the Board, appointed by the City Commission, serve 4 year terms with the ability to serve an additional term. The City Commission, by a majority vote, has the authority to remove a member of the Board without cause. A person must be a legal resident and qualified voter to be appointed to the Board. The Board holds a regular meeting once a month at 5:00 pm. All regular meetings of the Board are open to the public. The utility serves customers outside the City limits. Brownsville has a City Manager form of government.

Lubbock, Texas

Lubbock Power and Light

The City of Lubbock has an Electric Utility Board consisting of nine members appointed by the City Council and required to be citizens and eligible voters of the City. Their charge is to govern, manage and operate the electric utility. The Board members serve 2 year terms. There are term limits. The Board appoints the Director of Utilities and a General Counsel. The Director hires all employees except for those working for the General Counsel. The Board determines the amount of the General Fund Transfer. The City Council retained the right to establish rates, the power of eminent domain, issuing debt, and approving the budget. There are approximately 99,000 electric customers. There are no customers outside the City limits. The Council, by a majority vote, may remove a Board member for cause.

Lubbock has a City Manager form of government. The Board was created in 2004. (Appendix U)

Kerrville, Texas

Kerrville Public Utility Board

The Kerrville Public Utility Board (KPUB) was created in 1987. The Ordinance states generally that "the complete management and control of the System…shall be vested in the Board…" The City has retained the authority to set residential rates, issue debt and exercise the power of eminent domain. The Board has the authority to set commercial rates. The General Fund Transfer is 4% and established by the Board. The Board employs the general manager and all other employees. There are approximately 21,600 electric customers.

The Board consists of 5 members, including the Mayor, who is an ex officio voting member of the Board. Terms are 5 years with the ability to serve another term. However, members can serve an unlimited number of non-consecutive terms if the member has not served for two years preceding the term for which such member is appointed. A vacancy is filled by the City Council from nominations of at least three persons for each position to be filled by the majority vote of the remaining members of the Board. Board members must be a citizen of the United States, reside or conduct business in Kerr County, and a customer of the system. Board members may be removed from the Board with cause by a majority vote of City Council. (Appendix V)

All meetings of the Board are required to comply with applicable open meetings laws and at least annually the Board is required to hold a meeting for all customers of the system to "discuss the general condition of the system and such other matters as the Board shall determine". Board meetings are held once a month on Wednesday at 8:00 am.

The utility serves outside its City limits and has a city Manager form of government.

New Braunfels, Texas

New Braunfels Utilities

The City of New Braunfels has a Board, which was created in the original bonds that were issued in 1942. The City Charter provision authorizing creation of the Public Utilities Board of the City of New Braunfels is very broad and provides a great deal of flexibility for the City Council relating to the powers and duties given to the Board in the ordinance creating it. After creation of the Board the City Charter gives the City Council authority to "…at any time by ordinance to such effect, amend, modify, or change the terms and provisions of any such ordinance creating such board, and may abolish such board or change the duties of such board or of the members thereof, all as the City Council may deem best."

Under the City Charter, the City Council has the authority to create the Board at any time "… for the purpose of managing, controlling, and operating…" the system. The Board oversees the electric, water and sewer systems. There are approximately 30,200 electric customers. The Charter further provides that the Board will consist of 5 freeholders of the City, one of which will be the Mayor, leaving all other matters related to the powers and duties and issues such as compensation and manner of selection of the Board members to the Ordinance creating the Board. (Appendix W)

In accordance with the latest Ordinance, all members of the Board, except the Mayor, are appointed by a majority vote of the City Council for five-year terms. There are no term limits. A person interested in a seat on the Board submits an application to the City Clerk who forwards it to the Council for consideration. The Council typically seeks Board members with business backgrounds. The Board of Trustees appoints the CEO of the systems and an attorney or attorneys. The CEO appoints all employees. However, the employees are City employees. But they are in a separate pension system (Texas Municipal Retirement System) from the City. In addition, the utility has its own separate salary structure and hiring procedures.

The members of the Board, except for the Mayor, receive an annual compensation of "not less than $1200", according to the City Charter. Board members currently receive compensation of $100 a month. Under the Ordinance the Board has "complete authority and control of the management and operation of the ….systems." The Board makes recommendations for approval by City Council regarding setting of new rates. The City Council has also retained the authority to issue debt and exercise the power of eminent domain.

The City has a City Manager form of governance. There are customers outside the City limits.

City of Garland

The City of Garland has a City Manager form of governance. The City Council governs the electric utility. There is no advisory commission or board over the utility. The utility has approximately 68,000 customers and no customers outside the City limits.

Survey of Municipally Owned Electric Utilities in Texas by the Texas Public Power Association

Formed in 1978, the Texas Public Power Association (TPPA) represents the interests of public power providers in the State of Texas including municipally owned utilities (MOUs), river authorities, joint action agencies, and other consumer-owned electric systems.

The TPPA conducted a survey (Appendix X) of its 72 MOU members (Appendix Y) during April/May of 2012 on various issues including utility governance. With approximately 92% of the MOU load responding, the survey found that 68% of the MOUs were governed by City Councils and 32% were governed by Boards. City Council governance was more common among the smaller systems. Examples of small systems are Boerne, Floresville and Seguin. However, it was more common for large and mid-sized systems to be governed by a Board—half are so governed. The two large systems are Austin and

San Antonio. Examples of mid-size systems are Brownsville, Kerrville and New Braunfels. The survey also found that 25% of MOUs have a citizen advisory body without governance powers.

The survey found that MOU Board members typically have a longer term of service and are more likely to be subject to term limits than Council members. The average term for a Councilmember was 2.4 years while that of an MOU Board member was 3.6 years. Term limits existed in 66% of the Boards while only 32% of City Councils were subject to term limits.

The median annual compensation for Board members is $300 while that of Councilmembers is $1025.

The survey found that for systems which have a Board, 88% of the time the City Council retains the rate setting, bond issuance and eminent domain authority. Only the Greenville Electric Utility System performs all three at the Board level. The Kerrville Electric Utility Board sets commercial but not residential rates.

Most Boards set the utility budget, determine salaries of key MOU executives, enter into purchased power agreements, and authorize utility investments.

Council governed utilities typically retain authority in all matters, although 42% of them ceded authority to the City manager to hire and set the salaries of key MOU executives.

The survey also found that 82% of surveyed MOUs serve customers outside their city limits. On average about 12.8% of a MOU's customers live outside the city. Some of those MOUs serve within other cities and of those who do, 88% pay a franchise fee to those suburban cities, averaging 3.4%.

Governance Models Outside of Texas

Colorado Springs, Colorado

Colorado Springs has a strong mayor form of government. In addition to their city-wide duties, the City Council sits as the Board of Directors of the MOU, with the Council holding a meeting dedicated to utility matters at the offices housing the electric system once a month, as the Board. The Mayor sits as an ex officio member of the Board. (Appendix Z) The City has from time to time considered whether to change the governance to a separate Board but to date has taken no action. The utility has approximately 211,000 electric customers and does not serve any electric customers outside the City Limits.

Seattle, Washington

Seattle City Light

Seattle has a strong mayor form of government and serves customers outside the City limits.

City Council is the governing body over the utility. Seattle City Light has approximately 398,000 customers. The Energy and Environment Committee (a committee consisting of councilmembers) reviews and forwards recommendations to the full council for consideration. (Appendix aa) The Budget Committee, also a committee of councilmembers, reviews the utility budget and forwards recommendations to Council for consideration. The Seattle City Light Review Panel is a citizens' advisory panel consisting of members from City Light's customer groups. Five members are nominated by the Mayor and four are nominated by the City Council, serving three year terms. (Appendix bb) The Panel and all 9 councilmembers, while studying strategic planning, recently considered, among other issues, the governance issue. The City undertook an in-depth strategic planning process that included a review of cost of service and rate design, with extensive stakeholder and public input over a two year period. As a result, the timing of the utility's budget and rates was changed to occur before consideration of the City's general fund budget. A decision was made not to make any changes in governance.

Tacoma, Washington

Tacoma Public Utilities

Tacoma has a City Manager form of government. Forty-five percent of its electric customers reside outside the City limits. Since Board members must reside within the City limits the customers outside the City limits are not allowed to be on the Board. The City has a five member Board that meets twice a month in meetings that are open to the public for viewing and comment. The meetings are televised. The Board members are appointed by the City Council and serve five year terms without pay. The Board has the "full power to construct, condemn and purchase, acquire, add to, maintain, and operate the electric…systems". The Board oversees the electric, water and railway systems. The electric system has approximately 169,000 customers. The Board makes recommendations regarding the incurring of indebtedness, issuance of bonds and the fixing of rates and charges for utility services, subject to approval by Council. The Board also submits an annual budget to Council for approval. In addition, the Charter requires that a "management survey" be made of the utility, which report and recommendations are made public. The Board uses City services and appoints a director of utilities. All employees participate in the City retirement system. The Board determines salaries of employees. (Appendix cc)

Jacksonville, Florida

JEA

JEA was created by Florida State Laws and is authorized to "own, manage and operate a utilities system within and without the City of Jacksonville." In 1998, the City Council approved a charter amendment to change the name of the Jacksonville Electric Authority to its acronym, JEA. The Charter gives JEA "…all powers with respect to electric…" that "…could have been…exercised by the City of Jacksonville." The Board oversees the electric, water, sewer and natural gas systems and has approximately 418,000 electric customers. The JEA Board has 7 members appointed by the Mayor, subject to confirmation by the Council, for 4 year terms and may serve no more than two consecutive terms. The members must be a resident of the City for 6 months prior to appointment. Jacksonville has a strong mayor form of government. The mayor can remove a member with or without cause, but removal must be approved by two-thirds of Council. Board members receive no compensation but may be reimbursed for reasonable expenses. The Board must meet at least once a month. The Board powers include the right to invest monies not required for immediate use, to enter into purchase power agreements, to exercise eminent domain, to issue bonds and to establish rates. However, JEA is required to first publish notice and hold a hearing in the City of Jacksonville on any proposed rate change. JEA submits its proposed budget to the Council for approval. The JEA is not required to use any services (except for legal services) of the City, but if it does JEA will use the services on a "cost-accounted basis", mutually agreed upon by JEA and the City. Currently, JEA uses the services of the City's General Counsel, but no other City services.

The Board appoints a CEO who then appoints an Executive Management Team. Employees that are "appointed" (CEO, Executive Management Team, and others) have their compensation and benefits determined by the JEA Board. The rest of the employees, who are part of the bargaining unit, have their compensation set by the City Council. All employees of JEA participate in the City of Jacksonville pension plan. The City Council has the authority to repeal or amend any provision of the Charter by a two-thirds vote. (Appendix dd)

Riverside, California

Riverside has a City Manager form of government. The electric utility has approximately 106,000 customers. The utility does not provide any electric service outside the City limits.

The City Council appoints members to a Board of Public Utilities, which consists of nine citizen-volunteers to four year terms without compensation. The Board members may serve one additional term. The Board meets bi-weekly and oversees utility policies, operations, revenues, expenditures, planning and regulatory compliance. The Board reviews all actions by the utility before they are sent to City Council for final determination. Board meetings are open to the public and are held at 8:30 a.m.

The Board makes recommendations to the City Manager and to City Council on the budget for final approval. The Board establishes rates, subject to approval by Council. The City Manger interviews and then seeks concurrence from the Board, regarding the hiring of the General Manager. If the Board does not concur then the City Manager will interview another candidate to bring forward to the Board. All other employees of the utility are City employees sharing the same benefits and retirement plan. The utility uses all the typical City services any department of the City would use. (Appendix ee)

Memphis, TN.

Memphis Light, Gas and Water

Memphis has a City Manager form of government. The utility serves 430,000 electric customers and has electric customers outside the City limits. The Memphis Light, Gas and Water Division is governed by a five-member Board of Commissioners who are nominated by the Mayor and approved by the City Council. Board members must live in the service area, which allows membership from customers outside the City limits on the Board. Members of the Board serve three year terms. The Commissioners meet twice a month on Thursday at 1:30 p.m.

The Board is responsible "for doing all things necessary to supply MLGW's service area with electricity, gas and water". However, the Commission must have the approval of the City Council before purchasing real estate, exercising the power of eminent domain, setting rates and establishing the annual budget. The President and CEO (who reports to the Mayor) of the utilities is nominated for a five year term by the Mayor and approved by the City Council. The utility employees are not City employees and a separate retirement system is maintained by the utility. Salaries that are over a certain dollar amount are approved by the City Council. The utility does not use any City services, but recently coordinated with the City by sending out a joint request for proposal for health care services, in an effort to keep costs down. (Appendix ff)

Eugene, Oregon

Eugene Water and Electric Board

Eugene has a City Manager form of government. The citizens of Eugene elect a five-member Board of Commissioners who serves four year terms, without pay. Four of the members are elected from four different wards in the City, and although not required by the Charter, the fifth member, who is a resident of the City, is in an at large seat that represents the ratepayers outside the City limits. The elected Water and Electric Board, as a form of governance for Eugene, has been in place since 1911. The Commissioners meet at 7:30 p.m. once a month, with opportunity for public comment on any issue to the Board. The utility has approximately 87,000 electric customers, including some customers outside the City limits.

The Board is responsible for operation of the water and electric utilities, delegated by the City Charter to the Board. The CEO is hired by and reports to the Board. The CEO hires all the employees, who are not employees of the City. The Board's authority includes approving the annual operating budget, establishing rates, issuing bonds and exercising the power of eminent domain. The utility does not use any City services, so for example, has its own fleet services and HR sections. The utility and the City both utilize the Oregon State Retirement System, but maintain separate records. (Appendix gg)

2010 Governance Survey by the American Public Power Association

The American Public Power Association (APPA) was created in 1940 and is based in Washington D.C. It is the service organization for the nation's more than 2,000 community owned electric utilities serving more than 46 million Americans.

The APPA's Governance Survey was completed in August 2010 and is their latest survey on governance. The purpose of the survey was to determine the type of control local governments exercise over publicly owned electric systems. (Appendix hh)

Of the 1,900 electric systems surveyed 658 completed them, but not all respondents responded to every question. Public power systems that sell primarily at wholesale were excluded from the survey. Since most survey respondents were utilities with a small number of customers, most survey results were presented by customer class size. The survey broke the customer class size into those that were less than 5,000 customers, 5,000 to 20,000 customers, 20,000 to 50,000 customers and greater than 50,000 customers.

This Study will focus on the customer size class greater than 50,000 (large utilities) to more closely align with Austin Energy's customer base of more than 400,000 customers. Ninety-three percent of respondents were MOUs, with the other seven percent consisting of state-owned utilities or political subdivisions, such as public power districts, county-wide utilities, public utility districts, and irrigation districts.

Forty-four percent of large utilities are governed by boards that are appointed. Twenty-four percent are elected to their boards and thirty-two percent are governed by City Councils. For all classes, fifty-nine percent of the time the boards are appointed by the mayor, but eighty-five percent of the time the mayor's choice must be approved by the city council.

Eighty-five percent of all classes of utilities with boards have either residency or service territory requirements for board members. In other words, a board member must be either a resident of the city and/or a customer of the utility.

For all classes of customers for utilities governed by a board, 29% of board members have a term of 1-3 years, 27% have a term of 4 years and 44% have a term of 5 or more years. City Councilmembers, on the other hand, have a term of 1 to 3 years 37% of the time, 4 years 63% of the time and 0% for 5 years or more.

Term limits for governing bodies (the study did not distinguish between boards and city councils) for the large utilities were imposed 47% of the time.

The study found, that in general, cities that governed the utility with city councils were more likely to have a citizens' advisory board than those with a board. And that the larger the utility the higher the chance the city would have a citizens' advisory board, regardless of the type of governing body, with 38% of cities with large utilities using a citizens' advisory board.

All elected boards for large utilities were compensated. Sixty-seven percent of appointed boards for large utilities were compensated. The median compensation for boards that are elected in large utilities is $12,720 and $2,400 for appointed boards.

The study surveyed which governing body (city council or board) has final authority on at eight specific actions: setting rates, approving the utility budget, setting salaries of key employees, issuing long-term bonds, making financial investments for the utility, approving purchase power agreements, exercising the right of eminent domain and hiring and firing utility personnel.

In general, the study found that where the board is the primary governing body for a large utility, the board has authority over all the actions except for issuing long-term debt. Where the city council is the primary governing body, for large utilities, the city council typically has final authority over all eight actions except for making financial investments for the utility and hiring and firing utility personnel. (See pages 5-8 of the survey)

The survey indicated that 64% of the 613 MOUs that responded to the survey serve customers outside the city limits and that 5% of those respondents with boards include a representative from outside the city limits.

Interviews

Former General Managers of Austin Energy

Five former General Managers (GMs), going back to 1984, were contacted for an interview regarding the issues raised by the City of Austin Resolution. One former General Manager declined to be interviewed. Juan Garza, Roger Duncan, Milton Lee and John Moore were interviewed. Summaries of the interviews are attached as Appendix ii.

All four of the GMs believe Austin Energy should be managed by a board. However, they had different thoughts on why there should be a board and what the powers and duties should be.

All four of the GMs stated that a major reason for recommending movement to a board was the frustration in dealing with the City bureaucracy. They also believed that a board, unlike City Council, would be more nimble, focused and contain the expertise necessary to manage the day to day operations of Austin Energy in a more business like manner.

The GMs agreed that there should be minimum qualifications required for board members. They all agree board members should have some level of business expertise including financial, accounting, regulatory and utility operations. All four GMs feel the board members should be reimbursed for their expenses. Three of the GMs believe compensation should be reasonable, more than token, to recognize the time and expertise involved, and one GM believes it should be minimal or token.

Term recommendations by the GMs range from 2-5 years, although the higher end of the range is more prominent. Three of the GMs would limit board members to two terms with the fourth recommending no term limits. There is a belief that the longer a member remains on the board the better opportunity to increase the level of expertise and experience of that board member. One GM believed there should be 5-7 board members while another suggested 7-9 members.

All of the GMs believe the City Council should have the authority to set rates, three GMs believe the Council should have the authority to issue bonds, and two GMs believe the Council should have the authority to exercise eminent domain and establish the amount of the General Fund Transfer.

Two of the GMs felt employees should be employees of the board. Another one believed the board should appoint the executive team and yet another generally stated he did not want to see the employees negatively impacted. One GM believed the employees should remain with the City pension plan if possible, while another believed they should either stay in the City pension plan or join the Texas Municipal Retirement System.

All four GMs believe the Board should contain a member from outside the City limits. Two of the GMs stated consumer interests should be represented on the Board.

Two of the GMs recommend that Austin Energy use a provider other than the City for all services, such as HR, fleet, accounting, etc. The other two hold similar opinions but expressed concerns regarding the ability to separate some services from the City such as billing for electric, water and wastewater, which is currently managed by Austin Energy, and the 311 call center.

All four of the GMs believed that pubic participation is very important, and should therefore continue if a Board is created. One GM stated that public participation is important, even if is time consuming, and that if public participation was reduced by going to a board he would consider the process "flawed". It was suggested that one way San Antonio assures public participation is thru its Citizens Committee. Another GM believed the board meetings should be televised or aired via the internet. They also believed the meetings should be held at times and places convenient for the public.

One GM agreed that creation of a board would cause the loss of some local control but believed the board that is created would be a "local board". Another felt there would be an "indirect" impact on local control. Finally one GM agreed there would be a lessoning of local control but felt that loss would be outweighed by the efficiencies that are gained along with a unity of purpose and a more deliberate business like approach by a board.

Financial and Economic Consultants

Discussion with Dennis Waley and Dan Hartman, Managing Directors of Public Financial Management

According to the City's financial advisors, moving to a board would be seen as a positive with the rating agencies. How an MOU is governed is important to the rating agencies. The less politics is injected into the process the more favorably the MOU is viewed by the rating agencies. The belief by the rating agencies is that a board will have more professionals making choices, be less political and more autonomous. However, they indicated that in their experience, the governance structure does not make a huge difference in the ratings of MOUs by the rating agencies. The chief focus of rating agencies is the ability or willingness of the governing body to raise rates in order to maintain the financial integrity of the system. It was the opinion of Mr. Waley that the Fitch rating criteria were the most straightforward. They also stated that the ratings agencies do look at issues other than rates managed by MOUs.

Discussion with Angelos Angelou, Principal Executive Officer of Angelou Economics and Jon Hockenyos, Managing Director of Texas Perspectives

Angelou Economics develops economic strategies for Cities, other political subdivisions and foreign entities, including site selection and on energy efficiency matters. Texas Perspectives is in the business of solving economic and public policy issues.

They both believe that governance of Austin Energy should be moved to a board. They believe a board, if done correctly, will be more efficient, make decisions faster, be more focused, less political, and contain more expertise. One cautioned that care would need to be taken in creation of the board since the devils in the details. For example he stated it would come down to who is on the board and how the general fund transfer issue is handled. If handled incorrectly it could create big problems. In the end he indicated it would depend on the performance of the board, which only time will tell. There was a belief that the board should contain business professional, not special interests, in order to assure more independence.

There was one view that the board's mission should be singularly focused to achieve the highest return to the City and run like a business. Further, that the board should consider out sourcing services required by Austin Energy as it would most likely be more efficient and cost effective.

There was one view that having a board would have a positive impact on credit ratings and impact Central Texas by allowing money to flow faster into the region. On the other hand, there was a different view expressed, that generally there would be no impact economically in the region resulting from the creation of a board.

One believed the City/Austin Energy has been successful in economic development, but could be less bureaucratic and use more expertise, while the other believes it hasn't been as successful as it could be. There was a belief that Austin Energy should have a place at the table in economic development activities at the City. In support of this belief he stated that, for example, $100 of retail revenue brings in $1 to the City while that same $100 would bring in $9.1 to the City from Austin Energy.

There was a belief that if a board is created it is important that public participation was accommodated and that a person from outside the City limits should be on the board.

Former City Manager

Discussion with Jesus Garza

Jesus Garza was the City Manager during the time that the 1996 EUC sponsored Public Forums on Utility Governance was held. Mr. Garza was asked why the issue of governance was never considered by the City Council after the Public Forums were concluded. He indicated, that as he recalled, he believed at the time the issue needed more study. However, given the existing environment the City Council operates in today, he believes the Council should give serious consideration to creating a board. He also believes it would be fair to have a person from outside the City limits on the board, so that their voice could be heard. He believes a board would strengthen the utility.

He also stated he believes the presence of Public Power has always played an important role in Central Texas and has served the community very well.

Rating Agency Public Power Rating Criteria

The rating criteria for public power utilities by the rating agencies of Fitch, Moody's, and Standard and Poor's were reviewed. The criteria for all three agencies are attached as Appendices jj, kk, and ll respectively.

The Fitch report, dated January 11, 2012, explains Fitch's approach to rating U.S. public power systems. The report looks at five key areas of operational and financial importance to the credit quality of MOUs and cooperatives. The five areas are governance and management strategy, assets and operations, cost structure, financial performance and legal provisions, and customer profile and service area. On page 2 of the report Fitch indicates that "the strength of a utility's …governing body, usually an independent board of directors or elected city council, is a key credit consideration in…" its analytical process. And that "a high degree of board or city council understanding of a utility's business strategy and the issues facing the utility is also important." The report goes on to state that "Fitch assesses the willingness and ability of an issuer's management and governing body to increase rates to ensure the measured, timely, and adequate recovery of total costs."

On Page 3 of the report Fitch recites what it believes to be attributes of the governance and management area. The report divides the attributes into those that signify stronger, midrange and weaker governance and management. For example, stronger attributes would include a "management and board of directors with extensive experience" and "an objective, engaged board of directors that does not exert political pressure." Midrange would include attributes such as a "generally stable management team and board of directors with modest turnover". A weaker governance and management structure would include attributes such as "significant political pressure in the underlying municipality or in the member's service area." On page 14 of the report the type of governing body (e.g. board, city council, etc.) is listed as a key rating consideration.

The Moody's report explains its rating methodology and approach to credit ratings for U.S. public power electric utilities with generation ownership exposure. The report is dated November 9, 2011. In its report Moody's expresses its belief that electric utilities that own generation "...have a higher degree of business complexity than other essential services, such as water, sewer, and stormwater systems." Moody's attributes the complexity to the "…greater operating risk in an environment subject to ongoing regulatory changes."

The methodology used by Moody's includes the assignment of percentage weights to five broad rating factors. Moody's lays out its summary table on page 5 of its report. Notably, and relevant to this Study, under the factor for "willingness to recover costs with sound financial metrics", with a weighting of 25%, the issues considered include political risk, timeliness of recovery, rate-setting record, local government supportiveness and general fund transfer policy. Moody's believes, in discussing rate-setting, that "the longer and more complicated the process, the more pressure the delay may put on a public power utility's liquidity." On page 9 the report also notes as a key factor, among other items, "…who governs the utility, who sets its rates, and who issues the revenue bonds…as well as the degree to which the general government is responsible for supporting the utility in times of financial stress." The report noted that "local governments have a strong record of supporting their public power electric utilities in times of fiscal stress" citing, as an example, where Seattle used its liquidity to assist its MOU. Pages 10 and 31 of the report have a chart showing the impact on ratings this factor can have. For example, the chart shows that an Aaa rating (the highest) reflects a utility that has an "excellent rate-setting record; rates, fuel, & purchased power cost adjustments less than 10 days; No political intervention in past or extremely high support from related government; very limited General Fund Transfers governed by policy". A Baa rating is one where rates may take 61-90 days to set and there is "persistent political intervention or below average support from related government…" The ratings go lower as political intervention increases and the time increases to set new rates. Or another way to look at it, the quicker rates can be implemented without political intervention the higher the rating.

The ratings report for publicly owned electric utilities by Standard and Poor's Rating Services(S&P) is dated June 15, 2007. It recognizes the importance of a utility being able to operate in a dynamic energy industry and its impact on bondholders and lenders. In assessing the quality of management on pages 2 and 3 of its report S&P looks at "…the extent to which a utility's strategic plans are supported by local councils or boards of directors and the extent to which the governing body's actions are supportive of credit quality." Other criteria that S&P considers when reviewing the effectiveness of management include "a proactive and farsighted management approach that has the support of an informed board or council" and managements "…ability to operate within a governance and oversight structure."

Also attached to this study is Fitch's U.S. Public Power Study, which includes the financial performance and ratings of Fitch-rated public power utilities. Most Notably the ratings of ERCOT systems are contained on page 5 of the Study and of retail systems on page 11. (Appendix mm)

Rating Reports for Austin Energy

According to Dennis Waley the latest bond sale was in 2010. He also indicated that Moody's upgraded the combined debt in June 2012 in conjunction with the Austin Water Utility bond sale.

A review of the reports, with a focus on the governance issue, shows a consistent acknowledgement, that City Council will be required to approve any requested rate increase. In its July 7, 2010 rating, Fitch expressed a concern about Council's willingness to raise rates. It also stated that a key rating driver was "the Austin City Council and management's willingness to raise rates in a timely manner as necessary." (Appendix nn) And Moody's, in its May 24, 2010 report, stated it believed "…AEs close working relationship with the city and the importance of the utility's transfer to the city's general fund would indicate that all parties are likely to work towards the goal of maintaining the overall stability of the system." In the same report Moody's listed as a challenge "…rate setting subject to political constraints…" (Appendix oo)

All of the ratings reports cited above pre-date the June 7, 2012 action by the Austin City Council approving a rate increase for Austin Energy.

City of Austin Electric Utility Commission's Public Forums on Utility Governance

As discussed earlier the EUC held two forums over a two day period, on May 13-14, 1996, whose sole purpose was to focus on governance issues. Appendix E contains the list of participants. The transcript for the forum may be found on the City of Austin website under Boards and Commissions.

The participants discussed a wide range of issues relating to governance and received input from the EUC and the public.

There was a consensus by the panel that Austin Energy should be governed by a board. One participant believed it should be an elected board while the other participants felt it should be appointed. The participant desiring an elected board believed it would cause an open discussion on the issues, while the participants desiring an appointed board believed an elected board would cause more politics to be injected into the process. It was felt that potential board members might make promises to voters in order to get elected.

It was generally believed that city government, in a bureaucratic political system, was ill suited to manage a competitive business. It was stated that the governing body needed to be nimble, focused and flexible. The governance structure of the utility should support, not constrain, the competitiveness of the utility. And that the bond markets, customers and employees should have confidence in the governance of the utility.

It was felt that the board should be diversified and contain a member from outside the City limits. Some members of the panel believed there should be more than five members on the board. It was mentioned that the focus should not just be on rates but that there are many issues the utility manages, so that a more holistic approach should be taken in the governance of the utility.

There was considerable discussion regarding the qualifications of the board members. Some members of the panel focused on professional qualifications such as a lawyer or an accountant while others focused on board members representing classes of customers. Compensation for board members was discussed with no apparent consensus. Some members suggested “reasonable compensation” without placing a dollar figure on the table.

There was significant discussion regarding the method of selecting the board members. The general consensus was that a “selection/recruiting committee” would be established to make recommendations to City Council. There was also a belief that terms should be staggered with some members suggesting no term limits.

There was considerable discussion on the impact that creation of a board may have on employees. There was a consensus that there should not be a negative impact and that the pensions should be protected. An AFSCME representative expressed concern regarding the impact creation of a board may have on employees.

Some EUC members made comments during the panel discussion. One believed there should be compensation, attendance requirements, and minimum qualifications to be a board member, such as an engineer, a lawyer, a banker, or a retired person. It was also felt there should be diversity of race, sex and where the board members reside within the service area. The EUC member believed the board should be appointed rather than elected. Another EUC member believed board members should be paid $50 per meeting, there should be no term limits, that the board be diverse, including various rate classes, and that there should be a recruitment/solicitation of applicants for board members with approval for the board member by the City Council. Finally, the EUC member felt the present system cannot move fast enough. Another EUC member believed it was important to make sure there were no conflict of interest issues.

Discussion

Issues to Consider When Contemplating the Form of Governance

If the City Council is considering a model utilizing a board there are numerous issues to consider.

Powers of the Board

The TPPA survey found that most boards set the utility's budget, determined salaries of key executives, entered into purchase power agreements, and authorized utility investments.

The TPPA survey found that for systems with a board that 88% of the time the City Council retained rate-setting, issuance of bonds and eminent domain authority. Exceptions included:

- The GEUS Board performed all duties, including rate setting, bond issuance, and the exercise of eminent domain.
- The Kerrville KPUB Board performs part of the rate setting process function, with the Board setting commercial rates and the City Council setting residential rates.
- The Brownsville City Commission has delegated partial rate setting authority to the PUB Board, which on its own can increase rates no more than 5% over a 5 year period, with that authority expiring at the end of the 5 years or implementation of the rate increase, whichever occurred first.
- The San Antonio City Council has retained the authority to review CPS Energy Board actions concerning policies related to research, development and planning.
- In Georgetown once the budget is approved by Council the utility is not required to seek Council approval for items contained in the approved budget.

The APPA survey found that where the board is the primary governing body for a large utility, the board has authority over setting rates, approving the utility budget, setting salaries of key employees, making financial investments, approving purchase power agreements, exercising the power of eminent domain, and hiring and firing personnel. The City Council retained the authority to issue bonds. Where the City Council is the primary governing body the council typically had authority over all the actions described above except for making financial investments and hiring and firing personnel.

One notable difference between the TPPA and APPA surveys is that in Texas the Council typically retains the power to set rates but outside Texas the Boards typically are authorized to set rates.

Probably one of the more important powers for Austin is the setting of the amount of the General Fund Transfer. Two former GMs believed the Council should have the authority to set the level of the GFT while the other two believed the Board should set the level of the Transfer. One interviewee believed, without expressing a preference, the success of the Board Governance Model will depend not only on who is on the board but how the Transfer issue is handled.

All of the former GMs interviewed believed the City Council should retain the authority to set rates. Three of the GMs believed Council should retain the authority to issue bonds, and two of the GMs believed the Council should have the authority to exercise eminent domain and establish the amount of the General Fund Transfer. All other matters, for example running the day to day operations of the utility and purchasing, would reside with the board.

Selection of Board Members

Board members are appointed under Section 552 of the Texas Local Govt. Code. However, Section 1502.070 of the Texas Govt. Code does not specify the manner in which board members are selected to the board. That section of the Code states "a board of trustees named in the proceedings adopted by the municipality and consisting of not more than five members…" It is recommended the City Attorney review that section to determine the options for selecting a board member (appointed, elected or both). There was a general consensus that board members should be appointed in order to reduce the potential for politics to be injected into the process. It was also believed that an appointed board member would be more independent than an elected member. On the other hand, a member of the panel at the EUC Public Forums felt that electing board members would cause there to be a more open discussion regarding the issues facing the utility. The APPA survey found that a majority of large utilities governed by a board are appointed.

If board members are appointed, another issue is the process used to appoint them. For example, the current board may recommend a candidate to City Council, with the Council's sole option to either accept or reject the candidate. Or, Council may be the sole decider with no recommendation from the board. Many of the people interviewed for this study believed a recruitment/selection committee would be a valuable way to seek out qualified board candidates. In addition, a public notice advertising a vacancy on the board, like that used by CPS Energy (Appendix N), may be a way to attract interested candidates.

The nature of the qualifications for board members is another consideration. Some believe there should be professionals on the board, such as accountants, persons with financial backgrounds, lawyers, persons with regulatory and utility operational experience, and persons with a business background. Diversity is an important consideration. Further, it has also been suggested that board members chosen from different geographic areas of the City will increase diversity, along with considerations of the race and sex of the candidate. Others focused on representation of the different customer classes on the board. It was also suggested that a consumer representative be on the board.

Another consideration is should the Mayor, or other Council members be on the board? This study did not find any boards with a Councilmember on the board, other than the Mayor. And then the question is should the position be voting (as in San Antonio) or non-voting (as in Greenville)? One of the reasons stated for a mayor to be on the board is to keep the lines of communication open between the two governing bodies.

There was unanimity that a customer from outside the City limits should be on the board. However, while 64% of the 613 responding utilities serve customers outside the city limits, only 5% of Boards included a representative from outside the City limits. Practices in this regard vary, with varying effects.

- Forty-five percent of Tacoma's customers reside outside the City limits but have no representation on its Board.
- Kerrville has customers outside its City limits and may have members on the Board from outside the City limits. Interestingly, Kerrville's rates were appealed to the PUC a number of years ago by ratepayers outside the City limits, despite their ability to be represented on the KPUB Board.
- Greenville, Brownsville, and New Braunfels have customers outside the City limits but Board members must be a resident of the City.

<u>Terms of Board Members</u>

Other considerations include how long the terms should be for board members and what type of term limits should be imposed.

The TPPA survey found that MOU board members typically have a longer term of service than councilmembers (3.6 years v. 2.4 years) but are more likely to be subject to term limits. A majority of the MOUs in Texas, with boards, have 4-5 year terms. A majority of the MOUs in Texas, with boards, allow the board members to serve one additional term.

The APPA survey found that for all utilities governed by a board that 29% have a term of 1-3 years, 27% have a term of 4 years and 44% have a term of 5 or more years. City Councilmembers served much shorter terms with no Councilmembers having a term for 5 or more years. The survey also found that term limits for governing bodies (the survey did not distinguish between boards and City Councils) for the large utilities were imposed 47% of the time.

Term recommendations by the GMs ranged from 2-5 years, although the higher end of the range was more prominent. Three of the GMs would limit board members to two terms while a fourth recommended no term limits. Their belief was that the longer a member stayed on the board the better the opportunity to increase the level of expertise and experience of that board member. Another consideration is whether approval by the board and/or Council is required before a board member can serve an additional term.

<u>Number of Board Members</u>

This study did not find any boards with less than five members. One GM believed there should be 5-7 board members another suggested 7-9 members. Several of the panel members in the 1996 EUC Public Forum felt there should be more than 5 board members to allow for broader representation. If the San Antonio model is utilized then no more than 5 board members are allowed. The Greenville model provides the flexibility to have more than 5 board members.

Employees

There was a general feeling that if the City went to a board that the employees should not be negatively impacted and that their pensions be secure. Some felt that the Texas Municipal Retirement system should be investigated as an option.

Two of the GMs believed the employees should be employed by the board while one felt the board should appoint the executive team.

Most of the boards investigated had the employees as employees of the board, including the CEO/General Manager.

If the board option is pursued then consideration should be given to contacting the City of Austin Employee Retirement System and the Law Department regarding the ability to transition to a pension at the board, or to the TMRS, or whatever other options may be available.

Use of City Services by a Board

All four of the GMs agreed that the board should not use City services because of the bureaucracy involved. However, two of the GMs expressed concern over separating some services such as utility billing or the 311 call center. There is a belief that outsourcing services will be more efficient and cost effective. CPS Energy does not use any services of the City. If a board is created and services of the City are reduced then consideration should be given to a transition plan.

Public Participation

Everyone interviewed believed that public participation is very important. One GM suggested that the board meetings should be televised or aired via the internet. Another GM suggested that the Citizens Advisory Committee utilized by San Antonio is another way to assure more public participation. The MOUs researched in this study vary widely on when their meetings are held. It would seem that it would be easier for the public to attend a meeting in the evening than during the day, for example at 1:30p.m.

Impact on local control

If local control is interpreted as involvement of City Council in running Austin Energy or the ability of the public to rely on elected officials to govern the utility, then there will be an impact on local control if a board model is pursued. The more authority ceded to a board, one could argue, the less local control by the City Council of Austin Energy. Also, if the board is appointed one could argue it is more difficult to impact an appointed board member than a City Council member that is running for office. On the other hand, one GM took the position that even though there would be a loss of some local control he would consider the board as being "local". Other GMs believed there would be an indirect impact on local control. However, one believed that that the loss of local control would be outweighed by the efficiencies gained with a unity of purpose and a more business like approach by a board. Regardless, there would be no loss of local control as the term is typically understood, i.e. a transfer of city-level authority to state or federal officials.

Compensation of Board Members

Some MOU boards discussed in this Study receive compensation and others do not. All appear to be reimbursed for reasonable expenses. The TPPA survey found that the median annual compensation for board members is $300 while that of Councilmembers is $1,025. According to the APPA survey all elected board members for large utilities were compensated and 67% of appointed board members were compensated. Nationally, the median compensation for elected board members at large utilities is $12,720 and $2,400 for appointed board members.

At CPS Energy Board Trustees receive an annual stipend of $2,000 with the Chair receiving $2,500. Trustees are reimbursed for reasonable expenses. At GEUS the members of the Board receive no compensation, but are reimbursed for reasonable expenses.

Effect on Bond Ratings and Utility and Regional Finances

Moving to a board would likely be viewed as a positive by the rating agencies; however, the experience of the City's financial advisors is that the governance structure does not make a huge difference in the overall ratings of MOUs by the rating agencies.

Nevertheless, rating agencies consider the manner of governance a key credit consideration when rating an MOU. Their analysis includes looking at the experience level of the governing body, political intervention, objectivity, and timeliness of rate setting. The higher the experience level, the less political intervention, the more objectivity and quicker rates can be implemented the higher the governance attribute will be rated. The information gathered for this study suggests that governance by a board will result in a more experienced, less bureaucratic, more efficient, less political, and more focused governance structure.

The impact on regional finances of migrating to a board appears to be more nebulous. One point of view expressed was that it would make no difference while another stated a belief that utilizing a board will allow money to flow at a quicker pace into the region. A note of caution is that there was no study performed on this issue.

Miscellaneous Issues—but no less important

Other issues to consider are the removal of board members. Should it be for cause or without cause, and removal by whom? In Greenville only the voters can remove a board member. In other MOUs the City Council and/or the board has the authority to remove members. And how should cause be defined?

Another issue is how often should the board meet and when. Most boards meet at least once a month, with the flexibility to meet more often if necessary. When meetings are held can impact public participation, as discussed above.

Charter Authority versus Ordinance Authority

Some MOU boards have their powers stated in the Charter, others have their powers created by an Ordinance, and still others spread the powers across both documents. The more that is contained in the City Charter (or a bond ordinance) the more challenging it would be to change. The more authority Council has placed in an ordinance the easier it is to change the authority granted the board. Some might argue that it is better to have the authority of the board contained in the Charter, thereby making the authority more stable, and not subject to the desires of the particular Council in place at the time. However, another argument can be made that if the authority is contained in the Charter, and if there is a problem that needs to be corrected, it will take longer to resolve.

Pros and Cons of City Council versus Board Governance

The following Pros and Cons of governance are based on the materials reviewed and the interviews conducted for this report.

City Council

PROS

Direct accountability to citizens/ratepayers

Direct impact on planning and policy issues of the utility that impact the community

More integration/synergies/coordination on policy issues between Austin Energy and the other City Departments

CONS

Potential for politics to be injected into running the utility

Council members may not have business expertise and/or technical expertise of the utility operations and the industry

Council members must focus broadly on many City issues and may not give as much attention to the utility

No representation by ratepayers outside the City limits on the Council

Linkage to municipal government may be bureaucratic and not as nimble, flexible or objective

May focus on the City's financial needs, possibly with less focus on utility finances

Independent Board

PROS

Singularly focused on the utility

Members can be selected based on qualifications, for example with more business and technical expertise on utility operations and the industry, and with diverse community backgrounds.

Can enhance the business orientation of governance, running the utility in a more objective, nimble and flexible manner

Can reduce injection of politics into running the utility, particularly if appointed

If longer terms than Councilmembers then more stability and better long range planning

Allows explicit representation by ratepayers outside the City limits

Viewed by the rating agencies as a positive

CONS

Less direct control and involvement by Council

Can be less accountable to citizen/ratepayers if public processes are not well defined

Some synergies with other City Departments could be lost i.e., utility billing.

Transitioning to a Board would require attention to costs, transition time, and other issues.

A Board could be perceived as just another layer of management if Council retains some authority

Governance Models

There are three basic governance models available in Texas.

City Council Governance by elected officials: Georgetown, Garland, Boerne, Colorado Springs, Seattle, and Riverside are examples of this type of governance. Some of these cities also have an advisory commission or board, but Council has ultimate authority and governance over all matters related to the utility. Of course, this is the model used by Austin.

Some Cities vary the model to enhance the ability of elected officials to govern the utility. It appears that variations (like council committees) can work well. For example: The City Council for Colorado Springs sits as the Board of Directors for the utility once a month so it can better focus on utility matters. Georgetown has two members from Council on its advisory committee. Boerne has an internal committee meeting consisting of the Mayor, another councilmember that is a rotating position, and staff which makes recommendations to the Council on utility matters it addresses. Seattle utilizes Council committees which make recommendations to the Council.

One option to consider is for Austin City Council to utilize Council committees to bring more focus on utility issues. Council might also consider allowing ratepayers from outside the City limits to sit on those committees.

<u>A board consisting of no more than five members, one of whom must be the mayor of the municipality. The City Council must retain the power to set rates, issue bonds and exercise the power of eminent domain:</u> CPS Energy is a good example of this type of governance structure. A detailed description of the CPS Board of Trustees, its powers and how it interfaces with the San Antonio City Council is discussed above in the Section on Governance Models in Texas.

There has been much discussion in the press that the City of Austin should utilize the San Antonio model for governance. However, one issue to consider is that the statute governing the San Antonio model limits the number of board members to no more than five. During the preparation of this Study several persons have stated that a board with more than five members would be preferable. In addition, the San Antonio model requires the Council to, at a minimum, retain the authority to issue debt, set rates and exercise eminent domain. If the Austin Council is considering this model, it could not, for example, delegate to the board the authority to exercise eminent domain. Of course, under this model the Council could decide to retain authority over other matters relating to the utility, in addition to the three described above. For example, the council could decide that it would like to retain the authority to approve purchase power agreements or certain policy decisions regarding energy conservation.

<u>A board where the City decides on the number of members on the board and on what powers to delegate to the board, including the power to set rates, issue bonds and exercise the power of eminent domain</u>: Greenville's Board is a good example of this type of governance structure. A detailed discussion of the GEUS Board of Trustees, its powers and how it interfaces with the Greenville City Council, is contained above in the section of this Study on Governance Models in Texas.

The Greenville model, as some call it, is more flexible than the one San Antonio uses. In that model, the board may have more than five members and the City may delegate more powers to the board if it so desires. Austin could, for example set up a board where there are more than five members but otherwise choose to adopt every other feature of the San Antonio model.

Conclusion

The descriptions of the MOUs governed by a board, and each of their particular features, should be instructive when considering a governance model utilizing a board. Those were San Antonio, Greenville, Brownsville, Lubbock, Kerrville, New Braunfels, Tacoma, Jacksonville, Memphis and Eugene.

A review of the various governance models (City Council and Boards) used in Texas and across the country reveal that there are almost endless variations of each that are used by MOUs. And each MOU probably had good reason for choosing the model it did based on the desires of its citizens, ratepayers and City Council. Each MOU had to decide what was best for it depending on the issues it was dealing with at the time. The Models discussed in this Study are just a sample of how the 72 MOUs in Texas and the over 2,000 MOUs across the country govern their utilities.

Appendix pp, is a paper titled “Managing Public Utilities: The American Way”. On page 3 of the paper the authors note that “although there are many models for utility service provision, there is little consensus among practitioners and academics on what specific model is optimal for particular situations…Furthermore, local history matters: each municipality has its own unique way of managing utilities.”

Recommendations Going Forward

It is recommended that the Law Department be consulted on all legal matters related to this Study. It is further recommended that bond counsel and financial advisors be consulted as appropriate. Finally, stakeholders (customers, consumer advocates, employees and their representatives, etc.) should be provided the opportunity to provide input during the EUC/City Council process regarding consideration of the governance issue.

College Station, TX

Legislation Details (With Text)

File #:	18-0739 **Version:** 1	**Name:**	Appointment to Sister Cities
Type:	Appointment	**Status:**	Agenda Ready
File created:	10/30/2018	**In control:**	City Council Regular
On agenda:	11/8/2018	**Final action:**	
Title:	Presentation, possible action, and discussion regarding the appointment of a Councilmember Representative to the Sister Cities.		
Sponsors:	Tanya Smith		
Indexes:			
Code sections:			
Attachments:			

Date	Ver.	Action By	Action	Result

Presentation, possible action, and discussion regarding the appointment of a Councilmember Representative to the Sister Cities.

Relationship to Strategic Goals:

- Good Governance

Recommendation(s): None

Summary: Councilmember Linda Harvell was the Council appointee to Sister Cities, and her seat as a Council Representative needs to be filled.

Budget & Financial Summary: None

Attachments: None