

M I N U T E S
SPECIAL COMMON COUNCIL MEETING
AUGUST 10, 1999
3:30 P.M.
COUNCIL CHAMBERS

MEMBERS PRESENT: Mayor Rietz, Council Member-at-Large Chaffee, Council Members Romo, Jorgenson, Penske, Poppe, Nordin and Lang.

MEMBERS ABSENT: None

OTHERS PRESENT: News Media. Public.

Addition added to the agenda: Jerry McCarthy and Ken Regner, Austin Utilities, to speak on the Amendment to the Power Sales Contract with SMMPA.

Moved by Council Member-at-Large Chaffee, seconded by Council Member Poppe, adopting agenda. Carried.

Planning and Zoning Administrator Craig Hoium discussed the resolution approving or denying the sale of land to McLeod USA for \$28,000. McLeod USA would like to construct a terminal/equipment building on the southerly portion of this site currently owned by the City of Austin, legally described as Lot 3, Block 3 of the Northeast Industrial Park. Mr. Hoium reminded City Council that a unanimous vote needs to take place before this sale of land may occur.

Moved by Council member-at-Large Chaffee, seconded by Council Member Poppe to adopt a resolution approving the sale of Lot 3, Block 3 of the Northeast Industrial Park to McLeod USA for \$28,000. 7-0. Carried.

Ken Regner from the Austin Utilities Board of Commissioners presented some information regarding an Amendment to the Power Sales Contract with SMMPA. Mr. Regner informed the City Council that since 1982, the City (Utilities) purchases power from SMMPA, along with 17 other member communities. Under the proposed amended power sales contract, all member cities will have the option to purchase additional power that is above and beyond the power purchased in the year 2000, from the open market place or SMMPA. However, this agreement is contingent upon all eighteen member communities plus SMMPA approving the contract. The Austin Utilities Board of Commissioners is meeting today at 4:00 to discuss this contract. Since the Mayor and City Recorder need to sign the amendment, the Austin Utilities are requesting the City Council approve the amendment.

Council Member-at-Large Chaffee asked if this will help the customers. Mr. Regner noted the question was hard to answer, but noted that the Utilities would not be worse off with the amended contract.

Council Member Romo asked what happens if the Austin utilities Board and/or the SMMPA Board said no to the contract. Mr. Regner noted that if SMMPA says no, it doesn't matter what the member communities vote.

Council Member Lang asked why Rochester may be undecided on the contract at this point. Mr. Regner noted that Rochester may believe that they can purchase the excess power from outside sources cheaper. This may or may not be true. It is not known at this time. Regner said the Austin Utilities strives for the most reliable service possible.

Council Member Nordin asked if NSP was coming this way with deregulation. Mr. Regner was not aware of any companies like NSP stepping forward after deregulation.

Moved by Council Member Romo, seconded by Council Member Nordin to adopt a resolution authorizing the Mayor and City Recorder to sign the Amendment to the Power Sales Contract between the City of Austin and SMMPA, contingent upon approval by both the Austin Utilities Board of Commissioners and SMMPA. 7-0. Carried.

Moved by Council Member-at-Large Chaffee, seconded by Council Member Jorgenson, to adjourn.

Adjourned: 3:58 p.m.

Approved: _____

Mayor: _____

City Recorder: _____