

A G E N D A



Recommendation for Council Action

Austin City Council		Item ID	58786	Agenda Number	13.
Meeting Date:	6/9/2016			Department:	Treasury
Subject					
Authorize negotiation and execution of a Decommissioning Master Trust Agreement with Wilmington Trust, N.A. to administer the City's nuclear decommissioning trust fund.					
Amount and Source of Funding					
The annual \$18,000 fee is funded directly from interest earned on funds held within the trust.					
Fiscal Note					
There is no unanticipated fiscal impact. A fiscal note is not required.					
Purchasing Language:					
Prior Council Action:					
For More Information:	Art Alfaro, Treasurer - 512-974-7882				
Council Committee, Boards and Commission Action:					
MBE / WBE:					
Related Items:					
Additional Backup Information					
<p>The City of Austin has a 16% ownership interest in Unit One and Unit Two of the South Texas Nuclear Project, a nuclear power generation facility located near Bay City, Texas. The United States Nuclear Regulatory Commission (NRC) requires that an owner of a nuclear generating facility provide assurance that funds will be available when needed for required decommissioning activities related to the facility. The City uses a trust fund to provide the financial assurance required by the NRC. As of April 30, 2016, the City's nuclear decommissioning trust holds \$208,292,305 in funds and is administered by JPMorgan Chase Bank as trustee.</p> <p>In a letter dated April 5, 2016, JPMorgan Chase Bank informed the City of its desire to no longer serve as trustee of the City's decommissioning trust. The City solicited responses from four potential trust providers: Bank of New York Mellon, Regions Bank, US Bank and Wilmington Trust. Of the four providers, three responded with competitive bids: Regions Bank, US Bank and Wilmington Trust. Each responsive provider sent a fee quote and reviewed a form of the agreement currently utilized by the City to administer the trust. Given that all three providers are equally qualified to handle the trustee duties, Wilmington Trust is the recommended successor trustee service provider based on the quoted lowest fee to provide the requested services.</p>					