



**Outside Counsel
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 6
AGENDA DATE: Thu 01/29/2004
PAGE: 1 of 2

SUBJECT: Authorize negotiation and execution of an amendment to the contract with MICHAEL SULLIVAN & ASSOCIATES, INC., Austin, TX, for services on behalf of the City of Austin as a consulting and/or expert witness in various dockets concerning water rights permitting matters, before the Texas Commission on Environmental Quality in the amount of \$80,000, with a total contract amount not to exceed \$395,500.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$80,000 is available in the Fiscal Year 2003-2004 Amended Operating Budget of the Electric Utility Department.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Law
DEPARTMENT:

DIRECTOR'S
AUTHORIZATION: David Smith

FOR MORE INFORMATION CONTACT: David Smith, City Attorney, 974-2268; Martha Terry, Division Chief, 974-2974

PRIOR COUNCIL ACTION: 8/30/01 in the amount of \$42,000, 6/27/02 in the amount of \$80,000, 4/24/03 in the amount of \$65,000

BOARD AND COMMISSION ACTION: N/A

This amendment increases the amount by \$80,000 for a consultant services contract with Michael Sullivan & Associates, Inc., for services on behalf of the City of Austin as a consulting and/or expert witness. Council is requested to authorize the payment of this expenditure out of the Electric Utility department. This will bring the total contract amount to \$395,500, and is estimated to cover anticipated costs through the end of this fiscal year.

Dr. Sullivan's consulting services include modeling of the impact of LCRA's requests on the operational costs associated with the City's ownership interest in the Fayette Power Project and the South Texas Nuclear Project and the impact of LCRA's request for the City's return flows from these facilities as well as the City's wastewater treatment plants. Dr. Sullivan's services have been essential to a continuing analysis of the impact of the new cases filed by LCRA upon the City's operational costs for its power plants.

The Law Department contracted with Michael Sullivan & Associates, Inc. on August 7, 2000 in the amount of \$20,000. Administrative approval was granted on December 20, 2000 in the amount of \$10,000 and on May 31, 2001 in the amount \$12,000. Council approved a resolution increasing the contract by \$42,000 on August 31, 2001, for a total contract amount of \$84,000. The original contract amount (August 7, 2000) and each of these amendments were funded by the Austin Water Utility Department.

Austin Energy contracted with Michael Sullivan & Associates, Inc. on August 31, 2001 in the amount of \$35,000. Administrative approval was granted on January 9, 2002 in the amount of \$7,500, for a total contract amount of \$42,500. The original contract amount (August 31, 2001) and the amendment made to



**Outside Counsel
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 6
AGENDA DATE: Thu 01/29/2004
PAGE: 2 of 2**

this contract were funded by Austin Energy.

Council approved a resolution on June 27, 2002 to combine and increase the contract by \$80,000, for a combined contract amount of \$206,500. Administrative approval was granted on February 27, 2003 in the amount of \$44,000, for a combined contract amount of \$250,500. These increases were funded by the Austin Water Utility Department and Austin Energy.

Council approved an additional \$65,000, on April 24, 2003, bringing the combined contract amount not to exceed \$315,500. This increase was funded by the Austin Water Utility department only.