

AGENDA



Recommendation for Council Action

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| Austin City Council | Item ID | 24869 | Agenda Number | 20. |
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| Meeting Date: | 6/6/2013 | Department: | Legal |
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Subject

Authorize negotiation and execution of a legal services agreement with Webb & Webb Attorneys at Law, for legal representation, advice, and counsel relating to the administrative appeal to Texas Commission on Environmental Quality of City of Austin wholesale water rates, for a total contract amount not to exceed \$497,000.

Amount and Source of Funding

Funding in amount of \$497,000 is available in the Fiscal Year 2012-2013 Operating Budget of Austin Water Utility.

Fiscal Note

Funding in amount of \$497,000 is available in here is no unanticipated fiscal impact. A fiscal note is not required.

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| Purchasing Language: | |
| Prior Council Action: | |
| For More Information: | Sharon Smith, Assistant City Attorney / 974-4773 |
| Boards and Commission Action: | |
| MBE / WBE: | |
| Related Items: | |

Additional Backup Information

On April 12, 2013, four of Austin Water’s wholesale water customers submitted a water rate petition challenging the City’s wholesale water rates to the Texas Commission on Environmental Quality (TCEQ). In their petition, the four wholesale customers [North Austin MUD, Northtown MUD, Travis County Water Control and Improvement District WCID # 10 (Westlake), and Wells Branch MUD] allege that the City’s wholesale rates are not just or reasonable. The petition alleges that new rates disproportionately increase the monthly fixed charges; collect for costs unrelated to water service; discourage conservation; and unfairly burden commercial and large volume customers. The petition also asks the TCEQ to set interim rates while the appeal is pending.

If the TCEQ executive director determines that an appeal petition has been filed which meets the TCEQ rules for wholesale appeals, the executive director will forward the matter directly to the State Office of Administrative Hearings (SOAH).

This legal services agreement will provide for legal representation, advice, and counsel relating to the administrative appeal, and any related legal matters.