

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	33710	Agenda Number	24.
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Meeting Date:	6/12/2014	Department:	Legal
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Subject

Authorize negotiation and execution of an amendment to the legal services contract 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, in the amount of \$461,000, for a total contract amount not to exceed \$958,000, and to expand the scope of services to include legal representation relating to the administrative appeal to Texas Commission on Environmental Quality of City of Austin wholesale wastewater rates.

Amount and Source of Funding

Funding in the amount of \$461,000 is available in the fiscal year 2013-2014 Operating Budget of Austin Water Utility.

Fiscal Note

Purchasing Language:	
Prior Council Action:	Council Approved Date On 6/6/2013
For More Information:	Contact Clark Cornwell at 512-974-6482
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 Austin Water's wholesale water rates to the Texas Commission on Environmental Quality (TCEQ). 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 water rates are not just or reasonable. By City Council approval Webb & Webb were engaged to represent the City in the wholesale water rate appeal. In December 2013, three of the wholesale water rate petitioners (North Austin MUD, Northtown MUD, and Wells Branch MUD) also filed a petition challenging Austin Water's wholesale wastewater rates. During extensive pre-trial preparation, the City was unsuccessful in its attempt to negotiate a mediated settlement with the petitioners. The Administrative Law Judge consolidated the water and wastewater rate cases in May 2014 and set the hearing schedule that has the hearing on the merits set for February of 2015. Additional legal services are necessary to continue to represent the City in its case against petitioners challenging Austin Water Utility's wholesale water rates and wholesale wastewater rates. This amendment is to expand the scope of legal services to include those additional services necessary for the administrative appeal and increase the budget for those services.