



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

**AGENDA ITEM NO.: 22  
AGENDA DATE: Thu 06/23/2005  
PAGE: 1 of 2**

**SUBJECT:** Authorize negotiation and execution of an amendment to the legal services agreement with BRACEWELL & GIULIANI, L.L.P., Austin, TX (formerly Bracewell & Patterson), for legal representation, advice, and counsel concerning water rights permits matters involving the Colorado River and the Lower Colorado River Authority (primarily applications before the Texas Commission on Environmental Quality), and concerning revisions and updates to the Year 2000 Region "K" Water Supply Plan for the Lower Colorado Regional Water Planning Group for an increase of \$295,000.00, with a total contract amount not to exceed \$1,055,000.00.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$147,500 is available in the 2004-2005 Amended Operating Budget of Austin Energy and funding the amount of \$147,500 is available in the 2004-2005 Approved Operating Budget of Austin Water Utility.

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

**REQUESTING Law  
DEPARTMENT:**

**DIRECTOR'S  
AUTHORIZATION: Marty Terry**

**FOR MORE INFORMATION CONTACT:** David Allan Smith, City Attorney / 974-2268; Sharon Smith, Assistant City Attorney / 974-4773

**PRIOR COUNCIL ACTION:** Resolution 07/19/01 in the amount of \$60,000; Resolution 05/09/02 in the amount of \$100,000; Authorization 01/30/03 in the amount of \$250,000; Authorization 08/26/04 in the amount of \$223,000.

**BOARD AND COMMISSION ACTION:** N/A

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This amendment increases the amount of legal services contract with Bracewell & Giuliani, L.L.P. (formerly Bracewell & Patterson, L.L.P.) for legal representation, advice, and counsel concerning water rights permits matters involving the Colorado River and the Lower Colorado River Authority (LCRA) and updates to the Year 2000 Region "K" Water Supply Plan for the Lower Colorado Regional Water Planning Group, for an increase of \$295,000, with a total contract amount not to exceed \$1,055,000.

The Law Department contracted with this firm on June 30, 2000, for an original contract amount of \$40,000. Subsequent increases were authorized by the City Council in successive years, funded by the Austin Water Utility or jointly by the Austin Water Utility and Austin Energy totaling \$633,000. In addition the contract was extended by administrative approval on two separate occasions: November 16, 2001, in the amount of \$43,000 and on January 15, 2003, in the amount of \$44,000.

Originally, the firm was retained to explore various options available to the City to protect its water supplies from the Colorado River. Thereafter, the firm began to and continues to represent the City in Texas Commission on Environmental Quality (TCEQ) water rights permits matters affecting the City, and to assist the City with pursuing the additional permits necessary to place the City in a strong position with respect to its future water needs.



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This year the City has renewed negotiations with LCRA in an attempt to reach a creative resolution of all outstanding permitting matters. In addition this year, the City, as a member of the Lower Colorado Regional Water Planning Group, has participated in amending the Region "K" Water Supply Plan, which is updated approximately every five years.

The Council is now being requested to authorize the expenditure of an additional \$295,000. Of the \$295,000, \$147,500 will be funded by the Austin Water Utility and \$147,500 will be funded by Austin Energy. The additional amount will be used to pay the fees and expenses of Bracewell & Giuliani, L.L.P., anticipated through the end of the 2005 fiscal year. This will bring the total contract amount to \$1,055,000.