



City of Galveston

DEPARTMENT OF PUBLIC WORKS

Trino Pedraza, Director of Municipal Utilities and Construction
tpedraza@galvestontx.gov | Office Number: (409) 797-3683 | www.galvestontx.gov

Date: October 13, 2020

To: Brian Maxwell, City Manager
Honorable Mayor and City Council Members

From: Trino Pedraza, Director of Municipal Utilities and Construction

RE: Consider for approval additional funding for professional legal services from the law firm of Lloyd Gosselink in the amount of \$47,500.00 related to water and sewer legal issues. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

- A. In February of 2010, City Council approved a contract with Lloyd Gosselink in the amount of \$200,000.00 for legal services and necessary consultant fees for water quality matters including the pretreatment audit.
- B. In June of 2011, City Council approved additional funding (\$40,000.00) to provide the City additional legal representation to involving the pretreatment program due to mandatory TCEQ changes.
- C. In April of 2013, City Council approved additional funding (\$75,000.00) for legal services related to water and wastewater issues, with direction to pursue the petition for an exception from state rule regarding minimum water capacity.
- D. In June 25 of 2015, City Council approved additional funding (\$21,000.00) for legal services related to water and wastewater related issues.
- E. In March of 2016, City Council approved additional funding (\$25,000.00) for legal services related to water and wastewater related issues.
- F. In January of 2017, City Council approved additional funding (\$30,000.00) for legal services related to water and wastewater related issues.
- G. In March of 2018, City Council approved additional funding (\$30,000.00) for legal services related to water and wastewater related issues.
- H. In May of 2019 City Council approved additional funding (\$30,000.00) for legal services related to water and wastewater related issues.

II. Current Situation

- A. Legal services are needed related to water and wastewater quality, permitting and regulatory matters. Funds have been allocated in the 2020 - 2021 Budget in the Water and Sanitary Sewer funds to address possible legal issues pertaining to water and wastewater related concerns.





City of Galveston

DEPARTMENT OF PUBLIC WORKS

Trino Pedraza, Director of Municipal Utilities and Construction
tpedraza@galvestontx.gov | Office Number: (409) 797-3683 | www.galvestontx.gov

B. Included in this year's budget is an additional \$17,500 needed to file and complete the expansion the City of Galveston's current certificate of convenience and necessity (CCN). Our current CCN is incomplete and only protects our City

III. Issues:

A. Cost – \$47,500.00

IV. Alternatives in order of priority

- A. Approval the request for legal services.
- B. Do not approve the request for legal services.

V. Recommendation

Approve the request for increase in the amount of \$47,500.00

VI. Fiscal Impact Report

Requested by:	Trino Pedraza Director of Municipal Utilities and Construction
Funding Source:	Water/Sewer Operating Budget
Cost of Implementation	\$47,500.00

Respectfully Submitted,

Trino Pedraza
Director of Municipal Utilities and Construction



Trino Pedraza

From: David Klein <dklein@lglawfirm.com>
Sent: Tuesday, September 29, 2020 2:19 PM
To: Trino Pedraza
Cc: Nathan Vassar; Christina Thompson
Subject: [EXTERNAL] Proposed Budget for CCN work

Trino,

Great talking with you today about the City's goal of (1) extending the boundaries of its water and sewer CCNs westward down the island to the county line, save and except for the area already served by the City of Jamaica Beach, and (2) cleaning-up Galveston's water and sewer CCN boundaries to include the homes on the southern side of Seaside Lane and E. Seaside Lane).

As we discussed, to reach that goal, the City will need to file an application at the Public Utility Commission to amend its water and sewer CCNs to include such areas. To that end, a CCN amendment application will entail (1) our legal fees to prepare, file, and prosecute that application, (2) the costs to mail and publish notice of the CCN application (publication is once a week for two consecutive weeks), and (3) the costs to prepare the PUC-required maps, in both hard copy and electronic forms.

Given the information that we know at this point, we do not anticipate that the CCN application would be protested by a third party or the PUC. Accordingly, if that is the case, then we estimate that our legal expenses for this project will not be less than \$10,000, but they should not be more than \$15,000.

While we are not anticipating the need to do this, our cost estimate does not include preparing an agreement with Jamaica Beach. Similarly, if Galveston's CCN amendment application is protested, then the costs would likely be significantly more; and, we cannot estimate those costs until we know how many folks are protesting the application and what issues are in dispute. In any event, if the application is protested, then the City could always try to resolve the dispute with the third party or withdraw the application in part or in whole, with no penalty to the PUC.

We are not familiar with the publishing costs, but for the purposes of the budget, perhaps we should estimate \$2,500? Last, given that the City has in-house staff who can prepare the necessary maps, there should be no additional costs to the City, which is great!

Thus, the bottom line here is that the total costs to the City to undertake this process at the PUC should be between \$12,500 and \$17,500.

Do not hesitate to reach out to us if you have any additional questions. We are happy to help! My cell phone is 512-659-9292, and Nathan's phone number is 512-322-5825. We will sending you the engagement letter shortly.

Thanks,
David



DAVID J. KLEIN

Principal

512-322-5818 Direct

Lloyd Gosselink Rochelle & Townsend, P.C.

816 Congress Ave., Suite 1900, Austin, TX 78701

www.lglawfirm.com | 512-322-5800

[NEW!!! Podcast - Listen In With Lloyd Gosselink](#)

[News](#) | [vCard](#) | [LinkedIn](#) | [Bio](#)

****ATTENTION TO PUBLIC OFFICIALS AND OFFICIALS WITH OTHER INSTITUTIONS SUBJECT TO THE OPEN MEETINGS ACT ****

A "REPLY TO ALL" OF THIS EMAIL COULD LEAD TO VIOLATIONS OF THE TEXAS OPEN MEETINGS ACT. PLEASE REPLY ONLY TO LEGAL COUNSEL.

CONFIDENTIALITY NOTICE:

This email (and all attachments) is confidential, legally privileged, and covered by the Electronic Communications Privacy Act. Unauthorized use or dissemination is prohibited. If you have received this message in error please delete it immediately. For more detailed information click <http://www.lglawfirm.com/email-disclaimer/>.

NOT AN E-SIGNATURE:

No portion of this email is an "electronic signature" and neither the author nor any client thereof will be bound by this e-mail unless expressly designated as such as provided in more detail at www.lglawfirm.com/electronic-signature-disclaimer/.