

MATHEWS & FREELAND, L.L.P.

ATTORNEYS AT LAW

JIM MATHEWS
JOE FREELAND

P.O. Box 1568
AUSTIN, TEXAS 78768-1568

(512) 404-7800
FAX: (512) 703-2785

March 31, 2000

Via Facsimile

Mr. Bill H.Riley
Division Manager, Water/Wastewater
City of College Station
P.O. Box 9960
College Station, Texas 77842-9960

Re: Employment Contract for CCN Issues

Dear Bill:

As you requested, I am forwarding by fax a copy of a proposed employment contract for legal services related to water utility CCN issues, including the City's opposition to the CCN amendment application of Wellborne Special Utility District. Duplicate originals will be forwarded by mail. As you requested, I have addressed this contract to John Woody and have noted in the agreement that our total charges for this work will not exceed \$30,000 without prior written authorization from the City.

If you have any questions, please feel free to call.

Sincerely,


Jim Mathews

JM/slt
Enclosure

MATHEWS & FREELAND, L.L.P.

ATTORNEYS AT LAW

JIM MATHEWS
JOE FREELANDP.O. Box 1568
AUSTIN, TEXAS 78768-1568(512) 404-7800
FAX: (512) 703-2785

March 31, 2000

Mr. John Woody
Director of Public Utilities
City of College Station
P.O. Box 9960
College Station, TX 77842-9960

RE: Employment Contract

Dear Mr. Woody:

This will confirm our agreement that the firm of Mathews & Freeland, L.L.P., will represent the City of College Station with regard to issues concerning water utility Certificates of Convenience and Necessity, including the City's opposition to the pending CCN request of Wellborne Special Utility District. Our work will be performed under your direct supervision or the supervision of other persons designated by you. Additionally, we will represent the City of College Station in any other matter requested, provided we do not have a conflict of interest. Our work on this matter will be billed on an hourly basis as described below. However, our total charges for this work will not exceed \$30,000.00 without prior written authorization from the City.

At the present time our firm has a fee structure ranging up to \$210.00 per chargeable hour for attorneys' services, depending on the individual involved and his or her level of experience and expertise. Additionally, we utilize briefing clerks, paralegals and other support personnel to perform those tasks not requiring the time of an attorney. Briefing clerk and paralegal time is billed at an amount not to exceed \$75.00 per hour. We will submit all out-of-pocket expenses incurred for reimbursement, with a fifteen percent (15%) overhead charge added. Charges for other services, such as photocopies, fax transmissions and messenger services will be billed according to the attached schedule. We endeavor to have a statement of services rendered and expenses incurred by the 20th of each month. Full payment is due on receipt of the statement. Interest will be charged at the rate of 10% per annum on any balance not paid sixty (60) days after the statement date.

I will be the account representative and the attorney in charge of our representation. My time will be billed at the rate of \$210.00 per hour. Joe Freeland may also be working on this matter, and his time will be billed at the rate of \$185.00 per hour. From time to time other attorneys with the firm may be assigned to some aspect of our representation, as appropriate. It is the policy of our firm to review our fee structure annually. We will notify you in writing prior to implementation of any change in our fee structure.

Mr. John Woody
March 31, 2000
Page 2

This agreement shall become effective upon our receipt of a countersigned original of this letter. The agreement may be terminated by you at any time by written notice to us, provided, when applicable, that permission for withdrawal from employment is granted by the court. This agreement may be terminated by this firm on fifteen (15) days written notice that we are no longer in a position to continue representing you in a particular matter for whatever reason, including nonpayment of fees and expenses within 30 days of receipt of an invoice.

If this agreement is acceptable to you, please sign the duplicate original provided herein, and return it to us for our records. We look forward to working with you.

Sincerely,



Jim Mathews

JDM/slt

APPROVED:
CITY OF COLLEGE STATION

(Client Signature)

(Title)

(Printed Name)

Mr. John Woody
March 31, 2000
Page 3

SCHEDULE OF CHARGES

As of January 1, 1998

Photocopies	\$.20\page
Facsimile (sending only)	\$ 1.00\page
Messenger/clerical services	\$ 10.00\hour