DENTON, NAVARRO, ROCHA & BERNAL

A Professional Corporation ATTORNEYS AND COUNSELORS www.rampagelaw.com

SAN ANTONIO OFFICE 2517 North Main Avenue San Antonio, Texas 78212 Phone (210) 227-3243 Fax (210) 225-4481 AUSTIN OFFICE 2500 W. William Cannon, Suite 609 Austin, Texas 78745 Phone (512) 279-6431

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701 East Harrison, Suite 100 Harlingen, Texas 78550 Phone (956) 421-4904 Fax (956) 421-3621

RIO GRANDE VALLEY OFFICE

October 5, 2011

Brandon Wade City Manager City of Pflugerville 100 East Main Street Pflugerville, Texas 78691 via email: citymanager@cityofpflugerville.com

RE: Letter of Engagement for Special Counsel Services – Water Master Plan, Model and Water Supply, effective as of October 4, 2011

Dear Mr. Wade:

We thank you for the opportunity to represent the City of Pflugerville, Texas ("City") on this special project. I submit this engagement letter to the City to provide Special Counsel's services to the City involving support and representation related to the Water Master Plan, Water Modeling and Water Supply issues affecting the city.

I, George E. Hyde, will be the supervising partner and your primary contact for this engagement. Associates Ross Fischer and Erin A. Higginbotham will assist when necessary on this matter. Depending on your need and work load, other lawyers in the firm may be used when necessary to increase our ability to respond to your needs and reduce your overall costs in connection with our engagement when appropriate.

Denton, Navarro, Rocha & Bernal, P.C. has found that the practice of billing clients on an hourly basis, for work actually completed, and with invoices submitted on a monthly basis works best for our clients and us. Our invoices are due on receipt and are past due after thirty days. Our hourly billing rates for our engagement with the City are as follows: \$195 per hour for Partners; \$175 per hour for Associate Attorneys; \$125 per hour for Law Clerks; and \$85 per hour for Paralegals. If litigation ensues, our litigation hourly billing rates are as follows: \$225 for Partners; \$200 per hour for Associates; \$125 per hour for Law Clerks; and \$85.00 for Paralegals. All other staff support is provided at no charge. All expenses are charged at cost and all related mileage is calculated at the then current IRS rates. All invoices shall be sent to you as the City Manager for the City unless you direct otherwise.

Brandon Wade City Manager October 5, 2011 Page 2

Please execute this letter in the space provided below to acknowledge our engagement on behalf of the City and return it to our office via facsimile at (512) 279-6438 or by email at george.hyde@ramapge-aus.com. Please feel free to contact me regarding any questions you may have involving this letter.

We look forward to representing the City of Pflugerville, Texas as Special Counsel in this matter.

Sincerely,

DENTON, NAVARRO, ROCHA & BERNAL A Professional Corporation

GEORGE E. JIYDE

GEH/ha
AGREED AND ACCEPTED:

Brandon Wade
City Manager
City of Pflugerville, Texas

Date