



MEMORANDUM

Council Agenda
Item No. IX. AU
1/2/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Joint Resolution with the Oklahoma City Water Utilities Trust approving the rate adjustment to the Letter of Engagement, effective January 1, 2024, and ratifying the actions of the Assistant Municipal Counselor and the General Counsel of the Oklahoma City Water Utilities Trust in authorizing Nazarenus Stack & Wombacher LLC to continue representation of The City of Oklahoma City and the Oklahoma City Water Utilities Trust as stated in the Letter of Engagement, and authorizing the Municipal Counselor and assignee to supervise legal counsel and direct Nazarenus Stack & Wombacher LLC to meet the goals and directives of The City of Oklahoma City and the Oklahoma City Water Utilities Trust related to water and water rights and including but not limited to the Kiamichi River Water Supply Project and Lake Sardis.

Purpose:

To approve the rate adjustment to the Letter of Engagement.

Background:

In 2010, the Oklahoma City Water Utilities Trust (OCWUT) and The City of Oklahoma City (City) selected Brian Nazarenus of the firm Ryley Carlock & Applewhite and his legal team to represent the City and OCWUT in multiple cases and issues related to water, water rights, and Sardis Lake. In 2019, Brian Nazarenus and his legal team established a new firm, Nazarenus Stack and Wombacher LLC. On December 17, 2019, the City and OCWUT authorized the transfer of its files from Ryley Carlock and Applewhite to Nazarenus Stack & Wombacher LLC and entered an agreement with Nazarenus Stack & Wombacher LLC to continue representation of the City and OCWUT in said cases and issues. Through the representation of the City and OCWUT by Nazarenus Stack & Wombacher, the City and OCWUT were successful in obtaining a stream water permit on the Kiamichi River at Moyers Crossing for water storage in Lake Sardis and for water in the Kiamichi River.

On October 3, 2023, in the case *Leo et al. v. OWRB and Oklahoma City*, 2023 OK 96, the Oklahoma Supreme Court affirmed the City Kiamichi River Stream Water Permit, which enables the City and OCWUT to engage in the next phase of the processes of the Kiamichi River Water Supply Project and other water and water rights related issues. Nazarenus Stack and Wombacher LLC requested a revised Letter of Engagement that updated the scope of work to provide services for the next phase of the process for the Kiamichi River Water Supply Project and other water and water rights related issues. The authorization on the Letter of Engagement has by practice been executed by a member of the Oklahoma City Municipal Counselor's Office assigned to the

Utilities Department and acting as General Counselor to OCWUT.

The only substantive change to the Letter of Engagement was a clarification of the previous general scope of work, which the General Counsel has historically supervised and directed in accordance with the direction and goals of the City and OCWUT. The 2019 Letter of Engagement and its amendments provide for annual revisions to the Hour Rate Schedule as approved by the client, the City and OCWUT. Nazareus Stack and Wombacher LLC has provided the Letter of Engagement, NSW Law 2024 Rates, dated November 8, 2023, requesting its annual adjustment increase to be effective January 1, 2024.

Review:

Utilities Department

Recommendation: Joint Resolution be adopted.