



DARCY ALAN FROWNFELTER
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June 23, 2016

HAND DELIVERED

Board of Directors
Edwards Aquifer Authority
900 East Quincy Street
San Antonio, Texas 78215

Re: General Counsel Engagement Letter

Ladies and Gentlemen:

1. Introduction.

The firm of Kemp Smith, LLP (“KS”) is grateful for the opportunity to present this General Counsel Engagement Letter. KS appreciates the opportunity to assist and serve the Edwards Aquifer Authority (“EAA”) in its management of the Edwards Aquifer.

2. General Counsel.

KS will represent the EAA as its General Counsel. In so doing, KS will, on a day-to-day basis, coordinate its activities through the General Manager of the EAA in accordance with ¶ 4.07(g) of the EAA’s Bylaws.

3. Points of Contact.

For the EAA, the point of contact is its General Manager. For KS, the point of contact is Darcy Alan Frownfelter.

4. Period of Engagement; Termination.

The engagement letter dated May 13, 2008, shall continue through July 31, 2016, and thereafter shall be superseded by this engagement letter. The engagement under this engagement letter is effective beginning August 1, 2016, and continues in effect unless terminated at any time by the Board of Directors (“Board”) of the EAA. KS may terminate this engagement only if done so consistent with the Texas Disciplinary Rules of Professional Conduct in order to ensure that the EAA is not prejudiced by such action.

5. Authority to Provide Legal Services.

KS is authorized to provide legal services as requested by: (1) the Board; (2) a committee of the Board; and (3) the General Manager, or his delegee. When undertaking activities that may result in fees, KS will consult with the General Manager to ensure that the scope of work and estimated time are consistent with the views of the General Manager.

6. Additional Counsel.

Nothing in this engagement letter precludes the Board from engaging additional counsel. KS is not authorized to engage other counsel absent the prior approval of the Board.

7. Fees.

KS is authorized to bill for its services at the following hourly rates:

Shareholders:	\$250.00
Associates	\$200.00
Paralegal	\$150.00
Law Librarian	\$125.00

8. Reimbursable Expenses.

Reimbursable expenses are authorized to be billed at the rates set forth in Attachment A.

9. Telecommunications Hookup.

KS will bear the expense of establishing any telecommunications hook-up as may be necessary for it to properly communicate with the EAA. In consultation with the EAA, KS will prepare and transmit all documents in a format compatible with the EAA's information management systems.

10. Billing.

KS will bill for its services through detailed monthly statements payable within 45 days. No past due fees will be imposed for late payments.

11. Offices.

KS will generally provide legal services from its Austin office. From time to time, services may be provided from other offices when appropriate. In addition, KS will provide personnel on site in San Antonio in a manner determined by the EAA to be most appropriate to efficiently provide legal services to the EAA.

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If the foregoing is acceptable, please indicate your acceptance by signing and dating this original and one enclosed copy, and return one executed copy for our files. Please retain the other executed copy for your files. This engagement letter supersedes all prior engagement letters. KS is grateful for the opportunity to provide legal services to the EAA. Thank you.

Yours very truly,

Darcy Alan Frownfelter
Partner, Public & Environmental Law Department
KEMP SMITH, LLP

ACCEPTED:

EDWARDS AQUIFER AUTHORITY

By: _____
Luana Buckner, Chairman, Board of Directors

_____ Date

ATTEST:

By: _____
Enrique Valdivia, Secretary, Board of Directors

_____ Date

ATTACHMENT A

EXPENSE SCHEDULE

- | | | |
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| 1. | Copies | \$0.20 per copy |
| 2. | Long Distance | Cost. No charge for calls between EAA and KS offices or for calls within San Antonio Metro area. |
| 3. | Fax | \$1.00 per page (local and long distance) |
| 4. | Courier | Cost |
| 5. | Overnight Delivery | Cost |
| 6. | Computerized Research | Cost |
| 7. | Litigation expenses
(court costs, filing fees,
depositions, expert witnesses,
exhibits, etc.) | Cost |
| 8. | Travel | |
| | Routine (e.g. Board and
committee meetings) | No charge for travel between EAA and
KS offices. |
| | Non-routine (e.g.
litigation; out of state) | As approved by the General Manager. |