



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-14

April 27, 1998

To: Board of Directors (Legal and Claims Committee--Action)
(Organization and Personnel Committee--Action)

From: General Counsel *A. Gregory Taylor*

Subject: Request for Authority to amend contract with O'Melveny & Myers to provide legal services relating to various Colorado River and other water issues to a maximum amount payable of \$250,000.

RECOMMENDATION(S)

That the General Counsel be authorized to amend Agreement No. 13434 with O'Melveny & Myers to a maximum amount of \$250,000, substantially upon the terms and conditions set forth in this letter.

DETAILED REPORT

In March of 1997, the General Counsel retained the law firm of O'Melveny & Myers to provide legal services and advice with regard to Colorado River issues. The maximum amount payable under the agreement is \$75,000. Pursuant to this agreement, O'Melveny & Myers has provided advice with regard to issues arising out of the developing California 4.4 Plan and other Colorado River issues. The services of the firm have been principally provided by Owen Olpin and Sandra Ikuta, two partners of the firm. They have assisted in the review of various documents such as the draft California Plan, proposed federal regulations for offstream storage of Colorado River water, the proposed Imperial Irrigation District/San Diego County Water Authority Water Transfer agreement and the Kennedy Framework as that Framework relates to Colorado River issues. Additionally, they have participated in various meetings regarding these matters.

An amendment to the contract is necessary in order to accommodate the expanding legal workload arising from Colorado River matters. Consistent with the draft California 4.4 Plan, for example, Metropolitan has been pursuing a number of potential groundwater storage agreements. Possible agreements with Coachella Valley Water District, Cadiz Land Company and Catellus Corporation are identified as part of the draft California 4.4 Plan. Because of the particular expertise of O'Melveny & Myers and their prior experience with Metropolitan with regard to bankruptcy and other financial issues in developing groundwater storage programs, it would be beneficial to utilize their expertise as groundwater storage programs are developed and evaluated. Thus, it will be necessary to amend this contract to provide that the maximum amount payable under this contract be \$250,000.

In addition to work on these specific programs, the firm would be expected to continue to work on other California 4.4 Plan matters. As additional progress is made in developing the Plan, it is expected that legal work requirements would increase. Such work could include additional negotiations for specific agreements, work on possible federal regulations and other implementation issues.

In addition to Mr. Olpin and Ms. Ikuta, it is also anticipated that Brian Currey and Richard Beller would also assist the General Counsel on these matters. Other attorneys may be assigned whose hourly rates would be consistent with the schedule listed. The hourly rates are reflected on attachment A.

KLT:sk

Attachment

#10115

Attachment A

Owen Olpin	\$375.00
Brian Currey	\$350.00
Sandra Ikuta	\$260.00
Richard Beller	\$220.00