

APPROVED  
By the Board of Directors of  
The Metropolitan Water District  
of Southern California  
at its meeting held

41842

APR - 9 1996

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**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

*Dawn Chai*  
EXECUTIVE SECRETARY

March 26, 1996

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

**From:** General Counsel *W. Gregory Taylor*

**Subject:** Authorization to enter into an Agreement with Muys & Pensabene for the Personal Services of Jerome C. Muys

**RECOMMENDATION(S)**

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That the General Counsel be authorized to execute an agreement with the law firm of Muys & Pensabene to provide for the personal services of Jerome C. Muys consistent with the terms and conditions outlined in this letter.

**EXECUTIVE SUMMARY**

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Since 1974, Jerome C. Muys of Washington, D.C. has assisted the General Counsel on matters relating to Metropolitan's water and power rights on the Colorado River. Mr. Muys has recently decided to form his own law firm with a long time partner, Gregory Pensabene, and has requested that the present contract for his services with the law firm of Bogle & Gates be terminated and that a new agreement with his law firm of Muys & Pensabene be authorized. The terms and conditions of the new agreement would be substantially similar to the terms and conditions contained in Mr. Muys' present agreement.

**DETAILED REPORT**

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Since 1975, Jerome C. Muys of Washington, D.C. has been assisting the General Counsel in various matters relating to Metropolitan's rights to water and power from the Colorado River. In particular, Mr. Muys has been assisting the General Counsel in the on-going Arizona v. California III litigation, which involves a dispute over the extent of water rights for three Indian reservations along the Colorado River, as well as assisting the General Counsel in recently filed litigation regarding the Western Area Power Administration's methodology in calculating rates for Hoover Power. Mr. Muys is also providing legal advice with regard to the broad spectrum of legal issues arising out of the Colorado River facilitated discussions. Mr. Muys is uniquely qualified to provide assistance to Metropolitan because of his long-standing involvement in Colorado River matters, commencing with his representation of California in the original Arizona v. California proceeding. Additionally, Mr. Muys' expertise has been recognized by his appointment by the United States Supreme Court to act as a Special Master for the Court in the interstate water dispute involving the Platte River.

Mr. Muys presently serves under a contract approved by your Board with the law firm of Bogle & Gates, a Seattle, Washington based firm with an office in Washington, D.C. Mr. Muys and a longtime partner, Gregory Pensabene, have decided to form their own law firm, Muys & Pensabene.

Under the terms of the proposed contract with Muys & Pensabene, Mr. Muys services would continue at the same hourly rate as approved by your Board in March of 1991. The firm would receive a retainer of \$4,500, with hourly charges billed to Metropolitan only if they exceed the monthly retainer. This would represent an increase over the previous monthly retainer of \$2,500. That retainer was established in 1981 and has not been increased since that date. Over the course of the last 12 months, Mr. Muys' monthly billings have exceeded the amount of the requested retainer in each month. Given the number of issues Mr. Muys is currently working on, it is expected that his monthly billings would generally reach or exceed the requested retainer amount.

Additionally, Muys & Pensabene would continue to share office space and facilities with Bogle & Gates and would have access to the various resources of Bogle & Gates, if necessary. Hourly rates for attorneys for Bogle & Gates if utilized on Metropolitan's behalf would not exceed the rate paid for Mr. Muys and would also be credited against the proposed retainer.