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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-5

June 17, 1998

To: Board of Directors (Committee on Communications and Legislation--Action)
(Organization and Personnel Committee--Action)

From: *for* General Manager

Submitted by: John R. Maloy
Chief of Communication

Edward S. Meacham III
JR Maloy

Subject: Ratification of Agreement No. 16411 with Will & Carlson, Inc., for
Consulting Services

RECOMMENDATION(S)

It is recommended that the Board of Directors ratify the General Manager's execution of Agreement No. 16411 with Will & Carlson, Inc.

EXECUTIVE SUMMARY

In August 1997, Metropolitan's Board directed a reorganization of all legislative activities, as well as traditional public affairs functions, into a unified Communications Division. At that time, the Board articulated its specific expectations with respect to the achievement of Metropolitan's legislative objectives.

To supplement staff efforts on these legislative activities, Metropolitan has continued to retain specialized consultants to assure that the Board's expectations are realized.

To ensure that the Board is fully informed with respect to these consultant activities, it is staff's intention to present ongoing contracts for public relations and legislative consultants to the Board for ratification.

Agreement No. 16411, with Will & Carlson, is one of several contracts that staff is presenting to the Board under this process. Will & Carlson is based in Washington, D.C. and works primarily with Metropolitan's Washington, D. C. legislative staff. The firm assists staff in developing its strategies for pursuit of legislative goals at the federal level and also assists staff with its coalition development efforts.

The Board has affirmed Metropolitan's involvement with principals of this firm on two prior occasions--in May 1987, and again in November 1994.

DETAILED REPORT

In August 1997, Metropolitan's Board directed a reorganization of all legislative activities, as well as traditional public affairs functions, into a unified Communications Division. At that time, the Board articulated its specific expectations with respect to the achievement of Metropolitan's legislative objectives. To supplement staff efforts on these legislative activities, Metropolitan has continued to retain consultants with particular expertise in legislative process and/or water policy to assure that the Board's expectations are realized.

To ensure that the Board is fully informed with respect to these consultant activities, it is staff's intention to present ongoing contracts for public relations and legislative consultants to the Board for ratification. Agreement No. 16411, with Will & Carlson, Inc., is one of several contracts that staff is presenting to the Board under this process. As detailed below, the Board has affirmed Metropolitan's involvement with principals of this firm on two prior occasions--in May 1987, and again in November 1994.

Metropolitan has contracted with Robert Will, currently a principal of Will & Carlson, Inc., since 1980. Before relocating to Washington, D.C., Mr. Will served as Metropolitan's General Counsel. In May 1987, and with approval of Metropolitan's Board, Mr. Will, as a partner in the law firm of Will & Muys, was again retained to represent the District on matters relating to the federal government.

In November 1994, Metropolitan's Board of Directors voted to establish a Washington, D.C. staff office to further strengthen our outreach efforts to federal legislators and regulatory agencies. As a part of these efforts, Metropolitan's Board recognized that it would be necessary to develop a "comprehensive federal advocacy program which includes agreements with several Washington, D.C. firms to provide representation with a broader array of perspectives and contacts in order to increase the scope and effectiveness of Metropolitan's activities and influence."

In December 1994, Mr. Will and Peter Carlson, who was also formerly with Will & Muys, partnered in a new firm, Will & Carlson, Inc. Following the formation of Will & Carlson, Inc., Metropolitan executed a contract to continue Messrs. Will and Carlson's role as our primary Washington advisors.

Having served as a Metropolitan advocate for nearly two decades, Robert Will along with Peter Carlson, continues to play a central role in Metropolitan's Washington efforts. Will & Carlson, Inc. also subleases its office space from Metropolitan, which allows Metropolitan to recover some of its overhead investment for the Washington operation.

Because consulting services provided by Will & Carlson, Inc., have proved necessary on a continuous basis, Agreement No. 16411 was developed consistent with Metropolitan's policies for sole-sourcing and for securing consulting and professional services which will be required on an ongoing basis. The consultant is compensated on a monthly retainer basis, plus expenses. Under this new contract, which began in September 1997, the maximum amount payable is \$141,000 annually, including expenses.

Will & Carlson, Inc. provides services in the following areas:

1. Developing strategy to pursue legislative and regulatory goals at the federal level; and
2. Assisting Metropolitan in its coalition development efforts.

Staff feels that Robert Will and Peter Carlson are uniquely qualified to perform these services. Their backgrounds include long-term relationships with key legislative officials and staff, as well as with regulatory staff. Mr. Carlson's background includes more than a dozen years working with members of the environmental community on water resource and transportation issues. Recently, the firm led the resolution of Metropolitan's chlorine shipment problems which had resulted from the merger of the Union Pacific and Southern Pacific Railroads, including securing a letter of support from the entire Southern California delegation. Will & Carlson, Inc., has also assisted Metropolitan with its responses to electric utility restructuring, Alameda Corridor infrastructure relocation funding, wetlands restoration legislation mark-up, all non-CalFed appropriations, and salinity control issues. Additionally the firm has supported Metropolitan's overall education efforts to improve its visibility among legislators and regulators and has assisted Metropolitan staff with the strategic planning for and the execution of "Washington Day 1998."

Staff anticipates that Metropolitan's federal legislative and regulatory efforts will require increased and ongoing attention for Metropolitan to meet its water supply and operational goals, and protect the interests of its Member Agencies. Staff requests that the Board reaffirm its support for these activities by ratifying Agreement No. 16411.

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