



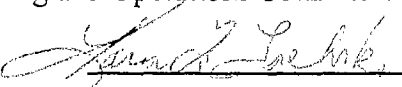
**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-1

June 23, 1998

**To:** Board of Directors (Legal and Claims Committee--Action)  
(Engineering and Operations Committee--Action)

**From:** General Counsel 

**Subject:** Authority to Retain Special Counsel Katherine E. Stone to Continue Representation in Litigation for the Eastside Reservoir Project and Assistance on Eastside Reservoir Recreation Entitlement and Environmental Impact Activities.

### **RECOMMENDATION**

It is recommended that your Board authorize the General Counsel to retain Katherine E. Stone to continue with her representation in litigation related to Eastside Reservoir Project and assistance on the Eastside Reservoir Recreation entitlement and environmental activities in an amount not to exceed, including expenses, of \$250,000 per year.

### **DETAILED REPORT**

At its meetings in October, 1993, your Board authorized the retention of Katherine Stone ("Special Counsel") to handle an eminent domain action on behalf of Metropolitan. In June, 1995, your Board authorized the amendment of an existing contract with Katherine Stone to extend the time period under the existing agreement for an additional three year term. The three year term will expire in August, 1998. In lieu of amending the existing contract Metropolitan seeks the Board's authority to enter into a new contract with Katherine Stone to provide for compensation not to exceed \$250,000 per year, and to provide for completion of representation in litigation matters in connection with the Eastside Reservoir Project, and to provide legal advice, representation and assistance on entitlement and environmental issues in connection with Metropolitan's Eastside Reservoir Recreation Plan.

Special Counsel is currently handling several inverse condemnation action matters relating to the Eastside Reservoir Project including two matters filed by Alex and Elvira Mlikotin, one by the Searl family and one by the Grodahls. All of the inverse condemnation matters are in the final stages of litigation.

In addition, Ms. Stone has been involved in various amendments to the Circulation Element of the Riverside County General Plan relative to the vacation of streets required by the construction of the Reservoir and she has been providing assistance in application for entitlements and preparation of a Supplemental Environmental Impact Report which are necessary for development of recreational facilities at the Eastside Reservoir.

It is anticipated that the litigation matters will diminish over the next year. The work related to obtaining entitlements and final environmental documentation for the recreational facilities will become more intensive for the next 18 months to two years.

<b>Contract Type</b>	<b>Funding</b>	<b>Type of Competition</b>
<input checked="" type="checkbox"/> New	<input checked="" type="checkbox"/> Capital-Appropriation No. 15123	<input type="checkbox"/> RFQ
<input type="checkbox"/> Amended	<input type="checkbox"/> O & M	<input type="checkbox"/> RFP NO.
<b>Contract Form</b>	<b>Budget Status</b>	<input type="checkbox"/> Informal RFP
<input type="checkbox"/> Lease	<input type="checkbox"/> FY 94-95 Amount	<input type="checkbox"/> Other Competition
<input checked="" type="checkbox"/> Professional Services	<input type="checkbox"/> Out-Year Amount	<input type="checkbox"/> Sole Source
	<input type="checkbox"/> Non-Budget Amount	

### **CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION**

This action is not a project under CEQA, and no environmental review or documentation is necessary for your Board to act on this request.

### **MBE / WBE**

Katherine Stone is a certified WBE.

KS:rl  
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