



● **Board of Directors**
Executive Committee

February 8, 2000 Board Meeting

8-4

Subject

Authority to amend contract with Harkins Cunningham for consultative services to negotiate the final documents to implement the key terms for quantification settlement among the State of California, Imperial Irrigation District, Coachella Valley Water District and The Metropolitan Water District of Southern California.

Description

A contract with Harkins Cunningham is currently in effect for the personal negotiating services of Paul Cunningham in the on-going Colorado River quantification discussions. Key terms were agreed upon to form the basis for a quantification agreement to be executed. The parties are now negotiating implementation of the key terms. The negotiations are complex, and it is necessary to amend the Harkins Cunningham contract to increase the amount payable by \$150,000.

Policy

Prior Board direction to successfully complete quantification discussions as a condition to implementation of the Metropolitan/SDCWA Exchange Agreement.

Board Options/Fiscal Impacts

Option #1

Authorize the General Counsel to amend the contract with Harkins Cunningham for an additional \$150,000 to complete negotiation of quantification issues for California's share of the Colorado River.

Fiscal Impact: Maximum of an additional \$150,000.

Option #2

Terminate the contract with Harkins Cunningham and complete negotiations with respect to quantification issues for California's share of the Colorado River utilizing staff only.

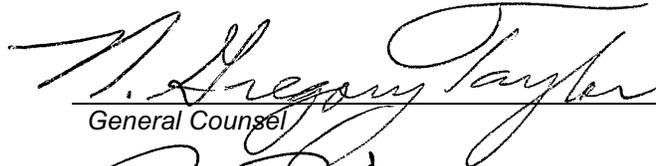
Fiscal Impact: \$0

Staff Recommendation

Option #1

On November 18, 1998, the Board authorized the retention of Harkins Cunningham, and in particular the personal services of Paul Cunningham. Mr. Cunningham was retained because he had successfully fulfilled a similar role in the exchange agreement between Metropolitan and the San Diego County Water Authority. Additionally, in order for the exchange agreement to become effective, one of the conditions is the establishment and completion of a quantification arrangement amongst the agricultural agencies with Colorado River rights. Mr. Cunningham successfully served in the role of chief negotiator, resulting in the "Key Terms for Quantification Settlement Among the State of California, Imperial Irrigation District, Coachella Valley Water District and Metropolitan Water District of Southern California." The key terms require certain legally binding agreements be negotiated and in place by April of this year, with others to be completed by March of 2001. While the staff has now taken the lead role in preparing the numerous agreements, Mr. Cunningham's services are critical to ensure consistencies and timeliness. Additionally, there may be issues which were left open by the Key Terms which will require Mr. Cunningham's negotiating services.

The amended contract would continue the same terms and conditions as presently included in the contract with the only amendment being to increase the maximum amount payable by \$150,000. Mr. Cunningham's services are presently billed at \$350.00 per hour.



General Counsel 1/20/00
Date



General Manager 1/21/00
Date