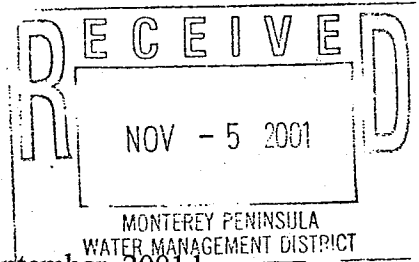


**EXHIBIT 3-A**

**AGREEMENT FOR LEGAL SERVICES**



THIS AGREEMENT is made and entered into as of the 1<sup>st</sup> day of September, 2001 by and between the Monterey Peninsula Water Management District (hereinafter referred to as "District") and De Lay & Laredo, Attorneys at Law (hereinafter referred to as "General Counsel"). De Lay & Laredo is a legal partnership. For the purpose of further clarification, the term "General Manager" as used herein shall refer to the incumbent Executive Officer of the District.

WHEREAS, the District requires legal services including representation, advice, and consultation as to its powers and duties and as to the rights and obligations of those with whom it deals and/or regulates; and

WHEREAS, General Counsel has civil law experience, has regularly represented local public agencies, and will maintain a civil law office with personnel who are familiar with legal principles applicable to the District.

NOW, THEREFORE, the parties do hereby agree as follows:

1. General Counsel will provide to, or on behalf of District, legal services including day-to-day advice, written opinions, legal document review, appearances at all meetings of the District Board, appearances at all meetings of committees or subcommittees of the District, oversight of special counsel, and litigation advice and litigation services as requested by the General Manager, or members of the District Board. David C. Laredo is designated as lead attorney; services provided by other firm counsel shall only be upon the advance approval of the Chair and Vice Chair, Administrative Committee or board. Services provided by non-firm counsel shall only be upon the advance approval of the Administrative Committee or board of directors. District agrees to pay General Counsel for authorized services on a monthly basis upon invoice from General Counsel, upon the basis set forth in paragraph 2.

2. Effective September 1, 2001, General Counsel shall be retained for monthly legal services at forty-five (45) hours each month at the rate of one hundred fifty-four dollars and forty-three cents (\$154.43) per hour. All service exceeding the forty-five (45) hours of retained service shall be paid at the rate of one hundred fifty-four dollars and forty-three cents (\$154.43) per hour for services provided by partners, and one hundred seventeen dollars and fifteen cents (\$117.15) per hour for services provided by associate attorneys. In the event an associate performs legal services within the monthly retainer, each associate hour shall be accounted for at 0.75 hours. Services applicable to the months of July and August 2001 shall be in accord with the prior contract for legal services.

3. Effective September 1, 2001, a task order protocol shall be established by the District to clarify service assignments for General Counsel.

4. Effective September 1, 2001, General Counsel shall keep a record of all retained monthly legal services which have not actually been utilized, and carry that increment of time forward for use later in the same fiscal year as an hour-for-hour credit against future

extraordinary services. An unused credit balance shall not be carried forward beyond June 30, 2002; on that date, the credit balance shall be recorded as zero hours.

5. District agrees to reimburse General Counsel for all expenses and reasonable costs incurred by General Counsel relating to District, including registration and expenses (in accord with District per diem rates and policies) relating to attendance at one conference sponsored by ACWA or other comparable organization. This cost and billing protocol shall apply to additional conferences attended by General Counsel only when they have been approved in advance by the Chair and Vice Chair, Administrative Committee, or the District Board of Directors. District further agrees to reimburse General Counsel for all costs incurred on behalf of District including but not limited to specialty counsel, appraisers, filing fees, witness fees, expert witness fees, transcript and reporting fees, hearing office and arbiter costs, photocopying costs, long distance telephone costs, travel and lodging costs, legal process fees, discovery costs, and jury fees. These costs shall be billed at actual cost (no over-head additions). Extra-ordinary office costs (exceeding \$50) shall be out-sourced or cost-effective. No cost charge shall be made for communications or deliveries to or from other firm counsel. Out-of-district travel shall be billed at 50% of service rate. The total not-to-exceed amount of this contract shall be \$130,000.

6. De Lay & Laredo shall maintain a policy of professional errors and omissions insurance with a minimum of \$500,000/\$500,000 limits commencing January 1, 2001.

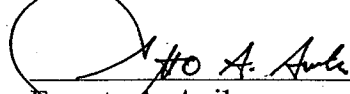
7. This contract shall extend to June 30, 2002. In the absence of a written renewal, this contract shall continue on a monthly basis on July 1, 2002. The District shall provide thirty (30) days advance notice of any amendment.

8. General Counsel and District shall complete a survey of legal service rates for local retained municipal and special district counsel prior to renewal of this contract for FY 2003; results of this survey shall be shared with the board and counsel.

9. IN WITNESS WHEREOF, the Monterey Peninsula Water Management District and General Counsel have executed this Agreement as of the day and year set forth below.

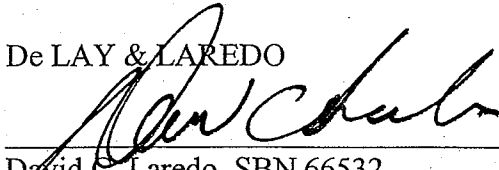
Dated: 11/13/01

MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT

  
Ernesto A. Avila  
General Manager

Dated: 10/29/2001

De LAY & LAREDO

  
David C. Laredo, SBN 66532