

**AGREEMENT FOR LEGAL SERVICES**

**July 1, 2006 - June 30, 2008**

THIS AGREEMENT is made and entered into with an effective date of the July 1, 2006 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 be subject to the 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 paragraphs 3 and 4.

2. General Counsel's engagement is limited, however, with respect to potential conflicts of interest, Fair Political Practice Act issues, and Government Code Section 1090 issues. As to these matters, General Counsel shall render advice only on specific matters as to which it has been formally consulted. Each such consultation should be in writing. The scope of General Counsel's engagement but does not impose a duty upon De Lay & Laredo or any attorney of that firm, to undertake an independent review or special investigation of District files, transactions, contractual arrangements, or other affairs for the purpose of those issues, except in response to a specific question or consultation. This engagement also does not require separate inquiry or review

of any statement of economic interest (or any inquiry as to the accuracy of such statement), nor does this engagement require an independent assessment as to conflict or self-dealing issues absent a specific written consultation or written question thereon.

3. Effective July 1, 2006 and continuing until June 30, 2007, General Counsel shall be retained for monthly legal services at forty-five (45) hours each month at the rate of one hundred seventy five dollars (\$175) per hour. All service exceeding the forty-five (45) hours of retained service shall be paid at the rate of one hundred eighty dollars (\$180) per hour for services.

4. Effective July 1, 2007 and continuing until June 30, 2008, General Counsel shall be retained for monthly legal services at forty-five (45) hours each month at the rate of one hundred sixty five dollars (\$185) per hour. All service exceeding the forty-five (45) hours of retained service shall be paid at the rate of one hundred seventy dollars (\$190) per hour for services.

5. 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 the end of any fiscal year, and as of June 30 the credit balance shall be recorded as zero hours.

6. 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 each calendar year. This cost and billing protocol shall apply to additional conferences attended by the General Counsel as may be 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 costs, 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. Out-of-district travel shall be billed at 50% of service rate. These costs shall be billed at actual cost (no over-head additions). Extra-ordinary office costs (exceeding \$50) shall be out-sourced when cost-effective. No cost charge shall be made for communications or deliveries to or from other firm counsel.

7. This legal services agreement shall have a two (2) year term, ending June 30, 2008. De Lay & Laredo shall maintain a policy of professional errors and omissions insurance with a minimum of \$1,000,000/\$1,000,000 limits during the term of this agreement. This agreement may be terminated at any time during its term, without cause, by the affirmative vote of five (5)

members of the Board.

8. In the absence of a written renewal, this contract shall continue on a monthly basis on July 1, 2008, provided however, that District shall provide thirty (30) days advance notice of any amendment.

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

Dated: \_\_\_\_\_

MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT

\_\_\_\_\_  
David A. Berger  
General Manager

Dated: \_\_\_\_\_

De LAY & LAREDO

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David C. Laredo, SBN 66532

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