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David C. Laredo
Heidi A. Quinn
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Michael D. Laredo
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July 24, 2015

David Stoldt
General Manager
Monterey Peninsula Water Management District
P. O. Box 85
Monterey, California 93942

Re: General Counsel Legal Services

Dear Mr. Stoldt:

At your request, I forward the proposal of De Lay & Laredo to renew the existing Monterey Peninsula Water Management District legal services agreement dated November 1, 2012. I have been privileged to represent the Water Management District in the capacity of General Counsel continuously since March, 1979. During this time a close and frank working relationship has been established with you, the Board of Directors, appointed officials and staff. I look forward to continuation of this relationship.

Our current legal services agreement had a term of three (3) years, ending October 31, 2015. We offer to renew the agreement for a similar duration or for any alternate term as you may select, but propose the end date for the renewed contract be set for December 31 of its final year. We note the contract enables it to be terminated without cause, at any time during its term, by the affirmative vote of five (5) members of the Board.

Our firm continues to specialize in the representation of public agencies. We presently serve as General Counsel to Aromas Tri-County Fire Protection District, Carmel Highlands Fire Protection District, Cypress Fire Protection District, Monterey County Regional Taxi Authority, Monterey Salinas Transit District, Oversight Board for the Successor Agency of the Redevelopment Agency of the City of Monterey, Sunnyslope County Water District, and as City Attorney for the City of Pacific Grove.

Aside from David C. Laredo, we have other licensed attorneys in our Pacific Grove office, including Paul R. De Lay, Heidi A. Quinn, Alex J. Lorca and Michael D. Laredo. In addition, Fran Farina remains available to assist the District in her *Of Counsel* capacity.

I propose to continue as lead attorney and General Counsel to the Water Management District

EXHIBIT 3-A

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on substantially the same terms and conditions that have applied to the past three-year contract.

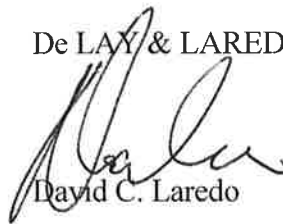
We propose the retainer be set at \$5450 (an increase of 3.8%) and that effort exceeding monthly retained hours be set at two hundred twenty five dollars (\$225) per hour (an increase of 4.6%). These rates adjust each fiscal year during the renewal term at ten dollars per hour. No changes are proposed to any other term of the prior agreement.

Dave, I am proud of our association with the Water Management District, and pleased for this renewed opportunity to support you as General Manager. As always, I enjoy working with your board and its staff. I look forward to maintaining and enhancing each of these relationships.

If you have any question, comment, or concern, do not hesitate to contact me.

Sincerely,

De LAY & LAREDO

A handwritten signature in black ink, appearing to read "D. Laredo", is written over the printed name "David C. Laredo".

DCL:rr

EXHIBIT 3-A

AGREEMENT FOR LEGAL SERVICES

2015 - 2018

THIS AGREEMENT is made and entered into with an effective date of **November 1, 2015** 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, retained general counsel services including day-to-day advice, written opinions, legal document review, appearances at all Board meetings, and appearance at committees or subcommittee meetings at the District upon request. David C. Laredo is designated as lead attorney; services provided by other firm counsel or non-firm counsel shall be subject to approval. District agrees to pay General Counsel for general retained services on a monthly basis upon invoice from General Counsel, upon the basis set forth in paragraph 4.

2. In addition to retained services, General Counsel shall also provide special legal services, upon request and subject to direction from the District General Manager, such as appearance at non-District meetings or proceedings, oversight of special counsel, litigation advice or services, services subject to reimbursement by third parties, and bond, audit or financial services. David C. Laredo is designated as lead attorney; services provided by other firm counsel or non-firm counsel. Special legal services shall also apply to retained services provided in excess of twenty five hours in one month. District agrees to pay General Counsel for special legal services on upon invoice from General Counsel, upon the basis set forth in paragraph 4.

3. General Counsel’s retained engagement shall not include matters relating to conflicts of interest, Fair Political Practice Act issues, or Government Code Section 1090 issues. As to these matters, special advice shall be provided only as to specific matters for which General Counsel has been formally consulted. General Counsel’s engagement shall 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.

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4. Upon the effective date of this Agreement, General Counsel shall be retained for general counsel services for the monthly fee of **\$5450**. General Counsel shall be special legal services at the rate of two hundred fifteen dollars (**\$225**) per hour, upon invoice. **These rates adjust each fiscal year during the renewal term at ten dollars per hour.**

5. District agrees to reimburse General Counsel for all expenses and reasonable costs incurred by General Counsel relating to the District, including registration and expenses (in accord with District per diem rates and policies) for one conference sponsored by ACWA or other comparable organization each calendar year. District shall reimburse General Counsel all costs incurred on behalf of District including to specialty counsel, appraisers, filing fees, witness fees, transcripts, reporter fees, hearing officer 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. Costs shall be billed at actual cost (no over-head additions). No cost charge shall be made for communications or deliveries to or from other firm counsel.

6. This legal services agreement shall end on **December 31, 2018**, provided however, that this Agreement may be terminated at any time during its term, without cause, by the affirmative vote of five (5) members of the Board. In the absence of a written renewal, this contract shall continue on a monthly basis on **January 1, 2019**, provided however, that District or General Counsel shall provide thirty (30) days advance notice of any amendment.

7. 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.

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 Stoldt
General Manager

Dated: _____

De LAY & LAREDO

David C. Laredo, SBN 66532