



SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: General Manager-Chief Engineer

SUBMITTAL DATE:
May 24, 2011

SUBJECT: Litigation Challenging Critical Habitat for the Santa Ana Sucker Legal Services Agreement

RECOMMENDED MOTION:

Approve the Legal Services Agreement with Best, Best & Krieger for Litigation Challenging Critical Habitat for the Santa Ana Sucker and authorize the General Manager-Chief Engineer to execute said Agreement on behalf of the District.

BACKGROUND:

On March 1, 2011, the District Board authorized, in closed session, the initiation of litigation against the U.S. Fish and Wildlife Service challenging a final rule designating Critical Habitat for the Santa Ana Sucker. The District will join other public agencies in Riverside and San Bernardino Counties in this litigation.

FINANCIAL: See Page 2

MHW:rlp

WARREN D. WILLIAMS
General Manager-Chief Engineer

| | | | | |
|-----------------------|-----------------------------|----------|-------------------------|---------|
| FINANCIAL DATA | Current F.Y. District Cost: | \$75,000 | In Current Year Budget: | Yes |
| | Current F.Y. County Cost: | N/A | Budget Adjustment: | No |
| | Annual Net District Cost: | \$0 | For Fiscal Year: | 2011-12 |

| | | | |
|-------------------------|-------------------------|---|--------------------------|
| SOURCE OF FUNDS: | | Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| 25110 947400 525440 | Zone 1 Const/Maint/Misc | Requires 4/5 Vote | <input type="checkbox"/> |
| 25120 947420 525440 | Zone 2 Const/Maint/Misc | | |

C.E.O. RECOMMENDATION:

APPROVE

BY:
Michael R. Shetler

County Executive Office Signature

MINUTES OF THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT

On motion of Supervisor Ashley, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: May 24, 2011
xc: Flood,

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

FISCAL PROCEDURES APPROVED
N.M. CHAND, FINANCE DIRECTOR

KARIN L. WATTS-BAZAN
DATE: 5/11/11

FORM APPROVED COUNTY COUNSEL
BY:
KARIN L. WATTS-BAZAN
DATE: 5/11/11

Dep't Recomm.: Policy Consent
Per Exec. Ofc.: Policy Consent

**FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD SUBMITTAL
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

SUBJECT: Litigation Challenging Critical Habitat for the Santa Ana Sucker
Legal Services Agreement

SUBMITTAL DATE: May 24, 2011

Page 2

FINANCIAL:

This Agreement caps the total amount of compensation to be paid for legal services at \$75,000.00. Sufficient funds are included in the District's FY 2010-2011 budget. Additional funds will be allocated in subsequent budget years, if needed.

1 LEGAL SERVICES AGREEMENT

2
3 The Riverside County Flood Control and Water Conservation District, hereinafter called
4 "DISTRICT", and Best, Best and Krieger LLP, hereinafter called "ATTORNEY" hereby agree as follows:

5 1. SCOPE OF SERVICES. ATTORNEY shall provide legal counsel and services in
6 connection with litigation initiated on behalf of DISTRICT concerning a challenge to the Final Rule
7 designating Critical Habitat for the Santa Ana Sucker fish. Such work shall be done in accordance with
8 the written guidelines referenced below, attached hereto and incorporated by reference herein.

9 2. TERMS OF AGREEMENT. This Agreement shall commence on March 1, 2011 and
10 continue until June 30, 2013, or until the legal proceedings or negotiation in the above referenced matters
11 have been concluded, whichever occurs first.

12 3. KEY ATTORNEY. ATTORNEY agrees that Gregory Wilkinson will be the lead attorney
13 assigned to perform the work under the Scope of Services and Terms of Agreement. Any changes or
14 substitution of the assigned attorney must have the express written approval of the General Manager/Chief
15 Engineer or his designee. In addition to Mr. Wilkinson, Michelle Ouellette may also provide services
16 under this Agreement.

17 4. COMPENSATION. DISTRICT shall pay ATTORNEY at the following hourly rates for
18 services rendered which represent one-third of the total rates to be paid, with the other two-thirds paid
19 respectively by Western Municipal Water District of Riverside County and the City of Riverside:

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| | |
|------------|-------|
| Partners | \$175 |
| Associates | \$125 |
| Paralegals | \$ 70 |

23 The total amount of compensation paid to ATTORNEY under the terms of this Agreement shall not
24 exceed the sum of seventy-five thousand dollars (\$75,000.00), unless a written modification to this
25 Agreement is executed by both parties prior to performance of any additional services. Since these
26 services are generally required throughout the term of the contract, DISTRICT and ATTORNEY will
27 monitor work requirements and efforts such that the limits of compensation are not reached before the last
28 month of the term of the Agreement.

5.24.2011
11.1

1 5. UNAVAILABILITY OF FUNDS IN SUCCEEDING FISCAL YEARS. When funds are
2 not appropriated or otherwise made available in a subsequent Fiscal Year, this Agreement shall be
3 cancelled and ATTORNEY shall be reimbursed for the reasonable value of any non-recurring costs
4 incurred and covered under the terms of this Agreement.

5 6. EXPENSES. Reimbursable expenses shall include billings for costs and expenses incurred
6 on DISTRICT's behalf, including: attorney service courier, photocopies of documents, filing fees, and
7 travel. There are no other reimbursable expenses, unless previously agreed to. No single expense, shall
8 exceed \$500.00 without the prior consent of the General Manager/Chief Engineer or his designee.

9 7. PAYMENT. ATTORNEY shall submit its billing statement at least quarterly, but no more
10 than monthly, in arrears. (This requirement shall not apply to invoices not submitted prior to the execution
11 of this Agreement.) Original statements/invoices shall be submitted by mail or hand delivered directly to
12 Karin Watts-Bazan, Principal Deputy County Counsel, 3960 Orange Street, 5th floor, Riverside, CA
13 92501, and shall be itemized to include (i) staffing levels, hourly rates and specific activities for each
14 attorney and/or paralegal; (ii) listing of each activity as a line item in a time reporting format acceptable to
15 District with a detailed description of specific activities for each attorney and/or paralegal; (iii) total
16 current period fees and total cumulative fees billed for each staffing level; and (iv) current period expenses
17 and total cumulative expenses billed in itemized categories.

18 It is the expectation of DISTRICT that it will not be billed for ordinary overhead expenses,
19 including but not limited to: ordinary word processing, copying, calendaring or other support staff work,
20 time to prepare and review billings, Westlaw/LEXIS and local travel.

21 ATTORNEY shall have and maintain all backup documentation to support all entries
22 included in the monthly billing statement. Such documentation shall be in a form subject to audit and in
23 accordance with generally accepted accounting principles. ATTORNEY shall make such documentation
24 available to auditors upon request and at such reasonable times and locations as may be agreed to between
25 DISTRICT and ATTORNEY.

26 Payments shall be made by DISTRICT within thirty (30) days of receipt of billing from
27 ATTORNEY. All inquiries regarding payments and/or status of statements/invoices should be made
28 directly to Ivan Chand, Finance Director at (951) 955-1261.

1 8. LICENSES. ATTORNEY, its employees, agents, contractors and subcontractors shall
2 maintain professional licenses required by the laws of the State of California at all times while performing
3 services under this agreement.

4 9. NOTICES. Any and all notices sent, or required to be sent, to the parties of this agreement
5 will be mailed by first class mail, postage prepaid, to the following addresses:

6 Riverside County Flood Control and
7 Water Conservation District
8 Attn: Dusty Williams
 1995 Market Street
 Riverside, CA 92501

 Gregory Wilkinson
 Best Best & Krieger, LLP
 3750 University Avenue, Suite 400
 Riverside, CA 92501

9 10. REQUIRED INSURANCE. Without limiting or diminishing ATTORNEY'S obligation to
10 indemnify or hold DISTRICT harmless, ATTORNEY shall procure and maintain or cause to be
11 maintained, at its sole cost and expense, the following insurance coverage during the term of this
12 Agreement:

13 a. Workers' Compensation:

14 If ATTORNEY has employees as defined by the State of California, ATTORNEY shall
15 maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State
16 of California. Policy shall include Employer's Liability (Coverage B) including Occupational Disease with
17 limits not less than \$1,000,000.00 per person per accident. Policy shall be endorsed to waive subrogation
18 in favor of DISTRICT and, if applicable, to provide a Borrowed Servant/Alternate Employer
19 endorsement.

20 b. Vehicle Liability:

21 If vehicles or mobile equipment are used in the performance of the obligations under this
22 Agreement, ATTORNEY shall maintain liability insurance for all owned, non-owned or hired vehicles so
23 used in an amount not less than \$1,000,000.00 per occurrence combined single limit. If such insurance
24 contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2)
25 times the occurrence limit. Policy shall name the DISTRICT it's respective directors, officers, Board of
26 Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured's.

1 c. Professional Liability:

2 ATTORNEY shall maintain Professional Liability Insurance providing coverage for
3 ATTORNEY'S performance of work included within this Agreement, with a limit of liability of not less
4 than \$1,000,000.00 per occurrence and \$2,000,000.00 annual aggregate. If ATTORNEY's Professional
5 Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall
6 continue through the term of this Agreement and ATTORNEY shall purchase at his sole expense either 1)
7 an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from a
8 new insurer with a date retroactive to the date of, or prior to, the inception of this Agreement; or 3)
9 demonstrate through Certificates of Insurance that ATTORNEY has maintained continuous coverage with
10 the same or original insurer. Coverage provided under items 1), 2) or 3) will continue for a period of five
11 (5) years beyond the termination of this Agreement.

12 d. General Insurance Provisions – All Lines:

13 1) Any insurance carrier providing insurance coverage hereunder shall be
14 admitted to the State of California and have an A.M. BEST rating of not less than an A:VIII (A:8) unless
15 such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager
16 waives a requirement for a particular insurer such waiver is only valid for the specific insurer and only for
17 one policy term.

18 2) ATTORNEY's insurance carrier(s) must declare its insurance self-insured
19 retentions. If such self-insured retentions exceed \$500,000.00 per occurrence such retentions shall have
20 the prior written consent of the County Risk Manager before the commencement of operations under this
21 Agreement. Upon notification of self-insured retentions which are deemed unacceptable to the
22 DISTRICT, at the election of the County's Risk Manager, ATTORNEY's carriers shall either (1) reduce or
23 eliminate such self-insured retentions with respect to this Agreement with DISTRICT or (2) procure a
24 bond which guarantees payment of losses and related investigations, claims administration, defense costs
25 and expenses.

26 3) ATTORNEY shall cause their insurance carrier(s) to furnish DISTRICT
27 with 1) a properly executed original certificate(s) of insurance and original certified copies of
28 endorsements effecting coverage as required herein and, 2) if requested to do so orally or in writing by the

1 County Risk Manager, provide original certified copies of policies including all Endorsements and all
2 attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and
3 policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written
4 notice be given to DISTRICT prior to any material modification, cancellation, expiration, or reduction in
5 coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction
6 in coverage, this Agreement shall terminate forthwith, unless DISTRICT receives, prior to such effective
7 date, another properly executed original Certificate of Insurance and original copies of endorsements or
8 certified original policies, including all endorsements and attachments thereto, evidencing coverage set
9 forth herein and the insurance required herein is in full force and effect. Individual(s) authorized by the
10 insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the
11 Certificate of Insurance.

12 ATTORNEY shall provide DISTRICT promptly following execution of this Agreement with
13 original Certificate(s) of Insurance and certified original copies of endorsements and, if requested,
14 certified original policies of insurance including all endorsements and any and all other attachments as
15 required in this Section.

16 4) It is understood and agreed by the parties hereto that ATTORNEY'S
17 insurance shall be construed as primary insurance and DISTRICT'S insurance and/or deductibles and/or
18 self-insured retentions or self-insured programs shall not be construed as contributory.

19 5) If during the term of this Agreement or any extension thereof, there is a
20 material change in the scope of services; or, there is a material change in the equipment to be used in the
21 performance of the scope of work which will add additional exposures (such as the use of aircraft,
22 watercraft, cranes, etc.); or, the term of this Agreement, including any extensions thereof, exceeds five (5)
23 years, the DISTRICT reserves the right to adjust the types of insurance required under this Agreement and
24 the monetary limits of liability for the insurance coverage currently required herein, if in the County Risk
25 Manager's reasonable judgment the amount or type of insurance carried by the ATTORNEY has become
26 inadequate.

27 6) The insurance requirements contained in this Agreement may be met with a
28 program(s) of self-insurance acceptable to the DISTRICT.

1 7) The ATTORNEY shall pass down the insurance obligations contained
2 herein to all tiers of subcontractors working under this Agreement.

3 11. INDEMNITY AND HOLD HARMLESS. ATTORNEY shall indemnify and hold
4 harmless the DISTRICT, and it's respective directors and officers, including the County Board of
5 Supervisors in their capacity as governing body of the District, elected and appointed officials, employees,
6 agents and representatives (the "Indemnified Parties") from property damage, bodily injury, or death,
7 occurring or arising directly out of the negligent acts, errors or omissions by ATTORNEY in the
8 performance of its services under this Agreement. This provision is not intended to create any cause of
9 action in favor of any third party against ATTORNEY or DISTRICT. ATTORNEY shall defend at its
10 sole expense and pay all costs and fees, including but not limited to, attorney fees, cost of investigation,
11 defense and settlements or awards, on behalf of the Indemnified Parties in any claim of action based upon
12 the above described liability. Upon entry of a final judgment determining that ATTORNEY did not act or
13 fail to act in a negligent manner, however, DISTRICT shall immediately reimburse ATTORNEY for costs
14 and fees paid to defendant DISTRICT.

15 With respect to any action or claim subject to indemnification herein by ATTORNEY,
16 ATTORNEY shall, at their sole cost, have the right to use counsel of their choice and shall have the right
17 to adjust, settle, or compromise any such action or claim without the prior consent of DISTRICT
18 provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits
19 or circumscribes ATTORNEY's indemnification to the Indemnified Parties as set forth herein.

20 ATTORNEY's obligation hereunder shall be satisfied when ATTORNEY has provided
21 DISTRICT the appropriate form of dismissal relieving DISTRICT from any liability for the action or
22 claim involved.

23 The specified insurance limits required in this Agreement shall in no way limit or circumscribe
24 ATTORNEY's obligations to indemnify and hold harmless the Indemnified Parties as set forth herein
25 from third party claims.

26 12. TERMINATION. This Agreement may be terminated by either ATTORNEY or
27 DISTRICT upon a ten (10) day written notice to the other party. After receiving a termination notice,
28 ATTORNEY shall take all steps necessary to stop services on the date and to the extent specified in the

1 termination notice and submit a billing for all services performed to date of notice of termination and any
2 services to be completed as set forth in the notice of termination within thirty (30) days from effective
3 termination date. ATTORNEY shall promptly submit a brief report advising of the status of all matters,
4 including any unresolved matters being handled by ATTORNEY for DISTRICT. ATTORNEY shall give
5 DISTRICT copies or originals, as appropriate of all files and attorney work product for all matters on
6 which it has been working. This includes any computerized index, computer programs and document
7 retrieval system created or used for these matters.

8 13. ASSIGNMENT. Neither this Agreement nor any part thereof shall be assigned by
9 ATTORNEY without the prior written consent of DISTRICT.

10 14. NONDISCRIMINATION. In the performance of the terms of this Agreement,
11 ATTORNEY shall not engage in nor permit others he may employ to engage in discrimination in the
12 employment of persons because of the race, color, national origin or ancestry, religion, physical handicap,
13 disability as defined by the Americans with Disabilities Act (ADA), medical condition, marital status or
14 sex of such persons, in accordance with the provision of California Labor Code Section 1735.

15 15. PROFESSIONAL CONFLICT OF INTEREST. ATTORNEY represents and warrants that
16 no District employee whose position in District enables him/her to influence the award of this Agreement
17 or any competing agreement, and no spouse or economic dependent of such employee is or shall be
18 employed in any capacity by ATTORNEY, or shall have any direct or indirect financial interest in this
19 Agreement.

20 Anyone who is a former employee of District at the time of execution of this Agreement or who
21 subsequently becomes affiliated with ATTORNEY in any capacity (employee, associate or partner) shall
22 not (i) participate in the services provided by ATTORNEY to DISTRICT; or (ii) become a partner,
23 shareholder or otherwise share in the profits of ATTORNEY for a period of one year from the date the
24 former DISTRICT employee left DISTRICT employment.

25 It is possible that some of ATTORNEY's present or future clients will have disputes with
26 DISTRICT during the time that ATTORNEY is representing the DISTRICT. DISTRICT and
27 ATTORNEY agree that should the situation arise where a new or existing client engages ATTORNEY in
28 any matter in a position adverse to DISTRICT or in which DISTRICT's interest may be adversely

1 affected, that ATTORNEY will so advise DISTRICT, and upon receipt of such notice, DISTRICT may
2 determine that the conflict may be waived or may determine that it is in DISTRICT's best interest to
3 terminate the services of ATTORNEY. Should DISTRICT determine that it is best to terminate the
4 services of ATTORNEY, DISTRICT will notify ATTORNEY of such decision. ATTORNEY may then
5 submit any outstanding invoices for payment up to the date of termination as determined by the notice
6 from DISTRICT.

7 16. CONFIDENTIALITY. ATTORNEY shall maintain the confidentiality of all information
8 which it may acquire arising out of or connected with activities under this Agreement in accordance with
9 all applicable Federal, State and DISTRICT laws, regulations, and directives relating to confidentiality,
10 including the Code of Professional Responsibility. ATTORNEY shall inform all of its principals,
11 employees and agents providing services hereunder of the confidentiality provisions of this Agreement.
12 These confidentiality obligations shall survive the termination or expiration of this Agreement.

13 17. COMPLETE AGREEMENT. This Agreement shall constitute the complete and exclusive
14 statement of understanding between DISTRICT and ATTORNEY which supersedes all previous written
15 or oral agreements, and all prior communications between DISTRICT and ATTORNEY relating to the
16 subject matter of this Agreement.

17 ATTORNEY

18 Dated: April 5, 2011

19 By: Gregory K. Wilkinson
GREGORY WILKINSON
BEST, BEST & KRIEGER LLP

20 COUNTY OF RIVERSIDE

21 Dated: _____

22 By: _____
DUSTY WILLIAMS
GENERAL MANAGER/CHIEF ENGINEER

23 APPROVED AS TO FORM:

24 By: Karin Watts-Bazan
KARIN WATTS-BAZAN
PRINCIPAL DEPUTY COUNTY COUNSEL

25 Dated: April 11, 2011

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ATTACHMENTS:

- Exhibit A - Litigation Guidelines
- Exhibit B - Initial Case Evaluation and Plan Guideline
- Exhibit C - Case Status Report Guideline
- Exhibit D - Attorney Pre-Trial Status Report Guideline

1 Exhibit A

2 County of Riverside

3 Litigation Management Guidelines

4 I. LITIGATION COUNSEL

5 A. Terms. Upon appointment in any litigation, counsel shall provide the following to
6 the County:

- 7 1. The names of other professionals (partners, associates, law clerks,
8 paralegals, etc.) who will assist in the representing the DISTRICT in the
9 case. The functions to be performed by each professional shall also be
10 provided. We request no junior attorney be assigned our files. A junior
11 attorney may be utilized for research, minor discovery and court
appearances with the senior attorney being fully responsible for the quality
of the work product. The DISTRICT retains the right to approve or
disapprove of any and all attorney assignments.

12 II. CASE ANALYSIS, STRATEGY AND BUDGET

13 A. Development of an effective and strategically sound legal approach is the
14 responsibility of counsel.

15 B. Within thirty (30) days following receipt of a case, counsel shall prepare and send
16 to County Counsel, a Case Evaluation Plan (see Exhibit B) and as follows:

- 17 1. Analysis. (a comprehensive written analysis of the case). This analysis
18 shall provide an initial evaluation of the case, including a brief synopsis of
19 the facts of the case and identification of the strengths and weaknesses of
20 the case. Counsel shall also provide an analysis of the pertinent statutes
and/or case law that may affect the outcome of the litigation.
- 21 2. Information. Counsel shall identify any information or documentation that
22 is needed to prove our causes of action in the case.
- 23 3. Strategy. Counsel shall define the strategy to be used in the case, including,
24 but not limited to:
- 25 a. The anticipated course of action to be taken and prospect for success
26 (i.e. motion for summary judgment, negotiated settlement, trial,
etc.).
 - 27 b. The facts or elements which must be proved or disproved.
 - 28 c. A description of how the work will be distributed among those who
will be working on the case.
 - d. The tactics to be used in pursuing the case and the advantages to be
gained by use of these tactics.

C. Budget. Counsel will also provide an estimate of the anticipated cost of each
significant aspect of the litigation, pursuant to the attached Budget Guidelines

1 Attachment C. These guidelines may change from time to time and you should
2 always familiarize yourself with all changes.

3 III. COMMUNICATION

- 4 A. Correspondence and pleadings. Copies of all pertinent correspondence, and
5 pertinent pleadings shall be promptly provided by counsel to County Counsel.
6 Counsel will promptly respond to all letters or phone calls and will keep County
7 Counsel fully advised of the progress in the case.
- 8 B. Hearings. We require timely notification of all scheduled hearings mediations
9 arbitrations, trials, etc. We consider timely notification to be not less than 2 weeks
10 in advance with 3-4 weeks advanced notice being preferable. Notice of all hearings
11 shall be sent by counsel to County Counsel to allow them to attend the hearing.
- 12 C. Evaluations. Upon request, and at such other times as deemed necessary, counsel
13 shall provide written or oral evaluations of the litigation. These evaluations shall
14 disclose any weaknesses or strengths that have been discovered, any changes in
15 applicable statutes or case law, and any increase or decrease in anticipated costs.
16 These evaluations should be as straight-forward and as objective as possible to
17 allow County Counsel to meaningfully analyze the case and to determine the
18 course of action to be taken.

19 IV. UPDATES

20 It is the responsibility of counsel to update any item of information contained in the initial status
21 report, including judgments and opinions of counsel, promptly when a change occurs. All updates
22 shall also be concise. If six months elapse since the initial report or the last previous update and
23 no changes have occurred, counsel shall advise County Counsel of that fact in a written update.
24 Consequently, no six-month period shall expire without written communication from litigation
25 counsel to County Counsel.

26 V. SETTLEMENT AUTHORITY

27 Litigation counsel shall not settle any lawsuit or make a settlement offer or make any
28 representation as to settlement possibilities without prior authorization of the County Counsel
and/or Board of Supervisors approval when necessary.

VI. LEGAL BILLINGS

- 1 A. All bills for legal services and costs shall be submitted at least quarterly. Fees and
2 costs shall be billed at the rates previously agreed upon. All bills shall state with
3 particularity the legal work performed, the hours expended to perform the work and
4 the costs incurred. Attorneys submitting the bills for payment are responsible for
5 the content of the bills and will work with the DISTRICT to resolve problems or
6 answer questions.

7 Legal fees will not be paid unless submitted in the following format:

- 8 1. Each legal activity will be dated and itemized (multiple daily descriptive
9 explanations of activities with a single time entry is not acceptable).
- 10 2. We require all billings be itemized to indicate the following:
- 11 a. The attorney doing the work.

- b. Hours spent for each specific task.
- c. Hourly rate.
- d. Work being done by paralegals or law clerks should be identified.

Please advise if research time and/or overtime is billed and how it is indicated on the billing.

3. The amount of time to complete the task must be broken down into tenths of hours. Block time billing is not acceptable; therefore, not reimbursable.
4. The rates charged by each attorney working on the case must be summarized with the amount of hours to depict a cost per attorney.
5. Where expenses have been incurred for others, such as copy service, court reporters, experts, etc, please submit bills directly to County Counsel after approving them for payment. If you inadvertently paid a bill, please submit the itemized invoice you have paid along with your billing requesting reimbursement.
6. We understand the need to pay for unusual expenses incurred by you on behalf of the DISTRICT, however, we should not be asked to pay for ordinary overhead expenses, which we believe includes:
 - a. Ordinary postage.
 - b. Local telephone calls and faxes.
 - c. Ordinary word processing.
 - d. Time to prepare and review billings.
 - e. Local travel (30 miles or less, round trip.)
 - f. Meals when involved in local (in-town) cases.
7. If overpayments are/have been made by the DISTRICT, the attorney firm must remit a reimbursement payment to the DISTRICT, within 30 days. No credit balances will be acceptable.

B. We will gladly pay for unusual charges which we believe include:

1. Long distance telephone calls - these should be itemized whenever possible.
2. Express mail when deemed necessary.
3. Long distance fax charges.
4. Photocopy charges - must include itemization, showing the number of pages and the cost per page which must not be excessive nor above industry standards. Where expense has been extensive, we would appreciate an explanation.
5. Travel time - if you are required to fly to another destination, reimbursable time begins at the airport you are departing from and ends at the arriving destination airport. Other out of town travel is reimbursable from your office location to your destination utilizing the most direct or quickest route.
6. Out of town travel - you must obtain prior authorization for any out of town travel. We ask that you do not fly first class or business class nor stay in a hotel whose rates are expensive or above the average daily rate of \$159.00,

1 or \$239.00 in high cost cities such as San Francisco, New York,
2 Washington D.C., etc (averages may vary by locale). We do not reimburse
3 alcoholic beverage consumption. Food consumption should be reasonable
4 and not excessive. Meals must be itemized as to food, beverages and tips.
5 Itemization of all travel expenses by each person incurring those expenses
6 must be made. This includes airfare, hotel, food, ground travel and any
7 other major costs. Arrangements must be made to use a local court reporter
8 or any other local service you believe is necessary as we will not authorize
9 travel expenses for these services. Car rentals should be compact to mid-
10 size vehicles and not in the luxury class.

11 C. Use of Appropriate Personnel

12 Within a law firm, research and minor discovery work should be performed by the
13 lowest level of personnel (e.g. junior attorneys, paralegals) capable of performing a
14 given task. Responsibility for the quality of the work product remains with the
15 assigned trial attorney.

16 D. Multiple Attorney Conferences/Attendance

- 17 1. We will not pay for attendance by more than one representative of a law
18 firm at meetings, court appearances, conferences, etc. without our prior
19 approval.
- 20 2. Attorney office conference time must be itemized and is subject to review
21 and may be disallowed.

22 E. Research

- 23 1. We will not pay for extensive research of relatively routine matters which
24 should otherwise be within the knowledge of experienced practitioners.
- 25 2. We will only pay for review and revision of prior research; we will not pay
26 each time as if previous research was conducted de novo.

27 F. Copy Service

28 We prefer to use one copy service wherever possible so that we can participate in
volume discounts. We may establish and provide a panel of copy service vendors
for your reference. Until you receive this panel, please continue using your current
copy service making the effort to negotiate volume discounts. We want to utilize
one court reporter whenever possible for the same reason - volume discount.
Please provide us names and telephone numbers of court reporters you use by area
(i.e., Riverside, Indio, Blythe, etc).

G. Audit

Attorneys shall have and maintain all backup documentation to support all entries
included in the monthly billing statement. Such documentation shall be in a form
subject to audit and in accordance with generally accepted accounting principles.
Attorneys shall make such documentation available to auditors upon request and at
such reasonable times and locations as may be agreed to between DISTRICT and
Attorneys.

The DISTRICT retains the right to have legal billings audited.

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VII. TRIALS AND REPORTING

A. Within thirty (30) days of the conclusion of all trials, a brief summary trial report should be directed to the County Counsel outlining the trial results.

VIII. FINAL REPORTS

A. At the conclusion of the case, a short summary report should be directed to the County Counsel . Original closing papers and the final billing should be attached.

B. Within ninety (90) days following the termination of the case, the County Counsel will review the file to determine compliance with the DISTRICT's guidelines and the strategy and budget developed by defense counsel for the case. If appropriate, a meeting will be arranged to discuss perceived problems and/or ways to improve prosecution of the DISTRICT's claims.

IX. Electronic Communication/Data Storage/Presentation

A. The DISTRICT strongly suggests all attorneys handling DISTRICT files have the ability to communicate individually via electronic mail (E-Mail).

X. Miscellaneous

There may be additional reporting requirements required by County Counsel. You will be notified in writing of any additional requirements which we deem necessary.

The foregoing is not meant to be burdensome - it is meant to control and manage our costs as well as to be knowledgeable and involved with each of our cases.

1 Exhibit B

2 INITIAL CASE EVALUATION AND PLAN GUIDELINE

3 To be completed by Firm's Supervising Attorney

4
5 1. FIRM NAME:

6 CASE NAME:

7 COURT CASE #:
8 DISTRICT FILE #:

9 COMPLAINT/WRIT FILED DATE:

10 TYPE OF CASE:

11 CASE/MATTER DESCRIPTION AND FACTS:

12 OPPOSING ATTORNEY'S NAME (if applicable):

13 2. PLAINTIFF'S CONTENTION/CAUSES OF ACTION:

14 3. AFFIRMATIVE DEFENSES:

15 4. RESEARCH REQUIRED (general description of issues and extent): Specifically identify any
16 research requiring original effort as opposed to research that has generally been done previously
by your FIRM.

17 5. RECOMMENDED CASE STRATEGY:

18 6. STAFFING/HOURLY RATE (list names, titles, hourly rate, and estimated number of hours for
19 each partner, associate and/or paralegal).

20 7. CONSULTANT AND/OR EXPERT WITNESS (list names, specialty, hourly rate, and estimated
number of hours for each consultant and/or expert).

21 8. INITIAL COST ESTIMATE (projected budget, including attorney fees and expenses for handling
22 each case to/through each of the stages as provided in the Attachment C for our (estimated)
Budget Guidelines. Trial costs **should not** be included until MSC and/or Trial date has been set.
23 Please base your best estimate on past experience with similar case(s).

24 9. Estimated final disposition date.

25 APPROVED:

26
27 By: _____
28 (Firm's Supervising Attorney)

Dated: _____

1 Exhibit C

2 CASE STATUS REPORT GUIDELINE

3 To be completed by Firm's Supervising Attorney

4 1. FIRM NAME:

5 CASE NAME:

6 COURT CASE #:

7 DISTRICT FILE #:

8 COMPLAINT/WRIT FILED DATE:

9 2. STATUS OF EXPERT WITNESS/CONSULTANT INVESTIGATIONS:

10 3. RESULTS OF MOTIONS (describe all Motions and indicate outcome):

11 4. RECOMMENDED CASE STRATEGY (state clearly changes from previously agreed to strategy):

12 5. SIGNIFICANT EVENTS:

13 Trial Setting Conference Date:

14 Arbitration Date:

15 Voluntary Settlement Conference Date:

16 Mandatory Settlement Conference Date:

Department

17 Jury _____ Non-Jury _____ (check one)

18 6. Please update Attachment C - Cost Estimates and Budget Guidelines.

19 APPROVED:

20 By: _____
21 (Firm's Supervising Attorney)

Dated: _____

1 Exhibit D

2 ATTORNEY PRE-TRIAL STATUS REPORT GUIDELINE

3 TO:

4 FROM:

5 DATE:

6 CASE NAME:

7 DISTRICT FILE NO.:

8 EXPECTED TRIAL DATE:

9 I. SUMMARY OF FACTS WHICH ENGENDERED THIS CLAIM

10 II. ANALYSIS OF CAUSES OF ACTION

11 A. Plaintiff's theories.

12 B. Defense theories.

13 C. Strengths and weaknesses of subsections A and B above.

14 D. Chance of judgment for DISTRICT.

15 E. Chance of Settlement.

16 F. Should case be tried? Explain risks.

17 III. SETTLEMENT DISCUSSIONS

18 A. Defendant offers?

19 B. What, if anything, has the DISTRICT offered?

20 C. Do you recommend that we settle? Why?

21 IV. LEGAL EXPENSES

22 A. What are the total legal expenses to date?

23 B. If the is case is tried, what would be the approximate cost of defense through trial?

24 APPROVED:

25 By: _____

26 Dated: _____

27 (Firm's Supervising Attorney) _____

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