



Proposed FY2016-17 Legal & Regulatory Support Expenditures for North and South Basin

Water Issues Committee

July 13, 2016



NB & SB Legal Expenditure Overview

1. Legal & regulatory support & advice
2. Oversight counsel to Miller & Axline
3. Cost appeals



Legal & Regulatory Support & Advice

- Seeking authorization to spend up to \$320,000 for legal support & advice
 - Budget assumes active dialog with one or more PRPs regarding the RI/FS work or settlement negotiations
 - Budget assumes limited legal and consulting support of EPA and State regulatory directed activities at both NB & SB



Replacement of Arent Fox with Larson O'Brian

Three elements:

1. Cancel existing Arent Fox agreement
2. Replace with a similar Larson O'Brien agreement
3. Authorize expenditures of up to \$40,000 for services provided up to now and for FY 2016/17.



Oversight Counsel and Cost Appeals in NB and SB

- Authorize up to \$525,000 for Connor Fletcher and Hedenkamp
- Includes:
 - Appeals of Cost Awards (10 total)
 - Oversight of Miller & Axline



Cost Estimates

Firm	Services	Actual Expenditures to date	Planned Expenditures for FY 2016/17
Law Offices of Scott A. Sommer	Legal and regulatory advisor for NB and SB.	\$ 640,647	\$ 250,000
Connor Fletcher & Hedenkamp	Oversight counsel and appellate work for both NB and SB	2,363,279	525,000
Arent Fox	Legal advisors for NB and SB	210,325	terminated
Larson O'Brien	Legal advisors for NB and SB	10,658	40,000
Keith Takata	Regulatory advisor for NB and SB	101,030	30,000
	Total:	\$ 3,325,939	\$ 845,000



Recommendations

1. *Authorize time and materials (T&M) expenditures of up to \$280,000 for the Law Offices of Scott A. Sommer for regulatory and legal support, including T&M expenditures of consultant Keith Takata;*
2. *Authorize T&M expenditures of up to \$525,000 for Connor Fletcher and Hedenkamp for oversight counsel and appellate services;*
3. *Approve the cancellation of the Arent Fox legal services agreement; and*
4. *Authorize the General Manager to negotiate and enter into a similar T&M agreement with the firm Larson O'Brien for legal advisory and support services, including transfer of existing FY 2015/16 Arent Fox expenditure approvals to Larson OBrien, and authorize expenditures of up to \$40,000 for FY 2016/17.*