

AGREEMENT FOR GENERAL COUNSEL SERVICES

This Agreement For General Counsel Services ("Agreement") is entered into this 27th day of February, 2008, by and between the Orange County Sanitation District ("the District"), a county sanitation district organized and existing under the County Sanitation District Act, Health & Safety Code §§ 4700 *et seq.*, (the "District"), and Woodruff, Spradlin & Smart (the "Firm"). The District and the Firm are sometimes individually referred to in this Agreement as each "Party" and collectively referred to as the "Parties."

RECITALS

A. The District desires to retain the Firm to provide General Counsel legal services. The Firm desires to perform General Counsel services for the District. This Agreement establishes the terms and conditions that will govern the District's retention of the Firm.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement, the Parties agree as follows:

1. Retention of the Firm. The District retains the Firm to perform General Counsel services. Bradley R. Hogin shall serve as the District's principal General Counsel.
2. Scope of Services. As the District's General Counsel, the Firm shall:
 - a. Provide advice regarding the District's legal rights, obligations, and options;
 - b. Interpret laws, rulings and regulations;
 - c. Provide recommendations relating to pending and prospective lawsuits;
 - d. Represent the District in litigation and administrative proceedings;
 - e. Prepare, review, and/or revise the District's contracts;
 - f. Represent the District in various transactions, as specifically assigned;
 - g. Provide advice regarding the statutes, decisions, and ordinances of other agencies and bodies; and
 - h. Provide such other legal advice, representation, and services as the District may request.
3. Compensation/Annual Adjustment. The District shall compensate the Firm for the time that the Firm's attorneys and paralegals spend on District matters based on the applicable hourly rates in effect at the time the work is performed. The current hourly rates for attorneys and paralegals working on District matters are listed on the Rate Schedule attached

hereto as Exhibit A. Hourly billing rates shall be adjusted effective January 1 of each year in an amount equal to the percentage increase in the Consumer Price Index for the Los Angeles-Orange County Metropolitan area, all wages for the period of December 1 – November 30 of the prior year. Each hourly labor rate shall be rounded to the nearest one dollar increment.

4. Costs and Disbursements. In addition to fees for professional services, the Firm may incur costs and make disbursements on the District's behalf. Possible costs and disbursements include filing fees, long distance telephone charges, travel expenses, and charges for photocopying, computerized legal research and faxes. Except for items listed on the attached Rate Schedule, expenses incurred will be billed at amounts that are competitive with other sources of the same products or services.

5. Invoices. The Firm will render invoices to the District monthly for legal services, costs, and disbursements. The invoices are payable upon receipt and are considered overdue if not paid within thirty (30) days. Any statement not paid within sixty (60) days of the date of the statement will incur finance charges at the rate of one and one-half percent (1-1/2%) per month, compounded monthly.

6. Term and Termination. The term of this Agreement shall commence on February 27, 2008. Either Party may terminate this Agreement at any time on thirty (30) days' notice to the other Party.

7. Insurance. The Firm shall maintain, at its sole cost and expense, professional liability insurance coverage in the amount of five million dollars (\$5,000,000) per occurrence, and five million dollars (\$5,000,000) in the aggregate.

8. Status of the Firm. It is understood and agreed that the Firm is, and shall be, acting at all times as an independent contractor herein, and not as an employee of the District.

9. Notices. Any notices between the parties hereto may be given by U.S. mail, addressed as follows:

To the District:	Orange County Sanitation District 10844 Ellis Avenue, Fountain Valley, CA 92708-7018 Attention: Chairman of the Board of Directors
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To the Firm	Woodruff, Spradlin & Smart 701 S. Parker Street, Suite 8000 Orange, CA 92868 Attention: Bradley R. Hogin, Esq.
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IN WITNESS WHEREOF, the District and the Firm have executed this Agreement as of the date first set forth above.

ORANGE COUNTY SANITATION DISTRICT

By: James Ferryman
James Ferryman
Chairman, Board of Directors

WOODRUFF, SPRADLIN & SMART

By: Bradley R. Høgin
Bradley R. Høgin, Esq.
Shareholder & Director

**EXHIBIT A
RATE SCHEDULE**

HOURLY RATES

Principal General Counsel	\$255.00
All Other Directors	\$235.00
Associates	\$200.00
Paralegals	\$105.00

Time is billed in tenths of an hour (.1 hour).

EXPENSES

1. Costs advanced to third parties for clients will be billed at the Firm's cost.
2. Costs incurred in-house will be billed at the following rates:
 - a. Photocopies \$.10/page
 - b. Extraordinary secretarial services \$40/hour
 - c. Fax Transmissions (outgoing) Actual Telephone Charges Only
 - d. Mileage In accordance with the IRS Standard Mileage Rate
3. Computerized legal research will be performed at client expense based on our cost.
4. The District will not be charged for local telephone expenses, word processing time or incoming fax transmissions.
5. Travel expenses will include lodging, meals and transportation at the most reasonable rates available, taking advantage of all available discounts and special rates. These will only be incurred with the prior approval of the client.
6. Costs advanced will be itemized on the client bill.

ADMINISTRATION COMMITTEE

AGENDA REPORT

Meeting Date 02/13/08	To Bd. of Dir. 02/27/08
Item Number ADM08-04	Item Number 10(c)

Orange County Sanitation District

FROM: Jim Ferryman, Board Chair
Originator: Bradley R. Hogin, General Counsel

SUBJECT: AGREEMENT FOR LEGAL SERVICES

GENERAL MANAGER'S RECOMMENDATION

Authorize Jim Ferryman, OCSD Chair, to enter into an agreement with Woodruff, Spradlin & Smart for legal services, appointing Bradley R. Hogin as Principal General Counsel with a rate schedule of \$255/235/200/105 and automatic annual CPI increases.

SUMMARY

Please see attached memorandum.

PRIOR COMMITTEE/BOARD ACTIONS

On December 21, 2005, the Board of Directors authorized the Board Chair to negotiate and enter into an agreement with Woodruff, Spradlin & Smart for legal services, appointing Bradley R. Hogin as Principal General Counsel.

ADDITIONAL INFORMATION

OCSD paid \$1,180,824 to Woodruff, Spradlin & Smart for legal services rendered during the 2006-07 fiscal year. Assuming the same level of service and billable hours, the proposed 7% rate increase would represent an increase of approximately \$83,000 over the 2006-07 fiscal year.

ATTACHMENTS

1. Memorandum dated 02/05/08 from Brad Hogin

MEMORANDUM

TO: James Ferryman, OCSD Chair
Doug Davert, OCSD Vice-Chair

CC: James D. Ruth, OCSD General Manager
Robert Ghirelli, OCSD General Manager

FROM: Bradley R. Hogin, Esq.

DATE: February 5, 2008

RE: Rate Increase

As we discussed, I am requesting a fee increase in our contract with OCSD. I will ask that the item will be placed on the agendas for the February meeting of the Administration Committee and the February meeting of the full Board.

Since our last fee increase, the cost of living has continued to rise, and our costs have risen accordingly. The current fees are \$235 per hour for me, \$220 per hour for other partners, \$190 per hour for associates, and \$99 per hour for paralegals. These fees were set two years ago, in January of 2006. Since that time, the CPI has risen by about 7%. I am requesting increases averaging roughly 7%, to \$255/235/200/105.

The requested fees are well within the market range for large special districts. As general counsel for OCWD, for example, Rutan & Tucker charges fees for lawyers ranging from \$235 per hour to \$265 per hour. The requested fees remain substantially discounted from market rates that are typically charged to private clients. I am also requesting that the new contract include an automatic annual adjustment based on increases in the CPI, so that the fees keep pace with the cost of living going forward.

Please let me know if you have questions or comments.

- e. **MOVED, SECONDED AND DULY CARRIED:** 1) Approve Amendment No. 2 to the Professional Design Services Agreement with MVA Architects, Inc. for North County Collections Yard, Contract No. 15-04, providing for design services for an additional amount of \$245,650, increasing the total amount not to exceed \$330,650;

2) Approve a budget increase of \$1,683,241 for North County Collections Yard, Contract No. 15-04, for a total project budget of \$11,773,241; and,

3) Approve a contingency of 15% (\$49,598).

Non-Consent Calendar

- f. No items were considered.

10. ADMINISTRATION COMMITTEE

Consent Calendar

- a. **MOVED, SECONDED AND DULY CARRIED:** Order Administration Committee Minutes for the meeting held on February 13, 2008, to be filed.
- b. **MOVED, SECONDED AND DULY CARRIED:** Authorize the expiration of the Additional Retiree Benefit Account (ARBA) agreement with Orange County Employees Retirement System (OCERS), and direct staff to administer the ARBA benefits to retirees, and to report back to the Committee staff's long-term recommendation as needed.
- c. **MOVED, SECONDED AND DULY CARRIED:** Authorize Jim Ferryman, OCSD Chair, to enter into an agreement with Woodruff, Spradlin & Smart for legal services, appointing Bradley R. Hogin as Principal General Counsel with a rate schedule of \$255/235/200/105 and automatic annual CPI increases.
- d. **MOVED, SECONDED AND DULY CARRIED:** Approve the budget assumptions to be used for the preparation of the FY 2008-09 and FY 2009-10 two-year budget.

Non-Consent Calendar

- e. No items were considered.