

## Kathleen Field - 7117

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**From:** Kathleen Field - 7117  
**Sent:** Wednesday, April 12, 2017 4:53 PM  
**To:**  
**Subject:** Public Records Act Request Response - McPeters Received April 4, 2017  
**Attachments:** 1999-Jun-22 BB&K Agrmt.pdf; 2014-May-27 BB&K Increase in Fees.pdf; 2015-Jun-17 BB&K Increase in Legal Fees.pdf; 2016-Apr-21 BB&K Annual Notice of Atuo Increase.pdf; 2009-Jun-30 BBK Fees for Legal Services-c1.pdf; 2013-Aug-7 BB&K & LACSD Letter Agreement.pdf

Dear Mr. McPeters,

This email responds to your request for records under the California Public Records Act (Gov. Code §§ 6250 – 6276.48), received via mail on April 4, 2017. As per my conversation with Lisa De Benedet, Senior Paralegal, we are providing the documents via email. You requested the following information:

*Copy of any legal services agreement, including any amendment or modification thereof, in effect for the period 2013 to date, or any part of such period, with respect to legal representation of the District dealing with or relating to water or water rights, or water administration, including, but not limited to, any matter dealing with the judgment, orders, agreements and administration in connection with or related to City of Barstow v. Mojave Water Agency, (2000) 23 Cal. 4<sup>th</sup> 1224 [99 Cal. Rptr. 2d 294, 5 P.3d 853]*

The District is providing legal services agreements between Lake Arrowhead Community Services District and Best Best & Kreiger, LLP.

Sincerely,

*Kathleen Field*  
Executive Assistant  
Lake Arrowhead Community Services District  
909 336-7117

June 22, 1999

Honorable President and Members  
of the Board of Directors  
Lake Arrowhead Community Services District  
201 North Cumberland  
Post Office Box 789  
Lake Arrowhead, California 92352

President Jack Kendrick and Members of the Board of Directors:

#### ABOUT OUR REPRESENTATION

Best Best & Krieger LLP is pleased to have the opportunity to serve as general counsel to the Lake Arrowhead Community Services District ("District"). This letter constitutes our agreement setting the terms of our representation.

#### CONFIDENTIALITY AND ABSENCE OF CONFLICTS

An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between counsel and the client are confidential and protected by the attorney-client privilege.

To also assure mutuality of trust, we have maintained a conflict of interest index. The California Rules of Professional Conduct defines whether a past or present relationship with any party prevents us from representing the District. Similarly, the District will be included in our list of clients to ensure we comply with the Rules of Professional Conduct with respect to the District.

#### YOUR OBLIGATIONS ABOUT FEES AND BILLINGS

The current billing rate of \$180 per hour shall apply to all matters handled by all attorneys in this firm. The billing rates for others are described in the memorandum attached to this letter. It also describes the other aspects of our firm's billing policies. You should consider this memorandum part of this Agreement as it binds both of us. For that reason, you should read it carefully.

#### INSURANCE

We are also pleased to let you know that Best Best & Krieger LLP carries errors and omissions insurance with Lloyd's of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California.

#### CIVILITY IN LITIGATION

In litigation, courtesy is customarily honored with opposing counsel, such as extensions to file pleadings or responses to other deadlines. In our experience, the reciprocal extension of such courtesies saves our clients' time and money. By signing this letter you will be confirming your approval of this practice in your case.

#### HOW THIS AGREEMENT MAY BE TERMINATED

You, of course, have the right to end our services at any time. If you do so, you will be responsible for the payment of fees and costs accrued but not yet paid, plus reasonable fees and reasonable costs in transferring the case to you or your new counsel. By the same token, we reserve the right to terminate our services to you upon written notice, order of the court, or in accordance with your attached memorandum. This could happen if you fail to pay our fees and costs as agreed, fail to cooperate with us in this matter, or if we determine we cannot continue to represent you for ethical or practical concerns.

#### CLIENT FILE

If you do not request the return of your file, we will retain your file for five years. After five years, we may have your file destroyed. If you would like your file maintained for more than five years or returned, you must make separate arrangements with us.

#### THANK YOU

On a personal note, we are honored that you have selected Best Best & Krieger LLP as District legal counsel. We look forward to a long and valued relationship with you and appreciate your confidence in selecting us as general counsel. If you have any questions at any time about our services or billings, please do not hesitate to call me.

If this letter meets with your approval, please sign and date it, and return the original to us. We have enclosed a separate signed copy of this letter for your records.

Very truly yours,

Jeffry F. Ferre  
for BEST BEST & KRIEGER LLP

JFF:dfd

AGREED AND ACCEPTED

By: \_\_\_\_\_

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

## BEST BEST & KRIEGER LLP

A CALIFORNIA LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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### BEST BEST & KRIEGER LLP'S BILLING POLICIES

Our century of experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. Clients are encouraged to discuss with us any questions they have about these policies and procedures. Clients may direct specific questions about a bill to the attorney with whom the client works or to Judy Ismael of our Accounting Department. Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

#### Fees for Professional Services

Unless a flat fee is set forth in our engagement letter with a client, our fees for the legal work we will undertake will be based in substantial part on time spent by personnel in our office on that client's behalf. In special circumstances which will be discussed with the client and agreed upon in writing, fees will be based upon the novelty or difficulty of the matter, or the time or other special limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on the client's behalf. Time is accrued on an incremental basis for such matters as telephone calls (minimum .3 hour) and letters (minimum .5 hour), and on an actual basis for all other work (for example, 0-6 minutes = .1 hour). Our attorneys are currently billed at rates from \$105 to \$275 per hour. However, all matters handled by attorneys shall be billed at the rate of \$180 per hour. Any work performed by paralegals and law clerks shall be billed at rates from \$75 to \$150 per hour.

#### Fees For Other Services, Costs and Expenses

We attempt to serve all our clients with the most effective support systems available. Therefore, in addition to fees for professional legal services, we also charge separately for some other services and expenses to the extent of their use by individual clients. These charges include but are not limited to, mileage at the rate of \$.29 per mile, extraordinary telephone and document delivery charges, copying charges, computerized research, court filing fees and other court-related expenditures including court report and transcription fees. No separate charge is made for secretarial or word processing services; those costs are included within the above hourly rates.

Honorable President and Members  
June 22, 1999  
Page 5

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees and, as they are out-of-pocket charges, we need to have sufficient funds on hand from you to pay them when due. We will advise the client, in advance, from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

#### Monthly Invoices and Payment

Best Best & Krieger LLP provides our clients with monthly invoices for legal services performed and expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on the client's behalf that have been processed by the end of the prior month. Processing of some expenses is delayed until the next month and billed thereafter.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full amount is covered by the balance of an advance held in our trust account. If a bill is not paid within 30 days, a late charge of one percent per month on the unpaid invoice shall be added to the balance owed, commencing with the next statement and continuing until paid.

It is our policy to treat every question about a bill promptly and fairly. You will not be billed for the time it may take to answer questions regarding a bill. It is also our policy that if a client does not pay an invoice within 60 days of mailing, we assume the client is, for whatever reason, refusing to pay. We will then advise the client by letter that the client may pay the invoice within 14 days or the firm will take appropriate steps to withdraw as attorney of record. If the delay is caused by a problem in the invoice, we must rely upon the client to raise that with us during the 14-day period. This same policy applies to fee arrangements which require the client to replenish fee deposits or make deposits for anticipated costs.

From time to time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.

BEST BEST & KRIEGER LLP

LAW OFFICES OF  
BEST BEST & KRIEGER LLP

Honorable President and Members  
June 22, 1999  
Page 6

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**Scott H. Campbell**  
(213) 617-7489  
scott.campbell@bbklaw.com  
File No. 24148.00100

May 27, 2014

Leo Havener  
General Manager  
Lake Arrowhead Community Services District  
P. O. Box 700  
Lake Arrowhead, CA 92352

Re: BB&K Fees

Dear Leo:

Pursuant to our conversation several months ago, my conversation with Board members and the two-year budget, effective July 1, 2014, Best Best & Krieger, LLP will be adjusting its rates with a COLA for the first time in many years. In fact, for our associate rates, it has been a decade since Best Best & Krieger, LLP raised its rates. The rates will be adjusted annually in July pursuant to the applicable COLA. Please sign below and return to me in the enclosed envelope.

We look forward to continuing to represent the Lake Arrowhead Community Services District.

Sincerely,

Scott H. Campbell  
of BEST BEST & KRIEGER LLP

Leo Havener  
General Manager  
Lake Arrowhead Community Services District





**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

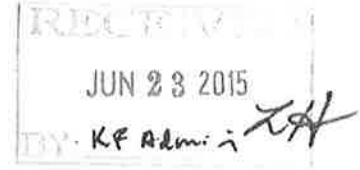
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**Michelle Service-Brown**  
(951) 826-8265  
michelle.service-brown@bbklaw.com

June 17, 2015



LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT  
ATTN: LEO HAVENER, GENERAL MANAGER  
P.O. BOX 700  
LAKE ARROWHEAD, CA 92352  
\*\*PERSONAL AND CONFIDENTIAL\*\*

Re: Annual Notice of Automatic Increase in Legal Services Rates based upon CPI

Dear Valued Best Best & Krieger LLP Client,

In accordance with our current agreement, the hourly rates are to adjust on July 1st of each year, in accordance with the All Urban Consumer Price Index. The Index has increased by 1.3%, therefore, the hourly rates will be:

**Special Services**

Michelle Ouellette	\$359.00	Junior Associate	\$ 184.00
Eric Garner	\$359.00	Paralegal	\$ 159.00
Partner	\$ 322.00	Clerk	\$ 159.00
Of Counsel	\$ 322.00	Research Analyst	\$ 159.00
Senior Associate	\$ 184.00	Admin. Asst.	\$ 159.00

These rates will automatically be adjusted on July 1st.

Best Best & Krieger sincerely appreciates your continuing loyalty and the choice of our firm for your legal services.

If you have any questions about this or any of our billing policies, please contact your BB&K attorney.

Sincerely,

Michelle Service-Brown  
Billing Supervisor  
for BEST BEST & KRIEGER LLP



**BEST BEST & KRIEGER**  
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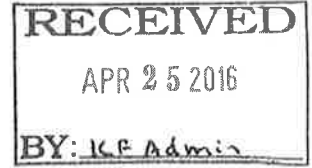
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**William Hendertilo**  
(951) 826-8390  
william.hendertilo@bbklaw.com

April 21, 2016



Leo Havener, General Manager  
Lake Arrowhead Community Services District  
P.O. Box 700  
Lake Arrowhead, CA 92352

Re: Annual Notice of Automatic Increase in Legal Services Rates based upon CPI

Dear Valued Best Best & Krieger LLP Client,

In accordance with our current agreement, the hourly rates are to adjust on July 1st of each year, in accordance with the All Urban Consumer Price Index, Los Angeles-Riverside-Orange County, 2015 annual. The Index has increased by 0.9%, therefore, the hourly rates will be:

<u>Special Services</u>	<u>Rate/Hr.</u>
Michelle Ouellette	\$ 362
Eric Garner	\$ 362
Partner / Of Counsel	\$ 325
Associate / Associate 2	\$ 186
Paralegal / Clerk / Research Analyst / Admin. Assistant	\$ 160

These rates will automatically be adjusted on July 1, 2016.

Best Best & Krieger sincerely appreciates your continuing loyalty and the choice of our firm for your legal services. If you have any questions about this or any of our billing policies, please contact your BB&K attorney, Scott Campbell.

Sincerely,

William Hendertilo  
Assistant Billing Manager  
for BEST BEST & KRIEGER LLP

# BEST BEST & KRIEGER

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**Scott H. Campbell**  
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scott.campbell@bbklaw.com

June 30, 2009

John E. Hoagland  
General Manager  
Lake Arrowhead Community Services District  
P.O. Box 700  
Lake Arrowhead, CA 92352

Re: Fees for Legal Services

Dear John:

It accordance with the previous agreements between Best Best & Krieger LLP (BBK) and the Lake Arrowhead Community Services District ("District"), this letter will reflect the current fee agreement between BBK and the District. These fees have been the fees charged since December 2008. We will not raise these rates unless the District and BBK agree to such an increase.

The partner rates are based on a thirty percent (30%) discount from the rates we charge to private clients. Under this approach, the rates for each partner working on a matter would be determined by applying a 30% discount to the amount that attorney normally charges to a private sector client, as said rates may be adjusted from time to time. By way of example, my private sector rate is \$450 per hour. With the 30% discount, the rate charged to the District would be \$315.00 per hour.

The rates for associates and paralegals are set at the standard public sector rates as of 2008 as follows: Associates - \$180 per hour; Paralegals - \$155 per hour.

Based on the calculations set forth above, the rates charged for the attorneys who have a history of providing services to the District would be set as follows:

Scott Campbell - \$315.00  
Eric Garner - \$332.50  
Jill Willis - \$287.00  
John Holloway (of counsel) \$262.50  
Kelly Salt (of counsel) \$231.00  
Fernando Avila - \$180.00  
Jill Trembly - \$180.00

**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

June 30, 2009  
Page 2

Amy Rodes - \$180.00  
Shelby Young (paralegal) - \$155.00  
Evelyn Shackford (Paralegal) - \$155 .00

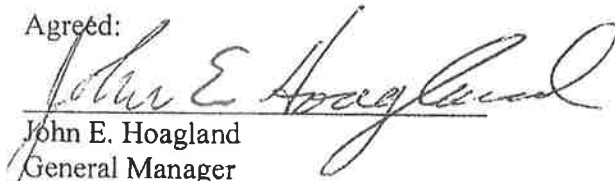
It has been my privilege to serve as the District's general counsel and BB&K looks forward to continuing this successful relationship.

Sincerely,



Scott H. Campbell  
of BEST BEST & KRIEGER LLP

Agreed:



John E. Hoagland  
General Manager  
Lake Arrowhead Community Services District



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LETTER AGREEMENT RE NEW PRICING FOR PP&E PROGRAM

Lake Arrowhead Community Services District  
Leo Havener, General Manager  
P.O. Box 700  
Lake Arrowhead, CA 92352  
\*\*Personal And Confidential\*\*

Dear Mr. Havener:

With the new fiscal year about to begin, we wanted to take this opportunity to update you on a new pricing schedule for participation in BBK's Public Law, Policy & Ethics Service Program (previously called Project 1 and Project 2). Under this Program, the Lake Arrowhead Community Services District has been receiving timely legal advice memos on important developments concerning the Political Reform Act and other conflict of interest issues, legislation, and judicial decisions, among other topics. Since these updates are provided among a large pool of clients, this enables BBK to spread the cost of the Program and thereby charge the Lake Arrowhead Community Services District only a fraction of the total cost of the Program.

The Lake Arrowhead Community Services District will be charged an annual fee on July 1 of each year for all of the services provided under the Program. We believe this will simplify the billing you receive for this service. Annual subscription costs for the fiscal year beginning July 1, 2013, will be as follows. There will be no further charges under the Program for the entire year. The amount charged for subsequent fiscal years will be subject to adjustment.

Annual subscription cost billed in 2013: \$3,300

Project 1 memos (Political Reform Act and other conflict of interest laws) and Project 2 memos (products applicable to governmental entities generally, such as Brown Act updates) will be combined into the single Program. We will charge the Lake Arrowhead Community Services District the annual fee for the following services under the Program:

- (a) Provide legal advice and opinions concerning matters that affect the Lake Arrowhead Community Services District involving new legislation, regulations, court decisions and Attorney General opinions. As part of this service, we will monitor significant developments that may affect the Lake Arrowhead Community Services District although we cannot monitor every single development that might affect the Lake Arrowhead Community Services District. This service will include legal research, drafting memoranda and communicating with the Lake Arrowhead Community Services District about the developments of which we become aware.

(b) Provide annual updates on the Brown Act, the Public Records Act, the Political Reform Act, and other conflict of interest laws.

(c) Provide annual training regarding Statements of Economic Interests (Form 700) *for up to five (5) participants per client* (\$50 per additional participant or \$750 flat fee for customized, on-site training). Properly completed and filed Statements of Economic Interests are one of the building blocks of good governance and transparency. This new training will cover different types of reportable interests, avoiding over-disclosure, how to complete a Form 700, and how to amend a statement. Presented as a two-hour webinar, the training is for officials and employees listed in the agency's Conflict of Interest Code to disclose applicable economic interests.

*NOT* included in the Program, but *highly* recommended, is our Public Agency Ethics Training to comply with the bi-annual requirements of AB 1234. More than 350 laws and regulations set the minimum standard for ethical conduct of public officials in California. Our in-person, interactive, two-hour course geared toward public officials, department heads and Form 700 designated employees provides an overview of these laws, shares public service best practices, and explains how to avoid legal pitfalls and promote positive public perceptions. BBK can provide a custom training program (\$1,500 for up to six participants and \$175 per additional participant). The firm also provides group training programs in our offices (\$75/per person).

Today, as new laws and developments become more complex, public scrutiny intensifies, and client/public expectations about the role of general legal counsel changes, we realize that many of these legal updates are *critical*, and in most cases required, for our public agency clients. Therefore, we wish to add these services as part of our agreement with the Lake Arrowhead Community Services District, if they are not already specifically set forth in our agreement, and then allow the Lake Arrowhead Community Services District to opt-out if you determine that you do not wish to receive the legal advice memos in the future. If you chose *not* to participate in the Program for whatever reason, you can opt out by signing the paragraph as indicated below. However, we would not approach the Program in this way if we did not feel that it was in our client's best interest to participate at the nominal cost.

This letter will serve as a confirmation of the Lake Arrowhead Community Services District involvement in the Program as part of our legal services agreement with the Lake Arrowhead Community Services District. In addition to this change, there are two minor changes we would like to make to our legal services agreement with the Lake Arrowhead Community Services District as follows:

ESI: BBK provides Electronically Stored Information ("ESI") services for matters requiring ESI support -- typically litigation or threatened litigation matters. BBK shall receive payment for ESI support, if needed, at BBK's then current rates. A copy of BBK's current rates for such services will be provided upon request. BBK shall not incur costs for ESI support on a particular matter without first confirming by email or written correspondence with the Lake Arrowhead Community Services District that Lake Arrowhead Community Services District agrees such services are necessary for the matter at hand.

Non-Attorney Personnel: BBK may employ the services of non-attorney personnel under the supervision of a BBK attorney in order to perform services called for in the

legal services agreement. The most common non-attorney personnel utilized are paralegals. Other types of non-attorney personnel include, but are not limited to, clerks, research analysts, administrative assistants, case clerks, and specialty consultants. Lake Arrowhead Community Services District agrees that BBK may use such non-attorney personnel to perform its services when it is reasonably necessary in the judgment of the responsible BBK attorney. Hourly fees for non-attorney personnel will be charged at the rate then in effect for such personnel. A copy of BBK's current rates and titles for non-attorney personnel will be provided upon request. Except for paralegals, BBK will not incur more than \$500 in fees for a non-attorney's work on a client matter without first confirming by email or written correspondence with Lake Arrowhead Community Services District the intended use of the non-attorney and the hourly rate for that person.

Since this new arrangement and the optional services add new provisions to the legal services and/or confirm the current arrangement for legal services, we would request that you sign this letter as indicated below and return it to our office. This letter will then become a part of our contract for legal services with the Lake Arrowhead Community Services District. A copy of this letter is also provided for your records. Please let me know if you have any questions. Thank you.

Very truly yours,

BEST BEST & KRIEGER LLP

By: \_\_\_\_\_  
Scott Campbell

ACKNOWLEDGED/CONFIRMED

By: 

Dated: 8-7-2013

If you do not wish to participate in the Program, please sign below instead.

Lake Arrowhead Community Services District hereby acknowledges that BBK has offered to provide the legal services set forth in paragraphs (a) – (c) above and Lake Arrowhead Community Services District declines to receive said services.

By: \_\_\_\_\_

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