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# GENERAL COUNSEL DEPARTMENT

The Legal Department provides a full range of legal services in a professional, timely, cost-effective, and creative manner.

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## PROGRAMS

The General Counsel is the chief legal spokesperson for Metropolitan and the Board of Directors and oversees the Legal Department's administrative functions.

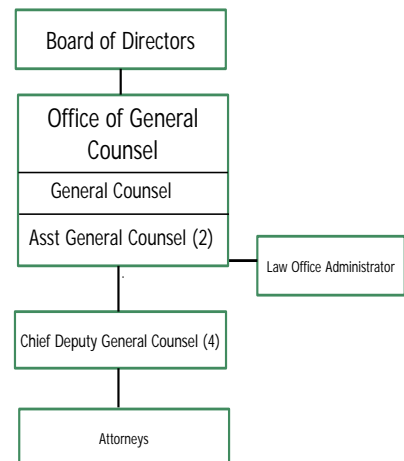
The General Counsel represents Metropolitan in litigation and other proceedings to which Metropolitan is a party; provides legal advice to the Board, its committees, and to Metropolitan's staff; drafts, reviews, and negotiates contracts, documents, and other agreements; consults with representatives of other public and private entities on matters of mutual concern; and monitors and analyzes pending and enacted legislations and, when appropriate, drafts legislative recommendations.

The Office of the General Counsel provides legal services to the Board, its committees, and to Metropolitan staff in the following areas:

- Represents Metropolitan interests relating to water supply matters, including Bay Delta resources, Colorado River supply, the State Water Contract, groundwater and water transfer issues, CEQA and Endangered Species Act (ESA) issues, energy issues, and water delivery and treatment.
- Represents Metropolitan's interest with regard to claims and litigation by or against Metropolitan.
- Provides legal advice with respect to the acquisition, management, and disposal of Metropolitan property and the administration of annexations, and provides legal assistance in Metropolitan's procurement and construction contract programs.
- Provides legal advice with respect to Metropolitan's financial activities, including

Metropolitan's rates and charges, taxation, bond issuance, legality of investments, and fiscal administration.

- Provides legal advice related to labor and personnel matters.
- Reviews, analyzes, and monitors pending state and federal legislation and drafts legislative recommendations.



## GOALS AND OBJECTIVES

In FY 2014/15 and FY 2015/16, The Legal Department will focus on the following key issues:

### Water Supply Reliability

Pursue a comprehensive legal strategy that proactively addresses legal issues associated with the comprehensive Bay Delta plan while simultaneously and vigorously defending Metropolitan's interest in litigation and administrative proceedings.

Continue to represent Metropolitan, as a separate party or working through the State Water Contractors, in litigation and regulatory proceedings under the federal and state ESAs.

Continue to provide legal support in Metropolitan's efforts to implement temporary and interim measures for the Bay Delta, including near-term Delta actions.

Continue to identify other possible Delta stressors and provide legal strategy options for consideration.

Continue defending the QSA and related agreements in remand to the trial court and evaluating alternatives.

Provide legal support to maintain Colorado River supplies and identify new supplies.

Provide legal support for water storage programs, transfers and exchanges.

Assist with monitoring and development of local resources, desalination, and conservation projects and programs.

### Balancing Growth and Sustainability

Provide legal support for planning and programs to obtain regional compliance with the 2010 Water Conservation Act goal of twenty percent reduction in regional water use by 2020.

### Managing Energy Costs

Provide legal support to ensure that State Water Project energy needs are met in a cost-effective and sustainable manner.

Participate in Federal Energy Regulatory Commission proceedings to control system transmission costs.

Provide legal support for workplace health and safety compliance.

### District Governance

Continue to provide timely advice to the board and committees on governance and legal compliance matters.

Continue to respond to Public Records Act requests, with increased efficiency and use of technology.

### Workforce Development and Cultural Changes

Provide proactive counsel and advice on workforce issues.

Continue to defend Metropolitan in PERB matters as well as grievance and disciplinary matters.

### Real Property Matters

Continue to support the expanded revenue generating efforts of the RPDM Group, including telecommunications and agricultural leases.

Provide ongoing support to the RPDM Group on real property and lease management issues.

### Finance

Vigorously defend legal challenge to Metropolitan's water rate structure.

Provide legal support for development and adoption of the biennial budget and rates.

Continue to provide legal support for financing and revenue strategies.

### Administrative Matters within the Department

Continue to manage outside counsel costs while providing effective representation.

Continue to identify and implement cost efficiency measures.

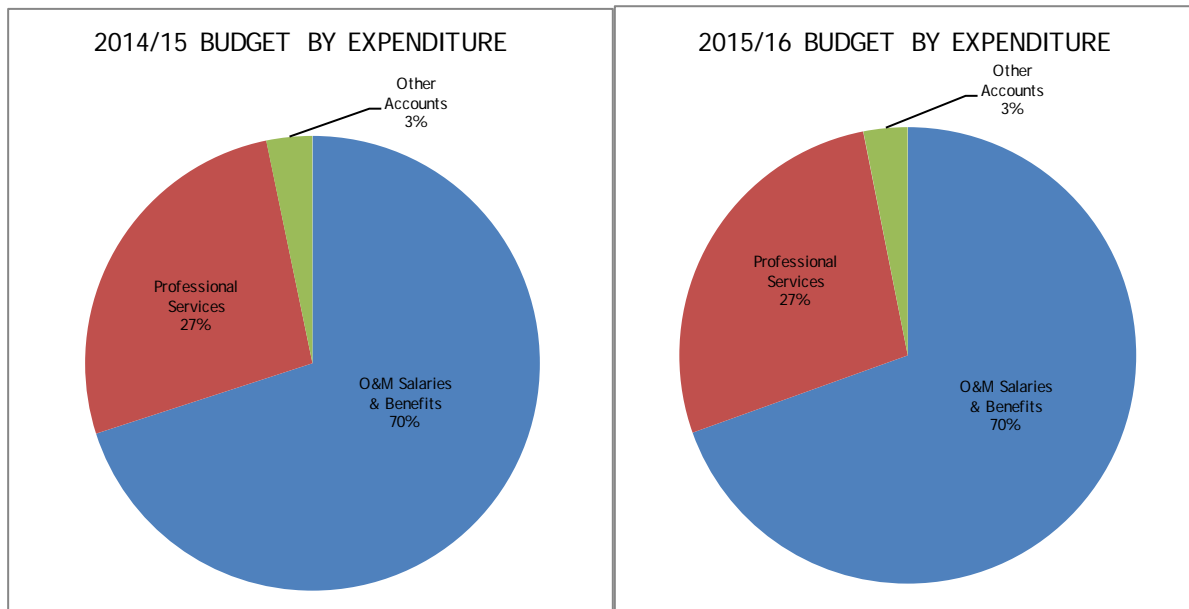
Increase use of technology for document management and litigation support.

Continue to provide timely employee evaluations.

## O&M Financial Summary

	2012/13 Actual	2013/14 Budget	2014/15 Budget	Change from 2013/14	2015/16 Budget	Change from 2014/15
Total Salaries and Benefits	7,977,400	8,645,000	9,079,500	434,500	9,195,500	116,000
<i>Direct charges to Capital</i>	0	0	0	0	0	0
<b>O&amp;M Salaries &amp; Benefits</b>	7,977,400	8,645,000	9,079,500	434,500	9,195,500	116,000
% Change		8.4%		5.0%		1.3%
Professional Services	1,408,500	4,312,500	3,467,500	(845,000)	3,620,000	152,500
Memberships & Subscriptions	129,800	110,000	110,000	0	110,000	0
Travel Expenses	84,700	85,000	100,000	15,000	90,000	(10,000)
Materials & Supplies	62,000	45,000	60,000	15,000	60,000	0
Subsidies & Incentives	50,500	50,000	55,000	5,000	55,000	0
Outside Services – Non Professional / Maintenance	7,000	50,000	40,000	(10,000)	40,000	0
Other Accounts	29,500	57,500	58,000	500	58,000	0
<b>Total O&amp;M</b>	<b>9,749,400</b>	<b>13,355,000</b>	<b>12,970,000</b>	<b>(385,000)</b>	<b>13,228,500</b>	<b>258,500</b>
% Change		37.0%		(2.9%)		2.0%

Note – Totals may not foot due to rounding.



## Personnel Summary

	2012/13 Actual	2013/14 Budget	2014/15 Budget	Change from 2013/14	2015/16 Budget	Change from 2014/15
Regular	33	36	36	0	36	0
O&M	33	36	36	0	36	0
Capital	0	0	0	0	0	0
Temporary	3	2	2	0	2	0
O&M	3	2	2	0	2	0
Capital	0	0	0	0	0	0
<b>Total Personnel</b>	<b>35</b>	<b>38</b>	<b>38</b>	<b>0</b>	<b>38</b>	<b>0</b>
O&M	35	38	38	0	38	0
Capital	0	0	0	0	0	0

Note - Totals may not foot due to rounding.

## SIGNIFICANT BUDGET ISSUES

The Legal Department's biennial budget is \$13.0 million in FY 2014/15 and \$13.2 million in FY 2015/16 or an decrease of (2.9%) and increase of 2.0% respectively from the prior budget years. The change is primarily due to two factors:

- Professional services costs decrease reflects funding of expenses for litigation of 2010 and 2012 water rates by self-insurance retention fund and conclusion of the litigation at the trial court level.
- Salaries and Benefits costs were also impacted by merit increases for qualified employees and an increase in retirement-related benefits costs.

The following are the significant changes by budget year.

### FY 2014/15

#### Personnel-related issues

The personnel count remains flat from FY 2013/14.

#### Professional Services

#### Other

### FY 2015/16

#### Personnel-related issues

The personnel count remains flat from FY 2014/15.

#### Professional Services

#### Other