



● **Board of Directors**
Legal and Claims Committee

5/9/2023 Board Meeting

7-6

Subject

Authorize an increase in the maximum amount payable under contract with Thompson Coburn LLP for legal advice on state and federal energy regulatory and contractual matters by \$200,000 to a maximum amount payable of \$300,000; the General Manager has determined that this proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Since 2012, Thompson Coburn LLP (Thompson Coburn) has provided Metropolitan with expert legal advice on state and federal energy regulatory and contractual matters. The funding under the current agreement is running low, and additional funds are necessary to support current and anticipated needs.

Details

Thompson Coburn has extensive expertise in California and federal energy regulatory matters. Expert legal counsel there, including Bonnie Blair and Meg McNaul, represent a number of clients within California, including Metropolitan. Over the years, Thompson Coburn has provided expert advice on federal energy regulatory requirements, including compliance with the North American Electric Reliability Corporation or NERC energy regulatory reliability standards. These complex federal standards apply to Metropolitan's ownership and operation of its Colorado River Aqueduct transmission system. Thompson Coburn provides essential support to the Power Operations and Planning Section or Water System Operations and to the legal department to ensure Metropolitan is in compliance with applicable standards. Additionally, Thompson Coburn advises Metropolitan on contractual issues related to its electric transmission and generation resources, state, and regional transmission planning, generator interconnection requests, and related matters. Over the past year, Thompson Coburn assisted staff with a comprehensive update of its interconnection policies and forms that are required by NERC. With upcoming changes in the energy market, Metropolitan anticipates more significant work in these areas and is requesting an additional \$200,000 for work anticipated over the next two years.

Policy

Metropolitan Water District Administrative Code Section 6431: Authority to Obtain Expert Assistance

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because it involves continuing administrative or maintenance activities which will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize an increase in the maximum amount payable under contract with Thompson Coburn LLP for legal advice on state and federal energy regulatory and contractual matters by \$200,000 to a maximum amount payable of \$300,000.

Fiscal Impact: \$200,000, authorized legal services funded within the FY 2022/2023 and FY 2023/2024 budgets

Business Analysis: Expert special counsel will assist staff with state and federal energy regulatory and contractual matters.

Option #2

Do not authorize the contract increase.

Fiscal Impact: Unknown

Business Analysis: Without expert special counsel, compliance with state and federal energy regulatory and contractual matters could be uncertain.

Staff Recommendation

Option #1

 <hr/> Marcia Scully General Counsel	4/21/2023 Date
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