THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Board Action

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

9/15/2026 Board Meeting

7-4

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 $400,000 to a maximum amount payable of $1,000,000; 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.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

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 $400,000 to a maximum amount payable of $1,000,000; the General Manager has determined that this proposed action is exempt or otherwise not subject to CEQA

Fiscal Impact: $400,000, authorized legal services funded within the FY2026/2027 budget
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.

Alternatives Considered

Not applicable

Applicable Policy

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a).)

CEQA determination for Option #2:

None required

Details and Background

Background

Thompson Coburn has extensive expertise in California and federal energy regulatory matters. Expert legal counsel there, including Bonnie Blair and Margaret "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 legal issues arising out of an affected system study to evaluate and mitigate potential adverse reliability impacts to Metropolitan's Colorado River Aqueduct Transmission System (CRATS) due to the interconnection of new generation facilities to neighboring transmission systems and related on-going discussions with the Californian Independent System Operator (CAISO), private developers, and other stakeholders. This work included assistance in negotiating and drafting of numerous complex agreements with generators whose proposed projects may affect the CRATS and CAISO to protect the CRATS from any impacts from new or proposed generators. Metropolitan is completing its study of the costs of the work necessary to protect the CRATS from impacts due to these third-party generators, and is now working on agreements to provide for their respective payment of the costs of necessary upgrades. Additionally, Metropolitan intends to start a second affected system study soon, with a new set of proposed generators, all of which will require additional outside counsel assistance. With the upcoming work on the affected system studies and upcoming changes in the energy market, Metropolitan anticipates more significant work in these areas and is requesting an additional $400,000 for work anticipated over the next two years.

9/8/2026

Marcia Scully
General Counsel

Date

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