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October 17, 2018

**PROPOSAL**

**TO:** Chairman and Members, Western Regional Water Commission ("WRWC")  
**FROM:** John B. Rhodes, WRWC Legal Counsel  
**FOR:** Rhodes Law Offices, Ltd., a Nevada corporation ("RLO")  
**SUBJECT:** Proposed amendment to existing Agreement for Legal Services.

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**SUMMARY**

The undersigned is the President and sole owner of RLO. Since May 1, 2008, RLO has provided all legal services required by the WRWC and the Northern Nevada Water Planning Commission ("NNWPC"). In October 2017, I offered to renew and extend the Agreement for representation of the WRWC and the NNWPC through June 30, 2020, upon the same terms and conditions, including the continuation of a voluntary 10% reduction in compensation which became effective November 1, 2011, for a flat fee retainer of \$10,800 per month (\$129,600 per year).

**PREVIOUS ACTION**

On October 18, 2017, the WRWC Board of Trustees voted to extend the Agreement as proposed, and to reinstate the reduction in compensation, effective November 1, 2017, resulting in a flat fee retainer of \$12,000 per month (\$144,000 per year).

**BACKGROUND and DISCUSSION**

When I agreed to accept increased compensation effective last November, I anticipated, based on previous public comments made by several WRWC Trustees, and actions taken by the WRWC Board, that the WRWC would seek a Bill Draft Request in the 2019 session of the Nevada Legislature that would either dissolve the WRWC and/or transfer all or some of its duties and responsibilities to another regional governmental entity or entities. Such an action would require a substantial increase in legal services required by the WRWC during 2019, resulting in what I estimated would be fair and reasonable fees over the full term of the Agreement. The probability of significant legislative changes to the structure and duties of the WRWC continued to be a topic of discussion by Trustees through the concurrent meeting of the WRWC and NNWPC on August 14, 2018. At that meeting, the WRWC voted not to pursue a dissolution or transfer of responsibilities in 2019, but rather to revisit and refine its strategic priorities, with a focus on possible reductions in overhead expenses, including the cost of legal services.

**Material Change in Circumstances:**

Based on the WRWC's direction not to pursue any statutory changes in the 2019 legislature, and a review and analysis indicating that the WRWC's current priorities will result in fewer contracts in larger amounts, I have concluded that the legal services required by the WRWC through June 2020, can be provided by RLO at a substantially reduced rate. Accordingly, I propose the following options.

**Option 1** \_\_\_

RLO will provide all legal services required by the WRWC, and currently being provided under the terms of the Agreement for Legal Services, for a flat fee retainer of \$9,500 per month (\$114,000 per year), resulting in a 21% decrease in fees, a monthly reduction of \$2,500, an annual reduction of \$30,000, and a total reduction of \$50,000 over the remaining term of the Agreement.

**Option 2** \_\_\_

RLO will provide all legal services required by the WRWC and currently being provided under the terms of the Agreement for Legal Services, except:

Review staff reports or minutes of meetings for items that do not require expenditures or written contracts/agreements;

Track, review or analyze pending legislation, prepare Legislative Subcommittee agendas or staff reports, provide legislative reports or updates to the WRWC or NNWPC, attend any Legislative Subcommittee meetings, or provide any legislative testimony or lobbying services;

Attend more than one staff working group meeting per month.

All included services will provided be for a flat fee retainer of \$8,500 per month (\$102,000 per year), resulting in a 29% decrease in fees, a monthly reduction of \$3,500, an annual reduction of \$42,000, and a total reduction of \$70,000 over the remaining term of the Agreement.

All legal services will be provided on a flat fee basis, commencing November 1, 2018. No hourly fees will be charged, and no time records will be kept, maintained, or provided.

Respectfully submitted,



Rhodes Law Offices, Ltd.