

# ***San Geronio Pass Water Agency***

**DATE:** August 5, 2024

**TO:** Board of Directors

**FROM:** Lance Eckhart, General Manager

**BY:** Jeff Ferre, General Counsel

**SUBJECT: Approval Of Request From BBK For Increase In Rates For Legal Services**

## **RECOMMENDATION**

Approve an increase in legal services rates to address the automatic CPI adjustment and an additional 5% increase.

## **PREVIOUS CONSIDERATION**

- Finance and Budget Committee Meetings – April 29, 2024 and June 27, 2024:  
The Committee reviewed the letter from BBK, which sets forth the request for a rate adjustment, and also discussed the provision of legal services.

## **BACKGROUND**

BBK has served as legal counsel for the Agency for many years, going back to the time when Russ Behrens was General Counsel and then later, when the Agency approved the transition to Jeff Ferre as General Counsel. The last time BBK addressed its rates was in January of 2017. BBK has not requested a rate increase, other than CPI, for seven years.

## **ANALYSIS**

The agreement with BBK calls for an automatic increase in legal services rates based on CPI. BBK submitted a letter to the Agency, dated March 21, 2024, which provides notice of the automatic CPI increase and also requests an additional increase. A copy of that letter is attached. The attached letter refers to an effective date of July 1, 2024. However, with the passage of time since the request was first submitted, if approved, the rates would now go into effect beginning with work performed in September of 2024.

## **FISCAL IMPACT**

The proposed rates, with the annual CPI adjustment and the additional increase, would be as follows:

**Basic General Counsel Services**

| <b>Title</b>                 | <b>Rate</b> |
|------------------------------|-------------|
| Partners & Of Counsel        | \$ 391.00   |
| Associates                   | \$ 347.00   |
| Paralegals, Clerks, Analysts | \$ 214.00   |

**Special Counsel Services**

| <b>Title</b>                 | <b>Rate</b> |
|------------------------------|-------------|
| Partners & Of Counsel        | \$ 445.00   |
| Associates                   | \$ 400.00   |
| Paralegals, Clerks, Analysts | \$ 233.00   |

**ACTION**

Approve increase in legal services rates to address the automatic CPI adjustment and an additional 5% increase.

**ATTACHMENT**

BB&K letter



Jeff Ferre  
Partner  
jeff.ferre@bbklaw.com

March 21, 2024

San Geronio Pass Water Agency  
Attn: Lance Eckhart, General Manager  
1210 Beaumont Avenue  
Beaumont, CA 92223

Re: Annual Notice of Automatic Increase in Legal Services Rates based upon CPI  
Request for Additional Increase to Approach Market Rates

Dear Lance:

We are honored to have had the opportunity to serve as legal counsel for the Agency for many years, going back to the time when Russ Behrens was General Counsel and then later, when the Agency approved my transition to General Counsel. The last time we addressed our rates was in January of 2017. Although the firm annually reviews and adjusts rates for our private entity clients, in addition to CPI, that is not the case in regard to public agency clients such as the Agency. We are acutely aware of the financial pressures that public agencies face. As a result, we have not utilized annual increases, other than CPI, for seven years.

Taking into account the need to move our rates closer to market rates for public agency work, we are submitting adjusted rates as set forth below, effective with the first full billing cycle for work performed in July 1, 2024.

These increases reflect the following: (a) an adjustment in accordance with the All Urban Consumer Price Index, Riverside-San Bernardino-Ontario, CA, most recent 12-month published, which is 4.7% over this time period; and (b) an additional increase of 5%.

**Basic General Counsel Services**

Current rates as of July 1, 2023:

| <b>Title</b>                 | <b>Current Rate</b> |
|------------------------------|---------------------|
| Partners & Of Counsel        | \$ 355.00           |
| Associates                   | \$ 315.00           |
| Paralegals, Clerks, Analysts | \$ 195.00           |

Proposed rates, with annual CPI adjustment and additional increase, beginning July 1, 2024:

| <b>Title</b>                 | <b>Rate Effective<br/>7/1/24</b> |
|------------------------------|----------------------------------|
| Partners & Of Counsel        | \$ 391.00                        |
| Associates                   | \$ 347.00                        |
| Paralegals, Clerks, Analysts | \$ 214.00                        |

Examples of Basic General Counsel Services: (a) Attendance at meetings of the Board or Staff; (b) Advice to the Board and Staff on matters including, but not limited to, the Water Code, Government Code, Brown Act, Public Records Act, and conflict of interest issues; (c) Preparation of ordinances, resolutions and contracts; and (d) phone calls, emails and other correspondence on a day-to-day basis.

**Special Counsel Services**

Current rates as of July 1, 2023:

| <b>Title</b>                 | <b>Current Rate</b> |
|------------------------------|---------------------|
| Partners & Of Counsel        | \$ 405.00           |
| Associates                   | \$ 364.00           |
| Paralegals, Clerks, Analysts | \$ 212.00           |

Proposed rates, with annual CPI adjustment and additional increase, beginning July 1, 2024:

| <b>Title</b>                 | <b>Rate Effective<br/>7/1/24</b> |
|------------------------------|----------------------------------|
| Partners & Of Counsel        | \$ 445.00                        |
| Associates                   | \$ 400.00                        |
| Paralegals, Clerks, Analysts | \$ 233.00                        |

Special Counsel Services Include The Following: (a) Environmental — CEQA, NEPA, and Endangered Species; (b) Real Property — eminent domain, easements, leases, and other property interests; (c) Public Works Construction — bidding, contract development, and contractor disputes; (d) Labor Relations and Employment; (e) Water Rights, Water Supply and Water

March 21, 2024

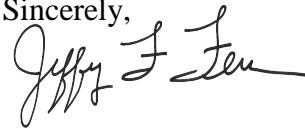
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Quality; (f) Taxes, Rates and Charges; (g) and (h) Litigation And Formal Administrative Hearing Matters/Enforcement of Policies and Contracts.

Thank you for your understanding in regard to this matter. We are very honored to be general counsel for the Agency and look forward to working with you for many years to come.

A SIGNATURE BELOW CONSTITUTES THE CONSENT TO THE ADDITIONAL RATE INCREASE (OTHER THAN THE CPI) EFFECTIVE JULY 1, 2024.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Ferre". The signature is written in a cursive style with a long horizontal flourish at the end.

Jeff Ferre

Partner

for BEST BEST & KRIEGER LLP

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By: Lance Eckhart, General Manager