

May 18, 2022

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Mr. Ray A Stokes
Executive Director
Central Coast Water Authority
255 Industrial Way
Buellton, CA 93427

RE: Engagement Agreement for Federal Services

Mr. Stokes:

Thank you for selecting Brownstein Hyatt Farber Schreck, LLP (the "Firm") to represent the Central Coast Water Authority ("CCWA" or "you") for federal services. We are very pleased and privileged to work with you. The purpose of this engagement letter (the "Agreement") and the attached Standard Terms and Conditions, which are incorporated into this letter by this reference (the "Terms"), is to outline the nature and scope of the engagement and our respective responsibilities and expectations.

The Client: The Firm will represent the CCWA.

Scope of Engagement: Our engagement will encompass advising and representing CCWA on federal matters relating to its efforts to enter into a short-term Warren Act Contract to continue the introductions, conveyance, and storage of CCWA Water into the Cachuma Project facilities for delivery to the CCWA South Coast Participants. This Agreement and the Terms apply to the engagement described herein, as well as future engagements with respect to which you ask the Firm to represent you, unless we execute a separate agreement for one or more separate engagements. Services rendered to you prior to your signing this Agreement are subject to the provisions of this Agreement and the Terms. We are amenable to broadening the scope of the agreement if you should request in the future.

Staffing, Fees, Costs and Billing Arrangements: In the course of our engagement, it is anticipated that Bella Wolitz and I will supervise and coordinate most of the work on this matter in coordination with Stephanie Hastings, with the assistance of any attorneys, policy professionals, law clerks, assistants, and other staff working with me. I can be reached directly at 202.747.0507 and via email at rsmith@bhfs.com.

Upon execution of this Agreement, our monthly retainer fee for this matter will be \$20,000 a month for three (3) months from the date of the execution of this agreement, at which time this agreement will renew automatically on a month-to-month basis unless the parties have mutually agreed to a new arrangement.

In the course of providing services to you, it may be necessary for us to incur certain costs. You agree to reimburse us in accordance with the Terms for all reasonable costs that we actually incur and for the Firm's administrative fee. For more information on billing, including third party and other costs for which you will be billed, rate changes and other factors affecting fees and other charges, please refer to the Terms.

Conflicts of Interest: We have conducted a search in our conflicts database of CCWA and all adverse parties and their owners, principals and affiliates that you provided to us, as applicable. Based on the information provided, we have discovered no current conflicts. To help us continue to assess conflicts as this matter proceeds, we will depend on you to keep us advised of affiliates and potential adverse parties that might affect our analysis of actual or potential conflict of interests.

Appropriations: You agree that no compensation provided under the Agreement shall be paid from Federal appropriated funds, and that you will take all necessary steps to comply with the Federal Acquisition Regulation's Limitations on the Payment of Funds to Influence Federal Transactions, 48 C.F.R. § 3.800 et seq.

Government Contracts: We agree that the scope of our representations shall not include any acts that would induce or tend to induce a government employee or officer to give consideration or to act regarding a government contract on any basis other than the merits of this matter. You understand that the Firm does not hold itself out as being able to obtain any government contract on any basis other than the merits of the matter.

Complete Agreement: This Agreement and the Terms contain all the terms and provisions of and related to our engagement. This Agreement and the Terms may only be amended in a writing signed by a representative of the Firm and you.

If you agree with the terms and provisions of this Agreement and the Terms, please countersign this letter where indicated below and return it to us at your earliest opportunity. If you have any questions, please feel free to contact me or a member of our team.

Sincerely,

BROWNSTEIN HYATT FARBER SCHRECK, LLP

By:



Ryan A. Smith

Acceptance of Agreement and Standard Terms and Conditions:

I have read and understand this Agreement and the attached Standard Terms and Conditions. I am authorized to, and do hereby, engage Brownstein Hyatt Farber Schreck, LLP in accordance with the terms of this Agreement and the attached Standard Terms and Conditions, effective as of the date of this Agreement.

Date: _____

Central Coast Water Authority

BROWNSTEIN HYATT FARBER SCHRECK, LLP
STANDARD TERMS AND CONDITIONS – POLICY MATTERS

Duties of the Parties: Brownstein Hyatt Farber Schreck, LLP (the “Firm”) agrees to represent you in accordance with the accompanying Engagement Agreement for Policy Services (the “Agreement”) and these Standard Terms and Conditions – Policy Matters (the “Terms”). You agree to fully cooperate with us, be open and truthful, provide us with complete information pertaining to the representation, keep us informed of developments, promptly respond to our inquiries and communications, and pay our bills in a timely manner.

Billing Period and Payments: We will bill you on a monthly basis or such other periodic basis as we may determine. Except as otherwise set forth herein, you agree to make payment of all outstanding fees and costs within 30 days of your receipt of a billing statement. We reserve the right to charge interest on overdue amounts at the rate of 1.5% per month, or the maximum interest rate permitted by law, whichever is less, from the date due until paid. You agree to pay such interest on the outstanding balance in addition to the balance of fees and expenses due.

Outside Contractors and Assistants: You agree that we may utilize contractors and assistants who are supervised by our policy professionals but not employed by the Firm, and who may reside inside or outside of the United States.

In-House Costs and External Expenses: In addition to fees incurred for policy work, your statement will include other charges and costs, some of which are summarized below, that you agree to pay.

Charges for long distance telephone calls, in-office copying, ordinary postage, and deliveries made by in-house staff are covered by an administrative fee, currently calculated at 2.5% of fees incurred. This administrative fee is charged in lieu of itemizing those costs.

Other costs which you agree to pay include, but are not limited to: computer-assisted legal research; extraordinary administrative, technical or accounting support; other vendor costs; and reasonable expenses for travel, meals and hotel accommodations.

At our discretion, all costs may be included on your statement or billed directly to you. We may also require that you advance to us the estimated amount for such items prior to our incurring them on your behalf. You agree to pay such costs, and we assume no obligation to advance any costs on your behalf or to pay vendors, experts, consultants or other third parties we engage on your behalf.

No Guarantees: Comments or expressions of opinion about the potential outcome of your matter or any phase thereof are expressions of opinion only. We cannot guarantee the outcome or make any promises in that regard. Unless otherwise specifically agreed in writing, our fees are not contingent upon the outcome or completion of a matter.

Billing Disputes: You agree to inform us of any dispute you may have with respect to a billing statement within ten (10) days of the statement date. Even if you dispute a portion of a billing statement, you agree to pay the undisputed portion within 30 days of your receipt of the statement. You will be responsible for any costs of collection incurred by the Firm, including reasonable attorneys’ and paralegals’ fees and costs.

Responses to Auditors’ Inquiries: We are frequently asked to provide information to third-party auditing firms regarding legal matters of our clients. We respond to those inquiries with the same level of care that we use to handle our clients’ other legal and policy work, and we will charge for these services at the hourly rates applicable to your engagement. When an auditing firm requests information on your

behalf, that request will be deemed to be your consent for us to disclose the requested information to that auditing firm and to bill for those services.

Permission to List the Company as a Client:

Occasionally, we may provide lists of representative clients or matters to legal or other publications and may use our clients' names or a description of their matters in marketing materials. Unless you instruct otherwise, you agree that such use is acceptable.

Communications and Special Requirements:

During the course of our engagement, we may exchange emails and electronic versions of documents with you using commercially available software. Such communications are occasionally victimized by the creation and dissemination of viruses and other destructive electronic programs and hackers who compromise the privacy of electronic communications. Our virus scanning software may also occasionally reject a communication that you send to us, or we may send you a message that is rejected by your system. Although infrequent, these occurrences are to be expected as part of the ordinary course of business. Accordingly, we cannot guarantee that our communications and documents will always be virus-free or immune from invasions of expected privacy. If for these or other reasons you would prefer or require that we not use electronic communications or that we follow special instructions or encrypt emails or other communications, you should promptly advise in writing those working on your matters of such preferences or requirements.

Ownership of Records and Files:

You understand and agree that your client file consists of any correspondence, legal memoranda, pleadings, agreements, or other documents that the Firm retains in its electronic document management system, which is duplicated in hard copy. It is our policy to destroy all client files (including all documents

and materials therein) no less than eight years following completion of each matter. This file destruction procedure is automatic, and you will not receive further notice prior to the destruction of these files. Accordingly, we advise you to maintain your own files relating to the matters which we are handling. Alternatively, you may request, prior to our scheduled destruction date, that we deliver all or certain portions of these client files to you rather than destroying them.

Termination: You may terminate our services at any time. If you choose to do so, you agree to give us prompt notice of the termination. Upon such termination, you will remain obligated to pay for all services rendered and costs paid or incurred on your behalf before the termination or which are reasonably necessary thereafter. If we are attorneys of record in any proceeding, you agree to promptly execute and return to us appropriate documents effecting our substitution or withdrawal. We will promptly return to you any remaining balance of your retainer as well as a copy of your client file, as described above.

Except to the extent limited by applicable law or rules of professional conduct, we may also withdraw from this engagement at any time. We may withdraw, by way of example, if:

- You fail to fulfill an obligation to the Firm or to honor the terms of the Agreement or these Terms, such as by failing to pay our statements or to post deposits in a timely manner;
- You make it unreasonably difficult to represent you;
- Our continued work for you will result in an unreasonable financial burden on the Firm; or
- Facts or circumstances arise that, in our view, render our continuing representation unlawful or unethical.

If we elect to withdraw, you agree to take all steps reasonably necessary to free us of any obligation to perform further services. Notwithstanding such withdrawal, you will remain obligated to pay us for all services provided and to reimburse us for all costs paid or incurred on your behalf before the termination or which are reasonably necessary thereafter.

Our engagement with you will be considered terminated at the earliest of your termination of our engagement, our withdrawal from our representation of you, or the substantial completion of our work for you (as may be evidenced by a final bill, by a substantial period of inactivity, or otherwise).

Disputes: All disputes arising out of or relating to the Agreement and these Terms shall be resolved in a binding arbitration administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The arbitration will take place in, and be administered in accordance with the laws of, the state in which the legal services provided by the Firm were primarily performed. The arbitrator shall award the substantially prevailing party its reasonable attorney fees and costs, and judgment on the award may be entered by a court of competent jurisdiction.

Interpretation and Effective Date: The Agreement and these Terms supersede all other prior and contemporaneous written and oral agreements and understanding between us, including any outside counsel guidelines or service level agreements, or the like, that you adopt, unless such outside counsel guidelines or service level agreements have been provided to us prior to the date of the Agreement or unless the Agreement and these Terms have been made expressly subject thereto. You acknowledge that no promises have been made to you by us other than those in the Agreement and these Terms. In the event that these Terms conflict with the Agreement, the Agreement will govern. If any provision of these Terms or the

Agreement is found unenforceable, the remaining provisions will remain in effect. If the Agreement does not take effect for any reason, you will still be required to pay us the reasonable value of any services we performed for you and all costs actually and reasonably incurred on your behalf.

