

KING COUNTY WATER DISTRICT NO. 90

KING COUNTY, WASHINGTON

RESOLUTION NO. 1020

A RESOLUTION of the Board of Commissioners of King County Water District No. 90, King County, Washington, to participate in shared legal fees and costs related to a King County Ordinance No. 2016-0521.

WHEREAS, King County has instituted Ordinance No. 2016-0521 ("Ordinance") related to franchises in King County, which Ordinance includes terms and conditions that may impact franchise terms and conditions of the District;

WHEREAS, the Board of Commissioners have determined that it is beneficial for the District to participate with other Title 57 water-sewer districts in obtaining limited legal services relative to the Ordinance as set forth in the Agreement for Legal Services provided by Inslee, Best, Doezie & Ryder, P.S.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of King County Water District No. 90, King County, Washington, as follows:

SECTION 1: The District Manager, Darcey Peterson, is authorized to sign the Agreement for Legal Services with Inslee, Best, Doezie & Ryder, P.S., for the services set forth therein.

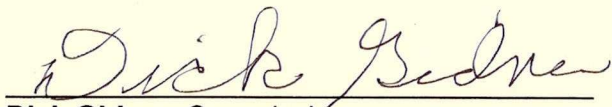
ADOPTED by the Board of Commissioners of King County Water District No. 90, King County, Washington, at a regular open public meeting thereof on the 7th day of February, 2017.

 02/07/17

Byron Murgatroyd, President

 2-7-17

Sam Amira, Secretary

 2-7-17

Dick Gidner, Commissioner

RESOLUTION NO. 1020

SUBJECT: Limited legal services relative to King County Franchise Ordinance

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AGREEMENT FOR LEGAL SERVICES

I. PARTIES

This Agreement ("Agreement") is made by and between King County Water Dist 90 ("District") and Inslee, Best, Doezie & Ryder, P.S. ("Firm") (individually a "Party" and collectively the "Parties").

II. SERVICES PROVIDED

The Firm shall perform legal services as special counsel to the District on the matter of **King County Ordinance No. 2016-0521 ("Ordinance")** relative to franchises King County may issue to the District and other Title 57 water-sewer districts, the terms and conditions of such franchises, including a "rental" fee for the use of King County right-of-way and the requirement that districts indemnify King County for fire suppression costs and for loss from fire damage, and the potential impact of such franchise terms and conditions on the District.

Eric Frimodt and **John Milne** will serve as lead legal counsel and will direct the services of the Firm consistent with this Agreement.

III. QUALITY OF SERVICES

The Firm shall use its best efforts to perform the District's legal services promptly, efficiently and effectively, according to the rules of professional conduct of the Washington State Bar Association.

IV. DESCRIPTION OF SERVICES

The Firm will undertake **initial information gathering and pre-litigation efforts** as described on **Exhibit A** attached hereto to seek a voluntary resolution with King County relative to the Ordinance issues (the "Legal Services"). If resolution of the issues relative to the Ordinance is not achieved, the District and other districts retained by the Firm may consider litigation to challenge the Ordinance, but the Parties expressly agree the Firm is **not** authorized to file litigation to challenge the Ordinance on the District's behalf without the District's further prior written approval.

V. FEES AND COSTS

It is anticipated at least fifteen (15) water-sewer districts will engage the Firm to provide the Legal Services. The Firm is authorized to perform the Legal Services on a time and materials basis at a cost not to exceed the amount of Thirty Four Thousand Dollars (\$34,000.00) as set forth on **Exhibit A** based on the hourly rates set forth on **Exhibit B** to this Agreement. The fees and costs to provide the Legal Services shall be split pro-rata between the districts that engage the Firm to provide the Legal Services, including the District. **Therefore, the total fees and costs incurred to perform the Legal Services for the District shall not exceed the amount of Two Thousand Three Hundred Dollars (\$2,300.00) without the District's prior written approval.**

The District shall reimburse the Firm for all out-of-pocket expenses incurred on the District's behalf, including but not limited to special mailing or courier fees, copying costs, long distance telephone charges, travel expenses, computerized legal research and other charges that the Firm advances on the District's behalf.

VI. PAYMENT TERMS; TIME RECORDS

The Firm will bill the District monthly for services and out-of-pocket expenses. The monthly invoice will summarize the date and extent of legal services performed and the charge for such services, and will itemize the expenses. Fees and costs are due in full from the District upon billing by the Firm. A service charge shall accrue at the rate of six percent (6%) per annum, but shall only be added to any balance remaining unpaid sixty (60) days after the invoice date.

VII. TERM

This Agreement shall be in effect until terminated by either Party, provided the District may terminate the Firm's services at any time by delivery of written notice to the Firm. The Firm shall have the right to withdraw from representing the District for any reason in accordance with the rules of professional conduct of the Washington State Bar Association.

VIII. INSURANCE

The Firm shall maintain for the protection of the District a professional errors and omissions insurance policy with minimum coverage of three million dollars (\$3,000,000) per claim and three million dollars (\$3,000,000) annual aggregate.

DISTRICT

By Amy V. Quinn
Its: SECRETARY
Dated: 2-7-17

INSLEE, BEST, DOEZIE & RYDER, P.S.

By _____
Dated: _____

EXHIBIT A

Joint Representation Legal Budget Relating to The King County Franchise Ordinance

The following is an estimate of the legal expenses relating to a potential challenge to the King County franchise ordinance, including initial information gathering and pre-litigation efforts to seek a voluntary resolution of this matter. Please be advised that it is difficult to predict with certainty the actual attorneys' fees that will be incurred in dispute resolution and litigation matters. As with most dispute-oriented and litigation matters, the amount of time spent on discovery (e.g., interrogatories, requests for production of documents and depositions), pre-trial motions and the length and scope of the trial is difficult to estimate and some of the litigation efforts are dictated by actions taken by the other party and its lawyers. However, the budget information below should provide a realistic estimate of the anticipated attorneys' fees to be incurred in this matter.

Information Gathering and Pre-litigation Efforts

A. Meetings and Negotiations (20-25 hours)	\$5,600 - \$7,000
B. Legal Research (20-25 hours)	\$5,600 - \$7,000
C. Review of Ordinance Rescinding County Action and/or Other Dispute Resolution Documents (10-15 hours)	\$2,800 - \$4,200
D. Status Reports and Meetings with Districts (10 - 15 hours)	\$2,800 - \$4,200
E. Possible Public Records Request and Document Review (40 hours)	\$11,200
Subtotal	\$28,000 - \$33,600
(Rounded)	\$34,000

Attorneys' fees incurred would be split pro-rata among the water-sewer districts participating in the joint representation group. A sample allocation calculation based on the number of water-sewer districts participating in the joint representation group is set forth below:

10 districts - \$3,400
12 districts - \$2,833
15 districts - \$2,267
20 districts - \$1,700.

The budgeted maximum amount of \$34,000 would not be exceeded without prior authorization.

Litigation Efforts

Although no litigation would be commenced without the authorization of the individual clients, since litigation may be necessary to challenge King County's franchise ordinance, we are also

providing a preliminary estimated budget relating to potential litigation efforts for informational purposes only.

A. Pre-filing Efforts (5-10 hours)	\$1,400 - \$2,800
B. Preparation and Filing of Complaint (10-15 hours)	\$2,800 - \$4,200
C. Discovery (40 - 80 hours)	\$11,200 - \$22,400
D. Motions (50 - 60 hours)	\$14,000 - \$16,800
E. Trial Preparation (40 hours)	\$11,200
F. Trial (60 hours)	\$16,800
Subtotal	\$82,000 - \$103,600

The budget estimates contained herein were based on a blended attorney rate of \$280 per hour for John Milne and Eric Frimodt.

Exhibit B

INSLEE, BEST, DOEZIE & RYDER, P.S.

Attorney Billing Rates

Attorney	RATE
Milne, John W.	\$280
Frimodt, Eric C.	\$280
Law clerks and Paralegals	\$215
Associates	regular hourly rates with a maximum of \$250
Other firm partners	10% less than regular firm rates, rounded to next lowest \$5 increment, or lower municipal hourly rates if applicable