

December 21, 2012

Kelly Aviles
Attorney at Law
464 E. Bonita Avenue, Suite 10
San Dimas, CA 91773

Re: Public Records Act Request of San Diego County Water Authority

This office represents the Eastern Municipal Water District ("District"). On November 19, 2012, our office responded to a Public Records Act request from Denise Vedder of the San Diego County Water Authority ("SDCWA"). On December 14, 2012, we received your December 11, 2012 letter requesting District produce a June 1, 2012 letter from California Strategies to the District. Your letter also makes a new public records request for certain documents.

June 1, 2012 California Strategies Letter:

You correctly note the letter was originally withheld in its entirety based upon attorney-client privilege, litigation privilege, and attorney work product. Privileges were asserted because the District is participating in the defense of *San Diego County Water Authority v. Metropolitan Water District* (San Francisco Superior Court, Case Nos. CPF-10-510830 and CPF-12-512466). District is a member agency of the Metropolitan Water District, and a party in case Number CPF-12-512466. California Strategies has been retained by my client to assist my office in developing strategies to assist in the defense of these cases. Because this document pertains to pending litigation in which the District is a party, it is exempt from disclosure (Govt. Code §6254(b)). The letter does contain some information which does not concern the District's legal strategy. Accordingly, enclosed please find a redacted version of the letter.

New Request for Public Records:

Your December 11, 2012 letter also requests production of other documents, including documents concerning an "Ascertainment Study" and other communications between the District and California Strategies. Due to the fact your request implicates documents pertaining to a complex, multi-party litigation matter, and given the fact I must consult with counsel for my client's co-defendants, I will need to extend the statutory time for response until January 7, 2013. I expect to have non-exempt documents responsive to your request by that date.

Very truly yours,

LEMIEUX & O'NEILL



Steven P. O'Neill

SON: km

Enclosure

cc: Paul Jones, General Manager,
Eastern Municipal Water District



CALIFORNIA STRATEGIES, LLC

June 01, 2012

Mr. Paul D. Jones, II, General Manager
Eastern Municipal Water District
P.O. Box 8300
Perris. CA 92572-8300

ATTORNEY-CLIENT PRIVILEGE

Dear Mr. Jones:

This Letter of Agreement (the "Consulting Services Agreement" or, "Agreement") will serve to confirm the engagement of California Strategies, LLC ("Consultant") as a consultant to the Eastern Municipal Water District ("Client") to provide government and community relations strategy relative to local, regional, and statewide policy issues.

Firm Background:

California Strategies, LLC is a leading full-service government relations and advocacy firm based in Sacramento, with offices in Los Angeles, Irvine, San Diego, Inland Empire, and Silicon Valley. Our bipartisan firm has unrivaled experience across all three branches of government, at all three levels of government, in every state agency, and on both sides of the political aisle. We have unparalleled abilities to develop broad strategic visions and implement the targeted actions needed to achieve results and exceed expectations.

We provide superior legislative, administrative, and regulatory advocacy, constructive policy analysis, and innovative governmental strategies that achieve the objectives of our clients. Our clients include corporations, industry associations, real estate developers, government entities, and non-profit organizations. And our firm is dedicated to solving their problems and accomplishing real results.

Our partners and associates, all experienced policymakers and political strategists, have proven records of achievement in government, business, and not-for-profit sectors. Our expertise is in navigating the public policy and government decision-making processes. We have written, secured approval for, and implemented legislation and regulations.

Operationally, two or three principals are responsible for managing client contact and expediting communications between our clients and our firm. John Withers, Bob White, Gary Hunt, Ben Haddad, and Craig Benedetto will serve as your primary contacts in the office. Day-to-day strategic decisions are made on the basis of our staff members' expertise and well-established relationships with the County of Riverside elected officials, legislators, and key stakeholders. This structure allows for targeted involvement of all of the members of the California Strategies team.

California Strategies brings decades of public and private sector involvement and unparalleled relationships with key decision-makers at all levels of government. This experience translates into the trust and expertise to achieve results for our clients. We are confident our team has the

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unique expertise and relationships needed to best position the Eastern Municipal Water District in California policy discussions.

Scope of Services (Phase One)

Specifically, the following activities will be carried out for the client:

1. [REDACTED]
 - a. [REDACTED]
 - b. [REDACTED]
 - c. [REDACTED]
 - d. [REDACTED]
 - e. [REDACTED]

2. [REDACTED]
 - a. [REDACTED]
 - b. [REDACTED]
 - c. [REDACTED]
 - d. [REDACTED]
 - e. [REDACTED]
 - f. [REDACTED]
 - g. [REDACTED]

Scope of Services (PHASE TWO)

Upon the completion of the services described in Phase One above, Client and Consultant will develop a scope of work for Phase Two services to address issues identified in Phase 1.

Compensation:

The Client agrees to provide to the Consultant the following compensation in return for the services as detailed in the Scope of Services above:

A fixed monthly retainer fee of US \$15,000.00 per month. The Consultant will submit an invoice to the Client each month for the total amount due, including any expenses incurred during the billing period. The invoice should be addressed to:

Mr. Paul D. Jones, II
Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

All invoices will be paid within 30 days of receipt.

Other Expenses:

The Consultant shall be reimbursed by the Client for reasonable expenses incurred in the normal course of business in support of Consultant's efforts on behalf of Client. "Expenses" may also include costs incurred to retain subcontracted consulting or professional services, should such retention be necessary. Prior approval from Client shall be obtained for items costing in excess of \$1,000. Any expenses incurred on behalf of Client shall be documented and billed as they occur. Should subcontracted consulting or professional services become necessary, a management and administration fee not to exceed 10% of subcontractor fee(s) will apply in addition to the actual fees charged by any subcontractor(s).

Duration:

The services to be rendered by the Consultant under this Agreement, for which a fee shall be paid, will commence June 01, 2012 and conclude December 01, 2012, with the opportunity to continue the relationship if mutually agreeable. Either party may terminate this Agreement, without liability, with 30 days advance written notice.

Assignment:

The Client may assign this Agreement to any of its affiliates without the prior consent of the Consultant. Except as provided by the preceding sentence, this Agreement may not be assigned by either party except upon the express written consent of the other party.

Legal Expenses:

Client to pay for all legal expenses incurred by the Consultant on behalf of the Client in the event of any litigation which may arise as a result of Consultant's efforts.

Confidentiality:

The Consultant agrees to protect confidential information against unauthorized disclosure. The Consultant will protect such information using a reasonable degree of care as is used to protect its own confidential information of a like nature. The Consultant agrees to protect confidential information disclosed under this agreement in both a) a tangible form, clearly labeled confidential at time of disclosure, and b) in non-tangible form, pertaining to matters disclosed in writing or orally which protect or enhance the competitive position of the Client. This Agreement covers confidential information the Consultant has obtained to date and will obtain in the future. The Consultant's obligations regarding confidential information received under this Agreement shall survive for two years following any termination hereof.

Code of Ethics:

In respect to the performance of its Scope of Services, the Consultant specifically represents, warrants and agrees that, in respect of its involvement in the Client, no payment or offer of payment has been made or shall be approved or made by the Consultant with the intention or understanding that any part of such payment is to be used to influence or attempt to influence, corruptly or unlawfully, any decision or judgment of any official of any government or of any subdivision, agency, or instrument thereof or any political party in connection with the Client. The obligations in this paragraph shall survive the termination of this Agreement.

Independent Contractor Status:

By execution of this agreement, the Consultant acknowledges that it is an independent contractor and neither it nor its employees are employees of the Client for any purpose whatsoever. The Consultant has no right or authority to assume or create any obligation or responsibility, express or implied, on behalf of the Client, except as expressly authorized in writing by the Client.

Other Conditions:

This Agreement will be governed by, and construed and enforced in accordance with, the laws of the State of California.

The scope of consulting services contemplated under this agreement does not include "lobbying" as that term is defined under the Political Reform Act (Gov. Code §§ 81000 et. seq.) or local law. Consequently, the Client hereby agrees that no payments to Consultant will be classified as payments made to lobbyists or lobbying firms on any lobby disclosure reports filed by the Client, if any. Should at any time a question arise regarding lobbying activities, the Client and Consultant agree to discuss immediately and take the appropriate action. If the scope of services needs to be amended to include lobbying activities the Client and Consultant agree to make such amendments immediately and file the appropriate paperwork with the Secretary of State.

This Agreement may be amended only by a written and signed agreement of both the Consultant and the Client.

Please review this Agreement and indicate your acceptance by signing below and returning to Sue Kappas in our Irvine Office (fax 949-252-8911).

We look forward to working with you.

Best regards,

ACCEPTED & AGREED:

Eastern Municipal Water District

California Strategies, LLC

By: _____
Paul D. Jones, II General Manager

By: _____
Bob White, Managing Member

By: _____