



March 19, 2009

**President**

Joe Sparks

**Vice-President**

Marshall Ochylski

**Director**

Chuck Cesena

Maria Kelly

Steve Senet

**TO:** BOARD OF DIRECTORS

**FROM:** MITCH COONEY, INTERIM GENERAL MANAGER *MC*

**SUBJECT:** AGENDA ITEM 5E – 3/19/09 BOARD MEETING  
APPROVE AGREEMENT WITH SHIPSEY AND SEITZ  
TO PROVIDE GENERAL LEGAL SERVICES TO THE  
DISTRICT

**General Manager**

**Utilities Manager**

George J. Milanés

**Fire Chief**

Matt Jenkins

**SUMMARY**

At the Board of Directors Meeting of February 5, 2009, your Board approved the appointment of the Law Firm of Shipsey and Seitz to serve as General Legal Counsel for the District. The attached letter signed by Jon Seitz accurately reflects the terms and conditions negotiated with the District at that time.

**RECOMMENDATION**

The recommended action by your Board is to by vote, as an item on the Consent portion of the Agenda, approve the "Proposed Rates and Agreement for District Legal Counsel Services" with the Law Firm of Shipsey and Seitz and direct the General Manager to execute the Agreement on behalf of the District.

This item will be approved along with the consent calendar unless it is removed by a director for separate consideration.



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MICHAEL W. SEITZ

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A LAW CORPORATION  
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JOHN L. SEITZ  
(1924-1986)  
GERALD W. SHIPSEY  
(RETIRED)

**February 26, 2009**

Los Osos Community Services District  
2122 9<sup>th</sup> St.  
Los Osos, CA 93402

Joe Sparks, President  
Marshall Ochylski, Vice President  
Chuck Cesena, Director  
Steve Senet, Director  
Maria Kelly, Director  
Mitch Cooney, Interim General Manager

**Re: Proposed Rates and Agreement for District Legal Counsel Services**

Dear President Sparks and Members of the Board of Directors:

On February 5, 2009, the Board of Directors approved Jon S. Seitz as District Legal Counsel. Pursuant to the agreement, Shipsey & Seitz, Inc. submits the following categorized fee proposal for Board approval in representing the Los Osos Community Services District.

Preparation and Attendance at Regular Meetings

Services under this category include preparation for and attendance at regular meetings of the Board of Directors (two meetings per month) and telephone conferences with management staff related to meeting agendas and the Brown Act. The proposed rates for this category are as follows:

- One hundred forty-five dollars (\$145) per hour from March 1, 2009 through June 30, 2009;
- Commencing on July 1, 2009 and for the remainder of the Agreement the hourly rate would be adjusted annually by a standard CPI Index (selected by General Manager), not to exceed five percent (5%).

All Other Legal Services

Services under this category include preparation of Ordinances, Resolutions, Memorandum, Contracts, attendance at meetings (other than regular meetings), litigation and general advice pertaining to District business. The proposed rates under this category are as follows:

- One hundred seventy dollars (\$170) per hour from March 1, 2007 through June 30, 2009;
- Commencing on July 1, 2009 and for the remainder of the Agreement the hourly rate would be adjusted annually by a standard CPI Index (selected by the General Manager), not to exceed five percent (5%).

These services will be performed at the request of the Board of Directors, management staff, and/or the President of the Board.

#### Expenses

Shipsey & Seitz does not expense its Special District clients for long distance phone calls, in-office photocopying, faxing, e-mailing, or secretarial time. Shipsey and Seitz does expense its Special District clients, at its direct cost, for bulk photocopying (i.e. photocopying service such as Kinko's) and extra-ordinary mailing (i.e. overnight or large items). Travel expenses would be billed pursuant to District's policies related to Director travel reimbursement

#### Continuing Education and Law Library

Shipsey and Seitz does expense its Special District clients for out of pocket costs for: (a) continuing education (that relates to governmental agency representation); (b) specialized computer programs (that relate to governmental services or are obtained at a governmental rate); and (c) books and other materials on the subject of Special District representation. By agreement these costs would be split with other Special Districts that we represent as District Legal Counsel.

#### Billing

All fees will be charged in increments of 1/10 (one tenth) of an hour. Shipsey & Seitz will prepare billing statements for each of the categories referenced above. The Board of Directors will approve legal fees as part of the general warrant approval process prior to payment.

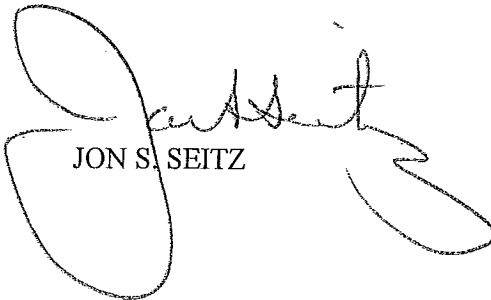
#### Outside Counsel

Upon District Legal Counsel's recommendation and the authorization of either the District Board of Directors and/or the General Manager, the District will, from time to time, retain Special Counsel to associate with District Legal Counsel on any matter customarily requiring or warranting the need for such Special Counsel by reason of his or her expertise on particular matters.

District Representation

Jon S. Seitz will represent the Los Osos Community Services District as District Legal Counsel and Michael W. Seitz would represent the District as Deputy District Legal Counsel.

Respectfully Submitted,  
SHIPSEY & SEITZ, INC.



JON S. SEITZ

Approved by Board Action on March 5, 2009:

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Francis Mitchell Cooney,  
Interim District General Manager

JSS:ey  
Enclosures