



## STAFF REPORT

**TO:** Board of Directors  
**FROM:** Mark Foree, General Manager  
**DATE:** March 30, 2016  
**SUBJECT:** **Review of TMWA's current agreement for legal services with the firm of McDonald Carano Wilson (MCW), discussion and possible direction to staff**

---

### **Recommendation**

The Board review the existing agreement for legal services with the firm of McDonald Carano Wilson (MCW) and provide direction to staff regarding legal services going forward.

### **Discussion**

In June of 2001, TMWA entered an agreement for legal services with the firm of McDonald Carano Wilson to provide legal services to TMWA – see attached agreement.

At the February 5 Strategic Planning meeting there was a discussion regarding the legal services agreement and whether a Request for Qualifications process should be conducted to select legal services providers in the future. There were also questions regarding how conflicts are handled and a comment that the agreement is outdated. Mike Pagni has provided a proposed addendum to the agreement (attached) that updates the agreement in terms of how conflicts are handled, current hourly charge rates, etc.

The Board should consider the following:

Staff is very happy with the services Mr. Pagni and other staff attorneys at MCW provide. Mike and other MCW attorneys are very knowledgeable regarding all facets of TMWA and TMWA's business in providing these services for nearly 15 years. Staff believes the current charge rates are very reasonable and feel that MCW provides these services very efficiently. Should the Board decide to select a different firm, there will be a significant learning curve to get the new firm up to speed, and this would result in higher costs and more staff time for at least the first few years of a new firm providing these services.

### **Options going forward**

1. Continue the current agreement with MCW
2. Modify the agreement with MCW, and if desired, under what terms
3. Direct staff to issue a Request for Qualifications for legal services
4. Other options that the Board may propose

MCDONALD CARANO WILSON McCUNE  
BERGIN FRANKOVICH & HICKS LLP  
ATTORNEYS AT LAW

Sylvia Harrison, Esq.

Reply to: Reno  
(775) 326-4348

RECEIVED

JUN 04 2001

June 4, 2001

CITY MANAGER

Bill Isaeff  
Special Assistant to City Manager  
City of Sparks  
431 Prater Way  
Sparks, Nevada

(Via hand-delivery)

**Re: Truckee Meadows Water Authority**

Dear Bill:

Enclosed please find the original Agreement to Engage and Provide Legal Services between Truckee Meadows Water Authority and McDonald Carano Wilson McCune Bergin Frankovich & Hicks LLP which has been signed by Leo P. Bergin, Managing Partner. Also enclosed is the Certificate of Liability Insurance and the Policy Renewal Endorsement. Please do not hesitate to give me a call if you have any questions.

Very truly yours,



Sylvia Harrison

Enclosures

72051.1/SH:cb

241 RIDGE STREET, 4TH FLOOR  
RENO, NEVADA 89501

P.O. BOX 2670, RENO, NEVADA 89505  
(775) 788-2000 • FAX (775) 788-2020

OF COUNSEL  
DONALD L. CARANO  
WILLIAM S. BOYD  
CHARLES E. HUFF  
HON JAMES GUINAN, RET.

2300 WEST SAHARA AVENUE  
NO. 10, SUITE 1000  
LAS VEGAS, NEVADA 89102  
(702) 873-4100  
FAX (702) 873-9966

## Agreement to Engage and Provide Legal Services

This Agreement, made and entered into this 1<sup>st</sup> day of June, 2001 by and between Truckee Meadows Water Authority ("TMWA"), a Joint Powers Authority formed by agreement among the City of Reno, the City of Sparks, and County of Washoe, and the law firm of McDonald, Carano, Wilson, McCune, Bergin, Frankovich & Hicks, LLP ("Lawyers")

This Agreement is made upon the following recitals:

A. TMWA issued a request for proposals to various lawyers and law firms to serve as general counsel;

B. At a meeting of the Board of Directors on May 23, 2001, the Board of Directors, after review of various responses to the request for proposals, selected Lawyers to serve as the general counsel for TMWA;

C. TMWA and Lawyers desire to set forth by written agreement the engagement of Lawyers to provide legal services as general counsel;

NOW, THEREFORE, it is agreed as follows:

1. Engagement of Legal Services TMWA does hereby hire and engage Lawyers, and Lawyers do hereby agree to provide legal services, in the nature of general counsel for TMWA. Lawyers agree to provide legal services by attorneys licensed to practice law in the State of Nevada, and who have competence and expertise in the fields of administrative proceedings before the State Engineer, water rights, Nevada Open Meeting Law, litigation in State and Federal Court, employee/management relations under Chapter 288, Nevada Revised Statutes, the law of eminent domain, real estate law, contracts and agreements, and to provide general legal advice regarding the legal affairs of TMWA. TMWA may in its sole discretion engage other counsel for any or all of the work described above.

TMWA reserves the right to exclude attorneys from Lawyers from performing legal services under this Agreement. The principal attorney responsible for the legal services provided under this Agreement is Sylvia Harrison.

2. Term of Agreement The term of this Agreement shall commence on May 23, 2001 and terminate as set forth herein. This Agreement may be terminated for cause or without cause by TMWA or the General Manager of TMWA upon 10 days' written notice. If TMWA dismisses Lawyers, Lawyers will deliver to TMWA all documents and papers, etc. belonging to or prepared for TMWA in accordance with NRS 7.055 or other applicable law. TMWA and Lawyers agree to sign a substitution of counsel form for any litigation pending at the time of termination.

Agreement to Engage and  
Provide Legal Services  
Page 2

3. Compensation and Billings Lawyers shall submit to TMWA a monthly itemized statement for legal services rendered on behalf of TMWA. Lawyers are authorized to submit billings for legal services based upon the following hourly rates:

General litigation	\$165-220
Commercial law	\$175-220
Workers compensation	\$165
Water rights	\$165-220
Employment law	\$165-250

Associates will typically be billed at approximately 75% of the above rates.

Paralegals will be billed at rates ranging from \$50-80 per hour.

The foregoing billing rates shall not be increased more often than annually. Lawyers shall endeavor to assign work to individual attorneys who can accomplish a particular task at the lowest billing rate.

The itemized billing shall include a description of the legal services provided, the time expended, the individual attorney performing the service, and the customary billing rate charged by the individual attorney.

Billings shall be submitted no later than the 10th of the month following the month in which legal services are provided. The statement shall be due and payable within 30 days following presentment.

In addition to billing for legal services, Lawyers shall be entitled to be reimbursed for certain out-of-pocket expenses including travel expenses, long distance phone charges, in-house copies, computer-assisted legal research, any outside experts and consultants retained for TMWA projects, and extraordinary costs or temporary staffing where necessary to accomplish an exclusive TMWA project. Charges for computer-assisted legal research, outside experts and consultants, and extraordinary costs and temporary staffing must be approved by the TMWA General Manager before they are incurred.

4. Lawyers are Independent Contractors Nothing in this Agreement shall change the legal relationship of independent contractor between Lawyers and TMWA. It is understood and agreed that Lawyers shall continue to act as a general service law firm providing legal services to the public. It is further understood that as an independent contractor, Lawyers are not entitled to any benefits that may be enjoyed by the employees of TMWA. Lawyers shall be required to provide its own support staff, office space, office equipment, workmen's compensation, and professional liability insurance.

Agreement to Engage and  
Provide Legal Services  
Page 3

5. Assignment The rights, duties, and obligations created by this Agreement are personal in nature and can only be assigned with the written consent of TMWA.

6. Nevada Law This Agreement shall be construed in accordance with the laws of the State of Nevada, and Lawyers shall be bound by all rules of professional conduct established by the Nevada Supreme Court.

7. Hold Harmless Lawyers agree to save and hold harmless and fully indemnify TMWA and all its employees or agents from and against all suits, claims, and demands, including attorney's fees, based upon any alleged damage to property or any alleged injury to persons (including death) which may occur or be alleged to have occurred by or on account of any negligent act or omission on the part of Lawyers or any of their servants, employees, or agents.

8. Insurance Lawyers shall, at their own expense, maintain in effect at all times during the performance of this Agreement at least the following coverage and limits of insurance which shall be maintained with insurers and under forms and policies reasonably satisfactory to TMWA.

a. Professional Liability - \$1,000,000 per claim and \$1,000,000 in aggregate;  
and

b. Workmen's Compensation and Employer's Liability - Lawyers shall furnish to TMWA a certificate which certifies that Lawyers have complied with the worker's compensation provisions of the State of Nevada. It is further required that Lawyers shall procure, pay for, and maintain compensation coverage at their sole cost and expense. No work shall be performed under this Agreement if workmen's compensation is not in full force and effect.

9. Notices Any notice or communication required or permitted to be served on a party hereto may be served by personal delivery to the office of the person or persons identified below. Service may also be effected by registered or certified mail, by placing the notice or communication in an envelope addressed as indicated below, and by depositing said envelope in the United States mail to:

TRUCKEE MEADOWS WATER  
AUTHORITY  
P.O. Box 30013  
Reno, NV 89520-3013

LAWYERS  
McDonald, Carano, Wilson, McCune,  
Bergin, Frankovich & Hicks, LLP  
P.O. Box 2670  
Reno, NV 89505

Agreement to Engage and  
Provide Legal Services  
Page 4

The person to be served and the address shown above may be changed at any time by notice to the other party. Service shall be completed upon personal delivery or three (3) days following the time the notice is deposited by registered or certified mail.

10. Exclusive Agreement There are no verbal agreements, representations, or understandings affecting this Agreement; and all negotiations, representations, and undertakings are set forth herein with the understanding that this Agreement constitutes the entire understanding by and between parties.

11. Amendments No alteration, amendment, or modification of this Agreement shall be effective unless it is in writing and signed by both parties.

12. Attorneys' Fees In the event any party files suit to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs of suit.

13. Regulatory Compliance Lawyers shall comply with all applicable federal, state, and local government laws, regulations, and ordinances.

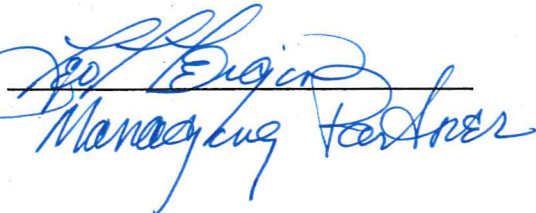
14. Representation of TMWA Attached hereto and designated Exhibit "A" is a memorandum from Sylvia Harrison to William E. Isaefff dated May 16, 2001, the contents of which are incorporated herein by reference.

Dated: May 23, 2001

TRUCKEE MEADOWS WATER AUTHORITY

By: 

MCDONALD, CARANO, WILSON, MCCUNE,  
BERGIN, FRANKOVICH & HICKS, LLP

By:   
Managing Partner

*McDonald Carano Wilson McCune Bergin*

*Frankovich & Hicks LLP  
241 Ridge Street, 4<sup>th</sup> Floor  
P.O. Box 2670  
Reno, Nevada 89505-2670  
(775) 788-2000  
(775) 788-2020 (fax)*

**MEMORANDUM**

To: William E. Isaeff, Esq. *(Via hand-delivery)*  
From: Sylvia Harrison, Esq.  
Subject: Representation of TMWA  
Date: May 16, 2001

---

You have requested that we conduct further analysis of potential conflicts of interest that may arise in the event the firm is selected to represent the Truckee Meadows Water Authority.

Following are the relevant Nevada Supreme Court Rules pertaining to conflicts of interest in legal representation:

**Rule 157. Conflict of interest: General rule.**

1. A lawyer shall not represent a client if the representation of that client will be directly adverse to another client, unless:

- (a) The lawyer reasonably believes the representation will not adversely affect the relationship with the other client; and
- (b) Each client consents, preferably in writing, after consultation.

2. A lawyer shall not represent a client if the representation of that client may be materially limited by the lawyer's responsibilities to another client or to a third person, or by the lawyer's own interests, unless:

- (a) The lawyer reasonably believes the representation will not be adversely affected; and
- (b) The client consents, preferably in writing, after consultation.

When representation of multiple clients in a single matter is undertaken, the consultation shall include explanation of the implications of the common representation and the advantages and risks involved.

Memo to William E. Isaeff, Esq.  
May 16, 2001  
Page 2

[Added; effective March 28, 1986.]

**Rule 159. Conflict of interest: Former client.**

Rule 159. Conflict of interest: Former client. A lawyer who has formerly represented a client in a matter shall not thereafter:

1. Represent another person in the same or a substantially related matter in which that person's interests are materially adverse to the interests of the former client unless the former client consents, preferably in writing, after consultation; or
2. Use information relating to the representation to the disadvantage of the former client except as Rule 156 would permit with respect to a client or when the information has become generally known.

[Added; effective March 28, 1986.]

**Rule 160. Imputed disqualification: General rule.**

Rule 160. Imputed disqualification: General rule.

1. While lawyers are associated in a firm, none of them shall knowingly represent a client when any one of them practicing alone would be prohibited from doing so by Rules 157, 158(3), 159 or 168.
2. When a lawyer becomes associated with a firm, the firm may not knowingly represent a person in the same or a substantially related matter in which that lawyer, or a firm with which the lawyer was associated, had previously represented a client whose interests are materially adverse to that person and about whom the lawyer had acquired information protected by Rules 156 and 159(2) that is material to the matter.
3. When a lawyer has terminated an association with a firm, the firm is not prohibited from thereafter representing a person with interests materially adverse to those of a client represented by the formerly associated lawyer unless:
  - (a) The matter is the same or substantially related to that in which the formerly associated lawyer represented the client; and
  - (b) Any lawyer remaining in the firm has information protected by Rules 156 and 159(2) that is material to the matter.
4. A disqualification prescribed by this Rule may be waived by the affected client under the conditions stated in Rule 157.

[Added; effective March 28, 1986.]

**Rule 161. Successive government and private employment.**

Rule 161. Successive government and private employment.

1. Except as law may otherwise expressly permit, a lawyer shall not represent a private client in connection with a matter in which the lawyer participated personally and substantially as a public officer or employee, unless the appropriate government agency consents after consultation. No lawyer in a firm with which that lawyer is associated may knowingly undertake or continue representation in such a matter unless:
  - (a) The disqualified lawyer is screened from any participation in the matter and is apportioned no part of the fee therefrom; and

Memo to William E. Isaef, Esq.  
 May 16, 2001  
 Page 3

(b) Written notice is promptly given to the appropriate government agency to enable it to ascertain compliance with the provisions of this rule.

2. Except as law may otherwise expressly permit, a lawyer having information that the lawyer knows is confidential government information about a person acquired when the lawyer was a public officer or employee, may not represent a private client whose interests are adverse to that person in a matter in which the information could be used to the material disadvantage of that person. A firm with which that lawyer is associated may undertake or continue representation in the matter only if the disqualified lawyer is screened from any participation in the matter and is apportioned no part of the fee therefrom.

3. Except as law may otherwise expressly permit, a lawyer serving as a public officer or employee shall not:

(a) Participate in a matter in which the lawyer participated personally and substantially while in private practice or nongovernmental employment, unless under applicable law no one is, or by lawful delegation may be, authorized to act in the lawyer's stead in the matter; or

(b) Negotiate for private employment with any person who is involved as a party or as attorney for a party in a matter in which the lawyer is participating personally and substantially.

4. As used in this Rule, the term "matter" includes:

(a) Any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest or other particular matter involving a specific party or parties; and

(b) Any other matter covered by the conflict of interest rules of the appropriate government agency.

5. As used in this Rule, the term "confidential government information" means information which has been obtained under governmental authority and which, at the time this Rule is applied, the government is prohibited by law from disclosing to the public or has a legal privilege not to disclose, and which is not otherwise available to the public.

[Added; effective March 28, 1986.]

#### **Analysis:**

The majority of the Supreme Court rules can be applied objectively and would control resolution of conflicts. Rule 157(2), however, requires some degree of subjective judgment with respect to what constitutes a "material limitation" arising from a potential conflict.

McDonald Carano is unaware of any circumstances in which it represents a client in a matter directly adverse to Sierra Pacific's water division, and thus directly adverse to the Water Authority. We commonly represent clients in matters before the various boards of Reno, Sparks, and Washoe County, in some cases are adverse to these entities, and in some matters, represent them. Our analysis assumes that such matters do not pose a conflict of interest with the Authority, and that our continued representation of other clients in these matters would be unaffected by representing the Authority.

Memo to William E. Isaeff, Esq.  
May 16, 2001  
Page 4

We recognize that TMWA may be assuming contracts and undertaking administrative matters (e.g. water rights protests) that may involve our clients. Once TMWA has provided us a list of contracts, pending administrative cases, and similar matters in which it will be involved, we will analyze these with our conflict system to determine whether potential conflicts may exist.

Following are matters that we have identified in which the firm provides legal services, or in which firm members have personal interests, that merit further analysis with respect to conflicts of interest.

1) The firm represents the Carson-Truckee Water Conservancy District. The District administers, for the U.S. Army Corps of Engineers, certain permits for encroachment in the Truckee River. TMWA may occasionally require such permits. Sierra Pacific is a member of the District, apparently as a result of its interest in hydroelectric power. A memorandum concerning the District and its potential relationship to TMWA is attached.

2) The firm represents Moya Olsen Lear and the Lear Family Trust. These are parties to the Stead Consent Decree, governing clean-up of contamination at the former Stead Air Force Base. Matters related to groundwater contamination at Stead were disclosed to Sierra Pacific prior to and at the time of its purchase of Silver Lake Water Distribution Company, and Sierra Pacific accepted the condition of the water as part of its purchase. The Stead Consent Decree governs and finally resolves issues related to responsibility for the clean-up, and we do not anticipate any future conflicts to arise related to this matter. Sierra Pacific's groundwater injection program at Stead has affected the implementation of the Consent Decree because of possible consequences of the injection on groundwater hydrology and remediation design. Sierra Pacific and the parties to the Consent Decree have cooperated to resolve potential conflicts related to this issue. Although we do not expect any future conflict between TWMA and the Lear interests, in the event such a conflict would arise relating to Stead, this firm would request a waiver from TMWA to allow it to continue to represent the Lear interests, since the firm's history of involvement at Stead gives it irreplaceable institutional knowledge.

3) Members and clients of the firm have interests that will be affected by the final implementation of TROA. James Guidici is a past president of Nevada Water Fowl and personally committed to wetlands preservation in the Stillwater marshes. Larry Hicks represents Stillwater Farms which has a similar interest. We are unaware of any current conflict with Sierra Pacific related to these matters.

Memo to William E. Isaeff, Esq.  
May 16, 2001  
Page 5

4) Sylvia Harrison has represented "stakeholders" in the Central Truckee Meadows Remediation District, specifically certain downtown property owners. It is possible that in the future, their interests may not be entirely consistent with TMWA's with respect to all aspects of the implementation of the Remediation District, although we do not expect any direct or actual conflict to arise. Because these clients rely on our institutional knowledge with respect to this matter, we would request that TMWA waive any objection to our continued representation of these clients in conjunction with the Remediation District.

5) The firm represents numerous contractors and developers that may be adversely impacted by actions of TMWA, and thus trigger an analysis for compliance with Rule 157(2). The firm proposes the following guidelines with respect to such representation.

a) TMWA may undertake actions that adversely affect a class of water users, some of which may be current clients of the firm, e.g., rate increases, impact fees. Absent special circumstances, McDonald Carano would represent TMWA in these matters, and does not believe its obligations to current clients would preclude such representation.

b) TMWA becomes directly adverse to a current client in a specific matter, e.g. contract dispute. Absent special circumstances, McDonald Carano would recuse from representing either party.

As noted above, this memorandum does not include a discussion of matters involving the individual governments making up the Authority.



**Attorneys Liability Protection Society**  
*A Mutual Risk Retention Group*

P.O. Box 9169, Missoula, MT 59807-9169  
(406) 728-3113 • (800) FOR-ALPS • Fax: (406) 728-7416  
www.alpsnet.com

**POLICY RENEWAL ENDORSEMENT - DECLARATIONS FOR POLICY NO. 2ALP1447-11**

**Item 1 - Named Insured:** McDonald Carano Wilson McCune Bergin Frankovich & Hicks, LLP  
**Address:** 241 Ridge Street, 4th Floor  
P.O. Box 2670  
Reno, NV 89505

**Item 2 - Name of Each Insured Attorney:**  
See attached list

**Item 3 - Policy Period:** Effective Date: 07/25/2000  
Expiration Date: 07/25/2001  
Loss Inclusion Date: 07/25/1973

**Item 4 - Limit of Liability:** \$ 10,000,000 Each Claim \*  
\$ 10,000,000 Aggregate  
\* This means "all claims arising out of the same, related or continuing professional services".

**Item 5 - Deductible:** \$ 10,000

**Item 6 - Annual Premium:** \$ 87,107

**Item 7 - Riders attached at inception of this policy Attorneys Professional Liability Protection Plan With Enhanced Defender Options PLP002 (12/15/1998):**  
First Dollar Defense Option  
Optional Extension Rider

NOTICE: This is a Claims Made policy. Except to such extent as may otherwise be provided herein, the coverage of this policy is limited generally to liability for only those claims that are first made against the Insured and reported to the company while this policy is in force. Please review the policy carefully and discuss the coverage thereunder with your insurance advisor.

This policy is issued by your Mutual Risk Retention Group. Your Mutual Risk Retention Group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your Mutual Risk Retention Group.

This renewal endorsement, including all endorsements listed herein, is incorporated in and made a part of the policy to which it applies. It entirely replaces any Declarations page previously issued in connection with any earlier policy year. All initial application forms and all renewal application forms submitted to the Company are made a part of these Declarations and of the policy.

**Countersigned by:** \_\_\_\_\_ **Date:** 07/19/2000

  
\_\_\_\_\_  
Authorized Representative

<p><b>ACORD CERTIFICATE OF LIABILITY INSURANCE</b></p> <p>PRODUCER Marsh Advantage America/NV 53-600334-NP-OC-XSA P O Box 33015 San Antonio TX 78265 Phone: 877-616-7474 Fax: 210-738-1743</p>	<p>EP ID G6 MCDO-21</p> <p>DATE (MM/DD/YY) 06/04/01</p> <p><b>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.</b></p>
<b>INSURERS AFFORDING COVERAGE</b>	
<p>INSURED</p> <p style="text-align: center;">McDonald Carano Wilson McCune P.O. Box 2670 Reno NV 89505</p>	<p>INSURER A: <b>Twin City Fire Ins Co</b></p> <p>INSURER B:</p> <p>INSURER C:</p> <p>INSURER D:</p> <p>INSURER E:</p>

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<p><b>GENERAL LIABILITY</b></p> <p><input type="checkbox"/> COMMERCIAL GENERAL LIABILITY</p> <p><input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR</p> <p>GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC</p>				<p>EACH OCCURRENCE \$</p> <p>FIRE DAMAGE (Any one fire) \$</p> <p>MED EXP (Any one person) \$</p> <p>PERSONAL &amp; ADV INJURY \$</p> <p>GENERAL AGGREGATE \$</p> <p>PRODUCTS - COMP/OP AGG \$</p>
	<p><b>AUTOMOBILE LIABILITY</b></p> <p><input type="checkbox"/> ANY AUTO</p> <p><input type="checkbox"/> ALL OWNED AUTOS</p> <p><input type="checkbox"/> SCHEDULED AUTOS</p> <p><input type="checkbox"/> HIRED AUTOS</p> <p><input type="checkbox"/> NON-OWNED AUTOS</p>				<p>COMBINED SINGLE LIMIT (Ea accident) \$</p> <p>BODILY INJURY (Per person) \$</p> <p>BODILY INJURY (Per accident) \$</p> <p>PROPERTY DAMAGE (Per accident) \$</p>
	<p><b>GARAGE LIABILITY</b></p> <p><input type="checkbox"/> ANY AUTO</p>				<p>AUTO ONLY - EA ACCIDENT \$</p> <p>OTHER THAN AUTO ONLY: EA ACC \$</p> <p>AGG \$</p>
	<p><b>EXCESS LIABILITY</b></p> <p><input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE</p> <p>DEDUCTIBLE</p> <p>RETENTION \$</p>				<p>EACH OCCURRENCE \$</p> <p>AGGREGATE \$</p> <p>\$</p> <p>\$</p>
<b>A</b>	<p><b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b></p>	<p><b>53WECJH8309</b></p> <p><b>OFFICERS ARE INCLUDED</b></p>	<p><b>07/01/00</b></p>	<p><b>07/01/01</b></p>	<p><input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER</p> <p>E.L. EACH ACCIDENT \$ <b>100000</b></p> <p>E.L. DISEASE - EA EMPLOYEE \$ <b>100000</b></p> <p>E.L. DISEASE - POLICY LIMIT \$ <b>500000</b></p>
	<p><b>OTHER</b></p>				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

\*Except for 10 days non-payment. For inquiries call 1-877-616-7474.

<p><b>CERTIFICATE HOLDER</b></p> <p style="text-align: right;"><b>TMWA-02</b></p> <p><b>TMWA</b> PO Box 30013 Reno NV 89520</p>	<p><b>ADDITIONAL INSURED; INSURER LETTER:</b> _____</p> <p><b>CANCELLATION</b></p> <p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.</p> <p style="text-align: right;"><i>Rebecca G. Jones</i></p>
---	--

# ACORD CERTIFICATE OF LIABILITY INSURANCE

**PRODUCER**  
 Marsh Advantage America/NV  
 53-600334-NP-OC-XSA  
 P O Box 33015  
 San Antonio TX 78265  
 Phone: 877-616-7474 Fax: 210-738-1743

**INSURED**

McDonald Carano Wilson McCune  
 P.O. Box 2670  
 Reno NV 89505

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.**

**INSURERS AFFORDING COVERAGE**

INSURER A: Twin City Fire Ins Co  
 INSURER B:  
 INSURER C:  
 INSURER D:  
 INSURER E:


**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
					FIRE DAMAGE (Any one fire)	\$
					MED EXP (Any one person)	\$
					PERSONAL & ADV INJURY	\$
					GENERAL AGGREGATE	\$
					PRODUCTS - COMP/OP AGG	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE (Per accident)	\$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN EA ACC	\$
					AUTO ONLY: AGG	\$
	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE	\$
					AGGREGATE	\$
						\$
						\$
						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY  OFFICERS ARE INCLUDED	53WECJH8309	07/01/01	07/01/02	X WC STATU-TORY LIMITS	OTH-ER
					E.L. EACH ACCIDENT	\$ 100000
					E.L. DISEASE - EA EMPLOYEE	\$ 100000
					E.L. DISEASE - POLICY LIMIT	\$ 500000
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

\*Except for 10 days non-payment. For inquiries call 1-877-616-7474.

CERTIFICATE HOLDER	N	ADDITIONAL INSURED; INSURER LETTER: <u>TMWA-02</u>	<b>CANCELLATION</b>
TMWA PO Box 30013 Reno NV 89520			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>*30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
			

PRODUCER  
 Marsh Advantage America/NV  
 53-600334-NP-OC-XSA  
 P O Box 33015  
 San Antonio TX 78265  
 Phone: 877-616-7474 Fax: 210-738-1743

INSURED

McDonald Carano Wilson McCune  
 P.O. Box 2670  
 Reno NV 89505

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURER A: Twin City Fire Ins Co  
 INSURER B:  
 INSURER C:  
 INSURER D:  
 INSURER E:

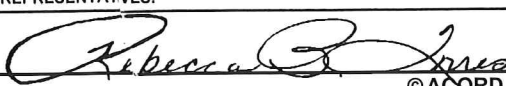
COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
					FIRE DAMAGE (Any one fire)	\$
					MED EXP (Any one person)	\$
					PERSONAL & ADV INJURY	\$
					GENERAL AGGREGATE	\$
					PRODUCTS - COMP/OP AGG	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE (Per accident)	\$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN EA ACC	\$
					AUTO ONLY: AGG	\$
	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE	\$
					AGGREGATE	\$
						\$
						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY OFFICERS ARE INCLUDED	53WECJH8309	07/01/00	07/01/01	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	E.L. EACH ACCIDENT \$ 100000 E.L. DISEASE - EA EMPLOYEE \$ 100000 E.L. DISEASE - POLICY LIMIT \$ 500000
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

\*Except for 10 days non-payment. For inquiries call 1-877-616-7474.

CERTIFICATE HOLDER	N	ADDITIONAL INSURED; INSURER LETTER: _____	CANCELLATION
TMWA PO Box 30013 Reno NV 89520		TMWA-02	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. 



McDONALD·CARANO·WILSON<sup>LLP</sup>

Michael A.T. Pagni  
[mpagni@mcdonaldcarano.com](mailto:mpagni@mcdonaldcarano.com)

Reply to: Reno  
(775) 788-2000

March 22, 2016

*Via Email mforee@tmwa.com*

Mark Foree  
General Manager  
Truckee Meadows Water Authority  
1355 Capital Blvd  
Reno NV 89520-3013

***Re: Addendum to Engagement Agreement***

Dear Mark:

This letter is provided as an update of the June 4, 2001 engagement letter retaining McDonald Carano Wilson LLP (“the Firm”) as counsel for Truckee Meadows Water Authority (“TMWA”), and sets forth additional procedures with respect to handling of potential conflicts of interest if and to the extent such may arise from time to time.

Professional rules for the handling of conflicts of interest are set forth in Nevada Supreme Court Rules 1.7 and 1.8. A concurrent conflict of interest is defined as the representation of one client directly adverse to another client or where there is a significant risk that representation of a client will be materially limited by a lawyer’s responsibilities to another client. Rule 1.7 provides that notwithstanding a concurrent conflict of interest, a lawyer may represent a client if the lawyer reasonably believes it will be able to provide competent and diligent representation to each affected client, the representation does not involve the assertion of a claim by one client against another client, and each affected client consents to such representation in writing.

As we set forth in our original engagement letter, if TMWA becomes directly adverse to a client of the Firm in a specific matter, the Firm will recuse from representing either party absent special circumstances. We recognize that from time to time, TMWA may desire to engage in transactions with clients of the Firm (e.g., for water or real property acquisitions or exchanges). Because of our institutional knowledge with some clients, it may be desirable in some circumstances for our Firm to either jointly represent the parties to facilitate the transaction or it may be desirable for one party to retain separate counsel for the transaction while our Firm continues to represent the other party. In these circumstances, we will consult with you in advance on whether our firm can (or should) engage in a joint representation on the matter, or whether conflict counsel should be retained by TMWA or the other party and will secure written conflict waivers if and when appropriate as in the past. We further agree in any matter in which our Firm is retained in a joint representation or where TMWA retains separate conflict counsel so that we may continue to represent an existing client, if any litigation arises between TMWA

100 WEST LIBERTY ST., 10<sup>TH</sup> FLOOR  
RENO, NEVADA 89501

ATTORNEYS AT LAW



WWW.MCWLAW.COM

2300 WEST SAHARA AVENUE  
SUITE 1200  
LAS VEGAS, NEVADA 89102  
702-873-4100  
FAX 702-873-9966

P.O. BOX 2670, RENO, NEVADA 89505  
775-788-2000 • FAX 775-788-2020



Mark Foree  
March 21, 2016  
Page 2

and such client in connection with that TMWA transaction, the Firm would decline any request to represent either party in such litigation.

In addition to the matters set forth in the original engagement, we note that the Firm represents the Washoe County Water Conservation District. The District operates and maintains the Boca Dam and holds the license for water storage in Boca Reservoir. TMWA currently has a representative sitting on the Board of the District. Although we do not expect any future conflict between TMWA and the District's interests, in the event such a conflict would arise the Firm would request a waiver from TMWA to allow the Firm to continue to represent the District interests, since the Firm's history of involvement for the District gives it irreplaceable institutional knowledge.

Finally, this will confirm that since the original engagement in 2001, our hourly rates for general counsel services have been increased to \$275 per hour. This continues to represent a significant discount from our standard hourly rates. As in the past, any litigation or government affairs services will be billed under standard rates agreed upon at the time of the engagement. As requested, we are also attaching below additional information on payments or reimbursement for disbursements and other charges incurred in performing services.

Billing Increments: We charge for our time in minimum units of 1/4 hours.

Costs and Expenses.

In-office photocopying	\$ .25 per page
Mileage	\$ .50 per mile
Computerized legal research	\$5.00 per minute

Clerical staff overtime necessary for extraordinary matters will be charged at 1.5 times the base hourly rate. The base hourly rates for clerical personnel presently range between \$15.00 and \$20.00.

If this letter does not accurately reflect your understanding of the terms of our agreement, please call me promptly so that we may discuss it further. As always, we appreciate the continued opportunity to provide legal services to TMWA.

Sincerely yours,

  
Michael A. T. Pagni