

March 11, 2025

VIA EMAIL: (ndklobas@azwater.gov)

Arizona Department of Water Resources
c/o Nicole D. Klobas
Chief Counsel

Re: Engagement Letter for Legal Services

Dear Nicole:

We are pleased to have the opportunity to represent the Arizona Department of Water Resource and its Director. The purpose of this letter is to set forth the terms of our representation.

1. Identity of Client and Scope of Engagement. We have been retained to help defend the Arizona Department of Water Resources and its Director in two separate actions filed in Maricopa County Superior Court challenging certain groundwater rules and regulations.

2. Progress. Close cooperation and frequent communications improve our ability to assist and to complete our work. We will want to discuss with you the progress of this matter on a regular basis, and would ask that you call us promptly with any new or significant information that could affect our work. In addition, we have made it our practice to send our clients copies of significant correspondence or filings, so you may keep track of the matter's progress. If you have questions or concerns, please bring them up promptly so we can address them right away.

3. Fees and Costs. The following sets forth our agreement with respect to fees and expenses in this matter, the payment of costs, and the timing and content of billing statements.

3.1. Fee Basis. My hourly rate is \$425 per hour. I will be assisted on this matter by Austin Yost whose hourly rate is \$400. If necessary and appropriate, I may have other lawyers and paralegals assist me at their regular rates.

3.2. Retainer Agreement. We are not requesting a retainer at this time. If we deem it to be necessary, we reserve the right to request an additional

retainer at any time during our representation.

3.3. Costs and Expenses. We do not charge for reasonable and usual long-distance telephone calls, faxes, copying in modest amounts that are done in-house, or secretarial time. As to other outside costs, including service of process fees and court filing fees, said fees will be invoiced to you separately. We generally find it easier and more efficient to advance funds on your behalf for minor costs and disbursements for outside services than to ask you to pay a succession of small invoices. As we will bill on a monthly basis, we expect to make advances for invoices that do not exceed \$250.

3.4. Invoices. Our bills are due on receipt, and are considered past due 30 days after the date they bear. We reserve the right to add late charges at the rate of 1.5% per month on an invoice for which we have not received payment by the 30th day after the date it bears. We must reserve the right to decline to perform further services if any account is 45 days or more past due. Subject to our ethical and professional obligations, you agree that we may terminate our legal services and withdraw from this engagement in such event.

I will personally review the bills we send to you. Our firm's goal is to provide you with the best representation possible at a fair and reasonable price. We are interested in building a long-term relationship based on trust and confidence. If you ever have any questions about any aspect of our bills, please call me so we can discuss the matter. We will never charge for time spent discussing billing issues.

4. Document Retention Policy. Please note that our document retention policies provide that at the conclusion of our representation of you, we will send you any original documents that have singular value as originals. We will treat as copies original documents that may be obtained from public records, or for which copies or counterparts, whether in paper or electronic form, are acceptable as an original. You may request that we retain original documents, in which case we will document your request in the file. We retain documents for five years after termination of representation (except for probate or estate matters, where the State Bar of Arizona recommends indefinite retention). After the five-year period expires, we scan the paper files and shred the paper copies except for valuable originals, which we will make reasonable efforts to return to you until the originals are considered abandoned property under Arizona law.

5. Right to Stop Work and Withdraw. We reserve the right to stop our work if you fail to cooperate with us or if your account becomes past due. You agree that the firm may stop providing services and may withdraw from representing you (subject, of course, to our ethical and professional obligations) under these circumstances.

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We look forward to representing the Arizona Department of Water Resources and working with you. If you ever wish to discuss any matter relating to our legal representation, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Andrew Gaona', with a stylized, cursive-like script.

D. Andrew Gaona

DAG/djh

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Statement of Agreement

I have read the foregoing agreement regarding the legal services
Coppersmith Brockelman PLC will provide to the Arizona Department of Water
Resources and its Director. Its terms are acceptable.

Arizona Department of Water Resources

By: Nicole D. Klobas
Nicole D. Klobas
Chief Counsel

Date: Mar 17, 2025