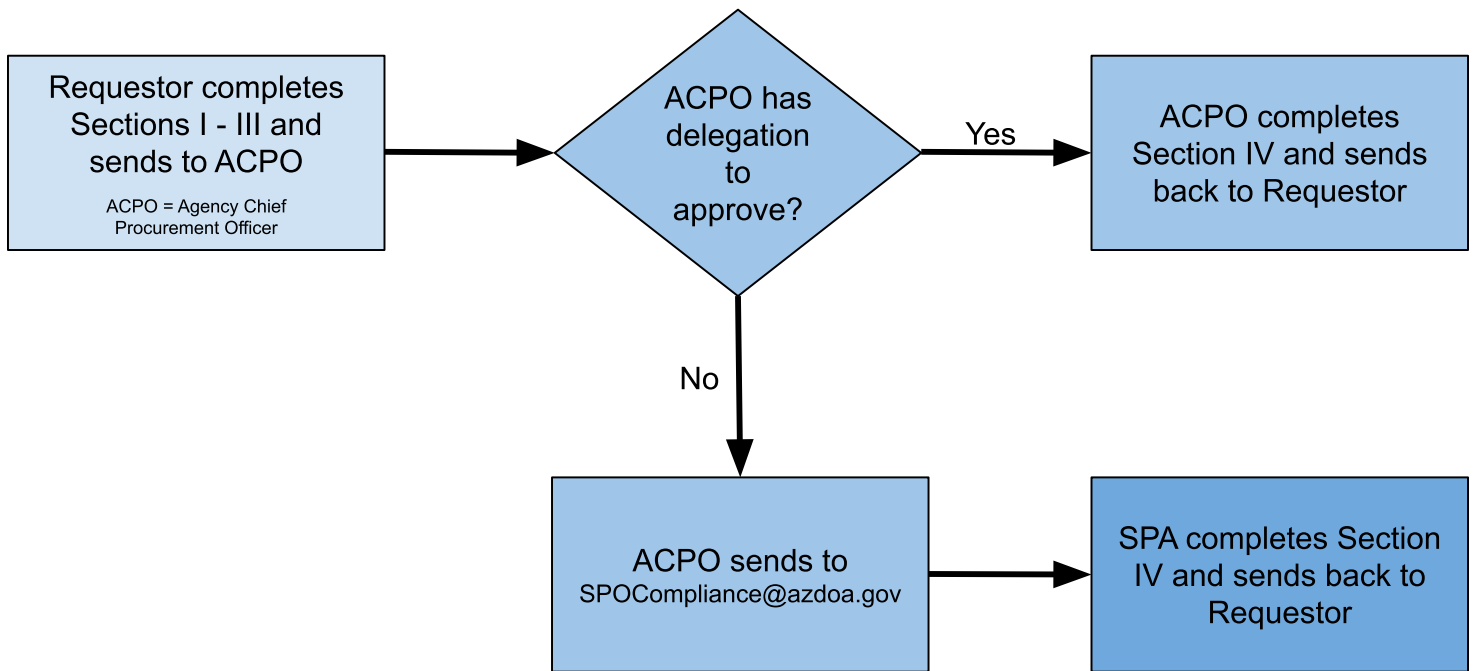


Standard Work

Owner	State Procurement Office, Compliance Unit		
Form Number	SPO Form 101A - Initial Competition Impracticable Authorization	Version	Revised 9/25/2025
Process	Standard Work/Instructions for completion and submittal of the SPO 101 form. The form is available on the SPO > For Agencies > Resources and Documents > Standard Forms and Documents .		

Form Completion Process



No.	Action	Action Detail/Key Points
Sections I through III to be completed by the requesting State Governmental Unit:		
SECTION I - State Governmental Unit Request		
1	State Governmental Unit	Name of the requesting State Governmental Unit (SGU; agency, board, or commission)
2	Requestor	Name of the requestor
3	Email	Email of the requestor
4	Title	Job title of the requestor
5	Telephone	Telephone number of the requestor
SECTION II - Background		
6	Service(s)/Material(s)	Description of service(s)/material(s) or Contract title (eProcurement Label)
7	Supplier	Name of supplier(s)
8	Contract ID	eProcurement contract number (if available)

9	Requesting Term	Specify contract term or extension period, as applicable, based on the CI
10	Estimated Cost	Forecasted expenditures for the duration of the CI term
SECTION III - Justification		
11	Rationale	Select applicable option in accordance with A.A.C R2-7-E303(A): - Compliance with A.R.S. §§ 41-2533, 41-2534, 41-2538, or 41-2578 is impracticable - Compliance with A.R.S. §§ 41-2533, 41-2534, 41-2538, or 41-2578 is unnecessary - Compliance with A.R.S. §§ 41-2533, 41-2534, 41-2538, or 41-2578 is contrary to public interest - Documented lack of suppliers - Procurement requires an open and continuous availability of offerors
12	Provide (1) details of the procurement need, (2) reason for the competition impracticable, and (3) how the proposed procurement is advantageous to the State	Detail information regarding the rationale selected in the previous section; State Governmental Unit use of the material(s) or service(s); if mandatory state contracts were explored; the limitation which led to the competition impracticable, and how the State would benefit from the procurement. If there is previous contract which requires modification pursuant to R2-7-E303(E) or contract that reached beyond the maximum 5-year term, provide the contract number and copy of that CI.
13	Describe (1) the procurement process, (2) strategy to promote competition, and (3) determination that the price is fair and reasonable	Detail strategy for the proposed procurement, considered competition, reason for selecting specific supplier, and negotiations strategy.
14	I have conducted research and determined that no mandatory state contract is available for the service(s) /material(s)	Check the box confirming research was conducted.
15	Signature	Signature of the authorized requestor
16	Date of Request	Specify the date of request

Section IV to be completed by the Procurement Authority:

SECTION IV - Approval

17	Determination	Select applicable option in accordance with A.A.C. R2-7-E303(D): - Request Authorized Pursuant to R2-7-E303 - Request Authorized with Conditions/Restrictions R2-7-E303 - Request Returned for Additional Information - Request Denied
18	Approved Expiration Date	Specify the date or term of expiration
19	Comments, conditions, or restrictions (as applicable)	Complete as needed
20	Print Name	Printed name of the approver
21	Title	Job title of the approver
22	Signature	Signature of the approving authority
23	Date of Approval	Specify the date of approval
24	Use section as necessary	Used by any party in case the fields within the form were insufficient

STATE GOVERNMENTAL UNIT NOTICE: This is an official written determination in response to a procurement authorization request.

A copy of the form shall be maintained by the State Governmental Unit and the State Procurement Office.

Upon completion, Requestor shall forward the signed form to the Contract Owner.

Contract Owner shall upload the signed approval version of this form in the eProcurement system.

If anticipated expenditure is above State Governmental Unit's delegation, forward document to SPOCompliance@azdoa.gov.



Procurement Determination:
Initial Competition Impracticable
Authorization
A.A.C. R2-7-E303

SECTIONS I THROUGH III MUST BE COMPLETED BY THE REQUESTOR
USE ADDITIONAL PAGE AS NECESSARY

SECTION I State Governmental Unit Request

1. State Governmental Unit

Arizona Department of Water Resources

2. Requestor

Yanneth Montes on behalf of ADWR

3. Email

Yanneth.montes@azdoa.gov

4. Title

Senior Procurement Manager

5. Telephone

602.542.80080

SECTION II - Background

6. Service(s)/Material(s)

Outside Legal Counsel

7. Supplier

Coppersmith Brockelman
P: (602) 381-5469
E: bdul@cblawyers.com

8. Contract ID

TBD

9. Requesting Term

5 years

10. Estimated Cost

\$120,000 per FY (\$600,000 ttl)

SECTION III - Justification

11. Rationale

- Compliance with A.R.S. §§ 41-2533, 41-2534, 41-2538, or 41-2578 is impracticable

12. Provide (1) details of the procurement need, (2) reason for the competition impracticable, and (3) how the proposed procurement is advantageous to the State

The Arizona Department of Water Resources and its Director (collectively "ADWR") will be engaging in an appeal and special action lawsuit that is expected to have a significant bearing in the assured water supply program. This lawsuit will create pressing deadlines for ADWR to meet.

At this time, ADWR in-house attorneys that are familiar with the assured water supply program are handling other litigation, as well as, policy processes that are high priorities for the Governor's office. While in-house attorneys will be involved on this potential lawsuit, their time and focus will be divided.

ADWR occupies a highly visible and critical role in State government as it relates to high-profile water issues. ADWR thus requires a sufficient level of confidence in its outside counsel to assist its in-house legal team on these matters, a level of confidence that could not be gained from the normal competitive process.

For these reasons, ADWR has identified Coppersmith Brockelman PLC ("CB") as a firm that provides the necessary level of confidence required to assist ADWR's in-house legal team for this engagement based on that team's recent and current close work with CB on two other water-related litigation matters that were the subject of significant public scrutiny. CB has also indicated its availability to perform the work and provide the legal advice necessary for this engagement.

Based on these findings, it would serve the best interest of the State of Arizona to contract with CB for legal services. ADWR thus respectfully requests a waiver of the solicitation and award requirements under A.R.S. § 41-2535.

13. Describe (1) the procurement process, (2) strategy to promote competition, and (3) determination that the price is fair and reasonable

ADWR has reviewed its current workload and determined that it is impractical to accommodate a new appeal or special action on this high profile matter.

Coppersmith Brockelman rates range from \$400 to \$450 per hour, which is consistent with the industry standard and falls within the generally accepted range, as further evidenced by the AGO's Outside Legal Counsel List CY2025.

14. I have conducted research and determined that no mandatory state contract is available for the service(s)/material(s)



15. Signature

Yanneth Montes

16. Date of Request

5/15/26

In accordance with the Procurement Rules, the Arizona Uniform Terms and Conditions must be made a part of all Contracts. If you will be required to sign a software licensing agreement or sign any other agreement containing terms and conditions, these will need additional review to ensure that the terms and conditions do not invalidate the Arizona Uniform Terms and Conditions. Approval of this request does not allow for agencies to exceed their dollar acquisition amount of delegated authority.

TO BE COMPLETED BY PROCUREMENT AUTHORITY

SECTION IV - Approval

17. Determination

- Request Authorized Pursuant to R2-7-E303

18. Approved Expiration Date

5 years from award or 6/30/2031 whichever is sooner.

19. Comments, conditions, or restrictions (as applicable)

Given the complexity of the ADWR situations and the exemptions provided to the ADWDR Director in Arizona Revised Statutes (A.R.S.) § 41-192(D), I am approving the process to enter into the agreement. This is a project specific engagement.

20. Print Name

David Steuber

21. Title

State Procurement Administrator

22. Signature



David Steuber (May 15, 2026 17:21:29 PDT)

23. Date of Approval

05/15/2026

24. Use section as necessary

STATE GOVERNMENTAL UNIT NOTICE: *This is an official written determination in response to a procurement authorization request.
A copy of the form shall be maintained by the State Governmental Unit and the State Procurement Office.
Upon completion, Requestor shall forward the signed form to the Contract Owner.
Contract Owner shall upload the signed approval version of this form in the eProcurement system.
If anticipated expenditure is above State Governmental Unit's delegation, forward document to SPOCompliance@azdoa.gov.*

May 6, 2026

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 provide legal advice and representation to the Arizona Department of Water Resources and its Director in *Home Builders Association of Central Arizona v. Arizona Department of Water Resources*, CV2025-002623, currently pending in Maricopa County Superior Court, and in connection with any appeal or petition for special action review.

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 discounted hourly rate is \$425 per hour. I will be assisted on this matter by Bo Dul and Caitlin Doak, whose discounted hourly rates are \$450 and \$350, respectively. If necessary and appropriate, I may have other lawyers and paralegals assist me at their regular rates or other agreed upon rate.

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.

We will closely 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

Nicole D. Klobas
May 6, 2026
Page 3

(subject, of course, to our ethical and professional obligations) under these circumstances.

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 dark ink, appearing to read "Austin Yost". The signature is written in a cursive, flowing style.

Austin C. Yost

ACY/djh

Nicole D. Klobas

May 6, 2026

Page 4

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: May 6, 2026

2026-05-04 DRAFT Engagement LT - ADWR - HBACA Unmet Demand Appeal

Final Audit Report

2026-05-06

Created:	2026-05-06
By:	Sharon Scantlebury (sscantlebury@azwater.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAL0ITZL3Oe6BYQejeLwOxe0CWF4gTy9cE

"2026-05-04 DRAFT Engagement LT - ADWR - HBACA Unmet Demand Appeal" History

-  Document created by Sharon Scantlebury (sscantlebury@azwater.gov)
2026-05-06 - 8:18:20 PM GMT
-  Document emailed to Nicole Klobas (ndklobas@azwater.gov) for signature
2026-05-06 - 8:19:48 PM GMT
-  Email viewed by Nicole Klobas (ndklobas@azwater.gov)
2026-05-06 - 10:15:43 PM GMT
-  Document e-signed by Nicole Klobas (ndklobas@azwater.gov)
Signature Date: 2026-05-06 - 10:18:00 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE
-  Agreement completed.
2026-05-06 - 10:18:00 PM GMT



PROTECTING & ENHANCING
ARIZONA'S WATER SUPPLIES for
CURRENT & FUTURE GENERATIONS

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