

**CALENDAR ITEM  
C63**

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**CONSIDER DELEGATING AUTHORITY TO THE EXECUTIVE OFFICER TO  
AMEND AN EXISTING AGREEMENT FOR LEGAL SERVICES**

**PARTIES:**

California State Lands Commission

Law Offices of Judith W. Ross

**PROPOSED DELEGATION:**

The Executive Officer requests authority to amend, as necessary, an existing agreement between the Commission and the Law Offices of Judith W. Ross, located in Dallas, Texas, to provide legal representation in the Chapter 11 bankruptcy matter of *In re: Rincon Island Limited Partnership*, Case No. 16-33174-HDH, in the U.S. District Court in the Northern District of Texas, Dallas. The maximum value of the agreement, after amendment, will not exceed \$700,000.

**BACKGROUND:**

On August 8, 2016, Rincon Island Limited Partnership (RILP), holder of three offshore State oil and gas leases in Ventura County, declared Chapter 11 bankruptcy in U.S. District Court in the Northern District of Texas. RILP's petition for bankruptcy was filed on the eve of the Commission's August 9, 2016 meeting to consider, in part, whether to terminate RILP's leases for default of its leases. The Commission is a party-in-interest in the bankruptcy proceedings.

The Attorney General's office has worked with the Commission's legal staff to participate actively in the bankruptcy proceedings. Northern District of Texas local rules require that counsel and witnesses appear in person and proffer evidence at each hearing in this matter, currently scheduled monthly. Due to particularized local rules and procedures of the court, the Commission obtained authorization to retain local counsel in Texas to appear on the Commission's behalf and to consult on protecting the State's considerable interests in the matter.

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Commission staff, based on a referral from the Texas Attorney General's Office, entered into an agreement with the Law Offices of Judith W. Ross. Ms. Ross practices in Dallas, Texas and has decades of bankruptcy litigation experience. The agreement was executed on November 16, 2016, and was entered into pursuant to the Executive Officer's comprehensive delegation of authority. The term of the agreement is for the length of the bankruptcy proceedings for a maximum of \$50,000. Because it is anticipated that the proceedings will continue and have nearly exhausted the current contract amount, Commission staff is now seeking a delegation of authority to the Executive Officer to amend this existing agreement, as needed, to maintain the State's legal services in the proceedings.

**STAFF ANALYSIS AND RECOMMENDATION:**

**Authority:**

Public Resources Code section 6106; State Contracting Manual; Public Contract Code sections 10335, subdivision (b) and 10335.5, subdivision (c)(4); Business and Professions Code section 6072, subdivision (g).

The existing agreement and any amendment shall be consistent with State policies and procedures as specified in the State Administrative Manual and State Contract Manual. All agreements are subject to sufficient funding provided in the Commission's budget. Multi-year agreements are subject each year to certification of the availability of funds.

**OTHER PERTINENT INFORMATION:**

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction.
2. Approving the delegation of authority to amend an existing agreement for legal services is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes to the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

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**RECOMMENDED ACTION:**

It is recommended that the Commission:

**AUTHORIZATION:**

Authorize the Executive Officer or her designee to amend an existing agreement for legal services with the Law Offices of Judith W. Ross in accordance with current State policies and procedures. The maximum value of the agreement as amended shall not exceed \$700,000.