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September 7, 2007

Board of Supervisors
County of El Dorado
330 Fair Lane
Placerville, CA 95667

Honorable Board:

SUBJECT:

The law firm of Rutan & Tucker was retained to represent El Dorado County and seven other counties in litigation pending in the San Joaquin County Superior Court wherein PG&E was challenging the amount of property taxes they paid for the 2000-2001 and 2001-2002 tax years. Each County's percentage of contribution to the attorney's fees was based upon their percentage of property tax revenue at risk in the litigation. El Dorado County is responsible for 2% of the total amount of attorney's fees and costs incurred by the County defendants.

The amendment to the Agreement increases the not to exceed amount from \$5,000 to \$15,000. The Amendment is to be retroactive to February 1, 2007.

RECOMMENDATION:

Approve the Amendment effective as of February 1, 2007.

REASON FOR RECOMMENDATION:

The original not to exceed amount of \$5,000 was rapidly depleted as expert witnesses were retained and the matter proceeded to mediation earlier this year. Although we are in the final stages of the litigation, additional monies are needed under the contract to ensure continued representation.

The agreement is made retroactive to February 1, 2007 as the costs of the litigation rapidly escalated with the retention of expert witnesses and mediation, thus rapidly depleting the original not to exceed amount of \$5,000 earlier this year. It is anticipated that the additional monies will allow the firm of Rutan & Tucker to complete the final phases of the PG& E litigation which

include finalizing the Settlement Agreement and assisting in the State Board of Equalization validation proceeding.

FISCAL IMPACT:
None

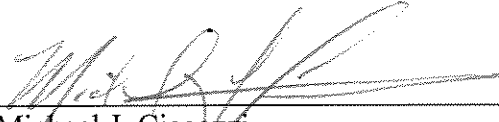
ACTION TO BE TAKEN FOLLOWING APPROVAL:

The Chair will sign the Amendment Number 1 to the Contract.

Very Truly Yours,

LOUIS B. GREEN
County Counsel

By: _____


Michael J. Ciccozzi
Deputy County Counsel

Encl.