

APPROVED
By the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

OCT 10 1995

Karen E. Duff
EXECUTIVE SECRETARY



MWD
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-7

September 19, 1995

To: Board of Directors (Executive Committee--Action)
(Legal and Claims Committee--Action)

From: General Counsel and General Manager

Subject: Amendment of Administrative Code to consolidate the General Counsel's
litigation authority.

RECOMMENDATION:

It is recommended that Administrative Code sections 9200 - 9202 be renumbered to Administrative Code Section 6433 et seq. and that they be amended as shown on Attachment A .

John R. Wodraska

John R. Wodraska
General Manager

N. Gregory Taylor

N. Gregory Taylor
General Counsel

EXECUTIVE SUMMARY AND DETAILED REPORT:

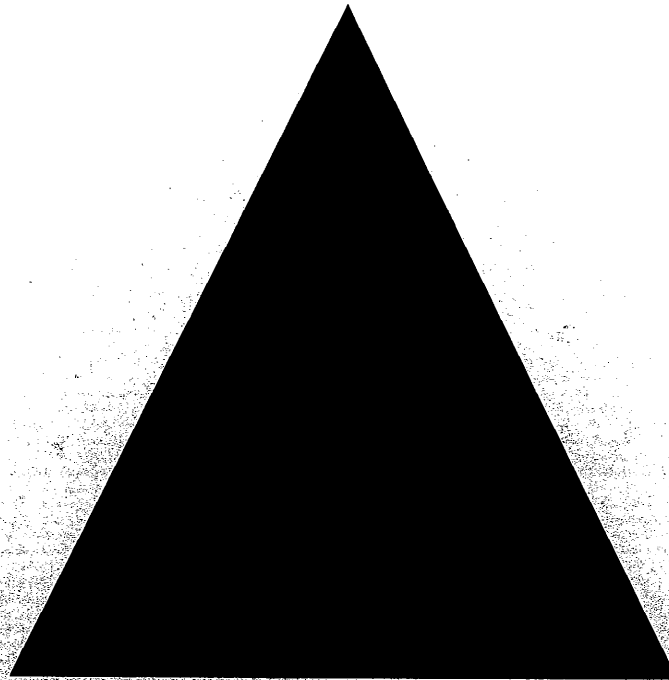
Presently, the powers and duties of the General Counsel are provided for in Sections 6430-6434 of the Administrative Code. These provisions outline the authority of the General Counsel with regard to his contractual authorities as well as the duty to represent and defend the District in all actions. While Section 6430(a) directs the General Counsel to defend the District in all actions, an entirely separate chapter of the Administrative Code, sections 9200 - 9202 outline the General Counsel's settlement authority. To enhance the organization of the Code it is recommended that the sections 9200 - 9202 be renumbered and placed in the chapter of the Code which also deals with the General Counsel's duties with regard to litigation.

Additionally, it is recommended that the settlement authority be modified to allow more efficient management of litigation. The General Manager and General Counsel currently have authority to settle claims not to exceed \$50,000. There are an increasing number of claims and lawsuits in which settlements are reached for greater than \$50,000, but less than \$125,000. Increasing the settlement authority of the General Manager and General Counsel will allow timely responses to settlement offers that have time constraints, for example offers received on the verge of trial. There will also be savings in litigation costs as work often continues on a lawsuit pending approval by the Board of a settlement proposal.

Pursuant to Administrative Code section 6433, the settlement of claims and lawsuits under the authority granted by sections 9200 - 9202 are reported to the Board on a quarterly basis. These reports allow the Board to be kept informed of settlements made by the General Manager and General Counsel without expending time at monthly meetings on relatively small claims. Therefore, it is recommended that the authority of the General Manager and General Counsel to settle those claims and lawsuits as described be increased to \$125,000.

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