MWD
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Report

July 15, 2004
Legal Department

- **June 30, 2004 Quarterly Report**

Summary

This is the quarterly report to the Legal, Claims and Personnel Committee on the exercise of powers delegated to the Chief Executive Officer and General Counsel by Administrative Code Sections 6431, 6433 and 6434. In addition, the General Counsel reports to the Executive Committee on the exercise of power delegated to him by Section 6431.

Attachments

ATTACHMENT A – Workers' Compensation Matters Resolved During the Period of April 1, 2004 – June 30, 2004

ATTACHMENT B – Claims Against Metropolitan During the Period of April 1, 2004 – June 30, 2004

ATTACHMENT C – Invoices Written Off as Uncollectible During the Period of April 1, 2004 – June 30, 2004

ATTACHMENT D – Costs Collected During the Period of April 1, 2004 – June 30, 2004

Detailed Report

Contracts

Within the past quarter, the General Counsel entered into the following contracts pursuant to his authority under Administrative Code Section 6431:

Arnold K. Dimmitt
Metropolitan retained this consultant to provide professional services regarding agricultural water issues related to the Quechan Tribe lands, subject of the ongoing *Arizona v. California* litigation.

Atkinson, Andelson, Loya, Ruud & Romo
This consultant was retained to provide legal services with respect to matters dealing with labor law and employee relations.

Bartel Associates, LLC
Metropolitan retained this consultant to provide actuarial consulting services regarding employment benefits.

Davis Wright Tremaine, LLP
This consultant was retained to provide legal services concerning the re-licensing of Oroville Dam by FERC and any conditions proposed as part of that process.

Harkins Cunningham
Metropolitan retained this consultant to provide legal advice, assistance and representation with respect to Adversarial Proceeding No. 04-02968, pending in the U.S. Bankruptcy Court for the Southern District of New York -- *Enron Power Marketing, Inc. v. The Metropolitan Water District of Southern California.*

Littler Mendelson
This consultant was retained to provide legal representation and consultation services with respect to litigation brought by an employee in Los Angeles County Superior Court Case No. BC313797.

Livingston & Mattesich
Metropolitan retained this consultant to provide legal advice, opinion and representation services with respect to the Political Reform Act, conflict of interest laws, ethics, and related matters.

Manatt, Phelps & Phillips, LLP
This consultant was retained to provide legal representation and consultation with respect to *San Gabriel Basin Water Quality Authority v. Aerojet-General Corporation*, CV 02-04565 ABC (RCx) and associated cases, actions and claims. Consultant also provides advice regarding water supply and water quality issues. A separate agreement with consultant concerning the possible strategies for dealing with perchlorate issues was also amended during the quarter.

Mason & Mason
Metropolitan retained this consultant to provide appraisal services for Metropolitan's vacant lands in the vicinity of Pacific Gas & Electric Company's Topock facility near the Colorado River.

Morrison & Forester, LLP
This consultant was retained to provide legal advice, opinions and representation with respect to claim for damages arising from its transactions under the Western Systems Power Pool Agreement for the delivery of power.

Summers Engineering, Inc.
Metropolitan retained this consultant to provide professional services regarding agricultural and water issues related to the Quechan Tribe lands involved in the ongoing *Arizona v. California* litigation.

Trout, Witwer & Freeman, P.C.
This consultant was retained by the Colorado Attorney General regarding an *amicus curiae* brief that addresses western water interests to be filed with the Second Circuit Court of Appeals in the matter of *City of New York v. Catskill Mountains Chapter of Trout Unlimited*, Case # 03-7203-CV (2d Cir.). In support of the *amicus curiae,* Metropolitan agreed to pay a one-time contribution of $5,000 towards the attorney fees.

UCLA Anderson Forecast
This consultant was retained to provide economic forecast data and analysis as it pertains to Metropolitan's service area of Southern California and regarding economic impacts of water transfers.

Von Klug & Associates, Inc.

This consultant was retained to provide professional services in updating Metropolitan's relocation assistance guidelines to conform to current legal requirements and to provide training for relevant staff. This consultant was also retained to provide relocation assistance services relative to properties that are being acquired for the San Diego Pipeline 6 project.

Claims

1. Between April 1, 2004 and June 30, 2004, Metropolitan initiated, compromised, settled, or otherwise disposed of the following claims:

   a. Litigated Claims By and Against Third Parties

   During the past quarter, Metropolitan initiated, compromised, settled, or otherwise disposed of the following litigated claim by and against third parties:

   Pacific Coast Steel v. Metropolitan

   This stop notice enforcement action was settled on May 14, 2004. The case involved $34,524, allegedly owed to a subcontractor by a Metropolitan construction contractor. Metropolitan was named as defendant because it withheld funds pursuant to a stop notice. After the other parties resolved their dispute, Metropolitan released the funds and agreed to accept a dismissal of the case in exchange for a waiver of costs and fees, which were nominal.

   State Farm Mutual Automobile Insurance Company v. Metropolitan

   An automobile insurance carrier in subrogation brought this action. Metropolitan had previously settled the personal injury portion of this minor traffic accident case with the other driver. Because Metropolitan was liable, it paid in full, verified property damage amount of $5,596 to carrier.

   b. Workers' Compensation Matters

   The workers' compensation claims settled by the Chief Executive Officer within the past quarter are reported in Attachment A.

   c. Other Claims By and Against Third Parties

   Non-litigated third party claims settled by the Chief Executive Officer within the past quarter are reported in Attachment B.

   d. SB 90 Claims

   During the past quarter, Metropolitan did not submit any SB 90 claims for reimbursement for state-mandated costs.

2. Claims declared uncollectible by the Chief Executive Officer within the past quarter are reported in Attachment C.

3. Costs collected for claims during the past quarter are reported in Attachment D.

ATTACHMENT A
Workers' Compensation Matters Resolved During the Period of
April 1, 2004 – June 30, 2004

Classification	Control No.	Date of Injury	Amount of Settlement	Nature of Injury	Basis for Settlement
Maintenance Mechanic	2002-0221-0425	2/20/02	$28,000.00	Left hand, left wrist, left shoulder, left upper extremity, neck and back	Compromise and release, negotiated settlement.
Maintenance Mechanic	2002-1010-0237	10/10/02	$2,940.00	Right thumb	Stipulated settlement based on treating physician's report.
Inspector	98-1008-0178	10/7/98	$10,600.00	Right ankle	Stipulated settlement based on treating physician's report.
Operations & Maintenance Supervisor	2000-0500-0520	5/4/00	$2,520.00	Left knee	Stipulated settlement based on treating physician's report.
Maintenance Worker	98-0810-0061	8/7/98	$6,475.00	Right ankle	Stipulated settlement based on treating physician's report.
Maintenance Mechanic	2001-0315-0540	2/1/01	$20,357.50	Bilateral hands and wrists	Stipulated settlement based on treating physician's report.
Maintenance Worker	2003-0205-0486	2/4/03	$50,000.00*	*Metropolitan recovery	Third party Compromise and release, resolves the employee's outstanding workers' compensation claim and provides Metropolitan with a partial recovery of workers' compensation costs.
Maintenance Mechanic	2002-0206-0400	2/6/02	$3,780.00	Neck and back	Stipulated settlement based on treating physician's report.
Maintenance Mechanic	2000-0822-0090	8/16/00	$4,794.00	Right knee	Stipulated settlement based on treating physician's report.

ATTACHMENT B
Claims Against Metropolitan During the Period of
April 1, 2004 – June 30, 2004

Claimant	Control No.	Amount of Settlement	Incident Description	Basis for Resolution
R. Velasquez	2003-0730-0061	$2,162.50	On 7/31/03, a District driver collided head-on. with a third party driver.	The third party's property damage claim was settled based on evaluation of the damages and the repair estimate.
F. Falcon	2002-1009-0233	$6,000.00	On 10/8/02, a District driver rear-ended a third party driver.	The third party's bodily injury claim was settled based on evaluation of the medical specials.
Teva Pharmaceuticals	2003-1008-0218	$1,530.10	On 10/8/03, a District vehicle's bracket fell off of the spare wheel, spare wheel hit and damaged 3rd party vehicle.	The third party's property damage claim was settled based on evaluation of the damages and the repair estimate.
Catherine Ungles	2004-0507-0600	$2,339.08	On 5/6/04, a District driver failed to yield right of way and made a left turn in front of third party's vehicle.	The third party's property damage was settled based on evaluation of the damages, and repair estimate.
Budget Rent-A-Car	2001-1219-0309	$454.10	On 12/19/01, a District driver parked a rental vehicle and when he returned he noticed damage on the right rear bumper.	The third party's property damage was settled based on evaluation of the damages, and repair estimate.
Patricia Kolbeck	2004-0326-0520	$1,933.39	On 3/26/04, a District driver backed into a third party's vehicle.	The third party's property damage was settled based on evaluation of the damages, and repair estimate.

ATTACHMENT C
Invoices Written Off as Uncollectible During the Period of
April 1, 2004 – June 30, 2004

Third Party or Cause	Control No.	Damage Amount	Incident Description	Basis for Write-Off
Unidentified Third Party	2003-1104-0284	$618.87	On 10/21/03, an unidentified third party damaged a parked and unoccupied District vehicle.	The property damage costs were written-off because the third party could not be identified.
Wear and Tear of Equipment	2003-0212-0502	$466.49	On 2/11/03, a District's pipe broke and caused spill.	The property damage costs were written-off because the damage occurred due to wear and tear of equipment.
Damage During Use	2000-0320-0428	$770.43	On 3/1700, debris struck a District vehicle.	The property damage costs were written-off because the damage occurred during the scope of employment.
Wear and Tear of Equipment	2002-0924-0192	$1,719.02	On 9/24/01, a District vehicle's right front tire separated during operation and caused damage to third party's vehicle and District vehicle.	The property damage costs were written-off because the damage occurred due to wear and tear of equipment.
Joseph Nalbach	1996-0820-0074	$2,572.48	On 8/20/96, a third party driver hit and damaged District vehicle.	The property damage costs were written-off because there were no District repair costs generated within the statutory period.
Kelly Osborn	1996-0716-0014	$2,255.76	On 7/15/96, a third party driver hit and damaged District fence.	The property damage costs were written-off because there were no District repair costs generated within the statutory period.
Wear and Tear of Equipment	2003-0811-0082	$580.65	On 8/5/03, a District vehicle right front tire separated during operation and caused damage.	The property damage costs were written-off because the damage occurred due to wear and tear of equipment.
Diane Escalante	2001-0402-0594	$672.50	On 3/31/02, a third party hit and damaged the District's fence.	The property damage costs were written-off because the third party could not be located.

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Third Party or Cause	Control No.	Damage Amount	Incident Description	Basis for Write-Off
Unidentified Party	1998-0624-0578	$4,885.30	On 6/22/98, a third party removed District's equipment.	The property damage costs were written-off because the third party could not be identified.
Unidentified Party	1997-0403-0386	$1,216.23	On 4/2/97, a third party damaged District's landscaping.	The property damage costs were written-off because the third party could not be identified.
Ecology Control Industries	2002-1112-0320	$3,880.05	On 11/12/02, a District contractor dumped slurry into embankment causing spill.	The property damage costs were written-off because the damage resulted from providing the contractor with inaccurate information.
Damage During Use	2004-0329-0524	$536.89	On 3/25/04, debris struck a District's vehicle.	The property damage costs were written-off because the damage occurred during the course and scope of employment.
PDE Drilling	2002-1202-0317	$6,400.22	On 12/2/03, a contractor struck Irvine Ranch Water District's domestic water pipeline, flooded the MWD and shutdown worksite.	The property damage costs were written-off because the damage resulted from providing the contractor with inaccurate information.
Randall Taylor	1995-1220-0249	$2,837.76	On 12/16/95, a third party driver hit and damaged the District's meter cabinet.	The property damage costs were written-off because MWD could not collect the money in small claims court or through a collection agency.
Jesus Antoni	2001-0710-0011	$699.19	On 7/10/01, a third party driver hit and damaged a District vehicle.	The property damage costs were written-off because MWD could not collect the money in small claims court or through a collection agency.
Ed Kolher	2000-0405-0451	$1,141.68	On 4/4/00, a third party damaged District's electrical conduit.	The property damage costs were written-off because the responsible third party could not be located.

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Third Party or Cause	Control No.	Damage Amount	Incident Description	Basis for Write-Off
Juan Pantoja	1996-0514-0455	$7,350.25	On 5/12/96, a third party driver hit and damaged the District's meter cabinet	The property damage costs were written-off because the responsible third party could not be located.
Unidentified Party	2003-0731-0065	$1,775.00	On 7/30/03, an unidentified third party driver hit and damaged District fence.	The property damage costs were written-off because the third party could not be identified.
Unidentified Party	2004-0405-0533	$719.37	On 4/4/04, an unidentified third party driver hit and damaged District vent stack.	The property damage costs were written-off because the third party could not be identified.
Unidentified Party	2003-1124-0307	$5,063.97	On 11/21/03, an unidentified third party driver hit and damaged District's meter cabinet and equipment.	The property damage costs were written-off because the third party could not be identified.
Unidentified Party	2003-0408-0607	$2,517.32	On 4/20/03, an unidentified third party damaged equipment.	The property damage costs were written-off because the third party could not be identified.
Wear and Tear of Equipment	2003-1020-0253	$1,006.66	On 10/19/03, a District vehicle's left rear tire separated during operation and caused damage.	The property damage costs were written-off because the damage occurred due to wear and tear of equipment.
Wear and Tear of Equipment	2004-0121-0395	$1,629.92	On 1/21/04, a District vehicle's tire separated during operation and caused damage.	The property damage costs were written-off because the damage occurred due to wear and tear of equipment.
Wear and Tear of Equipment	2004-0223-0455	$2,700.80	On 2/19/04, the District's overflow alarm failed while filling tank with sulfuric acid and approximately forty gallons spilled.	The clean-up and property damage costs were written-off because the damage occurred due to wear and tear of equipment.
Damage During Use	2002-0904-0127	$858.48	On 9/3/02, a District driver backed the District auto into a light pole and damaged the rear bumper.	The property damage costs were written-off because the damage occurred during the scope of employment.

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Third Party or Cause	Control No.	Damage Amount	Incident Description	Basis for Write-Off
Damage During Use	2003-0116-0441	$5,419.10	On 1/15/03, a District driver struck a third party vehicle and caused damage.	The property damage costs were written-off because the damage occurred during the scope of employment.
Damage During Use	2003-0730-0061	$2,781.42	On 7/30/03, a District driver struck a third party vehicle and caused damage.	The property damage costs were written-off because the damage occurred during the scope of employment.
Damage During Use	2003-0811-0085	$1,478.11	On 4/13/04, a District driver struck a bollard and damaged District auto's left front bumper.	The property damage costs were written-off because the damage occurred during the scope of employment.
Wear and Tear of Equipment	2003-0903-0124	$3,205.69	On 9/3/03, the District aircraft's nose gear would not fully deploy during a landing.	The property damage costs were written-off because the damage occurred due to wear and tear of equipment.
Damage During Use	2004-0203-0435	$3,420.74	On 2/3/04, a District driver struck a tree and caused damage.	The property damage costs were written-off because the damage occurred during the scope of employment.
Damage During Use	2004-0303-0479	$289.28	On 3/3/04, a District driver backed District auto over an electrical vault that was four-inches above grade level and caused damage.	The property damage costs were written-off because the damage occurred during the scope of employment.
Wear and Tear of Equipment	2004-0326-0519	$913.61	On 3/18/04, an MWD open gate closed, struck and damaged District vehicle.	The property damage costs were written-off because the damage occurred due to wear and tear of equipment.
Damage During Use	2004-0406-0539	$677.75	On 4/5/04, a District driver backed District auto into another parked District auto and caused damage.	The property damage costs were written-off because the damage occurred during the scope of employment.

ATTACHMENT D
Costs Collected During the Period of
April 1, 2004 – June 30, 2004

Third Party or Cause	Control No.	Damage Amount	Incident Description	Basis for Costs Collected
Geico General Insurance Co.	2003-1126-0310	$258.21	Third party vehicle crashed into District fence.	The claim for property damage was paid in full by the third party's insurance carrier
Steve Bubal Construction Company	2002-0814-0089	$828.32	On 8/13/02, MWD contractor damaged a parked and unoccupied District vehicle	The claim for property damage was paid in full by the responsible third party.
David Carillo – Mercury Insurance	2001-1130-0263	$487.14	On 11/29/01, District driver was rear-ended in a multi-vehicle car crash.	The responsible third party's insurance carriers paid the claim for property damage in full.
Richard Wirtz	1996-1101-0170	$2,992.92	On 11/1/96, third party hit and damaged District fence.	The District accepted partial recovery and wrote-off the uncollected balance amount of $2,492.92.
Thomas S.Elliott Roger A. Klein	1991-1104-0152	$1,927.31	On 11/2/91, third parties removed District's cooper wire from transmission tow.	The District accepted partial recovery and wrote-off the uncollected balance amount of $1,612.97.
Javier Cota	2004-0122-0406	$253.60	On 1/22/04, District driver was rear-ended by third party's vehicle.	The claim for property damage was paid in full by the responsible third party.