

• March 31, 2005 Quarterly Report

Summary

This is the quarterly report to the Legal & Claims 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 January 1, 2005 – March 31, 2005

ATTACHMENT B – Claims Against Metropolitan During the Period of January 1, 2005 – March 31, 2005

ATTACHMENT C – Invoices Written Off as Uncollectible During the Period of January 1, 2005 – March 31, 2005

ATTACHMENT D – Costs Collected During the Period of January 1, 2005 – March 31, 2005

Detailed Report

Contracts

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

Anchor Environmental, LLC

Metropolitan’s agreement with this consultant for the evaluation of new and/or revised licensing conditions proposed as part of the FERC re-licensing process for Oroville Dam, a Metropolitan SWP water source, was amended during this quarter.

Atkinson, Andleson, Loya, Ruud & Romo

This consultant was retained to provide legal advice and representation regarding Hearing Officer Appeals regarding *AFSCME, Local 1902 vs. Metropolitan* on six different filings with a total of eight grievances (Grievance Nos. 0309G045; 0311G068; 0407G121, 0407G122, 0407G123; 0401G021; 0309G055; 0407G125).

Brierley Associates, LLC

Metropolitan retained this consultant to provide technical expertise, including analysis of claims and potential litigation support relative to the construction of Metropolitan’s Inland Feeder Project.

Davis Wright Tremaine, LLP

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

Graham Vaage & Cisneros, LLP

Metropolitan retained this consultant to provide legal services and representation in connection with the litigation *Holy Hill Community Church v. Kim, et al.* pertaining to Metropolitan's ownership of its Sunset parking and garage facility.

Hamburg, Karic, Edwards & Martin

This consultant was retained to provide legal advice and potential representation in unlawful detainer and/or potential damages actions regarding the termination of Henry Arklin's lease with Metropolitan.

Jones Day

Metropolitan retained this consultant to provide legal services in connection with contractor claims by Shea-Kenny JV including potential litigation arising out of the construction of Metropolitan's Inland Feeder Project.

Lindborg, Mead, Drill & Pezzillo, LLP

This consultant was retained to provide legal services on Metropolitan's contract with J.F. Shea construction, Inc. and Kenny Construction Company in connection with potential litigation arising out of the construction of Metropolitan's Inland Feeder Project.

Livingston & Mattesich

Metropolitan's agreement with consultant to provide legal services with respect to the Political Reform Act, conflict of interest laws, ethics and related matters was amended during this quarter.

Manatt, Phelps & Phillips, LLP

This consultant's agreement to provide advice regarding water supply and water quality issues was amended during this quarter.

Quateman & Zidell, LLP

Metropolitan retained this consultant to provide legal services related to real property, real estate development, finance, business and corporate legal matters.

Resources Law Group, LLP

This consultant was retained to provide legal services relative to Sacramento Valley-wide water transfer approaches, federal and state Endangered Species Acts and other species protection laws and requirements.

The Udinsky Group

Metropolitan retained this consultant to provide legal services in analyzing and evaluating claims of discrimination raised in *Naylor, et al. v. Metropolitan Water District, et al.*

Claims

1. Between January 1, 2005 and March 31, 2005, Metropolitan initiated, compromised, settled, or otherwise disposed of the following claims:

- a. Litigated Claims By and Against Third Parties

During the past quarter, Metropolitan did not initiate, compromise, settle, or otherwise dispose of any litigated claim by and against third parties.

- b. Workers' Compensation Matters

The workers' compensation claims settled by the Chief Executive Officer and the General Counsel 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 and the General Counsel 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.

- e. Separation Agreements

During this quarter, Metropolitan did not execute any separation agreement.

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
January 1, 2005 – March 31, 2005

Classification	Control No.	Date of Injury	Amount of Settlement	Nature of Injury	Basis for Settlement
Maintenance Mechanic	2000-1212-0348 2001-0212-0474	11/27/00 1/5/01	\$58,523.56	Both upper extremities, hands, wrists, fingers and all other parts of the body indicated in the medical reports.	Compromise and Release, negotiated settlement.
Maintenance Mechanic	2002-0408-0511	2/14/02	\$16,277.50	Right shoulder	Stipulated settlement based on treating physician's report.
Maintenance Mechanic	2002-0710-0015	7/10/02 CT*	\$12,080.00	Lower back	Stipulated settlement based on treating physician's report.
Administrative Assistant	2002-1210-0371	12/10/02	\$52,062.50	Left knee, both shoulders, head, neck, both wrists	Stipulated settlement, negotiated settlement.

* CT= Continuing Trauma

ATTACHMENT B
 Claims Against Metropolitan During the Period of
January 1, 2005 - March 31, 2005

Claimant	Control No.	Amount of Settlement	Incident Description	Basis for Resolution
Ed Heida	2004-1117-0235	\$1,059.56	On 11/3/04, District driver hit and damaged third party auto.	The third party's property damage claim was settled based on evaluation of damages and the salvage value of the vehicle.
Nancy Lam	2004-1123-0251	\$1,475.00	On 9/23/04, a tree branch fell from District property and damaged a third party's fence.	The third party's property damage claim was settled based on evaluation of damages and the repair estimate.
Mathew Wilson	2004-1221-0295	\$16,992.52	On 12/21/04, District driver caused a multi-vehicle accident and damaged third party auto.	The third party's property damage claim was settled based on evaluation of damages and the salvage value of the vehicle.
Gary Lamb	2004-1221-0295	\$2,546.83	On 12/21/04, District driver caused a multi-vehicle accident and damaged third party auto.	The third party's property damage claim was settled based on evaluation of damages and the repair estimate.

ATTACHMENT C
 Invoices Written Off as Uncollectible During the Period of
January 1, 2005 - March 31, 2005

Third Party or Cause	Control No.	Damage Amount	Incident Description	Basis for Write-Off
Damage During Use	2004-0609-0654	\$2,215.55	On 6/8/04, a District driver hit and damaged District vehicle.	The property damage costs were written-off because the damage occurred during the course and scope of employment.
Damage During Use	2003-1124-0324	\$1,658.51	On 11/18/03, a District driver hit and damaged District vehicle.	The property damage costs were written-off because the damage occurred during the course and scope of employment.
Wear and Tear of Equipment	2004-0812-0080	\$772.28	On 8/6/04, a District vehicle 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.
Unidentified Third Party	2004-1004-0166	\$785.00	On 9/27/04, unknown third party hit and damaged District fence.	The property damage costs were written-off because the third party could not be identified.
Damage During Use	2004-0276-0276	\$1,098.21	On 12/8/04, a District driver hit and damaged District vehicle.	The property damage costs were written-off because the damage occurred during the course and scope of employment.
Unidentified Third Party	2004-1101-0206	\$2,300.00	On 11/1/04, unknown third party hit and damaged District fence	The property damage costs were written-off because the third party could not be identified.
Wear and Tear of Equipment	2004-0914-0132	\$874.06	On 8/23/04, a District vehicle 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

ATTACHMENT D
 Costs Collected During the Period of
January 1, 2005 - March 31, 2005

Third Party or Cause	Control No.	Damage Amount	Incident Description	Basis for Costs Collected
WSA	2002-1202-0350	\$1,270.00	On 1/1/03, third party driver hit and damaged District fence	The claim for property damages was paid in full by the third party.
Enterprise Rent a Car	2004-0223-0458	\$1,729.83	On 2/23/04, third party driver hit and damaged District vehicle.	The claim for property damages was paid in full by the third party.
Safeco Insurance Co.	2004-1108-0220	\$3,029.84	On 2/10/05, third party driver hit and damaged District vehicle.	The claim for property damages was paid in full by the third party's insurance carrier.
County of Riverside	2003-0307-0546	\$2,072.16	On 3/7/03, District valve blew and created a geyser which caused damage to roadways.	Metropolitan previously had settled based upon the invoiced amount from the County of Riverside. Subsequently, the County reduced their damage amount and refunded Metropolitan the difference.
Jeanette Myer	2005-0204-0359	\$643.13	On 2/3/05, third party driver hit and damaged District vehicle.	The claim for property damages was paid in full by the third party.
John Fewer	2003-1212-0340	\$477.53	On 12/10/03, third party collided with a District vehicle.	The claim for property damage was negotiated and settled for 50% of the damage amount. Metropolitan collected \$238.76 and wrote off \$238.77.