

- **June 30, 2005 Quarterly Report**

## Summary

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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

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ATTACHMENT A – Workers’ Compensation Matters Resolved During the Period of April 1, 2005 – June 30, 2005

ATTACHMENT B – Claims Against Metropolitan During the Period of April 1, 2005 – June 30, 2005

ATTACHMENT C – Invoices Written Off as Uncollectible During the Period of April 1, 2005 – June 30, 2005

ATTACHMENT D – Costs Collected During the Period of April 1, 2005 – June 30, 2005

## Detailed Report

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### Contracts

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

Atkinson, Andleson, Loya, Ruud & Romo

This consultant was retained to provide legal advice and representation on Hearing Officer Appeals regarding *AFSCME, Local 1902 vs. Metropolitan* on five different filings with a total of seven grievances (Grievance Nos. 0309G058; 0403G051; 0403G053, 0403G054, 0410G151; 0407G127; 0404G078).

A.W. Hutchison, 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.

Best, Best & Krieger, LLP

This consultant was retained to provide legal services relative to the interpretation and application of various federal natural resources and environmental laws as they may affect Metropolitan.

Bingham McCutchen, LLP

Metropolitan retained this consultant to provide legal services on issues and disputes related to DWR's administration of the SWP long-term water supply contracts, in general, and allocation of SWP power costs and revenues, in particular.

Brierley Associates, LLC

This consultant was retained to provide technical expertise, including analysis of claims and potential litigation support relative to the construction of Metropolitan's Inland Feeder Project. This service agreement was amended during this quarter.

Brown, Winfield & Canzoneri, Inc.

Metropolitan retained this consultant to provide legal services in connection with the process of interview, selection and appointment for the position of Chief Executive Officer/General Manager.

Don Becker

This consultant was retained to provide legal services on employee relations, including testimony at Hearing Officer's Appeals, advice and/or representation regarding bargaining unit negotiations and meet and confer issues.

Harkins Cunningham, LLP

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*. This service agreement was amended during this quarter.

Hill, Farrer & Burrill, LLP

This consultant was retained to provide legal advice and representation regarding the protection of Metropolitan's real property interests acquired pursuant to the Boulder Canyon Project Act of 1928.

John Harris & Associates

Metropolitan retained this consultant to provide legal advice to the Interim Executive Officer on personnel matters.

Liebert Cassidy Whitmore

This consultant was retained to provide representation on two different Hearing Officer Appeals regarding *AFSCME, Local 1902 vs. Metropolitan*, Grievance Nos. 0411G163 and 0411G161.

Muys & Associates

This consultant was retained to provide legal advice regarding the Colorado River Compact and Inter-Basin Apportionment Issues.

Nancy Clemm

Metropolitan's agreement for the provision of consulting engineering services regarding the State Water Project operations and policy in support of the Monterey Plus EIR settlement proceedings was amended during this quarter.

Navigant Consulting, Inc.

Metropolitan retained this consultant to provide professional services in the areas of forensic accounting, construction audit and related services relative to claims and potential litigation arising out of the construction of Metropolitan's Inland Feeder Project.

Nishimura & Saunders, LLP

This consultant was retained to provide legal advice, opinion and representation services with respect to the discrimination litigation - Los Angeles Superior Court Case No. BC310915. This service agreement was amended during this quarter.

Nixon Peabody, LLP

Metropolitan retained this consultant to provide bond counsel services and related legal advice.

Pacific Construction Consultants, Inc.

Metropolitan retained this consultant to provide technical expertise, including analysis of claims, potential litigation support, and related services relative to work performed by Griffith Construction Company on Metropolitan's Colorado River Aqueduct Conveyance Rehabilitation.

PACS Engineering

This consultant was retained to provide a feasibility study to document the possibility of obtaining a gross weight increase and a landing weight increase for Metropolitan's re-engined Riley Super Skyrocket aircraft.

Quateman & Zidell, LLP

Metropolitan retained this consultant to provide legal services related to real property, real estate development, finance, business and corporate legal matters. This service agreement was amended during this quarter.

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. This service agreement was amended during this quarter.

Richard J. Proctor

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

## **Claims**

1. Between April 1, 2005 and June 30, 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 initiated, compromised, settled, or otherwise disposed of the following litigated claims by and against third parties:

*McMasters v. Baddgor, et al.*

An automobile accident that occurred on June 7, 2003 close to a construction site on Scott road near Lake Skinner resulted in the death of plaintiff's son who was a passenger. Defendant Baddgor filed a cross-complaint against Metropolitan on grounds of creating a dangerous condition by improperly placing steel plate trench covers that caused the car to leave the roadway. We determined that Metropolitan had nothing to do with the construction at issue and that no Government Code claim was filed. Pursuant to our demand for an immediate dismissal of the cross-complaint against Metropolitan, dismissal was filed in exchange for waiver of costs and fees.

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 agreements.

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.

BLA #3845

**ATTACHMENT A**  
Workers' Compensation Matters Resolved During the Period of  
April 1, 2005 – June 30, 2005

<b>Classification</b>	<b>Control No.</b>	<b>Date of Injury</b>	<b>Amount of Settlement</b>	<b>Nature of Injury</b>	<b>Basis for Settlement</b>
Administrative Analyst	97-0917-0111 99-0324-0468 99-0921-0134 2000-0912-0138 2002-0423-0535 2003-0604-0709	9/17/97 3/3/98 9/20/99 9/12/00 4/4/02 6/3/03	\$117,000.00	Neck, head, hernia, hips, left knee, right knee.	Compromise and Release, negotiated settlement.
Maintenance Mechanic	2000-0105-0299	8/10/99	\$28,560.00	Lower back	Stipulated settlement based on treating physician's report.
Senior Programmer Analyst	1999-0823-0084	8/18/99	\$18,317.50	Lower back	Stipulated settlement based on treating physician's report.
Maintenance Mechanic	1997-1110-0200	11/10/97	\$60,222.50	Low back	Stipulated settlement based on treating physician's report.
Maintenance Mechanic	2000-0229-0397	1/31/00	\$41,650.00	Back, left and right knees	Stipulated settlement based on Agreed Medical Evaluator's report.
Engineering Technician	1998-0513-0516	5/8/98	\$4,795.00	Right shoulder	Stipulated settlement based on defense Qualified Medical Evaluator's report.
Administrative Secretary	2001-0306-0520 2001-1127-0255	3/6/01 11/27/01	\$35,700.00	Low back	Stipulated settlement based on Agreed Medical Evaluator's report.
Maintenance Mechanic	2004-0309-0486	3/9/04	\$11,050.00	Low back	Stipulated settlement based on treating physician's report.
Engineering Technician	92-1214-0240 94-0606-0511 99-0920-0130 94-0222-0368	12/14/92 5/23/94 9/14/99 2/17/94	\$100,000.00	Entire spine, both upper and lower extremities, urology, both wrists and all other body parts indicated in the medical reports.	Compromise and Release, negotiated settlement.

**ATTACHMENT B**  
 Claims Against Metropolitan During the Period of  
April 1, 2005 – June 30, 2005

<b>Claimant</b>	<b>Control No.</b>	<b>Amount of Settlement</b>	<b>Incident Description</b>	<b>Basis for Resolution</b>
Richard Davis	2005-0329-0472	\$755.43	On 3/29/05, District driver backed into third party's vehicle.	The third party's property damage claim was settled based on evaluation of damages and repair estimate.

**ATTACHMENT C**  
 Invoices Written Off as Uncollectible During the Period of  
April 1, 2005 – June 30, 2005

<b>Third Party or Cause</b>	<b>Control No.</b>	<b>Project No.</b>	<b>Damage Amount</b>	<b>Incident Description</b>	<b>Basis for Write-Off</b>
Damage During Use	2004-1122-0244	760911	\$1,006	On 11/22/04, a District driver hit and damaged the District vehicle.	The property damage costs were written-off because the damage occurred during the course and scope of employment.
Unidentified Third Party	2004-1110-0226	760905	\$1,137.71	On 11/8/04, unknown third party hit and damaged District meter cabinet	The property damage costs were written-off because the third party could not be identified.
Unidentified Third Party	2005-0210-0368	760941	\$569.12	On 1/27/05, unknown third party hit and damaged District vehicle	The property damage costs were written-off because the third party could not be identified.
Unidentified Third Party	2004-0504-0594	760826	\$929.81	On 5/3/04, unknown third party hit and damaged District vehicle	The property damage costs were written-off because the third party could not be identified.

**ATTACHMENT D**  
 Costs Collected During the Period of  
April 1, 2005 - June 30, 2005

<b>Third Party or Cause</b>	<b>Control No.</b>	<b>Damage Amount</b>	<b>Incident Description</b>	<b>Basis for Costs Collected</b>
Mercury Insurance group	2004-1129-0254	\$2,836.03	On 11/26/04, third party rear-ended District vehicle.	The claim for property damages was paid in full by the third party's insurance carrier.
State Farm Mutual Automobile Insurance Company	2004-0426-0576	\$1,482.82	On 4/26/04, third party rear-ended District vehicle.	The claim for property damages was paid in full by the third party's insurance carrier.