

• September 30, 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 July 1, 2005 – September 30, 2005

ATTACHMENT B – Claims Against Metropolitan During the Period of July 1, 2005 – September 30, 2005

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

ATTACHMENT D – Costs Collected During the Period of July 1, 2005 – September 30, 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:

Albright, Yee & Schmit, LLP

Metropolitan retained this consultant to provide legal advice and representation with respect to a harassment claim brought by a Metropolitan employee. This service agreement was amended during this quarter.

Atkinson, Andelson, Loya, Ruud & Romo

This consultant was retained to provide legal advice and representation with respect to legal issues dealing with labor law and employee relation matters.

Avila & Putnam

Metropolitan retained this consultant to provide legal advice and representation in connection with litigation involving Metropolitan’s West Valley Feeder No. 1 and adjacent properties.

Brown, Winfield & Canzoneri, Inc.

This consultant was retained to provide legal services with respect to governance issues (including Brown Act, Public Records Act and Political Reforms Act), public works matters, contracts, and related matters.

Ellison, Schneider & Harris, LLP

Metropolitan retained this consultant to provide legal services with respect to water rights and SWRCB matters.

Gibbs, Giden, Lochner & Turner, LLP

This consultant was retained to provide mediation services regarding the implementation of Metropolitan’s Contract No. 1542 for construction of the Arrowhead East and Arrowhead West Tunnel portions of Metropolitan’s Inland Feeder Project.

Jeffer, Mangels, Butler & Marmaro, LLP

Metropolitan retained this consultant to provide legal advice, assistance and representation with respect to discrimination litigation - Los Angeles Superior Court Case No. BC310915.

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John Harris & Associates

This consultant was retained to provide legal advice to the then Interim Executive Officer on personnel matters. This service agreement was amended during this quarter.

Liebert Cassidy Whitmore

Metropolitan retained this consultant to provide representation on three different Hearing Officer Appeals regarding *AFSCME, Local 1902 vs. Metropolitan*, Grievance Nos. 0501G003; 0410G149; and 0411G164, 0412G176, 0501G001, and 0502G011. Consultant was also retained to provide similar legal services in the matter of *AFSCME Local 1902 v. Metropolitan Water District* pertaining to Unfair Practice Charge No. LA-CE-238-M.

Navigant Consulting, Inc.

This consultant was retained 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 Arrowhead East and Arrowhead West Tunnels of the Inland Feeder Project.

Nishimura & Saunders, LLP

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

PACS Engineering

Metropolitan retained this consultant 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. This service agreement was amended during this quarter.

Parsons, Behle & Latimer

This consultant was retained to provide legal advice and representation in connection with *Consejo de Desarrollo Economico de Mexicali, A.C., et al. v. United States of America, et al.*, Case No. CV-S-05-0870-KJD-PAL. This case is an environmental law challenge to the All-American Canal Lining Project.

Peter P. Aberle, Inc.

Metropolitan retained this consultant to provide technical expertise regarding drilling and grouting methods and procedures, including analysis of claims, potential litigation support, and related services relative to the construction of the Arrowhead Tunnels of Metropolitan's Inland Feeder Project.

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.

Toxics Assessment Group

Metropolitan retained this consultant to provide technical and research assistance regarding water quality investigation and cleanup issues. This service agreement was amended during this quarter.

Claims

1. Between July 1, 2005 and September 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:

Bennett v. Metropolitan Water District

Plaintiffs filed suit against Metropolitan claiming that a large ventilation stack on the Lower Feeder, approximately one-half mile from their home, was producing noises, particularly at night, which interfered with the quiet enjoyment of their home. Metropolitan hired a noise expert to measure

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sound emanations from the standpipe at various locations, including Plaintiffs' home. The results demonstrated that any noise produced was well within acceptable community standards, including those adopted by the County of Riverside. This report was shared with Plaintiffs' counsel and settlement ensued. Plaintiffs have agreed to accept the sum of \$5,000 to settle this action.

Gibson Group Trust Claim

The Gibson Group Trust (Trust) brought a claim against Metropolitan and others for contribution to the cleanup of a hazardous waste storage and disposal facility located near Bakersfield, California. The California Department of Toxic Substances Control (DTSC) ordered cleanup of the site in 1999 after the company operating the facility went bankrupt. Records indicate that Metropolitan sent contaminated soil and liquids to the site for disposal between October 1989 and March 1993. Under state and federal statutes all parties sending waste to a site for disposal are potentially liable for the cost of investigation and remediation.

The Chief Executive Officer and the General Counsel have approved payment in the amount of \$66,580 to settle a claim brought by the Trust. The payment amount is based on an allocation formula. Under the settlement agreement Metropolitan receives a release of liability for past and future cleanup costs and an agreement from the Trust and its individual members to indemnify Metropolitan from and against all claims arising from its disposal of waste at the site. Excluded from the settlement offer are potential claims and liabilities for natural resource damages, third party claims for personal injury or property damage, claims of criminal liability, and claims related to waste volumes exceeding those set forth in the settlement proposal.

Blake Fan v. Metropolitan

On January 13, 2003, a Metropolitan truck struck plaintiff Blake Fan, then 14 years old, while he was riding his bicycle. Plaintiff brought a civil action in the Superior Court of California, County of Los Angeles, Eastern District against the driver and Metropolitan for unspecified amount of damages. According to Plaintiff's neurologist, his injury consisted of cerebral concussion associated with prolonged orthograde amnesia, post-concussive syndrome characterized by impaired memory and altered behavior, post-traumatic headaches, and chronic neck strain. Other medical examiners also concluded that Plaintiff's "current symptomatology is highly consistent with functional weakness caused by a concussion to the brain."

The case went to mediation wherein Plaintiff submitted a written demand to settle for \$250,000. After further negotiation, Plaintiff accepted Metropolitan's counter-offer of \$95,000 and settled the case.

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

Metropolitan did not execute any separation agreements during this period.

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 #3953

ATTACHMENT A
Workers' Compensation Matters Resolved During the Period of
July 1, 2005 – September 30, 2005

Classification	Control No.	Date of Injury	Amount of Settlement	Nature of Injury	Basis for Settlement
Senior Administrative Analyst	2000-1004-0195 2001-0712-0018 2001-1221-0313	9/4/00 3/1/01 11/20/01	\$90,000.00	Neck, both upper extremities, entire spine, both hands, both wrists, both elbows, both shoulders	Compromise and Release, negotiated settlement
Laboratory Assistant	92-1028-0180 95-0525-0458 98-0112-0301 2000-0412-0464 2002-0924-0190	10/28/92 5/23/95 10/23/97 3/22/00 12/6/01	\$50,000.00	Right upper extremity, neck, back, shoulders, wrists, hands, gastrointestinal, headaches and lower extremities	Compromise and Release, negotiated settlement
Assistant Environmental Specialist	2003-1023-0262	10/23/02	\$0.00	Spine	Stipulated settlement based on treating physician's report
Maintenance Mechanic	2002-0821-0106	8/12/02	\$75,000.00	Both knees	Compromise and Release, negotiated settlement
Maintenance Mechanic	2002-0207-0399	2/7/02	\$75,000.00	Both arms, wrists, hands, elbows and shoulders	Compromise and Release, negotiated settlement
Maintenance Mechanic	1995-0926-0130 2001-0122-0419 2004-0317-0502	7/28/94 12/18/00 12/31/03	\$50,000.00	Spine, both upper and lower extremities, cardiovascular and gastrointestinal, both shoulders	Compromise and Release, negotiated settlement
Maintenance Mechanic	1995-1018-1069	10/17/95	\$40,754.00	Low back	Stipulated settlement based on treating physician's report

ATTACHMENT B
Claims Against Metropolitan During the Period of
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Claimant	Control No.	Amount of Settlement	Incident Description	Basis for Resolution
Muthu Arumugham	2005-0126-0337	\$2,327.02	On 1/26/05, District driver hit and damaged third party auto.	The third party's property damage claim was settled based on evaluation of damages and repair estimate.
Odilon Alvarez-Mendoza	2005-0225-0386	\$970.25	On 2/24/05, District driver made an unsafe lane change, hit and damaged third party auto.	The third party's property damage claim was settled based on evaluation of damages and repair estimate.
Olga Kaczmar	2004-1020-0191	\$2,840.00	On 10/20/04, a tree fell from District property, struck and damaged a third party's fence.	The third party's property damage claim was settled based on evaluation of damages and repair estimate.
Obed Magdaleno Gonzalez	2005-0209-0364	\$1,994.40	On 2/8/05, District vehicle changed lanes into a third party auto causing damage.	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
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Third Party or Cause	Control No.	Project No.	Damage Amount	Incident Description	Basis for Write-Off	Date Written Off
Unidentified Third Party	2005-0608-0605	760990	\$2,369.87	On 6/1/05, an unknown third party driver merged in front of a District chlorine tanker. The District driver swerved and two tires blew out causing damage.	The property damage costs were written off because the third party could not be identified.	8/16/05
Damage During Use	2005-0307-0409	760951	\$1,465.09	On 3/4/05, a District driver struck and damaged a third party vehicle.	The property damage costs were written off because the damage occurred during the course and scope of employment.	8/16/05
Act of Nature	2005-0303-0405	760950	\$22,748.75	On 3/3/05, a third party reported that District road was washed out due to heavy rainfall.	The property damage costs were written off because the damage occurred due to an act of nature.	8/16/05
Jeanette Meyer	2005-0204-0359	760936	\$111.94	On 2/3/05, a third party driver struck and damaged District vehicle.	Metropolitan negotiated with the third party and collected \$643.13, (Quarterly Report 3/05). Additional costs were accrued after the release was signed and the uncollected balance of \$111.94 was written off.	8/16/05
Unidentified Third Party	2005-0126-0339	760932	\$322.26	On 1/25/05, an unidentified third party driver struck and damaged the Etiwanda Air Vent Station No. 340+01.	The property damage costs were written off because the third party could not be identified.	8/16/05
Damage During Use	2005-0124-0333	760929	\$1,843.80	On 1/20/05, a District driver struck and damaged the base of a light pole.	The property damage costs were written off because the damage occurred during the course and scope of employment.	8/16/05

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Third Party or Cause	Control No.	Project No.	Damage Amount	Incident Description	Basis for Write-Off	Date Written Off
Damage During Use	2004-0506-0599	760829	\$281.62	On 5/6/04, a District driver backed out of a parking space and struck a third party vehicle.	The property damage costs were written off because the damage occurred during the course and scope of employment.	8/16/05
Perman Mohajer	2004-0120-0393	760672	\$814.97	On 1/17/04, a third party driver struck and damaged the rear of a District vehicle.	The property damage costs were written off because the third party could not be located.	8/16/05
Nancy Sanders c/o Automobile Club	2003-0711-0027	760627	\$349.86	On 7/10/03, a third party driver struck and damaged the side of a District vehicle.	Metropolitan collected the full payment of \$2,540.77 from the third party (noted in Quarterly Report 12/04). Additional costs were accrued after the release was signed and the uncollected balance of \$349.86 was written off.	8/16/05
Sangita Shah	1998-0824-0091	760332	\$4,139.99	On 8/24/98, a third party driver struck and damaged a District vehicle.	The property damage costs were written off because the third party could not be located.	8/16/05
Damage During Use	2005-0503-0528	760977	\$719.55	On 5/2/04, a District driver misjudged distance and damaged District vehicle.	The property damage costs were written off because the damage occurred during the course and scope of employment.	9/7/05
Damage During Use	2005-0310-0426	760954	\$1,000	On 3/7/05, a District driver backed into a parking post and damaged District vehicle.	The property damage costs were written off because the damage occurred during the course and scope of employment.	9/7/05

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Third Party or Cause	Control No.	Project No.	Damage Amount	Incident Description	Basis for Write-Off	Date Written Off
Act of Nature	2005-0203-0358	760935	\$841.61	On 2/3/05, strong winds hyper extended the driver's side door causing damages to District vehicle.	The property damage costs were written off because the damage occurred due to an act of nature.	9/7/05
Unidentified Third Party	2004-1019-0190	760895	\$2,341.26	On 10/17/04, an unknown third party driver struck and damaged District fence.	The property damage costs were written off because the third party could not be identified.	9/7/05
Damage During Use	2004-0922-0146	760883	\$528.03	On 9/21/04, a District driver misjudged distance and damaged District vehicle.	The property damage costs were written off because the damage occurred during the course and scope of employment.	9/7/05
Damage During Use	2005-0309-0422	760953	\$774.78	On 3/8/05, a District driver did not remove gas pump hose from District vehicle and caused damages to vehicle.	The property damage costs were written off because the damage occurred during the course and scope of employment.	9/7/05
Damage During Use	2004-0902-0120	760871	\$806.31	On 9/1/04, a District driver hit and damaged third party vehicle.	The property damage costs were written off because the damage occurred during the course and scope of employment.	9/7/05
Damage During Use	2004-0820-0114	760875	\$1,935.14	On 8/30/04, a District driver struck a caution pole and damaged District vehicle.	The property damage costs were written off because the damage occurred during the course and scope of employment.	9/7/05
Karen McPheeters	2004-0107-0376	760687	\$1,360	On 1/5/04, a third party vehicle hit and damaged District bollards.	The property damage costs were written-off because the third party could not be located.	9/7/05

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Third Party or Cause	Control No.	Project No.	Damage Amount	Incident Description	Basis for Write-Off	Date Written Off
Mary Gutierrez and Michael Anthony Bejarra	2003-1223-0360	N.A.	\$1,400	On 12/23/03 third party vehicle hit District vehicle head on.	The property damage costs were written-off because the third party could not be located.	9/7/05
Damage During Use	2003-1212-0342	760716	\$1,802.70	On 8/25/03, a District driver damaged District boom truck tires.	The property damage costs were written-off because the damage occurred during the course and scope of employment.	9/7/05
Pasqual Marin and Salvador Ochoa	1990-0329-0168	N.A.	\$26,853.93	On 10/29/93, third party lost control of vehicle and damaged District water meters, steel poles and vent pipes.	The property damage costs were written-off because the third party could not be located	9/7/05

ATTACHMENT D
Costs Collected During the Period of
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Third Party or Cause	Control No.	Damage Amount	Incident Description	Basis for Costs Collected
Reliant General	2005-0412-0494	\$1,866.87	On 4/12/05, third party rear-ended District vehicle.	The initial claim for property damage was paid in full by the third party's insurance carrier.
Alliant Food Service Inc.	2005-0422-0511	\$2,227.66	On 4/22/05, third party rear-ended District vehicle.	The claim for property damage was paid in full by the third party's insurance carrier.
Enterprise Rent-A-Car Company	2004-0223-0458	\$1,801.81	On 2/23/04, third party struck District vehicle.	Metropolitan negotiated a recovery of \$1,729.83 from the third party insurance carrier. The uncollected balance of \$71.98 was written off.
Jesse Padilla	1990-0329-0168	\$1,174.29	On 9/17/90, third party rear-ended a District vehicle.	Metropolitan collected payments from the third party amounting to \$848.42. The uncollected balance of \$325.87 was written off.