



## ● June 30, 2009 Quarterly Report

### Summary

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This is the quarterly report to the Legal and Human Resources Committee on the exercise of powers delegated to the General Manager and the General Counsel by Administrative Code Sections 6431, 6433 and 6434. In addition, the General Counsel reports to the Legal and Human Resources Committee on the exercise of power delegated to her by Section 6431.

### Attachments

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- ATTACHMENT A: Workers' Compensation Matters Resolved During the Period April 1, 2009-June 30, 2009.
- ATTACHMENT B: Claims Against Metropolitan During the Period April 1, 2009-June 30, 2009.
- ATTACHMENT C: Costs Collected During the Period April 1, 2009-June 30, 2009 - None.
- ATTACHMENT D: Property Damage Written Off as Uncollectible During the Period April 1, 2009-June 30, 2009 - None.
- ATTACHMENT E: Accounts Receivable Written Off as Uncollectible During the Period April 1, 2009-June 30, 2009.

### Detailed Report

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#### Contracts

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

#### Special Bond Counsel

Metropolitan retained the following Special Bond Counsel to provide legal advice, opinions and representation with respect to (a) financing or refinancing projects, (b) proposed federal or state regulations, actions or policies, (c) documents related to security instruments, derivative product programs, investment agreement, (d) legality and tax status of securities, (e) litigation or administrative proceedings on financing matters, (f) matters affected or governed by Internal Revenue Code and other tax laws and regulations, and (g) other financial and tax matters:

1. Law Offices of Alexis S. M. Chiu,
2. Curls Bartling, P.C.,
3. Fulbright & Jaworski LLP,
4. Hawkins Delafield & Wood LLP,
5. Law Offices of Elizabeth C. Green,
6. Nixon Peabody, LLP,
7. Orrick, Herrington & Sutcliffe LLP,
8. Quateman LLP,
9. Sidley Austin LLP, and
10. Squire, Sanders & Dempsey LLP.

#### CP Document Technologies

Metropolitan retained this consultant to provide litigation support services for the litigation entitled *Metropolitan Water District of Southern California v. Campus Crusade for Christ*.

DocuTech Services, LLC

Metropolitan retained this consultant to provide litigation support services for the litigation entitled *Orange County Water District v. Northrop Corporation* and related cross claims.

GeoPentech, Inc.

Metropolitan retained this consultant to provide (1) expert testimony and litigation support services for the litigation entitled *Orange County Water District v. Northrop Corporation* and related cross claims, and (2) analysis of surface and groundwater flows related to certain real property and claim/litigation support services in connection with alleged property damage claims from the construction of Metropolitan's Perris Valley Pipeline North Reach Project.

Kinaga Porcaro, LLP

Metropolitan retained this consultant to investigate and provide recommendations on complaints lodged with Metropolitan's Equal Employment Opportunity Officer.

Mason & Mason

Metropolitan retained this consultant to (1) appraise permanent easements and provide claim/litigation support services in connection with a potential eminent domain action to acquire the permanent easements for Metropolitan's Perris Valley Pipeline North Reach Project, (2) appraise permanent easements and provide claim/litigation support services in connection with a potential eminent domain action to acquire the permanent easements for Metropolitan's Perris Valley Pipeline South Reach Project, and (3) appraise property damage claims related to certain real property and provide claim/litigation support services in connection with alleged property damage claims from the construction of Metropolitan's Perris Valley Pipeline North Reach Project.

Precision Blasting Services, Inc.

Metropolitan retained this consultant to provide claims evaluation, expert opinion, testimony, and claim/litigation support services relating to the construction of Metropolitan's Perris Valley Pipeline North Project. The service agreement was amended during this quarter.

Yasinski & Jones (formerly Williams, Yasinski & Jones)

Metropolitan retained this consultant to conduct neutral impartial investigations of allegations of harassment, discrimination or retaliation arising in the workplace. The service agreement was amended during this quarter.

**Claims**

1. Between April 1, 2009 and June 30, 2009, Metropolitan initiated, compromised, settled, or otherwise disposed of the following claims:

- a. Litigated Claims By and Against Third Parties

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

- Cal/OSHA Settlement

- On April 14, 2009, Metropolitan settled two pending Cal/OSHA citations relating to the injury of a Metropolitan employee on the San Diego 5 Shutdown in 2007. The injury occurred when one panel of a wooden form used to construct a concrete pipeline stabilization structure fell on the employee as it was being removed. The first citation alleged that the form panel was not securely anchored to prevent it from falling or collapsing and proposed an \$18,000 penalty. The second citation alleged a lack of lifting attachments on the form panels as required by Cal/OSHA regulations and proposed a \$3,600 penalty. As part of the settlement, Metropolitan agreed,

without admitting liability, to the proposed penalty amount for Citation 1. Cal/OSHA agreed to withdraw Citation 2 and the proposed penalty. (The settlement of the employee's workers' compensation claim was reported in the March 31, 2009 Quarterly Report.)

Notice of Violation – Soto Street Facility

Metropolitan received a Notice of Violation (NOV) from the South Coast Air Quality Management District (SCAQMD) related to Metropolitan's Soto Street Facility, located in Los Angeles. The NOV alleged violation of Metropolitan's Permit to Construct/Operate, for failure to conduct leak rate and cracking pressure tests of pressure/vacuum relief valves at least once every three years and failure to provide record of test at the time of request. Under SCAQMD's penalty authority, the maximum allowable daily civil penalty is \$1,000.

Metropolitan accepted a settlement offer of \$1,255 in January 2009. The settlement releases Metropolitan from civil penalties and does not constitute an admission of violative conduct in any administrative or judicial proceeding.

Notice of Violation – Diemer West Washwater Tank Refurbishment Project

Metropolitan received an NOV from the SCAQMD related to a Metropolitan contractor's unpermitted operation of a compressor under a contract for the West Washwater Tank Refurbishment Project at the Diemer Water Treatment Plant, located in Yorba Linda. The NOV alleged violation of SCAQMD Rule 203(a), "Operation of combustion engine greater than 50 horsepower without a permit to operate." Under SCAQMD's penalty authority, the maximum allowable daily civil penalty is \$1,000.

Metropolitan accepted a settlement offer of \$750 in June 2009. The settlement releases Metropolitan from civil penalties and does not constitute an admission of violative conduct in any administrative or judicial proceeding.

b. Workers' Compensation Matters

The workers' compensation claims settled by the General Manager and the General Counsel within this past quarter are reported in Attachment A.

c. Other Claims By and Against Third Parties

Non-litigated third party claims settled by the General Manager and the General Counsel within this past quarter are reported in Attachment B.

d. SB 90 Claims

Metropolitan did not submit any SB 90 claims for reimbursement for state-mandated costs within this past quarter.

e. Separation Agreements

Metropolitan did not execute any separation agreements within this past quarter.

2. There were no costs collected for claims within this past quarter.

3. There were no property damage claims declared uncollectible by the General Manager within this past quarter.

4. Accounts receivable written off as uncollectible by the General Manager within the past quarter are reported in Attachment E.

BLA # 6791

**ATTACHMENT A**  
Workers' Compensation Matters Resolved During the Period  
April 1, 2009-June 30, 2009

<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>
Laboratory Technologist I	2007-0517-0671	5/17/07	\$0	Right hand	Stipulated settlement (providing future medical treatment only) based on Qualified Medical Evaluator's report.
Team Manager IV	2007-0906-0162	8/14/07	\$7,877.50	Left upper shoulder	Stipulated settlement based on treating physician's report.
Apprenticeship Instructor II	2008-0408-0653	3/17/08	\$690.00	Right knee	Stipulated settlement based on treating physician's report.
General Maintenance Assistant	2008-0902-0165	8/27/09	\$1,380.00	Left knee	Stipulated settlement based on treating physician's report.
Team Manager I	2004-0901-0119	9/1/04	\$30,000.00	Neck, back, shoulder, upper extremities, nervous system	Compromise and release, negotiated settlement of all claims, all issues.

**ATTACHMENT B**  
 Claims Against Metropolitan During the Period  
April 1, 2009-June 30, 2009

<b>Claimant</b>	<b>Control No. CW No.</b>	<b>Amount of Settlement</b>	<b>Incident Description</b>	<b>Basis for Resolution</b>
D. Raffaele	2008-0516-0772 CW 1476473	\$28,000	Metropolitan driver in boom truck merging onto highway collided with motorcyclist.	The third party bodily injury claim was settled based upon a review of the collision impact, severity of injuries, treatment costs and duration.
M. Smith	2008-1126-0364 CW 1494545	\$85	Employee opened Metropolitan vehicle door in heavy wind and door struck third party parked vehicle.	The property damage claim was settled based on a review of the damage and repair costs.
A. Maldonado	2008-0716-0046 CW 1481576	\$5,500	Metropolitan driver backed District vehicle into third party vehicle.	The third party bodily injury claim was settled based upon a review of the collision impact, damages, severity of injuries, treatment costs and duration.

**ATTACHMENT E**  
 Accounts Receivable Written Off as Uncollectible During the Period of  
April 1, 2009–June 30, 2009

<b>Invoice Date</b>	<b>Invoice Number</b>	<b>Customer Name</b>	<b>Amount Written off</b>	<b>Brief Description</b>	<b>Basis for Write-Off</b>	<b>Date Written Off</b>
7/9/08	35457	Dominquez Technology Centre	\$21,214.85	Invoice for remaining balance of non-reimbursed cost owed to MWD on Project 701470 – Victoria Street Lateral Service connections, WD-35 and LB-4, Facilities Modification and manhole adjustment.	Accounts Receivable and Sr. Deputy General Counsel have exhausted all collection efforts; Sr. Deputy General Counsel recommends it be written off based on the amount.	04/13/2009