

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

LEGAL AND CLAIMS COMMITTEE

September 13, 2011

Chair Wunderlich called the meeting to order at 8:31 a.m. in Committee Room 2-145 at Metropolitan's Headquarters.

Members present: Chair Wunderlich, Vice Chair Quiñonez
Directors Ackerman, Ballin, Dick, Edwards, Fleming, Griset, Hawkins,
Heidel, Record and Steiner

Member absent: Director Camacho

Other Board Members present: Directors Barbre, Blake, Brick, Brown, Foley, Friedman,
Grandsen, Lewinger, Little, J. Murray, Peterson and Wright

Staff present: Scully, Bennion, DeBacker, Gagar-Downing, G. Johnson, Kightlinger, Man,
Mares, Masouredis, Miyashiro, Patterson, Riss, Roberts, J. Sanchez, Schlang,
Upadhyay, Von Haam and Waade

**1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE
COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION**

None

**2. APPROVAL OF THE MINUTES OF THE LEGAL AND CLAIMS COMMITTEE
MEETING HELD ON AUGUST 16, 2011**

Approved

Motion: Steiner

Seconded: Edwards

3. CONSENT CALENDAR ITEMS -- ACTION

**7-4 Subject: Approve amendments to the Metropolitan Water District
Administrative Code to conform to current laws and
practices and make corrections**

Presented by: Assistant General Counsel Sydney Bennion

Assistant General Counsel Sydney Bennion briefly stated the purpose of Item 7-4 is to make corrections to the

Administrative Code to ensure it conforms to current Metropolitan practices and policies. She explained the impetus for the action is staff's periodic reports to the Board. The letter consolidates those reports and lists them in the periodic reports section of the Administrative Code for ease of tracking. An example of a proposed amendment is the Board's decision of moving from an annual budget to a biennial budget. The proposed amendment now contains revised language which reflects that change in the budget process.

The Committee voted to approve amendments to the Metropolitan Water District Administrative Code to conform to current laws and practices and make corrections.

Motion Carried: Moved: Edwards Seconded: Hawkins

4. OTHER BOARD ITEMS -- ACTION

8-4 Subject: **Report on *San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-10-510830*; and authorize an increase in the maximum amount payable under contract with Bingham McCutchen for legal services by \$600,000 to an amount not to exceed \$1,400,000. (Closed Session)**

Presented by: Chief Deputy General Counsel James Roberts

Closed Session: Directors Heidel, Lewinger and Steiner, representing the San Diego County Water Authority, withdrew from the meeting for this item.

In closed session the Committee heard a report on Item 8-4. In open session the Committee voted to adopt the CEQA determination and authorize the General Counsel to amend the contract for legal services with Bingham McCutchen LLP to increase the maximum amount payable from \$600,000 to an amount not to exceed \$1,400,000 in the *San Diego County Water Authority v. Metropolitan Water District of Southern California* litigation.

Motion Carried: Moved: Edwards Seconded: Fleming
Abstained: Chair Wunderlich, Directors Heidel and Steiner

matter will be settled by the end of the year and Metropolitan will be dismissed from this case.

In the *Orange County Water District v. Northrop* case, Northrop has set up a database compiling all the documents in the lawsuit. The various parties are sharing the cost and Metropolitan's share will be approximately \$25,000.

Ms. Scully reported to the Committee that the Legal Department was experiencing a significant amount of difficulty downloading, reviewing, storing and searching large sets of documents with respect to the various lawsuits in which Metropolitan is engaged. She stated that Legal staff will be working jointly with IT staff to try and resolve these issues and would keep the Committee apprised.

b. Subject: Selection Process for General Counsel

Presented by: Chair Wunderlich

All legal staff left the committee room during this discussion.

Chair Wunderlich began the discussion on the selection process for General Counsel by presenting a few options: (1) appoint a new General Counsel without a formal search; (2) retain a search firm, which he estimated the cost to be between \$60,000 to \$80,000; and (3) conduct a search internally using Metropolitan's Human Resources Department, with the assistance of outside counsel to perform conflicts checks at an estimated cost of \$20,000 to \$25,000. A lengthy discussion among the directors took place. It was decided to schedule a Special Legal and Claims Committee meeting in two weeks; to schedule a Special Board meeting also at that time to allow the full Board to vote on any recommendation the Committee made; and to distribute materials in advance of that meeting;

6c Subject: **Report on San Luis & Delta-Mendota Water Authority, et al. v. Salazar, et al., USDC Case No. 1:09-CV-407 OWW GSA, and consolidated cases; San Luis & Delta Mendota Authority, et al. v. Locke, et al., USDC Case No. 1:09-CV-1053 OWW DLB, and consolidated cases; Watershed Enforcers v. California Dept. of Water Resources, et al., Alameda County Superior Court No. RG06292124; State Water Contractors v. California Dept. of Fish & Game, et al., Sacramento County Superior Court Case No. 34-2009-80000203; Central Delta Water Agency v. California Dept. of Water Resources, et al., Sacramento County Superior Court Case No. 34-2009-80000269. (Closed Session)**

Presented by: Chief Deputy General Counsel Linus Masouredis

Closed Session: In closed session the Committee heard a report on Item 6c. No action was taken.

7. FOLLOW-UP ITEMS

None

8. FUTURE AGENDA ITEMS

None

Next regular meeting will be held on October 11, 2011.

Meeting adjourned at 10:12 a.m.

Robert Wunderlich
Chair