



● September 30, 2011 Quarterly Report

Summary

This is the quarterly report to the Legal and Claims 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 Claims Committee on the exercise of power delegated to her by Section 6431.

Attachments

ATTACHMENT A:	Workers' Compensation Matters Resolved During the Period July 1, 2011 - September 30, 2011.
ATTACHMENT B:	Claims Against Metropolitan During the Period July 1, 2011 - September 30, 2011.
ATTACHMENT C:	Costs Collected During the Period July 1, 2011 - September 30, 2011.
ATTACHMENT D:	Amendment to Property Damage Written Off as Uncollectible During the Period January 1, 2010 - March 31, 2010. Amendment Reported During this Period July 1, 2011 - September 30, 2011.
ATTACHMENT E:	Accounts Receivable Written Off as Uncollectible During the Period July 1, 2011 - September 30, 2011.

Detailed Report

Contracts

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

Bergman & Dacey, Inc.

Metropolitan retained this consultant to conduct an administrative investigation regarding allegations of employee misconduct.

Bergman & Dacey, Inc.

Metropolitan retained this consultant to investigate and provide recommendations on complaints lodged by an employee with Metropolitan's Equal Employment Opportunity Unit.

Law Offices of Charles S. Limandri, a Professional Corporation

Metropolitan retained the services of special counsel to provide legal advice and representation regarding insurance coverage related to the litigation entitled, *Village Retail LLC, et al. v. Metropolitan Water District, et al.*, Los Angeles Superior Court Case No. BC 439334.

DTDE, Inc. dba Discovery Document Reproduction Services

This agreement was amended this quarter to reflect increase in maximum amount payable.

Ellison, Schneider & Harris L.L.P.

This agreement was amended this quarter to reflect increase in maximum amount payable.

Board Report (September 30, 2011 Quarterly Report)

Glenn Lukos Associates, Inc.

Metropolitan retained this consultant to provide wetland permitting assistance on an as-needed basis in support of the Lower Yolo Restoration Project.

Kinaga Law Firm

Metropolitan retained this consultant to assist the Legal Department in conducting an administrative investigation concerning an anonymous letter which contains allegations of managerial misconduct.

Hunt Ortmann Palffy Nieves Lubka Darling & Mah, Inc.

Metropolitan retained the services of special counsel to review and comment on draft contractor debarment rules for inclusion in Metropolitan's Administrative Code.

Hunt Ortmann Palffy Nieves Lubka Darling & Mah, Inc.

Metropolitan retained the services of special counsel to perform the following services: an independent review of applicable law and construction and design agreements and other documents related to the design and construction of Metropolitan's Union Station headquarters facility; participate in related meetings; prepare written legal analysis and opinions; and, perform other related legal services as requested.

Meyers, Nave, Riback, Silver & Wilson

Metropolitan retained the services of special counsel to provide legal representation and consultation with respect to lawsuit entitled, *Orange County Water District v. Northrop Corporation et al.*, Orange County Superior Court Case no. 04CC00715, and its associated cases, actions and claims.

Polsinelli Shughart LLP formerly known as Quateman LLP

This agreement was amended this quarter to reflect special bond counsel's name change.

Public Financial Management, Inc.

Metropolitan retained this consultant to assist in preparing evidence and testimony related to Metropolitan's rate structure and the agreement terms between Metropolitan and the San Luis Rey Indian Water Authority.

Public Interest Investigations, Inc.

Metropolitan retained this consultant to conduct an administrative investigation regarding allegations of employee misconduct.

Public Interest Investigations, Inc.

Metropolitan retained this consultant to conduct an administrative investigation concerning allegations stated in employee letter dated 6/23/11.

Shaw Environmental and Infrastructure, Inc.

This agreement was amended this quarter to reflect increase in maximum amount payable and change in Metropolitan's Agreement Administrator.

Yasinski & Jones, LLP

Metropolitan retained this consultant to investigate and provide recommendations on charges of discrimination filed by a Metropolitan employee with the Equal Employment Opportunity Commission.

Board Report (September 30, 2011 Quarterly Report)

Claims

1. Between July 1, 2011 - September 30, 2011, Metropolitan initiated, compromised, settled, or otherwise disposed of the following claims:

- a. Litigated Claims By and Against Third Parties

Within this past quarter, Metropolitan entered into a settlement of a charge of discrimination filed by an employee with the federal Equal Employment Opportunity Commission. The settlement agreement with the employee included a voluntary resignation provision and a general release of claims, in exchange for a paid administrative leave and other consideration.

Over several days in April 2011, parties worked with a mediator and reached an agreement to complete the project and resolve the dispute arising from the lawsuit entitled, *J-Line Co.(dba American-Marsh pumps) v. Metropolitan*, United States District Court Western District of Tennessee Case No. 2:10-cv-02605-tmp. The parties executed the settlement agreement in July 2011, and the court dismissed the case on August 18, 2011. The parties agreed to revise the original purchase agreement to enable AMP to repair the alleged defects and complete the project. AMP agreed to conduct additional testing on the pump assembly and to make repairs pursuant to revised technical criteria approved by DWR. Metropolitan agreed to forward payment of \$25,000 of the purchase price to AMP to enable it to perform the additional work and to transfer the balance of the purchase amount (\$212,300) into an escrow account to be released only upon full performance by AMP. DWR executed a change order with Metropolitan to accept the revised testing and repair criteria and to reimburse Metropolitan for additional incurred costs. The original lawsuit was dismissed, and the parties agreed that venue for any further litigation will be the U.S. District Court in Los Angeles. Metropolitan did not incur additional expenses due to the settlement.

- b. Workers' Compensation Matters

Workers' compensation claims settled by the General Manager and the Interim 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

No SB 90 claims for reimbursement for state-mandated costs were reported within this past quarter.

- e. Separation Agreements

Within this past quarter, Metropolitan entered into a separation agreement with an employee, which included a voluntary resignation provision and a general release of claims, in exchange for a paid administrative leave. This agreement resolved an administrative *Skelly* hearing and potential hearing officer appeal of a disciplinary discharge pursuant to the applicable Memorandum of Understanding.

2. Costs collected for claims within this past quarter are reported on Attachment C.
3. Property Damage Claims declared as uncollectible by the General Manager within this past quarter are reported in Attachment D.
4. Accounts receivables that were written off as uncollectible by the General Manager within this past quarter are reported in Attachment E.

ATTACHMENT A
Workers' Compensation Matters Resolved During the Period
July 1, 2011- September 30, 2011

Classification	Control No.	Date of Injury	Amount of Settlement	Nature of Injury	Basis for Settlement
Maintenance Mechanic I	2005-0309-0423	12/30/04 CT	\$0	Respiratory system	Order for Dismissal Without Prejudice, claim withdrawn.
Executive Assistant II (C)	2009-0910-0175	9/10/09	\$4,140.00	Head, neck, sleep disorder	Stipulated settlement based on Agreed Medical Evaluator's report.
Principal Accountant	2010-0308-0511	1/7/10	\$15,737.45	Left arm and hand, upper back, neck	Stipulated settlement based on treating physician's report.
O&M Technician IV	2010-0726-0051	7/22/10 CT	\$0	Ear, bilateral hearing loss	Stipulated settlement (providing future medical treatment only) based on treating physician's report.
Electronic Technician I	2008-0423-0692	4/23/08	\$7,877.50	Left elbow	Stipulated settlement based on treating physician's report.

ATTACHMENT B
 Non-Litigated Third Party Claims Against Metropolitan Resolved During the Period
July 1, 2011 – September 30, 2011

Claimant	Control No. CW No.	Amount of Settlement	Incident Description	Basis for Resolution
Stacey Flanegin	2011-0118-0362 CW 1546601	\$2,041.35	On 1/13/2011, a District driver rear-ended a third party vehicle.	The third party property damage claim was settled based upon an evaluation of damages repair costs.
Michelle Zavala	2011-0719-0030 CW 1582027	\$2,179.70	On 7/19/2011, a District driver struck and damaged a third party vehicle.	The third party property damage claim was settled based upon an evaluation of damages repair costs.

ATTACHMENT C
 Costs Collected During the Period
July 1, 2011 – September 30, 2011

Third Party or Cause	Control No. CW No.	Damage Amount	Incident Description	Basis for Costs Collected
MTA	2010-0427-0621 CW 1523992	\$715.65	On 4/20/10, a third party driver rear ended a District vehicle.	Metropolitan's property damage costs in the amount of \$610.75 and loss of use in the amount of \$104.90, were paid in full by the third party.
Chris Real	2011-0330-0511 CW 1550200	\$3,218.27	On 3/30/11, a third party driver struck and damaged a District vehicle.	Metropolitan's property damage costs in the amount of \$3,111.52 and loss of use in the amount of \$106.75, were paid in full by the third party's insurance carrier.

ATTACHMENT D
Amendment to Property Damage Claims Written Off as Uncollectible During the Period
January 1, 2010 – March 31, 2010
 Amendment Reported During this Period
July 1, 2011 – September 30, 2011

Third Party or Cause	Control No. CW No.	Project No.	Damage Amount	Incident Description	Basis for Write-Off	Date Written Off
Damaged During Use	2009-0521-0772 CW 1499336	761649 For Towing only	\$12,225.00	On 5/19/09, a District driver misjudged a turn, rolled vehicle over, and caused significant damage to MWD vehicle.	In the 3/31/10 Quarterly Report, the damage written off was reported as \$437.50. This amount represented only towing costs. The balance of the loss to Metropolitan for the vehicle was \$11,787.50. Due to a change in procedure subsequent to the date of loss, only property losses caused by identifiable third parties but deemed uncollectible are subject to write-off.	Date of towing cost write-off: 3/10/10

ATTACHMENT E
 Accounts Receivable Written Off as Uncollectible During the Period
July 1, 2011 – September 30, 2011

Invoice Date	Invoice Number	Customer Name	Amount Written off	Brief Description	Basis for Write-Off	Date Written Off
2/13/08	500054	Victoria Grove, LLC	\$8,215.26	Invoice for remaining cost related to upper feeder MWD project 701461	Engineering review rework Upper Feeder station. Proposed relocation. K. Callanan confirmed work, completed in 2001. Statute of limitation has expired.	8/08/11