



- March 31, 2018 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 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
January 1, 2018 – March 31, 2018.
- ATTACHMENT B: Claims Against Metropolitan Resolved by Risk Management During the Period
January 1, 2018 - March 31, 2018.
- ATTACHMENT C: Costs Collected During the Period
January 1, 2018 - March 31, 2018.
- ATTACHMENT D: Property Damage Written Off as Uncollectible During the Period
January 1, 2018 - March 31, 2018. None.
- ATTACHMENT E: Accounts Receivables Written Off as Uncollectible During the Period
January 1, 2018 - March 31, 2018. None.

Detailed Report

Contracts

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

Atkinson, Andelson, Loya, Ruud & Romo

Metropolitan retained the services of Special Counsel to provide representation, advice and consultation in the litigation entitled, *Brian May v. Metropolitan Water District of Southern California, and Does 1-50, inclusive*, Los Angeles Superior Court Case No. BC657802.

Best Best & Krieger LLP (Agrmt #174594)

Metropolitan retained the services of Special Counsel to provide legal assistance in support of Metropolitan in the litigation entitled, *Palo Verde Irrigation District v. Metropolitan Water District of Southern California*, Riverside Superior Court Case No. RIC1714672 and other litigation matters as requested by Metropolitan's General Counsel.

Best Best & Krieger LLP (Agrmt #158043)

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

ESSA Technologies Ltd.

This agreement was amended this quarter to reflect a modification to the Notices section.

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Hunton & Williams LLP

Metropolitan and State Water Contractors jointly retained the services of Special Counsel to provide legal counsel for complex litigation matters relating to the California WaterFix.

Olsen Hagel & Fishburn LLP

Metropolitan retained the services of Special Counsel to provide advice and recommendations regarding (1) the reporting structure of Metropolitan's statutorily-created ethics office, (2) the policies and procedures of the ethics office, (3) the review of the ethics office provided to the Metropolitan Board by Special Counsel Wilmer Cutler Pickering Hale and Dorr LLP, and (4) any related matters as requested by the Chairman of Metropolitan's Board of Directors.

Public Interest Investigations, Inc.

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

Claims and Other Matters

1. Between January 1, 2018 – March 31, 2018, Metropolitan initiated, compromised, settled, or otherwise disposed of the following claims and entered into the following separation agreements:
 - a. Litigated, Compromised and Settled Claims By and Against Third Parties
Metropolitan entered into the following pending settlement agreement within this past quarter.

Please see the following activity:

1. As a result of an inspection in July 2017, at the Joseph Jensen Water Treatment Plant and subsequent document requests, on January 4, 2018, Cal-OSHA issued a Citation and Notification of Penalty to Metropolitan for a General Violation for not conducting an annual maintenance check on a portable fire extinguisher. The proposed penalty amount for this citation was \$150.00. On January 31, 2018, Metropolitan appealed this citation on the grounds that the classification is incorrect and the proposed penalty is unreasonable. Metropolitan asserted the following affirmative defenses: (1) Cal-OSHA failed to consider relevant information; (2) the Cal-OSHA inspector did not make diligent inquiry into Metropolitan's records; and (3) at the time of the inspection, Metropolitan was making a good faith effort to abate the alleged violation. During an informal conference on March 15, 2018, the Cal-OSHA District Manager agreed to reduce the classification of the violation from "General" to simply a "Notice" and not to impose any penalty. She also agreed to include a non-admissions clause in the settlement. The District Manager will send an e-mail to the Administrative Law Judge notifying him of the settlement. After Metropolitan confirms the settlement terms, the Administrative Law Judge will issue a final order.
2. Metropolitan entered into a settlement agreement in the matter entitled, *Shimmick Construction Company, Inc./Obayashi Corporation, Joint Venture v. Metropolitan Water District of Southern California*, Los Angeles Superior Court Case No. BC559603. Pursuant to the agreement, Metropolitan paid the contractor \$1.5 million and released \$2.5 million in liquidated damages. The settlement falls within the authority granted to the General Manager and General Counsel by Section 6433(c) of the Administrative Code since it involved funds available under the Board-approved contract, including change orders.

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3. Metropolitan entered into an agreement with a retired Metropolitan employee, Debra Man settling a claim for attorney fees incurred in connection with an investigation. The agreement contained a general release regarding Ms. Man's Metropolitan employment and the investigation.
 - b. Workers' Compensation Matters
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 Resolved by Risk Management
Non-litigated third party claims resolved by Risk Management (under authority delegated by the General Manager) and approved by 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 collected were reported within this past quarter.
 - e. Separation Agreements
Metropolitan did not enter into any separation agreements within this past quarter.
2. Costs collected for claims within this past quarter are reported in Attachment C.
 3. No Property Damage Claims were declared as uncollectible by the General Manager within this past quarter.
 4. No Accounts Receivables were written off as uncollectible by the General Manager within this past quarter.

ATTACHMENT A
 Workers' Compensation Matters Resolved During the Period
January 1, 2018 –March 31, 2018

Classification	Control No.	Date of Injury	Amount of Settlement	Nature of Injury	Basis for Settlement
O&M Technician IV	2013-0429-0478	4/26/13	\$23,172.50	Left shoulder	Stipulated settlement based on Panel Qualified Medical Evaluator's report
O&M Technician IV	2016-0916-0145	8/25/16 CT	\$0	Bilateral hearing loss	Stipulated settlement, providing future medical care, based on consulting physician's report
Construction Inspector III	2017-1009-0194	10/6/17	\$23,345.00	Bilateral hearing loss	Stipulated settlement based on consulting physician's report

ATTACHMENT B
Claims Against Metropolitan Resolved by Risk Management During the Period
January 1, 2018 –March 31, 2018

Claimant	Control No. TPA No.	Amount of Settlement	Incident Description	Basis for Resolution
Alexis Montellano	2017-1115-0258 027-000020	\$1,164.66	On 11/14/2017, MWD vehicle backed into third party vehicle.	Third party property damage claim was settled based upon an evaluation of the damages and repair costs.

ATTACHMENT C
 Costs Collected During the Period
January 1, 2018 –March 31, 2018

Third Party or Cause	Control No. TPA No.	Damage Amount	Incident Description	Basis for Costs Collected
Frank Olmos	2017-0511-0537 026-000026	\$14,114.45	On 5/11/17, a third party vehicle struck and damaged an MWD vehicle in a multi-vehicle collision.	MWD negotiated with the third party insurance carrier, and recovered a pro-rated amount of \$9,756.11 because the third party property damage insurance limits were less than the aggregate losses of the vehicles involved.
Shemekia Marshall	2017-1127-0267 026-000066	\$1,169.50	On 11/22/17, a third party vehicle struck and damaged an MWD vehicle.	The property damage claim was paid in full by the third party insurance carrier.
Paul McFadden	2017-0707-0008 026-000040	\$5,050.65	On 7/7/17, a third party vehicle struck and damaged an MWD vehicle in a multi-vehicle collision.	The property damage claim was paid in full by the third party insurance carrier.