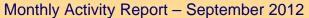


Office of the General Counsel





Metropolitan Cases

AFSCME Local 1902 v. Metropolitan (Public Employment Relations Board)

As previously reported, AFSCME Local 1902 filed an unfair practice charge with the Public Employment Relations Board (PERB) on May 11, 2012. The charge alleges Metropolitan violated the Meyers-Milias-Brown Act (MMBA) by reclassifying environmental specialists and moving them into positions outside of the Local 1902 bargaining unit, without notifying Local 1902 or offering to meet and confer over the reclassifications. Metropolitan responded to the charge by lodging a position statement seeking a dismissal based on factual inaccuracies contained in the charge. On August 3, AFSCME amended the charge, and Metropolitan filed a position statement seeking a dismissal based on Local 1902's failure to comply with the statute of limitations. AFSCME responded by withdrawing its charge on September 13. The Legal Department represented Metropolitan in this matter. (See General Counsel's May 2012 Activity Report.)

AFSCME Local 1902 v. Metropolitan (Public Employment Relations Board)

On September 27, 2012, AFSCME Local 1902 filed an unfair practice charge with the PERB. The charge alleges Metropolitan violated the MMBA on July 13, 2012, by updating the employee evaluation form and deploying two new *My Performance* forms, one for evaluating employees and the other for evaluating managers. AFSCME alleges that by this conduct, Metropolitan violated its obligation to meet and confer with respect to issues within the scope of representation. Metropolitan will respond to the charge by lodging a position statement seeking a dismissal. The Legal Department represents Metropolitan in this matter.

John Del Toro v. Metropolitan (Los Angeles County Superior Court)

As previously reported, on April 4, 2012, former Metropolitan employee John Del Toro filed a complaint in Los Angeles County Superior Court against Metropolitan. In response to being

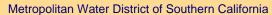
discharged for cause, plaintiff alleges a single cause of action for retaliation in violation of the Fair Employment and Housing Act. Plaintiff was terminated due to findings of misconduct reached in connection with administrative and EEO investigations. The EEO investigation was conducted by an independent investigator retained by Metropolitan pursuant to Metropolitan's EEO policies, and the investigator determined that Mr. Del Toro engaged in discriminatory conduct against other Metropolitan employees. Metropolitan is the sole defendant. This case has been assigned to Superior Court Judge Ernest Hiroshige. On September 24, Judge Hiroshige set a trial date starting on May 29, 2013, for an 8-day trial. Currently, the parties are engaged in discovery and they have agreed to engage in mediation. The Legal Department represents Metropolitan in this matter. (See General Counsel's April 2012 Activity Report.)

Jena Minor v. Metropolitan (California Court of Appeal)

Oral argument before the California Court of Appeal occurred on September 18, 2012. The Court of Appeal is expected to issue its opinion within 90 days of oral argument.

As previously reported, in March 2010, plaintiff Jena Minor, a Metropolitan employee, filed a complaint in the Los Angeles County Superior Court against Metropolitan. Plaintiff alleged retaliation in violation of the Fair Employment and Housing Act for having engaged in the protected activity of complaining about gender and race discrimination and sexual harassment, and for having complained about retaliation. In June 2011, the superior court granted Metropolitan's motion for summary judgment and in July 2011, the court entered judgment in Metropolitan's favor. In September 2011, plaintiff filed a notice of appeal of the entry of judgment. Metropolitan's Legal Department provided legal representation for Metropolitan through November 2010, when the law firm of Meserve, Mumper and Hughes LLP associated in as counsel.

Date of Report: October 2, 2012





Office of the General Counsel



Monthly Activity Report – September 2012

Items of Interest

Finance

On September 12, 2012 Metropolitan priced its \$60,035,000 Water Revenue Refunding Bonds, 2012 Series F. Legal Department staff attorneys prepared Appendix A to the Official Statement and assisted outside bond counsel with bond documents. The transaction is anticipated to close on October 4.

On September 17, 2012 Metropolitan issued a supplement to its Official Statement for Metropolitan's Water Revenue Refunding Bonds, 2004 Series A-1 and A-2 describing the standby bond purchase agreement with U.S Bank, National Association, which will provide liquidity support for Metropolitan's Water Revenue Refunding Bonds, 2004 Series A-1 and A-2, effective September 28, 2012. This agreement replaces a standby bond purchase agreement with JPMorgan Chase Bank that terminates on September 28. Legal Department staff attorneys worked with bond counsel and bank counsel to prepare the replacement standby bond purchase agreement, remarketing agreement and bond disclosure documents.

Date of Report: October 2, 2012