



## Metropolitan Cases

### ***Tronox, Inc. v. Kerr McGee Corp.* (U.S. Bankruptcy Court, Southern District of New York; U.S. District Court, Southern District of New York)**

On January 23, 2015, the defendants in the *Tronox, Inc. v. Kerr McGee Corp.* adversary proceeding (Adversary Action) paid \$5.15 billion, plus interest from April 3, 2014, to the Litigation Trust. The money resulted from the parties' settlement reached on April 3, 2014, which was then subject to a public comment period and judicial approval. The settlement, which is the largest recovery for the cleanup of environmental contamination ever in the United States, was subsequently approved by the New York bankruptcy judge in May 2014 and the federal district court in November 2014. The deadline to appeal the district court's approval was January 20, 2015. Because no appeal was filed, the settlement agreement went into effect on January 21. The settlement provided that the Nevada Environmental Response Trust would receive approximately \$1.1 billion to clean up the Tronox site in Henderson, Nevada. On January 21, the Litigation Trustee released approximately 60% of the funds to the NERT. The Litigation Trustee is evaluating potential tax implications of the settlement prior to releasing the remainder of the funds. Metropolitan, along with the Central Arizona Water Conservation District and the Southern Nevada Water Authority, are working with the NERT trustee and the other trusts to closely monitor the review by the Litigation Trustee and

the ultimate distribution of the settlement proceeds. (See October 2014 Activity Report.)

### **Water Transfer Rule Litigation**

On January 26, 2015, Metropolitan, along with other western water agencies (Western Water Providers), filed a reply brief in the Second Circuit Court of Appeals in support of the appeal of the district court's decision last year to vacate the Water Transfers Rule and remand it to the United States Environmental Protection Agency (EPA). The Water Transfers Rule is EPA's regulation that exempts the transfer of water from one water body to another from the National Pollutant Discharge Elimination System (NPDES) permit requirement under the Clean Water Act. As previously reported, Metropolitan and the other Western Water Providers intervened in the consolidated cases in federal District Court for the Southern District of New York, which challenge the Water Transfers Rule. In March 2014, the district court vacated the Water Transfers Rule and remanded it to EPA. The Western Water Providers, EPA, and others appealed the district court's decision and filed opening briefs in September 2014. The appellees filed their responses in December. Oral argument has not yet been scheduled and is unlikely to be set before April 2015. The Western Water Providers are represented in the case by Peter Nichols of Berg, Hill, Greenleaf & Ruscitti LLP of Boulder, Colorado. Metropolitan provided legal review of the Western Water Providers' opening and reply briefs. (See General Counsel's March 2014 Activity Report.)

## Matters Involving Metropolitan

### **Reopened State Water Resources Control Board Hearing on Potentially Unlawful Water Diversions in the South Delta**

Metropolitan attorneys attended a pre-hearing conference before the State Water Resources Control Board in the matter of a Cease and Desist Order (CDO) against Woods Irrigation Company (Woods). Woods diverts water from the Middle River in the south Delta to serve landowner-

members on part of Roberts Island. In 2011, the State Board issued a CDO against Woods prohibiting diversions above a certain rate absent a showing of an additional water right. The State Water Contractors, with support from Metropolitan, is a party to the proceeding. In 2012, the State Board rescinded the CDO to reopen the proceedings to allow Woods' landowner-members to participate as parties to the proceeding. The hearing is scheduled for early June 2015.



**Matters Received by the Legal Department**

<u>Category</u>	<u>Received</u>	<u>Description</u>																										
Government Code Claims	1	Damage to resident's property due to water released from La Verne																										
Requests Pursuant to the Public Records Act	15	<table border="1"> <thead> <tr> <th><u>Requestor</u></th> <th><u>Documents Requested</u></th> </tr> </thead> <tbody> <tr> <td>Coachella Valley Water District</td> <td>Number of SCADA alarms received at Eagle Rock Operations Control Center during 2014</td> </tr> <tr> <td>DUDEK</td> <td>Quarterly lab data for past 10 years on Colorado River water at point nearest Shaver Valley</td> </tr> <tr> <td>Engineering Associates, Inc.</td> <td>Substructure data for Los Angeles</td> </tr> <tr> <td>High Country News</td> <td>Pre-Proposals for Pilot Program for Colorado River System Water Conservation</td> </tr> <tr> <td>Inland Empire Utilities Agency</td> <td>Attendance records for MWD Directors from Inland</td> </tr> <tr> <td>KCBS/KCAL TV</td> <td>Expenses, emails and assets assigned to the technical assistance center in IT</td> </tr> <tr> <td>Researcher</td> <td>Original drawings for Weymouth Treatment Plant</td> </tr> <tr> <td>Researcher from University of Melbourne</td> <td>Entitlements to imported water by cities of Los Angeles and San Diego</td> </tr> <tr> <td>S&amp;P Capital IQ</td> <td>Amount of MWD bond issued 03/04/1993</td> </tr> <tr> <td>Thousand Oaks High School Student</td> <td>Data on use of gray water in Southern California</td> </tr> <tr> <td>(1) Transition Music &amp; Media Corporation, (2) Jadi Communications, (3) Cook &amp; Schmid, and (4) Individual</td> <td>Fraser Communications contract and proposal in response to RFP for advertising and media</td> </tr> <tr> <td>United Union of Roofers, Waterproofers and Allied Workers</td> <td>Certified payroll records and other documents relating to work by Roscrete Roofing on the La Verne Maintenance Shops upgrade</td> </tr> </tbody> </table>	<u>Requestor</u>	<u>Documents Requested</u>	Coachella Valley Water District	Number of SCADA alarms received at Eagle Rock Operations Control Center during 2014	DUDEK	Quarterly lab data for past 10 years on Colorado River water at point nearest Shaver Valley	Engineering Associates, Inc.	Substructure data for Los Angeles	High Country News	Pre-Proposals for Pilot Program for Colorado River System Water Conservation	Inland Empire Utilities Agency	Attendance records for MWD Directors from Inland	KCBS/KCAL TV	Expenses, emails and assets assigned to the technical assistance center in IT	Researcher	Original drawings for Weymouth Treatment Plant	Researcher from University of Melbourne	Entitlements to imported water by cities of Los Angeles and San Diego	S&P Capital IQ	Amount of MWD bond issued 03/04/1993	Thousand Oaks High School Student	Data on use of gray water in Southern California	(1) Transition Music & Media Corporation, (2) Jadi Communications, (3) Cook & Schmid, and (4) Individual	Fraser Communications contract and proposal in response to RFP for advertising and media	United Union of Roofers, Waterproofers and Allied Workers	Certified payroll records and other documents relating to work by Roscrete Roofing on the La Verne Maintenance Shops upgrade
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Other Matters	1	Wage garnishment																										