



## Matters Involving Metropolitan

### ***Coziahr, et al. v. Otay Water District, et al.*** **(San Diego County Superior Court)**

On July 2, 2015, Mark Coziahr, a retail water service customer of Otay Water District, submitted a claim to Metropolitan demanding: (1) a refund of all amounts paid in violation of Proposition 218 plus interest on behalf of himself and all customers of Metropolitan who received water service after July 1, 1997; (2) a detailed explanation of Metropolitan's costs and expenses for each year since July 1, 1997; and (3) a declaration of the amounts he and the purported class should have paid for water service since July 1, 1997.

On July 14, 2015, Coziahr submitted an amended claim, expressly alleging violations of Articles XIII C and XIII D of the California Constitution (Proposition 218), and again requesting a refund of amounts he alleges he has indirectly paid to Metropolitan. On August 26, Metropolitan denied the claim.

Meanwhile, on July 6, 2015, Coziahr had already filed a class action complaint in San Diego Superior Court against Otay Water District, SDCWA, and Metropolitan. In the complaint, Coziahr sought declaratory relief and an injunction on behalf of the class, but did not seek a refund.

On August 21, Daniel Patz, a retail water service customer of the San Diego Public Utilities Department, submitted a class action claim to Metropolitan similar to Coziahr's claim. Metropolitan rejected the claim on October 5.

Coziahr amended his Class Action Complaint on November 2 to add Patz, and the class of persons similarly situated, as plaintiffs and San Diego Public Utilities Department as a defendant. Coziahr also added a demand for compensatory damages for the alleged "excessive and unconstitutional fees, charges or taxes paid to Defendants." The court issued a summons on November 18 and Metropolitan received the First Amended Complaint on November 24.

A Case Management Conference is scheduled for March 18, 2016.

### **Pacific Gas & Electric Co.'s Topock Compressor Station, Needles, California**

On November 18, 2015, Pacific Gas & Electric Co. (PG&E) submitted to the California Department of Toxic Substances Control (DTSC) and the U.S. Department of the Interior (DOI) for their review and approval the Basis of Design/Final (100%) Design Report (Final Design Report) and the Construction/Remedial Action Work Plan (C/RAWP) for the final groundwater remedy for the Topock site. DTSC and DOI are the lead governmental agencies responsible for the environmental investigation and cleanup of the Topock site. The final groundwater remedy selected by DTSC and DOI involves creating an underground biological treatment zone where naturally occurring bacteria convert carcinogenic hexavalent chromium (chromium VI) in the groundwater to non-harmful trivalent chromium. The Final Design Report includes responses to more than 1200 comments on the 90% Design Report.

In April 2015, DTSC required PG&E to prepare a Subsequent Environmental Impact Report (EIR) to address new design details. The state CEQA evaluation and preparation of the groundwater Subsequent EIR are expected to be completed by February 2017. In addition, it is anticipated that the agencies will approve the Final Design and C/RAWP in February 2017, and construction will start in June 2017. Construction is expected to be done in 2021, followed by operation of the treatment system for an estimated 30 years.

As previously reported, PG&E owns and operates a natural gas compressor station located adjacent to the Colorado River near Needles, California. This site is approximately 42 miles up-river from Metropolitan's Whitsett Intake facility. From 1951 until 1985, PG&E disposed of cooling tower water into percolation ponds or evaporation basins and by injection well. This disposal of the coolant water, which contained chromium VI to prevent rust in the cooling towers, resulted in a plume of contaminated groundwater that has migrated toward the river. Environmental investigation and cleanup activities have been ongoing at the site since 1997. Metropolitan will continue to monitor



the remediation of PG&E’s Topock Compressor Station to ensure that appropriate measures are taken to prevent groundwater containing

chromium VI from impairing Colorado River water quality. (See General Counsel’s February 2015 Activity Report.)

## Other Activities

### Finance

On November 20, 2015, Metropolitan remarketed its \$64,440,000 Water Revenue Refunding Bonds, 2011 Series A-1 and \$64,435,000 Water Revenue Refunding Bonds, 2011 Series A-3. Legal Department staff attorneys worked with finance, engineering and resources staff to prepare Appendix A and with bond counsel to prepare bond documents.

On November 4, 2015, Wells Fargo Bank assigned \$100,000,000 of its share of a Wells Fargo Revolving Credit Agreement with Metropolitan to the Industrial and Commercial Bank of China (“ICBC”). Wells Fargo retained the remaining \$80,000,000 commitment. Legal Department staff attorneys worked with bond counsel to document the assignment.

## Matters Received by the Legal Department

<u>Category</u>	<u>Received</u>	<u>Description</u>																
Government Code Claims	2	Claims for (1) an accident involving an MWD vehicle, and (2) injury sustained near the Diamond Valley Lake Marina																
Requests Pursuant to the Public Records Act	18	<table border="1"> <thead> <tr> <th><u>Requestor</u></th> <th><u>Documents Requested</u></th> </tr> </thead> <tbody> <tr> <td>Abengoa Water USA</td> <td>Results of studies conducted jointly by MWD and Los Angeles County Sanitation Department on advanced treatment of secondary effluent</td> </tr> <tr> <td>City of Los Angeles, Office of Controller</td> <td>List of recipients in the City of Los Angeles who received turf replacement rebates, excluding names and exact addresses</td> </tr> <tr> <td>Claremont Graduate University, Research Associate Professor</td> <td>MWD turf replacement data for residential properties</td> </tr> <tr> <td>eCivis Inc.</td> <td>Winning application submitted in the last three years under MWD’s Local Resources Program</td> </tr> <tr> <td>Gomez Research, Inc.</td> <td>Winning bid for request for proposal for Attitudinal and Awareness Survey</td> </tr> <tr> <td>Heath and Associates, Inc.</td> <td>Latest studies and quality standards for toilet flappers</td> </tr> <tr> <td>Kaveh Engineering and Construction</td> <td>Wipe test and air test results at Iron Mountain O&amp;M Building</td> </tr> </tbody> </table>	<u>Requestor</u>	<u>Documents Requested</u>	Abengoa Water USA	Results of studies conducted jointly by MWD and Los Angeles County Sanitation Department on advanced treatment of secondary effluent	City of Los Angeles, Office of Controller	List of recipients in the City of Los Angeles who received turf replacement rebates, excluding names and exact addresses	Claremont Graduate University, Research Associate Professor	MWD turf replacement data for residential properties	eCivis Inc.	Winning application submitted in the last three years under MWD’s Local Resources Program	Gomez Research, Inc.	Winning bid for request for proposal for Attitudinal and Awareness Survey	Heath and Associates, Inc.	Latest studies and quality standards for toilet flappers	Kaveh Engineering and Construction	Wipe test and air test results at Iron Mountain O&M Building
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	Lemieux & O'Neill	Webpages from socialwatersmart.com and MWD turf removal application materials
	Main Graphics	MWD contract for mailing house and fulfillment services
	Mansfield Oil Company	MWD Contracts with Parker Oil Products, Inc. and Southern Counties Oil Co. for the provision of CARB Ultra-Low Sulfur grade diesel fuel (non-dyed) for Metropolitan's desert facilities.
	Pinellas County Purchasing Department	MWD request for proposal and winning contract for Environmental, Health and Safety Software Applications and Best Practices
	Private Citizens (2)	(1) Photographs of lawns and square footage data for lawns replaced under MWD's turf removal program, and (2) van pool records
	Santa Margarita River Watershed	MWD Emergency Response Plan for Diamond Valley Lake and Lake Skinner
	UC Riverside Student	Request for access to Diamond Valley Lake to collect water and sediment samples
	USC Student	Number of rebates granted for rain barrels
	Vista Irrigation District	Water quality data for Lake Skinner
	WestWater Research LLC	Option agreement to purchase property from Delta Wetlands Properties
Subpoenas	2	(1) Subpoena for site inspection at Jensen Plant in a lawsuit against J.F. Shea Construction relating to a fall in the construction area, and (2) Subpoena for Production of Business Records seeking copies of former employee's records
Other Matters	3	Wage garnishments