



Metropolitan Cases

AFSCME Local 1902 v. Metropolitan (Court of Appeal – Second Appellate District)

As previously reported, Hearing Officer Barry Winograd issued his decision in February 2015 sustaining a grievance by AFSCME Local 1902 that challenged Human Resources' use of comparative analysis testing for internal candidates during the recruitment and selection process for a specific job posting. In May 2015, Metropolitan filed a petition for writ of administration mandamus seeking to overturn the decision. In June 2016, Superior Court Judge May Strobel granted Metropolitan's petition on the basis that there was no underlying controversy since AFSCME was not

harmed by the specific job posting it challenged, and because Mr. Winograd exceeded the scope of the issue before him by issuing a ruling that severely restricted Human Resources' use of comparative analysis testing in future recruitments. In August 2016, AFSCME timely appealed from the superior court's judgment and filed its opening brief with the Second Appellate District in July 2017. Metropolitan filed its respondent's brief on December 8, 2017. AFSCME's reply brief is due on February 5, 2018. The Legal Department is representing Metropolitan in this matter. (See General Counsel's May 2017 and May 2015 Activity Reports.)

Matters Impacting Metropolitan

Notice of Intent to Prepare a Draft Environmental Impact Statement for Revisions to the Coordinated Long-term Operation of the Central Valley Project and State Water Project

On December 29, 2017, the Bureau of Reclamation published a notice in the Federal Register of its intent to conduct an environmental analysis of potential modifications to the continued long-term operation of the Central Valley Project (CVP), in coordination with California's State Water Project (SWP), to maximize water deliveries and optimize marketable power generation.

As noted in the December 29 notice, state and federal regulatory actions and other agreements have significantly reduced the water available for delivery south of the Delta. Reclamation's proposed project will evaluate alternatives to restore water supply consistent with applicable laws, contractual obligations, and agreements. The analysis will be conducted as part of programmatic Environmental Impact Statement (EIS) prepared pursuant to the National Environmental Policy Act (NEPA).

Alternatives to be considered include: operations in coordination with new or proposed facilities to increase storage, increase export capabilities, and generate additional water through local water

management; modified operations without new or proposed facilities including modified environmental and regulatory requirements; habitat restoration actions to increase fish populations; and modifications to the existing state and federal facilities to reduce impacts to listed species. Reclamation will engage with the California Department of Water Resources and stakeholders in developing the proposed action and alternatives.

Reclamation is the lead federal agency and is seeking comments by February 1 that will be used to develop alternatives to the proposed action. Metropolitan is coordinating with the State Water Contractors in developing comments.

The December 29 notice, "Notice of Intent to Prepare a Draft Environmental Impact Statement, Revisions to the Coordinated Long-term Operation of the Central Valley Project and State Water Project, and Related Facilities" can be accessed at <https://www.federalregister.gov/documents/2017/12/29/2017-28215/notice-of-intent-to-prepare-a-draft-environmental-impact-statement-revisions-to-the-coordinated>



Other Matters

Finance

Metropolitan amended and restated its short-term revolving credit facility with U.S. Bank National Association as of December 1, 2017, to clarify and restate certain issues related to index and corporate tax rates. Legal Department staff attorneys worked with bond counsel and finance staff to amend the agreement and prepare closing documents. On December 18, 2017, Metropolitan issued \$198,265,000 Flexible Rate Revolving Notes, Series 2016 B-2 (Tax-Exempt) under the amended and restated short-term credit facility with U.S. National Bank Association, to refund Metropolitan’s Water Revenue Refunding Bonds, 2011 Series A-2 and A-4 and to refund Metropolitan’s Water Revenue Refunding Bonds, 2012 Series B-1 and B-2. Legal Department staff

attorneys worked with finance staff and bond counsel to prepare the notes and closing documents.

On December 22, 2017, Legal Department staff posted Metropolitan’s annual financial information filings for fiscal year 2016/17, pursuant to continuing disclosure requirements for outstanding bond issues. These filings include the Comprehensive Annual Financial Report for the Fiscal Years Ended June 30, 2017 and 2016, the Continuing Disclosure Information Statement – Revenue Bonds, and the Continuing Disclosure Information Statement – General Obligation Bonds. They are available at <http://emma.msrb.org> (the Electronic Municipal Market Access (EMMA) system maintained by the Municipal Securities Rulemaking Board).

Matters Received by the Legal Department

<u>Category</u>	<u>Received</u>	<u>Description</u>										
Government Code Claims	2	(1) Claim submitted by Desert Water Agency that alleges damage to the Agency’s water main by an MWD contractor, and (2) claim for an accident involving an MWD vehicle										
Requests Pursuant to the Public Records Act	9	<table border="1"> <thead> <tr> <th><u>Requestor</u></th> <th><u>Documents Requested</u></th> </tr> </thead> <tbody> <tr> <td>BKF Engineers</td> <td>Maps showing any MWD facilities affecting the capital improvement project for replacement of sections of the bridge in the Cities of Downey and Bell Gardens</td> </tr> <tr> <td>Center for Contract Compliance (2 Requests)</td> <td>(1) Contractor records for Lake Mathews Headworks Forebay Liner and Outlet Tower Repair, and (2) contractor records for Ron Ubrun Farms for Landscape and Tree Trimming Services</td> </tr> <tr> <td>Fellow, Coro Fellowship in Public Affairs</td> <td>Amounts of MWD contributions to PERS Pension Plan</td> </tr> <tr> <td>Center for Contract Compliance</td> <td>Overall amounts of MWD’s financial investments and bond debt</td> </tr> </tbody> </table>	<u>Requestor</u>	<u>Documents Requested</u>	BKF Engineers	Maps showing any MWD facilities affecting the capital improvement project for replacement of sections of the bridge in the Cities of Downey and Bell Gardens	Center for Contract Compliance (2 Requests)	(1) Contractor records for Lake Mathews Headworks Forebay Liner and Outlet Tower Repair, and (2) contractor records for Ron Ubrun Farms for Landscape and Tree Trimming Services	Fellow, Coro Fellowship in Public Affairs	Amounts of MWD contributions to PERS Pension Plan	Center for Contract Compliance	Overall amounts of MWD’s financial investments and bond debt
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Other Matters	1	Notice provided to Metropolitan as a potential creditor regarding Chapter 11 Bankruptcy and Bar Date for <i>In re Layfield & Barrett, APC</i> , filed in U.S. Bankruptcy Court, Central District of California, case no. 17-19548										



California WaterFix Litigation	
Subject	Status
Validation <i>DWR v. All Persons Interested</i> Sacramento County Superior Court	Save the California Delta Alliance’s & South Delta Water Agency’s motion to dismiss denied on Dec. 8, 2017 Hearings on DWR’s and MWD’s motions to dismiss/motions to strike affirmative defenses from certain answers scheduled for Jan. 22 and Feb. 6, 2018 First Case Management Conference Feb. 8, 2018
CEQA 18 Cases/4 County Superior Courts: Sacramento (15), Alameda (1), Placer (1), San Joaquin (1)	Hearing on petition to coordinate held on Dec. 21, 2017, coordination motion judge’s recommendation for coordination and venue anticipated soon DWR completing administrative record (ETA early 2018)
ESA/BiOps <i>Golden Gate Salmon Ass’n v. Ross (NMFS)</i> <i>Bay.org v. Zinke (USFWS)</i> Eastern District of California (O’Neill)	<i>GGSA v. Ross (NMFS)</i> - Plaintiffs’ motion for summary judgment (MSJ) due July 27, 2018; Defendants’ opposition/cross-motion for MSJ due Aug. 29, 2018; replies due Sept. 19, 2018 and Oct. 10, 2018 <i>Bay.org v. Zinke (FWS)</i> - Plaintiffs’ MSJ due Oct. 10, 2018; Defendants’ opposition/cross-motion for MSJ due Nov. 9, 2018; replies due Nov. 30, 2018 and Dec. 21, 2018
CESA/Incidental Take Permit <i>Bay.org v. DFW</i> <i>North Delta Water Agency v. DFW***</i> Sacramento County Superior Court	Answers/Motions to Dismiss due 30 days after administrative record is lodged
Breach of Contract <i>City of Antioch v. DWR</i> Sacramento County Superior Court	DWR’s Motion to Dismiss filed Dec. 15, 2017, hearing set for Jan. 18, 2018 First Case Management Conference Mar. 1, 2018

***CESA claims also alleged in the CEQA petitions filed by County of San Joaquin, et al. and California Sportfishing Protection Alliance, et al.