

Office of the General Counsel





Metropolitan Cases

Oroville Dam Litigation (Sacramento County Superior Court)

Last July, the Board received a report on the status of the Oroville Dam litigation, which at that time was comprised of eight cases coordinated in Sacramento County Superior Court. One case filed by the Butte County District Attorney (*People of the State of California v. California Department of Water Resources, et al.*) alleged violations of the Fish and Game Code section 5650 and sought up to \$51 billion in civil penalties against DWR. DWR has publicly stated that any such penalties, if assessed, would be billed to and paid by the State Water Contractors (SWCs).

On September 3, 2020, Metropolitan, Kern County Water Agency, Santa Clara Valley Water District, Mojave Water Agency and State Water Contractors, Inc. (collectively, "Contractor Parties") moved to intervene in the Butte County Case and along with that motion filed a demurrer seeking to have that case dismissed in its entirety on the grounds that Section 5650 is not applicable to government entities. On the same date, DWR filed a motion for summary adjudication seeking to have the Butte County Case dismissed on similar grounds.

On January 4, 2021, the court granted DWR's motion and on January 22, entered judgment dismissing the Butte County Case. As a result, the Contractor Parties determined that there was no longer a sufficient need or advantage to participate directly in this case and, accordingly, they withdrew their motion to intervene. On February 9, the Butte County District Attorney filed a Notice of Appeal.

No briefing schedule or date for oral argument has been set.

The Contractor Parties will continue to monitor this case and anticipate seeking leave to participate in the appeal as *amici curiae* ("friends of the court"). Participating in this manner would allow the Contracting Parties to ensure that their legal positions and arguments concerning the applicability of Section 5650 are presented to the appellate court. (See General Counsel's August and November 2020 Activity Reports.)

Food & Water Watch, et al. v. Metropolitan, et al. (Los Angeles Superior Court)

In September 2018, Food & Water Watch and Center for Food Safety filed a reverse validation action asserting multiple causes of action challenging the Board's July 10, 2018 vote on California WaterFix.

Metropolitan filed a demurrer (motion to dismiss) to all the causes of action and SDCWA filed a demurrer only as to one of the claims. Plaintiffs amended the complaint and Metropolitan and SDCWA again filed similar demurrers. The court sustained (granted) Metropolitan's entire demurrer and SDCWA's demurrer without granting plaintiffs leave to amend concluding the case at the trial court level.

Plaintiffs appealed and the case is now pending before the 2nd District Court of Appeal. Briefing is complete and the Court has set oral argument for March 9, 2021 at 1:30 p.m. via video appearance. (See General Counsel's August 2020 Activity Report.)

Other Matters

Finance

On February 4, 2021, Metropolitan issued \$188,890,000 Water Revenue Bonds, 2021 Series A (Bonds). Bond proceeds will fund the acquisition and construction of capital improvements to Metropolitan's Water System. During a 4-month

process that began in October 2020, Legal Department staff attorneys worked with Finance, Engineering and Water Resources staff to prepare the official statement used to market the Bonds and assisted outside bond and disclosure counsel with the drafting and negotiation of several contracts and closing certificates.

Matters Received by the Legal Department

Category	Received	Description			
Government Code Claims	2	(1) Claim relating to tree falling onto a claimant's property; (2) claim relating to the fatality of a worker for D&L Farms on land leased from MWD on North Bacon Island Road.			
Requests Pursuant to	18	Requestor	Documents Requested		
the Public Records Act		Center for Contract Compliance (3 requests)	Contract information regarding (1) Diamond Valley Lake Asphalt Roadway and Parking Lot Restoration; (2) Lakeview Pipeline Improvements; and (3) Orange County Region Pipelines Phase 1		
		Deltek	Contract documents for GASB 87 Compliant Lessor and Lessee Accounting Software and Implementation Services		
		Integrated Resource Management	Bid documents and purchase orders for the purchase of anthracite and granular activated carbon		
		Institutional Shareholder Services	Schedule of investment portfolio and list of service providers for MWD's Deferred Compensation Plan and 401(k) Savings Plan II		
		Koff & Associates	Records relating to purchasing procedures and organizational chart for Contracting Services Unit		
		Levelset	Contract information regarding trench shoring at Peters Canyon Regional Park		
		Los Angeles County Sanitation Districts	Total organic carbon (TOC) data for MWD's source water		
		Los Angeles Times (2 requests)	Records relating to misconduct and/or harassment claims		
		Municipal Water District of Orange County	Data on retail agencies and sites that received a large landscape survey and report and agencies in CFLT classes from December 2019 through December 2020		
		Natural Resources Defense Council	Common interest agreement pertaining to the Bay-Delta Water Quality Control Plan		

<u>Documents Requested</u>

NV5 As-built records of utilities

around project for SoCalGas City of Rancho Cucamonga

Palencia Consulting Engineers Water quality data to be added

to the State Water Project Watershed Sanitary Survey

WestWater Research Annual quantities and prices for

water transfers between Imperial Irrigation District and MWD from

2015 to present

Wood PLC Current request for proposal

information for environmental

services

ZeroWaste USA Most recent invoices for pet

waste bags/products

PLEASE NOTE

- ADDITIONS ONLY IN THE FOLLOWING TABLES WILL BE SHOWN IN RED.
- ANY CHANGE IN CONTRACT AMOUNTS WILL BE SHOWN IN REDLINE FORM (I.E., ADDITIONS, REVISIONS, DELETIONS).

Bay-Delta and SWP Litigation

Subject

Status

Consolidated DCP Revenue Bond **Validation Action and CEQA Case**

Sierra Club, et al. v. California Department of Water Resources (CEQA, designated as lead case)

DWR v. All Persons Interested (Validation)

Sacramento County Superior Ct. (Judge Earl)

Validation Action

- Metropolitan, Mojave Water Agency, Coachella Valley Water District, and Santa Clarita Valley Water Agency have filed answers in support
- Kern County Water Agency, Tulare Lake Basin Water Storage District, Oak Flat Water District, County of Kings, Kern Member Units & Dudley Ridge Water District, and City of Yuba City filed answers in opposition
- North Coast Rivers Alliance et al., Howard Jarvis Taxpayers Association, Sierra Club et al., County of Sacramento & Sacramento County Water Agency, CWIN et al., Clarksburg Fire Protection District, Delta Legacy Communities, Inc, and South Delta Water Agency & Central Delta Water Agency have filed answers in opposition
- Case ordered consolidated with the DCP
 Revenue Bond CEQA Case for pre-trial and
 trial purposes and assigned to Judge Earl for
 all purposes

CEQA Case

- Sierra Club, Center for Biological Diversity, Planning and Conservation League, Restore the Delta, and Friends of Stone Lakes National Wildlife Refuge filed a standalone CEQA lawsuit challenging DWR's adoption of the bond resolutions
- Alleges DWR violated CEQA by adopting bond resolutions before certifying a Final EIR for the Delta Conveyance Project
- DWR has moved to consolidate the validation action with the CEQA case for purposes of trial

Subject

SWP-CVP 2019 BiOp Cases

Pacific Coast Fed'n of Fishermen's Ass'ns, et al. v. Ross, et al. (PCFFA)

Calif. Natural Resources Agency, et al. v. Ross, et al. (CNRA)

Federal District Court, Eastern Dist. of California, Fresno Division (Judge Drozd)

Status

- SWC intervened in both PCFFA and CNRA cases
- Briefing on federal defendants' motion to dismiss CNRA's California ESA claim is complete; no hearing date set and may be decided on the papers
- Federal defendants circulated administrative records for each of the BiOps
- December 18, 2020 PCFFA and CNRA filed motions to complete the administrative records or to consider extra-record evidence in the alternative with a hearing date of March 2, 2021
- Federal defendants sought and obtained a 90day extension in the administrative record briefing schedule with briefing complete on June 7, 2021

CESA Incidental Take Permit Cases

Coordinated Case Name CDWR Water Operations Cases, JCCP 5117 (Coordination Trial Judge Gevercer)

Metropolitan & Mojave Water Agency v. Calif. Dept. of Fish & Wildlife, et al. (CESA/CEQA/Breach of Contract)

State Water Contractors & Kern County Water Agency v. Calif. Dept. of Fish & Wildlife, et al. (CESA/CEQA)

Tehama-Colusa Canal Auth., et al. v. Calif. Dept. of Water Resources (CEQA)

San Bernardino Valley Municipal Water Dist. v. Calif. Dept. of Water Resources, et al. (CEQA/CESA/ Breach of Contract/Takings)

Sierra Club, et al. v. Calif. Dept. of Water Resources (CEQA/Delta Reform Act/Public Trust)

North Coast Rivers Alliance, et al. v. Calif. Dept. of Water Resources (CEQA/Delta Reform Act/Public Trust)

Central Delta Water Agency, et. al. v. Calif. Dept. of Water Resources (CEQA/Delta Reform Act/Public Trust/ Delta Protection Acts/Area of Origin)

San Francisco Baykeeper, et al. v. Calif. Dept. of Water Resources, et al. (CEQA/CESA)

- All 8 cases ordered coordinated in Sacramento County Superior Court
- Stay on discovery issued until coordination trial judge orders otherwise
- Deadlines to prepare the administrative records extended to March 1, 2021 in the four cases originally filed in Fresno County Superior Court, including MWD v. CDFW
- All four Fresno cases transferred to Sacramento to be heard with the four other coordinated cases
- SWC and Metropolitan have submitted Public Records Act requests seeking administrative record materials and other relevant information
- <u>Initial Case Management Conference</u> <u>scheduled for March 19, 2021 at 2:00 p.m.</u>

Subject **Status** CDWR Environmental Impact Cases Cases dismissed after DWR rescinded project Sacramento Superior Ct. Case No. JCCP 4942, approval, bond resolutions, decertified the EIR, 3d DCA Case No. C091771 and CDFW rescinded the CESA incidental take (20 Coordinated Cases) permit January 10, 2020 – Nine motions for attorneys' Validation Action fees and costs denied in their entirety DWR v. All Persons Interested Parties have appealed attorneys' fees and CEQA costs rulings 17 cases Reporter's transcript filed December 23, 2020 CESA/Incidental Take Permit Parties stipulated to extend briefing schedule 2 cases with Appellants' opening briefs due April 2, 2021 COA Addendum/ Plaintiffs allege violations of CEQA, Delta No-Harm Agreement Reform Act & public trust doctrine USBR Statement of Non-Waiver of Sovereign North Coast Rivers Alliance v. DWR Immunity filed September 2019 Sacramento County Superior Ct. Westlands Water District and North Delta (Judge Gevercer) Water Agency granted leave to intervene Metropolitan & SWC monitoring Deadline to prepare administrative record extended to March 23, 2021 **Delta Plan Amendments and Program EIR** Cases challenge, among other things, the 4 Consolidated Cases Sacramento County Superior Delta Plan Updates recommending dual Ct. (Judge Gevercer) conveyance as the best means to update the SWP Delta conveyance infrastructure to further North Coast Rivers Alliance, et al. v. Delta the coequal goals Stewardship Council (lead case) Allegations relating to "Delta pool" water rights Central Delta Water Agency, et al. v. Delta theory and public trust doctrine raise concerns Stewardship Council for SWP and CVP water supplies Friends of the River, et al. v. Delta Stewardship Cases consolidated for pre-trial and trial under Council North Coast Rivers Alliance v. Delta Stewardship Council California Water Impact Network, et al. v. Delta SWC granted leave to intervene Stewardship Council Metropolitan supports SWC **Delta Stewardship Council Cases** Petitioners' opening briefs due April 20, 2021 3 Remaining Cases (CEQA claims challenging Parties stipulated to the three remaining Delta original 2013 Delta Plan EIR) (Judge Chang) Stewardship Council Cases challenging the 2013 Program EIR under CEQA being heard North Coast Rivers Alliance, et al. v. Delta

with the four cases challenging the 2018

SWC and several individual members,

including Metropolitan, SLDMWA and

amendments and Program EIR; request to assign 2018 and 2013 cases to a single judge

Westlands have dismissed their remaining

pending after reassignment of the 2018 cases

Date of Report: March 3, 2021

Central Delta Water Agency, et al. v. Delta

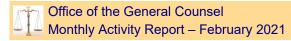
California Water Impact Network, et al. v. Delta

Stewardship Council

Stewardship Council

Stewardship Council

	 2013 CEQA claims but remain intervenor-defendants in the three remaining Delta Stewardship Council Cases Petitioners' opening briefs in the 4 consolidated Delta Plan Amendments cases due April 20, 2021; opposition briefs due July 19, 2021; replies due Aug. 30, 2021 Briefing and hearing schedule for three remaining 2013 cases TBD after February 25, 2021 Case Management Conference
Subject	Status
SWP Contract Extension Validation Action Sacramento County Superior Ct. (Judge Culhane) DWR v. All Persons Interested in the Matter, etc.	 DWR seeks a judgment that the Contract Extension amendments to the State Water Contracts are lawful Metropolitan and 7 other SWCs filed answers in support of validity to become parties Four answers filed in opposition denying validity on multiple grounds raised in affirmative defenses Case deemed related to the two CEQA cases below and assigned to Judge Culhane Parties meeting and conferring on Administrative Record disputes
SWP Contract Extension CEQA Cases Sacramento County Superior Ct. (Judge Culhane) North Coast Rivers Alliance, et al. v. DWR Planning & Conservation League, et al. v. DWR	 Petitions for writ of mandate alleging CEQA and Delta Reform Act violations filed on January 8 & 10, 2019 Deemed related to DWR's Contract Extension Validation Action and assigned to Judge Culhane Administrative Record completed DWR filed its answers on September 28, 2020
Delta Conveyance Project Soil Exploration Case	Filed August 10, 2020
Central Delta Water Agency, et al. v. DWR Sacramento County Superior Ct. (Judge Chang)	 Plaintiffs Central Delta Water Agency, South Delta Water Agency and Local Agencies of the North Delta One cause of action alleging that DWR's adoption of an Initial Study/Mitigated Negative Declaration (IS/MND) for soil explorations needed for the Delta Conveyance Project violates CEQA Deadline to prepare the administrative record extended to April 9, 2021



Subject **Status Water Management Tools Contract Amendment** Filed September 28, 2020 California Water Impact Network et al. v. DWR CWIN and Aqualliance allege one cause of • Sacramento County Superior Ct. action for violation of CEQA (Judge Earl) NCRA et al. allege four causes of action for violations of CEQA, the Delta Reform Act, North Coast Rivers Alliance, et al. v. DWR Public Trust Doctrine and seeking declaratory Sacramento County Super. Ct. relief (Judge Earl) Deadline to prepare the administrative record extended to March 29, 2021 in CWIN v. DWR case and April 2, 2021 in NCRA v. DWR case CWIN case reassigned to Judge Earl so both cases will be heard together

San Diego County Water Authority v. Metropolitan, et al.			
Cases	Date	Status	
2010, 2012	Aug. 13-14, 2020	Final judgment and writ issued. Transmitted to the Board on August 17.	
	Aug. 28, Sept. 1	SDCWA and Metropolitan filed memoranda of costs.	
	Sept. 11	Metropolitan filed notice of appeal of judgment and writ.	
	Sept. 14, 16	Metropolitan filed motion to strike SDCWA's costs memorandum, and SDCWA filed motion to strike or tax Metropolitan's costs memorandum.	
	Oct. 28	Court of Appeal issued order that the matter will be heard and decided on an expedited basis.	
	Nov. 12	Hearing on cross-motions for prevailing party. Tentative in SDCWA's favor. No final ruling; matter continued to December 16.	
	Nov. 25	Parties filed a joint statement on court's jurisdiction to determine prevailing party after appeal filed.	
	Dec. 16	Hearing on prevailing party, if any, as to attorneys' fees (postponed from Nov. 12). No ruling at hearing; court took matter under submission.	
	Jan. 12, 2021	Hearing on motions to strike or tax costs memoranda.	
	Jan. 13	Court issued order finding SDCWA is the prevailing party on the Exchange Agreement, entitled to attorneys' fees and costs under the contract.	
	Feb. 4	Metropolitan filed opening appellate brief regarding final judgment and writ.	
	<u>Feb. 10</u>	Court issued order awarding SDCWA statutory costs, granting SDCWA's and denying Metropolitan's related motions.	
	<u>Feb. 16</u>	Per SDCWA's request, Metropolitan paid contract damages judgment and interest. Metropolitan made same payment in Feb. 2019, which SDCWA rejected.	
	<u>Feb. 25</u>	Metropolitan filed notice of appeal of Jan. 13 (prevailing party on Exchange Agreement) and Feb. 10 (statutory costs) orders.	
2014, 2016	Aug. 28, 2020	SDCWA served first amended (2014) and second amended (2016) petitions/complaints.	

Cases	Date	Status
2014, 2016 (cont.)	Sept. 28	Metropolitan filed demurrers and motions to strike portions of the amended petitions/complaints.
	Sept. 28-29	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed joinders to the demurrers and motions to strike.
	Nov. 12	Case Management Conference on 2014, 2016 cases; no substantive action.
	Feb. 10	Hearing on demurrers and motions to strike.
	Feb. 16	Court issued order denying Metropolitan's demurrers and motions to strike, allowing SDCWA to retain contested allegations in amended petitions/complaints.
2017	July 23	Dismissal without prejudice entered.
2018	July 28	Parties filed a stipulation and application to designate the case complex and related to the 2010-2017 cases, and to assign the case to Judge Massullo's court.
	Nov. 13	Court ordered case complex and assigned to Judge Massullo's court.
All Cases	March 3	Case Management Conference on 2010-2018 cases.

Outside Counsel Agreements				
Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Andrade Gonzalez LLP	MWD v DWR, CDFW and CDNR Incidental Take Permit (ITP) CESA/CEQA/Contract Litigation	185894	07/20	\$100,000
Aleshire & Wynder	Oil, Mineral and Gas Leasing	174613	08/18	\$50,000
Atkinson Andelson Loya Ruud & Romo	Employee Relations	59302	04/04	\$1,159,763
Loya Rudu & Romo	MWD v. Collins	185892	06/20	\$60,000
	MWD Drone and Airspace Issues	193452	08/20	\$50,000
Best, Best & Krieger	Navajo Nation v. U.S. Department of the Interior, et al.	54332	05/03	\$185,000
	Iron Mountain SMARA (Surface Mining and Reclamation Act)	158043	07/17	\$250,000
	Bay-Delta Conservation Plan/Delta Conveyance Project (with SWCs)	170697	08/17	\$500,000
	Environmental Compliance Issues	185888	05/20	\$50,000
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP	FCC and Communications Matters	110227	11/10	\$100,000
Buchalter, a Professional Corporation	Union Pacific Industry Track Agreement	193464	12/07/20	\$50,000
Burke, Williams & Sorensen, LLP	Real Property - General	180192	01/19	\$100,000
Sorensen, LLP	Labor and Employment Matters	180207	04/19	\$50,000
	General Real Estate Matters	180209	08/19	\$100,000
	Delta Conveyance Project Validation Action	185893	07/20	\$100,000
Law Office of Alexis S.M. Chiu*	Bond Counsel	174595	07/18	N/A
Cislo & Thomas LLP	Intellectual Property	170703	08/17	\$75,000

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Curls Bartling P.C.*	Bond Counsel	174596	07/18	N/A
Duane Morris LLP	SWRCB Curtailment Process	138005	09/14	\$615,422
Duncan, Weinberg, Genzer & Pembroke PC	Power Issues	6255	09/95	\$3,175,000
Ellison, Schneider, Harris & Donlan	Colorado River Issues	69374	09/05	\$175,000
Harris & Doman	Issues re SWRCB	84457	06/07	\$200,000
Haden Law Office	Real Property Matters re Agricultural Land	180194	01/19	\$50,000
Hanson Bridgett	SDCWA v. MWD	124103	03/12	\$1,100,000
LLF	Finance Advice	158024	12/16	\$100,000
	Deferred Compensation/HR	170706	10/17	\$300,000
	Food and Water Watch v. MWD	174612	09/18	\$200,000
	Tax Issues	180200	04/19	\$50,000
Hawkins Delafield & Wood LLP*	Bond Counsel	174601	07/18	N/A
Horvitz & Levy	SDCWA v. MWD	124100	02/12	\$600,000
	General Appellate Advice	146616	12/15	\$100,000
	Food and Water Watch v. MWD Appeal	185862	09/19	\$60,000
Hunt Ortmann Palffy Nieves Darling & Mah, Inc.	Construction Contracts/COVID-19 Emergency	185883	03/20	\$40,000
Internet Law Center	HR Matter	174603	05/18	\$60,000
Jackson Lewis P.C.	Employment: Department of Labor Office of Contract Compliance (OFCCP)	137992	02/14	\$45,000
Kegel, Tobin & Truce	Workers' Compensation	180206	06/19	\$100,000
Lesnick Prince & Pappas LLP	Topock/PG&E's Bankruptcy	185859	10/19	\$30,000

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Liebert Cassidy Whitmore	Labor and Employment	158032	02/17	\$201,444
	EEO Investigations	180193	01/19	\$100,000
	FLSA Audit	180199	02/19	\$50,000
	EEO Investigation	180205	05/19	\$50,000
Manatt, Phelps &	In Re Tronox Incorporated	103827	08/09	\$540,000
Phillips	SDCWA v. MWD rate litigation	146627	06/16	\$2,900,000
Meyers Nave Riback Silver &	OCWD v. Northrop Corporation	118445	07/11	\$2,300,000
Wilson	IID v. MWD	185900	08/20	\$100,000
Morgan, Lewis & Bockius	SDCWA v. MWD	110226	07/10	\$8,750,000
Musick, Peeler & Garrett LLP	Colorado River Aqueduct Electric Cables Repair/Contractor Claims	193461	11/20	\$100,000
Nixon Peabody LLP*	Bond Counsel	174600	07/18	N/A
Olson Remcho LLP	Government Law	131968	07/14	\$200,000
	Ethics Office	170714	01/18	\$350,000
Quinn Emanuel Urquhart & Sullivan	Appellate	174598	04/18	\$100,000
Ryan & Associates	Leasing Issues	43714	06/01	\$100,000
Seyfarth Shaw LLP	HR Litigation	185863	12/19	\$250,000
Stradling Yocca Carlson & Rauth*	Bond Counsel	174599	07/18	N/A
Canson & Nauth	Financial Disclosure	185880	06/21	N/A
Theodora Oringher PC	OHL USA, Inc. v. MWD	185854	09/19	\$700,000
	Construction Contracts - General Conditions Update	185896	07/20	\$50,000
Thomas Law Group	MWD v. DWR, CDFW, CDNR – Incidental Take Permit (ITP) CESA/CEQA/Contract Litigation	185891	05/20	\$250,000

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Thompson Coburn LLP	FERC Representation re Colorado River Aqueduct Electrical Transmission System	122465	12/11	\$100,000
	NERC Energy Reliability Standards	193451	08/21	\$25,000
Van Ness Feldman, LLP	General Litigation	170704	07/18	\$50,000
	Colorado River MSHCP	180191	01/19	\$50,000
	Bay-Delta and State Water Project Environmental Compliance	193457	10/15/20	\$50,000
Western Water and Energy	California Independent System Operator Related Matters	193463	11/20/20	\$100,000

^{*}Expenditures paid by Bond Proceeds/Finance