



- June 30, 2018 Quarterly Report

Summary

This is the quarterly report to the Legal and Claims Committee on the exercise of powers delegated to the General Manager and the General Counsel by Administrative Code Sections 6433 and 6434. In addition, the General Counsel reports to the Legal and Claims Committee on the exercise of power delegated to her by Administrative Code Section 6431 and as authorized by the Board under Administrative Code Section 6430(d).

Attachments

- ATTACHMENT A: Workers' Compensation Matters Resolved During the Period
April 1, 2018 – June 30, 2018.
- ATTACHMENT B: Claims Against Metropolitan Resolved by Risk Management During the Period
April 1, 2018 – June 30, 2018.
- ATTACHMENT C: Costs Collected During the Period
April 1, 2018 – June 30, 2018.
- ATTACHMENT D: Property Damage Written Off as Uncollectible During the Period
April 1, 2018 – June 30, 2018.
- ATTACHMENT E: Accounts Receivables Written Off as Uncollectible During the Period
April 1, 2018 – June 30, 2018.

Detailed Report

Contracts

Greines, Martin, Stein & Richland LLP

Metropolitan, Moulton Niguel Water District and Irvine Ranch Water District jointly retained the services of Special Counsel to prepare an Answer to the Petition for Review filed in the Supreme Court of California regarding *Lisa Williams et al. v. Moulton Niguel Water District et al.* CA Supreme Court Case No. S249255.

Internet Law Center

Metropolitan has retained the services of the Internet Law Center to file a complaint to conduct discovery and issue subpoenas regarding a matter involving internet websites.

Miller Barondess LLP

Metropolitan retained the services of Special Counsel to provide assistance in analysis of a Brown Act claim relating to Metropolitan Board actions taken on April 10, 2018 and to represent Metropolitan regarding the claim and any subsequent litigation as requested by Metropolitan's General Counsel.

Public Interest Investigations Inc.

This agreement was amended this quarter to reflect an increase in the maximum amount payable.

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Quinn Emanuel Urquhart & Sullivan LLP

Metropolitan retained the services of Special Counsel to assist Metropolitan in on-going litigation between San Diego County Water Authority and Metropolitan regarding Metropolitan's rates and charges, including but not limited to remand of cases filed in 2010 and 2012, pending cases from 2014, 2016, 2017, and 2018 and related matters.

Seyfath Shaw LLP

Metropolitan retained the services of Special Counsel to provide legal representation advice and consultation in the litigation entitled, *Mary Padres v. Metropolitan Water District of Southern California and Does 1 through 62*, Los Angeles County Superior Court Case No. BC 698748.

Bond Counsel and Co-Bond Counsel

Metropolitan retained the following Bond Counsel and Co-Bond Counsel to provide legal advice, opinions and representation with respect to (a) financing or refinancing projects, (b) proposed federal or state regulations, actions or policies, (c) documents related to security instruments, derivative product programs, investment agreement, (d) legality and tax status of securities, (e) litigation or administrative proceedings on financing matters, (f) matters affected or governed by Internal Revenue Code and other tax laws and regulations, and (g) other financial and tax matters:

1. Curls Bartling, P.C.
3. Law Offices of Alexis S.M. Chiu
4. Nixon Peabody LLP
5. Stradling Yocca Carlson & Rauth, P.C.

Claims and Other Matters

1. Between April 1, 2018 – June 30, 2018, Metropolitan initiated, compromised, settled, or otherwise disposed of the following claims and entered into the following separation agreements:
 - a. Litigated, Compromised and Settled Claims By and Against Third Parties
Metropolitan entered into the following pending settlement agreement within this past quarter.

Please see the following activity:

- i. As a result of an inspection in July 2017 at the Joseph Jensen Water Treatment Plant and subsequent document requests, on January 4, 2018, Cal-OSHA issued a Citation and Notification of Penalty to Metropolitan for a General Violation for not conducting an annual maintenance check on a portable fire extinguisher. Metropolitan appealed this citation. On March 15, 2018, the Cal-OSHA District Manager agreed to reduce the classification of the violation from "General" to simply a "Notice" and not to impose any penalty. On June 5, 2018, the Administrative Law Judge issued a Settlement Order confirming the terms of the parties' settlement.
- ii. On June 21, 2017, the Department of Labor Standards Enforcement (DLSE) served an Amended Civil Wage and Penalty Assessment ("Amended-CWPA") on Johnson Service Group, Inc. as the contractor ("Johnson") and the Metropolitan Water District of Southern California as the awarding body ("Metropolitan"). (DLSE Case No. 40-52000-338.) The Amended-CWPA alleges Johnson violated the prevailing wage laws of the State of California, involving two workers employed by Johnson for assignments at Metropolitan.

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Johnson maintained an agreement with Metropolitan to provide supplemental (i.e., temporary) craft labor (Agreement No. 15805). Johnson resolved the DLSE action by paying the sum of \$56,926.52. Independent of this enforcement action but based on the supplemental labor provided to Metropolitan leading to the DLSE action, Metropolitan agreed to reimburse Johnson for the gross wages charged under the DLSE settlement agreement (i.e., \$40,597.38) plus the Agreement's 46.2 percent markup (\$18,755.99), as the resolution of a potential contract enforcement claim from Johnson.

- b. Workers' Compensation Matters
Workers' compensation claims settled by the General Manager and the General Counsel within this past quarter are reported in Attachment A.
 - c. Other Claims By and Against Third Parties Resolved by Risk Management
Non-litigated third party claims resolved by Risk Management (under authority delegated by the General Manager) and approved by the General Counsel within this past quarter are reported in Attachment B.
 - d. SB 90 Claims
No SB 90 claims for reimbursement for state-mandated costs collected were reported within this past quarter.
 - e. Separation Agreements
Metropolitan did not enter into any separation agreements within this past quarter.
2. Costs collected for claims within this past quarter are reported in Attachment C.
 3. Property Damage Claims declared as uncollectible by the General Manager within this past quarter are reported in Attachment D.
 4. Accounts Receivables written off as uncollectible by the General Manager within this past quarter are reported in Attachment E.

ATTACHMENT A
 Workers' Compensation Matters Resolved During the Period
April 1, 2018 – June 30, 2018

Classification	Control No.	Date of Injury	Amount of Settlement	Nature of Injury	Basis for Settlement
O&M Technician IV	2016-0405-0389	4/4/16	\$83,302.50	Left shoulder, neck	Stipulated settlement based on treating orthopedist's report
Instrumentation & Control Technician III	2015-1007-0172	10/17/15	\$26,245.00	Bilateral knees	Stipulated settlement based on treating orthopedist's report
O&M Technician IV	2016-0114-0264	1/13/16	\$20,445.00	Left knee, low back	Stipulated settlement based on Panel Qualified Medical Evaluator's report
O&M Technician IV	2017-0301-0403	4/27/16 CT	\$48,140.00	Left knee, low back	Stipulated settlement based on Panel Qualified Medical Evaluator's report
Chief of Party	2016-0414-0416	2/17/16	\$18,367.50	Right shoulder	Stipulated settlement based on Panel Qualified Medical Evaluator's report

ATTACHMENT B
Claims Against Metropolitan Resolved by Risk Management During the Period
April 1, 2018 – June 30, 2018

Claimant	Control No. TPA No.	Amount of Settlement	Incident Description	Basis for Resolution
Elly Salletta Bell Subrogation Services for State Farm	2017-0906-0117 027-000015	\$1,000.00	On 9/5/7, an MWD vehicle struck a third party vehicle.	Third party property damage claim was \$1,055.22, and based upon an evaluation of the damages and repair costs, the claimant agreed to a reduced settlement in the amount of \$1,000.00.
Jesus Romero	2017-1108-0251 027-000018	\$1,550.00	On 11/8/17, MWD equipment came loose during transit and fell from an MWD vehicle, struck and damaged a third party vehicle.	Third party property damage claim was settled based upon an evaluation of the damages and repair cost.
Fermin Vasquez	2018-0131-0375 027-000025	\$8,594.36	On 1/25/18, an MWD vehicle struck a third party vehicle.	Third party property damage claim was settled based upon an evaluation of the damages and repair cost.
Vikas Guliani Coast National Insurance	2017-0412-0484 027-000006	\$588.45	On 4/11/17, an MWD vehicle and third party vehicle collided while merging.	Third party property damage claim was settled based upon the evaluation of the damages and for 50% of the repair cost.
Michael Cha	2018-0411-0544 027-000036	\$775.05	On 4/11/18, an MWD manhole was unsecured and caused damage to a third party vehicle.	Third party property damage claim was settled based upon an evaluation of the damages and repair cost.
Brandi Yancey	2018-0604-0638 027-000047	\$5,115.50	On 5/31/18, an MWD vehicle made unsafe lane change and collided with a third party vehicle.	Third party property damage claim was settled based upon an evaluation of the damages and repair cost.

ATTACHMENT C
 Cost Collected During the Period
April 1, 2018 – June 30, 2018

Third Party or Cause	Control No. TPA No.	Damage Amount	Incident Description	Basis for Costs Collected
Nelson Herrera Zelaya	2018-0117-0344 026-000087	\$1,998.00	On 1/12/18, a third party driver struck and damaged an MWD fence.	The property damage estimate claim was paid by the third party insurance carrier.
Fidel Munoz Inter-insurance Exchange	2018-0116-0340 026-000084	\$987.00	On 11/27/17, a third party driver struck and damaged an MWD fence.	The property damage estimate claim was paid by the third party insurance carrier.
Michael O'Connor	2018-0111-0333 026-000082	\$2,977.49	On 1/1/18, a third party driver struck and damaged an MWD vehicle.	The property damage estimate claim was paid by the third party insurance carrier.
Harold Brogden	2017-0821-0089 026-000051	\$1,217.52	On 8/18/17, a third party driver struck and damaged an MWD air vent.	The property damage estimate claim was paid by the third party insurance carrier.
Christine Avila	2018-0108-0327 026-000079	\$4,134.90	On 12/27/17, a third party driver struck and damaged an MWD protection cabinet.	The property damage estimate claim was paid by the third party insurance carrier.

ATTACHMENT D
 Property Damage Written Off as Uncollectible During the Period
April 1, 2018 – June 30, 2018

Third Party or Cause	Control No. TPA No. Project No.	Amount Written-Off	Incident Description	Basis for Write-Off
Felip Canela	2009-0921-0206 METP-3874 761670	\$455.00	On 9/20/09, a third party driver struck and damaged an MWD vehicle.	Due to the age of the file no investigation information was available. Any ability to collect the labor charges in the amount of \$455.00 has expired and the costs were written off.
Shimmick	2010-0811-0082 METP-3999 761704	\$3,857.40	On 8/09/10, a third party struck and damaged MWD's overhead powerlines.	Due to the age of the file no investigation information was available. Any ability to collect the labor charges in the amount of \$3,857.40 has expired and the costs were written off.
Unidentified Third Party	2011-0503-0564 METP-4102 761724	\$1,115.00	On 4/30/11, an unidentified third party struck and damaged MWD fence line.	The costs were written-off because the third party could not be identified.
Unidentified Third Party	2012-0813-0080 METP-4333 761744	\$1,310.00	On 8/2/12, an unidentified third party struck and damaged MWD fence line.	The costs were written-off because the third party could not be identified.

ATTACHMENT D
 Property Damage Written Off as Uncollectible During the Period
April 1, 2018 – June 30, 2018

Third Party or Cause	Control No. TPA No. Project No.	Amount Written- Off	Incident Description	Basis for Write-Off
Dominic Bullene USAA General Indemnity Company	2014-1217-0298 METP-4539 761791	\$2,551.72	On 12/16/14, two third party vehicles collided and then struck an MWD vehicle.	MWD agreed to a pro-rated settlement in the amount of \$2,270.00 from USAA, due to their insured's finite coverage limits. MWD attempted to collect the remaining balance of \$2,551.72 from the other driver's insurance carrier, but was denied because their insured did not the cause of the accident. Therefore the costs were written-off.
Service Connection SD-7	2015-0217-0378 METP-4550 761778	\$1,293.13	On 2/13/15, a third party water agency operation failed causing an MWD water release which caused erosion and flooding to MWD and third party property.	Labor charges in the amount of \$1,293.13 were reported after MWD executed a settlement agreement and release, and had collected its repair costs, and reimbursement for paying a third party also damaged by the incident.

ATTACHMENT E
 Accounts Receivable Written Off as Uncollectible During the Period
April 1, 2018 – June 30, 2018

Invoice Date	Invoice Number	Customer Name	Amount Written-Off	Brief Description	Basis for Write-Off	Date Written-Off
04/27/18	501477	PROJECT LOTUS, LLC	\$12,028.27	701756 - Santa Monica Feeder Relocation, From Station 4418+00 to 4403+00	Additional labor costs to project after completion of work were not recoverable based on the negotiated settlement agreement.	04/30/18
N/A	N/A	CITY OF PLACENTIA	\$14,849.81	701524 - City of Placentia Railroad Lowering Project	Cost of review exceeded deposited amount, but due to abandonment of the project by Joint Powers Authority and its dissolution, MWD was unable to obtain reimbursement of remaining costs, incurred in 2003. Statutory period to recover costs has since expired.	04/30/18
N/A	N/A	N/A	\$1,160.02	701041 – Santiago Lateral Replace Cathodic Protection	Third party was never identified to bill remaining balance for incurred damages in June 2005. Statutory period to recover costs has since expired.	05/23/18
		Total	\$28,038.10			