



- September 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
July 1, 2018 – September 30, 2018.
- ATTACHMENT B: Claims Against Metropolitan Resolved by Risk Management During the Period
July 1, 2018 – September 30, 2018.
- ATTACHMENT C: Costs Collected During the Period
July 1, 2018 – September 30, 2018.
- ATTACHMENT D: Property Damage Written Off as Uncollectible During the Period
July 1, 2018 – September 30, 2018 – None.
- ATTACHMENT E: Accounts Receivables Written Off as Uncollectible During the Period
July 1, 2018 – September 30, 2018 – None.

Detailed Report

Contracts

Best Best & Krieger LLP

Metropolitan retained the services of Special Counsel to provide legal assistance in the validation litigation relating to the California WaterFix on an as-needed basis.

Hanson Bridgett LLP

Metropolitan retained the services of Special Counsel to provide advice and representation in the matter of *Food & Water Watch and Center for Food Safety v. Metropolitan Water District of Southern California*, Superior Court of California, County of Los Angeles Case No. BC720692.

Horvitz & Levy LLP

Metropolitan retained the services of Special Counsel to assist and provide legal services for *San Diego County Water Authority v. Metropolitan Water District of Southern California*, Superior Court of California, County of San Francisco, Case No. A154325, First Appellate District, Division Two and any subsequent proceedings.

Public Interest Investigations, Inc.

Metropolitan retained the services of Consultant to investigate, and to provide analysis and recommendations as directed, on equal employment opportunity concerns raised by two Metropolitan employees.

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Schorr Law, A Professional Corporation

Metropolitan retained the services of Special Counsel to represent Metropolitan in unlawful detainer actions relating to tenants at District Headquarters.

Van Ness Feldman LLP

Metropolitan retained the services of Special Counsel to provide advice and legal assistance to Metropolitan regarding procedural matters in litigation as requested by Metropolitan's General Counsel.

Claims and Other Matters

1. Between July 1, 2018 – September 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. On December 15, 2017, Metropolitan filed a collection action against Desert Milling, Inc. and its CEO, John Frederick Benson, seeking unpaid rent and other monies owed for a lease of lands that Metropolitan owns in the Palo Verde Valley, in the matter entitled, *The Metropolitan Water District v. Desert Milling, Inc., et al.*, Superior Court of California, County of Los Angeles Case No. BC 687102.
- ii. Pursuant to the direction from the General Manager, Metropolitan initiated unlawful detainer litigation on September 20, 2018 through October 15, 2018, to terminate leases and obtain possession of Metropolitan offices leased to state agencies, in order to facilitate the Headquarters seismic retrofit construction project.
- iii. On May 29, 2018, the following claim was filed by Metropolitan under the authority of Administrative Code sections 6433(a) and 6433 (e). Payment was received on September 11, 2018.

Party: Deutsche Bank Aktiengesellschaft (Deutsche Bank)

Metropolitan's Claim Amount: \$1,360,474.06

Basis for Claim:

On May 29, 2018, Metropolitan executed a release and accepted settlement of potential claims regarding interest rate swaps with Deutsche Bank, allowing it to participate in an out-of-court settlement agreement between Deutsche Bank and 45 State Attorneys General. The State Attorneys General alleged that Deutsche Bank, during the period of January 1, 2005 to December 31, 2010, materially misrepresented the integrity of the LIBOR benchmark to state and local governmental counterparties by concealing, misrepresenting, and failing to disclose that Deutsche Bank (a) made internal requests for LIBOR submissions to benefit its trading positions at the expense of counterparties; (b) attempted to influence other panel banks' LIBOR submissions to benefit its trading positions; (c) received external requests for LIBOR submissions; and (d) failed to disclose the foregoing to its counterparties. Metropolitan was determined by the States Attorney General to be a counterparty to this action due to three swaps

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that Metropolitan entered into with Deutsche Bank with an aggregate notional amount of \$202,335,000 and an effective date of July 22, 2010. On September 11, 2018, Metropolitan received \$1,360,474.06 from a \$213,350,000 settlement fund established pursuant to the settlement agreement.

- 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. No Property Damage Claims were declared as uncollectible by the General Manager within this past quarter.
 4. No Accounts Receivables were written off as uncollectible by the General Manager within this past quarter.

ATTACHMENT A
Workers' Compensation Matters Resolved During the Period
July 1, 2018 – September 30, 2018

Classification	Control No.	Date of Injury	Amount of Settlement	Nature of Injury	Basis for Settlement
Administrative Assistant II	2011-1024-0207	10/21/11	\$18,515.00	Right lower leg, knee, foot & lower extremity	Stipulated settlement based on Agreed Medical Evaluator's report
Administrative Assistant II	2015-0209-0368	2/9/15	\$0	Neck & back	Stipulated settlement based on Agreed Medical Evaluator's report
Administrative Assistant II	2015-0527-0556	5/18/15 CT	\$48,140.00	Cervical spine, lumbar spine, right hand & right wrist	Stipulated settlement based on Agreed Medical Evaluator's report
Administrative Assistant II	2016-0321-0377	10/1/15	\$0.00	Right calf, knee, foot	Dismissal based on Agreed Medical Evaluator's report
O&M Supervisor	2017-0209-0373	2/8/17 CT	\$13,412.50	Low back	Stipulated settlement based on Agreed Medical Evaluator's report
O&M Technician IV	2010-0908-0133	9/1/10 CT	\$4,350.00	Bilateral hearing loss	Stipulated settlement based on consulting physician's report

ATTACHMENT B
Claims Against Metropolitan Resolved by Risk Management During the Period
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Claimant	Control No. TPA No.	Amount of Settlement	Incident Description	Basis for Resolution
Julio Montiel	2017-1121-0264 027-000017	\$3,322.00	On 11/20/17, an MWD vehicle struck the rear of a third party vehicle causing damage.	Third party property damage claim was settled based upon an evaluation of the damages and repair cost.
Fermin Vasquez	2018-0131-0375 027-000025	\$8,200.00	On 1/25/18, an MWD vehicle struck the rear of third party vehicle causing injury to the third party driver.	The third party injury claim was settled based upon medical costs and personal injury.
Gardiner Bacama Fuentes	2018-0131-0379 027-000026	\$1,948.03	On 1/31/18, an MWD vehicle backed into third party vehicle causing damage.	Third party property damage claim was settled based upon an evaluation of the damages and repair cost.
Mercury Insurance a subrogee for Candice Goldenhare	2018-0226-0436 027-000029	\$2,303.92	On 2/26/18, an MWD vehicle backed into third party vehicle causing damage.	Third party property damage claim was settled based upon an evaluation of the damages and repair cost.
Stephen Aragon	2018-0308-0479 027-000032	\$518.46	On 3/7/18, an MWD vehicle backed into a third party vehicle causing damage.	Third party claim was settled based upon the receipts that were presented for reimbursement of the insurance deductible and a portion of the rental vehicle.
State Farm as subrogee for Stephen Aragon	2018-0308-0479 027-000032	\$2,697.05	On 3/7/18, an MWD vehicle backed into a third party vehicle causing damage.	Third party property damage claim was settled based upon an evaluation of the damages and repair cost.
Jean Batte-Arriaga	2018-0521-0616 027-000044	\$1,720.04	On 5/18/18, an MWD vehicle backed into a third party vehicle causing damage.	Third party property damage claim was settled based upon an evaluation of the damages and repair cost.
Daniel Nelson	2018-0607-0643 027-000048	\$934.67	On 5/10/18, an MWD gate arm malfunctioned and struck a third party vehicle causing damage.	Third party property damage claim was settled based upon an evaluation of the damages and repair cost.

ATTACHMENT C
Costs Collected During the Period of
July 1, 2018 – September 30, 2018

Third Party or Cause	Control No. TPA No.	Damage Amount	Incident Description	Basis for Costs Collected
Austin Moore	2016-0322-0378 METP-4671A9	\$1,399.00	On 3/20/16, a third party driver struck and damaged an MWD fence.	The property damage claim was paid in full by the third party.
M&L Transportation, LLC	2017-0913-0138 026-000055	\$2,148.84	On 9/13/17, a third party driver rear-ended MWD vehicle.	The third party's insurance carrier, State Farm, previously paid \$16,165.48 based upon the preliminary estimate. Upon receipt of the final invoice, State Farm paid the outstanding balance of \$2,148.84.
Nguyen Lient	2017-1218-0308 026-000073	\$801.17	On 12/18/17, a third party driver struck and damaged an MWD vehicle.	The property damage claim was paid in full by the third party's insurance carrier, Allstate.
XPO Logistics, LLC	2018-0213-0405 026-000094	\$1,061.01	On 2/3/18, a third party driver struck and damaged gate.	The property damage claim was paid in full by the third party.
Osman Adballa	2018-0226-0436 026-000097	\$10,053.03	On 2/24/18, a third party driver struck damaged an MWD vehicle while making a left turn.	The property damage claim was paid in full by the third party's insurance carrier, Farmers Insurance.
Harminder Badesha	2018-0405-0533 026-000108	\$1,407.71	On 4/3/18, a third party driver struck and damaged an MWD vent stack.	The property damage claim was paid in full by the third party's insurance carrier, Inter-insurance Exchange of Automobile Club.