



• June 30, 2019 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, 2019 – June 30, 2019.
- ATTACHMENT B: Claims Against Metropolitan Resolved by Risk Management During the Period
April 1, 2019 – June 30, 2019.
- ATTACHMENT C: Costs Collected During the Period
April 1, 2019 – June 30, 2019.
- ATTACHMENT D: Property Damage Written Off as Uncollectible During the Period
April 1, 2019 – June 30, 2019 - None.
- ATTACHMENT E: Accounts Receivables Written Off as Uncollectible During the Period
April 1, 2019 – June 30, 2019 - None.

Detailed Report

Contracts

Within this past quarter, the General Counsel entered into or amended the following contracts pursuant to her authority under Administrative Code Section 6431:

Burke, Williams & Sorensen LLP

Metropolitan retained the services of Special Counsel to provide legal advice, assistance and representation in labor and employment matters related to Metropolitan's participation in the delta conveyance project.

Hanson Bridgett LLP

Metropolitan retained the services of Special Counsel to provide advice regarding state and local taxes and permitting requirements, including representation of Metropolitan in administrative hearings as requested.

Hazen and Sawyer

Metropolitan retained the services of Consultant to provide technical services to evaluate and to develop a cost estimate for remedial options for Metropolitan's groundwater storage program with Arvin-Edison Water Storage District as well as technical support for potential litigation.

IMC, Inc.

Metropolitan retained the services of Consultant to investigate and provide recommendations on allegations of discrimination and related misconduct lodged anonymously with Metropolitan's General Counsel via email dated February 14, 2019, and lodged by employee with Metropolitan's Ethics Officer by email dated

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February 26, 2019. This agreement was also amended this quarter to reflect an increase in the maximum amount payable.

Liebert Cassidy Whitmore

Metropolitan retained the services of Special Counsel to engage in investigating and providing analysis and recommendations as directed on allegations of discrimination, failure to maintain environment free from harassment, failure to take preventive action and retaliation filed by a Metropolitan employee with Metropolitan's EEO office on January 23, 2019, and with the Riverside Superior Court on May 10, 2019, in Case No. RIC1902940.

Public Interest Investigations, Inc.

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

Setec Security Technologies, Inc.

Metropolitan retained the services of Consultant to provide consulting on and technical work regarding computer forensics, data collection and other specialized computer matters.

Claims and Other Matters

1. Between April 1, 2019 – June 30, 2019, 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 resolved the following citations within this past quarter:

i. **Cal-OSHA Citation re Lake Mathews Reservoir**

As a result of inspections in December 2018 and April 2019 at the Lake Mathews Reservoir and related document requests, on April 24, 2019, Cal-OSHA issued a Citation for four alleged violations. All of the Citation items are classified as "General," and the total proposed penalty amount is \$3,140.00. On May 13, 2019, Metropolitan appealed the Citation on the grounds that the classification of the items as "General" is incorrect and the proposed penalties are unreasonable. Metropolitan also appealed three of the items on the ground that the cited safety order was not violated. Metropolitan asserted the following affirmative defenses to some or all of the items: (1) Cal-OSHA failed to consider relevant information; (2) the Cal-OSHA inspector did not make diligent inquiry into Metropolitan's records; (3) a different safety order applied to the work activity that is the subject of the citation, and Metropolitan was in compliance with the other safety order; and (4) the cited safety order does not apply to the equipment that is the subject of the Citation nor do any other Cal-OSHA safety orders apply. During an informal conference on June 24, 2019, the Cal-OSHA District Manager indicated he would withdraw two of the Citation items (the ones relating to working over or near water and working on a roof) and that he would either withdraw a third Citation item (painting emergency eyewash and shower equipment a bright color) or reduce the penalty amount. With regard to the fourth Citation item (uneven steps and other obstructions to emergency eyewash and shower equipment), he indicated that he would reduce the penalty amount. We are waiting to receive the District Manager's final decision.

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ii. LACFD Class II Violation re Weymouth

On May 29, 2019, as a result of its California Accidental Release Prevention (“CalARP”) Program inspections conducted at the F.E. Weymouth Water Treatment Plant (“Weymouth”) on May 8 and May 22, 2019, the Los Angeles County Fire Department (“LACFD”) issued a minor violation for Metropolitan allegedly failing to complete and electronically submit a site map, as well as two Class II violations for Metropolitan allegedly failing to: (1) conduct a worst-case release scenario (“WCS”) analysis for its 19 percent aqueous ammonia systems; and (2) register those systems. After discussions with the LACFD inspector, he agreed to withdraw the minor violation and the Class II violation regarding the site map, but he refused to withdraw the Class II violation regarding the WCS analysis. Metropolitan appealed this violation on June 27, 2019, on the ground that LACFD had made a preliminary determination in 2008 and found that Metropolitan’s aqueous ammonia system did not pose an offsite risk and was not subject to the CalARP Program. According to statutory and regulatory authority and guidance documents, LACFD is first required to make a preliminary determination that there is a significant likelihood that Metropolitan’s use of aqueous ammonia poses an accident risk before Metropolitan would be required to conduct a WCS for the ammonia systems at Weymouth. However, since 2008 when LACFD had requested an alternative release scenario for the aqueous ammonia system, LACFD had made no such determination or asked Metropolitan to conduct a WCS analysis until the inspections in May 2019. Metropolitan has now registered the aqueous ammonia systems and is conducting the WCS analysis. The Supervising Hazardous Materials Specialist at LACFD recently contacted Metropolitan to schedule a meeting to discuss the appeal after the WCS analysis has been completed and the appropriate program level has been determined for the aqueous ammonia systems.

The following dismissals were entered within this past quarter:

- i. A dismissal was entered this quarter by the State in the matter entitled, *Metropolitan Water District v. The State of California, State Department of Parks and Recreation*, Los Angeles Superior Court Case No. 18STUD10138. This was an unlawful detainer action to evict state government holdover tenants located in Metropolitan’s Headquarters.
 - ii. A dismissal was entered on this matter on December 13, 2018, by the State in the matter entitled, *Metropolitan Water District v. The State of California, Office of Statewide Health & Planning Development*, Los Angeles Superior Court Case No. 18STUD10135. This was an unlawful detainer action to evict state government holdover tenants located in Metropolitan’s Headquarters.
- 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.

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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
April 1, 2019 – June 30, 2019

Classification	Control No.	Date of Injury	Amount of Settlement	Nature of Injury	Basis for Settlement
O&M Tech IV	2016-1031-0213 2016-0065-MWD	8/4/16	\$3,500.00	Stress	Compromise and Release based on Qualified Medical Evaluator's report. Agreement signed on 5/1/19

ATTACHMENT B
 Claims Against Metropolitan Resolved by Risk Management During the Period
April 1, 2019 – June 30, 2019

Claimant	Control No. TPA No.	Amount of Settlement	Incident Description	Basis for Resolution
Lucy Rocha	2018-0612-0652 027-000049	\$3,435.44	On 6/18/18, an MWD vehicle backed into a parked and unoccupied third party vehicle causing damage	The third party property claim was settled based upon an evaluation of the accident, vehicle damage, repair, repair duration, and appropriate rental costs
Brian Herzog	2019-0313-0453 027-000075	\$388.62	On 3/8/19, third party's personal vehicle parked on MWD property had wires chewed on by rodents	The third party claim was settled based upon the evaluation of the vehicle damage and repair costs

ATTACHMENT C
 Costs Collected During the Period
April 1, 2019 – June 30, 2019

Third Party or Cause	Control No. TPA No.	Damage Amount	Incident Description	Basis for Costs Collected
Leonel & Iliana Sanchez	2019-0212-0378 026-000185	\$1,865.16	On 8/29/18, a third party vehicle struck and damaged the right side of a parked and unoccupied MWD truck	The property damage claim was paid in full by the third party
Nam Yeul Kim & Justina Cho	2019-0402-0482 026-000202	\$5,908.70	On 4/2/19, a third party vehicle rear-ended and damaged an MWD vehicle	The property damage claim was paid in full by the third party insurance carrier
Camille Cornelius	2019-0328-0479 026-000201	\$3,200.00	On 3/16/19, a third party vehicle struck and damaged an MWD gate	The property damage claim was paid in full by the third party insurance carrier
Lorraine Garcia	2019-0513-0555 026-000207	\$1,800.00	On 5/12/19, a third party vehicle struck and damaged an MWD fence	The property damage claim was paid in full by the third party insurance carrier