



● December 31, 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 Section 6431.

Attachments

ATTACHMENT A:	Workers' Compensation Matters Resolved During the Period October 1, 2019 – December 31, 2019 - None.
ATTACHMENT B:	Claims Against Metropolitan Resolved by Risk Management During the Period October 1, 2019 – December 31, 2019.
ATTACHMENT C:	Costs Collected During the Period October 1, 2019 – December 31, 2019.
ATTACHMENT D:	Property Damage Written Off as Uncollectible During the Period October 1, 2019 – December 31, 2019 - None.
ATTACHMENT E:	Accounts Receivables Written Off as Uncollectible During the Period October 1, 2019 – December 31, 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:

Best, Best & Krieger LLP

This agreement was amended this quarter to reflect a change in agreement administrator and "Notices" section.

Ronald D. Bremen

Metropolitan retained the services of Consultant to investigate and provide analysis and recommendations as directed, on allegations of employee misconduct brought forward by Metropolitan employee.

GeoPentech, Inc.

Metropolitan retained the services of Consultant to provide geologic and hydro-geologic services to assist with the investigation process and to evaluate remedial options relating to the Hoover dam landfill.

Hazen & Sawyer

This agreement was amended this quarter to reflect a modification to the fee schedule.

Michael A. Heider

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

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Horvitz & Levy LLP

Metropolitan retained the services of Special Counsel to provide advice regarding appellate briefs and any remand, if necessary, in the matter of *Food & Water Watch, et al. v. Metropolitan Water District of Southern California* (California Court of Appeal 2nd District Case No. B297553).

IMC, Inc.

Metropolitan retained the services of Consultant to investigate and provide analysis and recommendations as directed, on allegations of discrimination and retaliation brought forward by a Metropolitan employee.

Lesnick Prince & Pappas LLP

Metropolitan retained the services of Special Counsel to provide legal services with respect to *In re PG&E Corporation* (United States Bankruptcy Court Northern District of California Case No. 19-30088 (DM) Chapter 11 - Lead Case) and *In re Pacific Gas & Electric Company* (United States Bankruptcy Court Northern District of California Case No. 19-30088 (DM) Chapter 11) and any related proceedings.

Liebert Cassidy Whitmore

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

Nixon Peabody LLP (Bond Counsel)

This agreement was amended this quarter to reflect a change in agreement administrator and “Notices” section.

Remy Moose Manley LLP

This agreement was amended this quarter to reflect a change in agreement administrator and “Notices” section.

Seyfarth Shaw LLP

Metropolitan retained the services of Special Counsel to provide legal representation, advice and consultation in the litigation entitled, *Jolene Fuentes v. Metropolitan Water District of Southern California* (Riverside County Superior Court Case No. RIC1902940).

Van Ness Feldman LLP

This agreement was amended this quarter to reflect a change in agreement administrator and “Notices” section.

Claims and Other Matters

1. Between October 1, 2019 – December 31, 2019, Metropolitan initiated, compromised, settled, or otherwise disposed of the following claims and entered into the following separation agreements:

Metropolitan was issued the following citation within this last quarter:

Cal-OSHA Citation re Robert Skinner Filtration Plant

As a result of two of inspections on 06/25/2019 and 09/10/2019 and related document requests, on October 24, 2019, Cal-OSHA issued a Citation for five alleged “General” violations and one alleged “Notice in Lieu” violation. The total proposed penalty amount for the “General” violations is \$3,420.00. There was no penalty amount for the “Notice in Lieu” violation. On November 18, 2019, Metropolitan appealed the five “General” violations on the grounds that the safety order was not violated, the classification of the items as “General” is incorrect, and the proposed penalties are unreasonable. Metropolitan asserted the following affirmative defenses to

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all the items: (1) Cal-OSHA failed to consider relevant information; and (2) the Cal-OSHA inspector did not make diligent inquiry into Metropolitan's records. An Informal Conference has been scheduled on January 29, 2020, to discuss Metropolitan's appeal.

a. Litigated, Compromised and Settled Claims By and Against Third Parties

Metropolitan entered into the following settlement agreement within this past quarter:

Metropolitan resolved the following citations within this last quarter:

i. Cal-OSHA Citation re Lake Mathews Reservoir

On April 24, 2019, Cal-OSHA issued a Citation for four alleged violations at Lake Mathews Reservoir. 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. After Metropolitan and Cal-OSHA participated in an informal settlement conference, Cal-OSHA agreed to settle the matter by withdrawing two of the items, re-classifying the third item from General to Notice and reducing the proposed penalty to \$0, and reducing the proposed penalty for the fourth item from \$700 to \$550. The settlement also included a non-admission clause and a cost waiver. The Administrative Law Judge approved the settlement on September 20, 2019, and issued a Settlement Order resolving the matter on September 23, 2019.

ii. LACFD Class II Violation re Weymouth

On May 29, 2019, as a result of its California Accidental Release Prevention ("CalARP") Program inspections at the F.E. Weymouth Water Treatment Plant ("Weymouth"), 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% 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 not the Class II violation regarding the WCS analysis. Metropolitan appealed this alleged violation on June 27, 2019. Metropolitan has now registered the aqueous ammonia systems, conducted the WCS analysis, and submitted the WCS analysis to LACFD. On November 7, 2019, LACFD agreed to reduce the violation classification from a Class II to a Minor.

b. Workers' Compensation Matters

No Workers' Compensation claims were settled by the General Manager and the General Counsel within this past quarter.

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 were collected within this past quarter.

e. Separation Agreements

The Human Resources Group Manager entered into one separation agreement this quarter to facilitate the resolution of an employee grievance. The agreement did not provide the employee with a lump sum payment or any paid leave.

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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 B
Claims Against Metropolitan Resolved by Risk Management During the Period
October 1, 2019 – December 31, 2019

Claimant	Control No. TPA No.	Amount of Settlement	Incident Description	Basis for Resolution
Rene Gutierrez	2019-0730-0052 027-000090	\$1,081.49	On 7/30/19, an unsecured box fell from an MWD vehicle which struck and cracked the front windshield of a third party vehicle	The third property claim was settled based upon an evaluation of the accident and vehicle damage and repair costs
Billy Candella	2019-0410-0497 027-000076	\$20,682.79	On 4/9/19, strong winds knocked down a tree on MWD property onto a Southern California Edison power line resulting in a power outage which caused electrical damage to a third party residence and their major appliances	The third party property claim was settled based upon an evaluation of the property damage and repair costs to the residence and the appliances
EAN Holdings, LLC	2019-0118-0316 027-000069	\$1,226.80	On 1/9/19, an unidentified driver in a third party vehicle collided with a rental car operated by an MWD employee causing damage to the right side of the rental car. The third party fled the scene of the accident	The third party property claim (rental car company) was settled based upon an evaluation of the accident and vehicle damage and repair costs
Chrystal Curtiss	2019-0617-0613 027-000087	\$2,683.06	On 6/16/19, an MWD entry gate malfunctioned, struck and damaged a third party vehicle that was entering the facility	The third party property claim was settled based upon an evaluation of the accident and vehicle damage and repair costs
Salvador Echeveste	2019-1007-0199 027-000099	\$3,449.85	On 10/7/19, an MWD vehicle struck and damaged the left side of a parked and unoccupied third party vehicle	The third party property claim was settled based upon an evaluation of the accident and vehicle damage and repair costs

ATTACHMENT C
 Costs Collected for Claims During the Period
October 1, 2019 – December 31, 2019

Third Party or Cause	Control No. TPA No.	Damage Amount/Cost Collected	Incident Description	Basis for Costs Collected
Jeffrey Lepere	2019-0325-0469 026-000200	\$2,468.88	On 3/25/19, a third party vehicle collided with an MWD truck which was backing into the roadway	MWD collected \$2,468.88, a negotiated thirty percent settlement of the \$8,229.60 repair cost due to comparative liability, from the third party insurance carrier after an evaluation of the liability, damage and repair costs
Mary Massey Johnson	2019-0618-0616 026-000212	\$1,574.05	On 6/18/19, a third party vehicle struck an MWD vehicle	The property damage claim was paid in full by the third party's insurance carrier AAA
Steven Luevano	2019-1021-0216 026-000243	\$1,382.95	On 10/21/19, a third party vehicle backed into an MWD vehicle	The property damage claim was paid in full by the third party's insurance carrier Alliance United Insurance Company