



• March 31, 2023 Quarterly Report

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.

Attachments

- ATTACHMENT A: Workers' Compensation Matters Resolved During the Period
January 1, 2023 – March 31, 2023.
- ATTACHMENT B: Claims Against Metropolitan Resolved by Risk Management During the Period
January 1, 2023 – March 31, 2023.
- ATTACHMENT C: Costs Collected During the Period
January 1, 2023 – March 31, 2023 – NONE.
- ATTACHMENT D: Property Damage Written Off as Uncollectible During the Period
January 1, 2023 – March 31, 2023 - NONE.
- ATTACHMENT E: Accounts Receivables Written Off as Uncollectible During the Period
January 1, 2023 – March 31, 2023 - 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:

Aecus Law

Metropolitan retained the services of Consultant to investigate and provide factual findings (including factual findings and Metropolitan policy violation findings), analysis, and conclusions as directed, on allegations of employee misconduct against another employee.

Atkinson, Andelson, Loya, Ruud & Romo

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

Burke, Williams, & Sorensen, LLP – Agreement No. 207970

Metropolitan retained the services of Special Counsel to provide litigation counsel and support services for the following three condemnation actions: (a) *City of Rancho Cucamonga v. SCE, et al.*, San Bernardino Superior Court Case No. CIVSB 2201969; (b) *City of Rancho Cucamonga v. BTC III Etiwanda Commerce Center LP, et al.*, San Bernardino Superior Court Case No. CIVSB 2201955; (c) *City of Rancho Cucamonga v. SCG/DP Etiwanda, LLC, et al.*, San Bernardino Superior Court Case No. CIVSB 2201956.

Burke, Williams, & Sorensen, LLP – Agreement No. 180207

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

Innovative Legal Services, P.C.

Metropolitan retained the services of Special Counsel to assist in a confidential employment matter.

Meyers Nave, A Professional Corporation

Metropolitan retained the services of Special Counsel to provide a written analysis and summary of existing and anticipated federal, state, and local laws, rules, regulations, and advisory levels governing PFAS, as well as general legal advice and counseling regarding compliance with such PFAS law, rules, regulations, and advisory levels.

Musick, Peeler & Garrett LLP

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

Nixon Peabody LLP

Metropolitan retained the services of Special Counsel to provide legal advice and opinion regarding legal structure, including tax consequences relating to Metropolitan's potential participation, funding, and development of the Sites Reservoir Project. Review authorization and issuance documentation for any form of indebtedness, provide legal advice and opinions for other tax and financial matters related to the Sites Reservoir Project, assist Metropolitan in negotiating agreements, or similar documents related to issuance of securities, with the Sites Project Authority, Sites Reservoir Committee, underwriters, and other parties involved with such issuance, and related advice and assistance as requested.

Olivarez Madruga Law Organization

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

Olson Remcho LLP

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

Paul Hastings LLP

Metropolitan retained the services of Special Counsel to provide legal advice and assistance in the matter entitled, *Metropolitan Water District of Southern California, et al. v. California Department of Fish and Wildlife, et al.*, Sacramento Superior Court Case No. JCCP 5117 (CJC-20-005117) specifically regarding Metropolitan's allegations of violations of the California Endangered Species Act including the strongest legal and factual arguments supporting Metropolitan's position and how best to characterize/address the allegations in briefing to and argument before the Court. This scope of work includes a review of the CESA arguments as part of the draft final brief.

Public Interest Investigations, Inc.

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

Renne Public Law Group, LLP

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

Seyfarth Shaw LLP

Metropolitan retained the services of Special Counsel to provide legal representation, advice, and consultation in the defense of the litigation entitled, *Darren Reese v. Metropolitan Water District of Southern California, and DOES 1 through 100, inclusive*, Riverside County Superior Court Case No. CVPS2204312, and amended the agreement to increase the maximum amount payable.

Claims and Other Matters

1. Between January 1, 2023 – March 31, 2023, 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

- i. Cal-OSHA Citation re Robert Diemer Filtration Plant

As a result of inspections on September 26, 2022, and November 2, 2022, and associated document requests, Cal-OSHA issued on January 12, 2023, a Citation for two alleged “General” violations. The total proposed penalty amount for the “General” violations is \$1,050.00. Metropolitan filed an appeal for the two “General” violations on the grounds that: (1) the safety order was not violated, (2) the classification of “general” is incorrect, and (3) the proposed penalty is unreasonable. Metropolitan asserted the following affirmative defenses for both items: (1) the division failed to consider relevant information, and (2) Cal-OSHA did not make diligent inquiry into the employer records. Metropolitan plans to request an informal conference with Cal-OSHA to try to resolve the Citation.

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

- i. Cal-OSHA Citation re F.E. Weymouth Water Treatment Plant

As a result of an inspection on 12/08/2021 and a follow up document request on 12/10/2021, Cal-OSHA issued a Citation for two alleged “General” violations. The total proposed penalty amount for the “General” violations is \$1,120. Metropolitan filed appeal for the two “General” violations. After two informal conferences, Metropolitan was able reach a settlement to reclassify both “General” violations to a “Notice in Lieu” and have the penalty reduced to \$0.00.

Metropolitan resolved the following court action within this past quarter:

- i. *Rick Faith v. Metropolitan, All Persons Interested, etc.*, Los Angeles Superior Court Case No. 22STCV33585

On October 14, 2022, an individual property owner from Orange County, Rick Faith, filed a reverse validation action alleging Metropolitan’s ad valorem property taxes for fiscal year 2022/23 are invalid pursuant to the constitutional provisions added by Propositions 13, 26, and 218. Plaintiff alleges Metropolitan does not have authority to collect the taxes to pay the State Water Project expenses.

A validation or reverse validation action requires a validation summons be issued and published, as approved by the court. On November 17, 2022, Plaintiff sought approval of its proposed validation summons for publication via an *ex parte* application. Metropolitan successfully opposed the issuance of a validation summons. Following Plaintiff’s failure to amend his complaint to allege any causes of action other than a reverse validation, Plaintiff agreed to file a request for dismissal. On February 3, 2023, the Court dismissed the case without prejudice.

Metropolitan resolved the following Hearing Officer Appeal (discipline):

- i. *AFSCME Local 1902 v. Metropolitan* (Disciplinary Appeal Grievance)

AFSMCE Local 1902 and Metropolitan agreed to settle the appeal of a disciplinary action in progress before a hearing officer. The hearing officer was selected pursuant to the appeal

process described in the MOU. The challenged discipline includes a demotion and transfer. The settlement agreement requires the employee to serve a 60-hour suspension, to participate in coaching and training sessions addressing the importance of complying with Metropolitan's EEO policies, and to comply with a 90-day corrective action plan upon his return to his former assignment. Accordingly, the demotion and transfer have been rescinded. The financial terms require Metropolitan to provide the employee with backpay for five holidays and a cost-of-living adjustment effective July 1, 2022. In exchange, the employee waived all other backpay demands including for premium pay, overtime and any additional pay the employee would have received had the demotion not been imposed. The agreement does not contain a confidentiality provision. The disciplinary action resulted from employee misconduct disclosed during an EEO investigation.

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 entered into the following separation agreement within this past quarter:

- i. Metropolitan entered into one separation agreement with an employee which did not include a confidentiality provision. The key terms included a transitional work assignment, paid administrative leave, and a voluntary resignation. No EEO issues were implicated, and the underlying circumstances did not call for any corrective action.

2. No Costs were collected for claims within this past quarter.

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
January 1, 2023 – March 31, 2023

Classification	Control No.	Date of Injury	Amount of Settlement	Nature of Injury	Basis for Settlement
O&M Tech IV	2021-0304-0366	3/4/2021	\$1,740.00	Right Hand Fracture	Stipulation with Future Medical

ATTACHMENT B
 Claims Against Metropolitan Resolved by Risk Management During the Period
January 1, 2023 – March 31, 2023

Claimant/ Third-Party	Control No. TPA No.	Amount of Settlement	Incident Description	Basis for Resolution
Shoemaker, Sheldon	2022-1205-0198 027-000181	\$4,564.48	On 11/28/2022, an MWD annuitant filed a claim for mileage reimbursement	The third-party property damage claim was settled based upon an evaluation of the claim and supporting evidence
Julio, Fredrico	2022-0921-0092 027-000173	\$271.53	On 09/21/2022, an MWD vehicle struck and damaged the driver’s side mirror of the unoccupied third-party vehicle	The third-party property damage claim was settled based upon an evaluation of the accident, impact, damage, and repair cost
Hooper, Lynne	2022-0615-0516 027-000169	\$2,129.88	On 06/15/2022, an MWD vehicle struck and damaged the rear bumper, quarter panel and wheel of the unoccupied third-party vehicle	The third-party property damage claim was settled based upon an evaluation of the accident, impact, damage, and repair cost
Ou, Terry	2023-0126-0264 027-000184	\$4,319.14	On 01/26/2023, an MWD vehicle struck and damaged the driver’s side mirror and left rear quarter panel of the third-party vehicle	The third-party property damage claim was settled based upon an evaluation of the accident, impact, damage, and repair cost