



Legal Group

- **December 31, 2024 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.

Attachments

- ATTACHMENT A: Workers' Compensation Matters Resolved During the Period
October 1, 2024 – December 31, 2024.
- ATTACHMENT B: Claims Against Metropolitan Resolved by Risk Management During the Period
October 1, 2024 – December 31, 2024.
- ATTACHMENT C: Costs Collected During the Period
October 1, 2024 – December 31, 2024.
- ATTACHMENT D: Property Damage Written Off as Uncollectible During the Period
October 1, 2024 – December 31, 2024 - NONE.
- ATTACHMENT E: Accounts Receivables Written Off as Uncollectible During the Period
October 1, 2024 – December 31, 2024 - 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:

Albright, Yee & Schmit, APC – Agreement No. 220423

Metropolitan retained the services of Special Counsel in connection with a confidential matter. This agreement was also amended this quarter to modify the scope of work.

Albright, Yee & Schmit, APC – Agreement No. 220524

Metropolitan retained the services of Special Counsel in connection with a confidential matter.

Albright, Yee & Schmit, APC – Agreement No. 222429

Metropolitan retained the services of Special Counsel in connection with a confidential matter. This

Albright, Yee & Schmit, APC – Agreement No. 216064

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

Board Report (December 31, 2024 Quarterly Report)

Best Best & Krieger, LLP

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

Brown White & Osborn LLP – Agreement No. 220523

Metropolitan retained the services of Special Counsel in connection with a confidential employment matter.

Brown White & Osborn LLP – Agreement No. 220525

Metropolitan retained the services of Special Counsel in connection with a confidential employment matter.

Castaneda + Heidelman LLP – Agreement No. 222530

Metropolitan retained the services of Special Counsel in connection with a confidential employment matter.

Castaneda + Heidelman LLP – Agreement No. 216055

This agreement was amended this quarter to modify the scope of work.

Ellis Investigations Law Corporation

Metropolitan retained the services of Consultant in connection with a confidential Government Code claim investigation.

Glaser Weil Fink Howard Jordan & Shapiro LLP

This agreement was amended this quarter to modify the scope of work.

Hanna, Brophy, MacLean, McAleer & Jensen, LLP

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

Hausman & Sosa, LLP – Agreement No. 220426

Metropolitan retained the services of Special Counsel to provide representation, advice and consultation in the litigation entitled, *Luz Villavicencio v. Metropolitan Water District of Southern California, and DOES 1 through 10 inclusive*, Los Angeles County Superior Court Case No. 24STCV22579.

Hausman & Sosa, LLP – Agreement No. 222522

Metropolitan retained the services of Special Counsel to provide legal advice and representation regarding the Jensen Operator Standby Removal hearing officer appeal.

Hazen and Sawyer

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

Katten Muchin Rosenman LLP

Metropolitan retained the services of Bond Counsel to perform the following services: authorization and issuance documentation for Metropolitan's water revenue and general obligations bonds, notes, remarketing and commercial paper and other forms of indebtedness; written opinions regarding the legality and tax status of securities to be issued, that the agreement(s) relating to bonds have been duly and validly authorized, executed and delivered and constitute the valid, legal and binding obligation(s) of Metropolitan, and that all authorizing resolutions have been adopted by Metropolitan; legal advice and opinions on a continuing basis; legal advice and opinions for other tax and financial matters; assist Metropolitan in negotiating agreements, or similar documents relating to issuance of securities; tax and nonarbitrage and other certificates or opinions; assist in review of Metropolitan disclosure documents; as requested represent Metropolitan before ratings agencies; assist in representation of Metropolitan in litigation or administrative agency proceedings regarding finance matters; legal advice and opinions regarding pending or proposed federal or state legislation or regulatory agency rules, actions or policies which have a bearing on

Board Report (December 31, 2024 Quarterly Report)

prospective financing of Metropolitan projects or currently authorized or outstanding financings; presentations to Metropolitan's Board of Directors on financing matters.

Kutak Rock LLP

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

Marten Law LLP – Agreement No. 220413

Metropolitan retained the services of Special Counsel to provide legal counseling, assistance and advice on issues related to compliance with law, rules and regulations pertaining to the generation, management, handling, storage, treatment, transportation, and disposal of hazardous substances and hazardous waste, including but not limited to per- and polyfluoroalkyl substances (PFAS and PFAS impacted media).

Marten Law LLP – Agreement No. 220414

Metropolitan retained the services of Special Counsel to provide legal counseling, assistance and advice in support of Pure Water Southern California on issues related to (1) compliance with law, rules and regulations pertaining to the management, handling, storage, treatment, transportation, and disposal of hazardous substances and hazardous waste, including but not limited to per- and polyfluoroalkyl substances (PFAS and PFAS impacted media); and, (2) strategies and approaches for avoiding or mitigating any potential liability or risks associated with the activities.

Marten Law LLP – Agreement No. 220415

Metropolitan retained the services of Special Counsel to provide legal advice and assistance with regard to Metropolitan's potential claim against the federal government/DOD for costs incurred in connection with the Perris Valley Pipeline Project related to PFAS.

The Myers Law Group, APC

Metropolitan retained the services of Special Counsel in connection with a confidential matter.

Renne Public Law Group LLP

Metropolitan retained the services of Special Counsel to provide legal advice and representation before the Public Employment Relations Board regarding the unfair practice charge filed in the matter entitled, *American Federation of State, County & Municipal Employees, Local 1902 v. Metropolitan Water District of Southern California*, PERB Case No. LA-CE-1738-M.

Seyfarth Shaw LLP – Agreement No. 211917

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

Seyfarth Shaw LLP – Agreement No. 216035

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

Shaw Law Group PC

Metropolitan retained the services of Consultant to investigate and provide analysis and recommendations as directed, on allegations of employee misconduct complaints against another employee.

Sheppard Mullin Richter & Hampton LLP

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

Van Ness Feldman, LLP

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

Board Report (December 31, 2024 Quarterly Report)

Claims and Other Matters

1. Between October 1, 2024 – December 31, 2024, 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 initiated the following action within this past quarter:

- i. *The Metropolitan Water District of Southern California v. Zion Shyiren Lin*
(Los Angeles County Superior Court Case No. 24PSCV03594)

Metropolitan filed a complaint and received an acknowledgment of service on November 19, 2024, of a lawsuit filed against the owner of a parcel of land in Glendora, California. Metropolitan seeks to stop unpermitted soil grading and illegal landscaping that potentially threaten Metropolitan's Upper Feeder pipeline. The lawsuit brings causes of action for interference with easement, negligence, and other claims.

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

- ii. *Darren Reese v. Metropolitan Water District of Southern California*
(Riverside County Superior Court Case No. CVPS2204312)

Employee Darren Reese filed a lawsuit in Riverside County Superior Court in October 2022, alleging six equal employment opportunity-based causes of action under the Fair Employment and Housing Act: race discrimination, race harassment, gender discrimination, gender harassment, retaliation, and failure to prevent harassment, discrimination, and retaliation. Trial was set for October 2024. Following discovery, in June 2024, Metropolitan filed a motion for summary judgment or, in the alternative, summary adjudication, requesting pre-trial dismissal of the case. The parties settled the case before the hearing on the motion. In November 2024, the court entered a dismissal with prejudice of the case due to the parties' settlement. Equal employment opportunity issues were implicated and the employee is still employed by the District. No corrective action was taken by the District. The confidential settlement agreement includes financial and confidential terms. The settlement involves monetary payments to plaintiff and his counsel within the settlement authority of the General Manager, with the approval of the General Counsel, pursuant to Administrative Code Section 6433(a), in exchange for plaintiff's dismissal of the case with prejudice and release of claims.

- iii. *State Farm Mutual Automobile Insurance Company v. Metropolitan Water District of Southern California* (Orange County Superior Court Case No. 30-2024-01416289-CL-IC-CJC)

On August 1, 2024, State Farm filed a limited jurisdiction complaint in Orange County for subrogation recovery in the amount of \$2,905.70 for property damage from a motor vehicle accident. Liability was not in dispute. Metropolitan entered into a settlement and release for the full amount pursuant to Administrative Code Section 6433 and the case was dismissed. Dismissal was entered on October 3, 2024.

Board Report (December 31, 2024 Quarterly Report)

- iv. ***Baker Electric & Renewables LLC v. Metropolitan Water District of Southern California, et al.***
(Los Angeles Superior Court Case No. 21STCV15612)

On June 8, 2021, Baker filed a complaint in the Superior Court of Los Angeles County in connection with work performed on the Colorado River Aqueduct cable replacement project seeking approximately \$16 million in damages for alleged delays and extra work. Metropolitan subsequently filed a cross-complaint for approximately \$9 million for defective work and liquidated damages. Metropolitan entered into a settlement agreement with Baker Electric and its subcontractors on September 26, 2024. On November 18, 2024, the case was dismissed in its entirety. Dismissal entered on November 18, 2024.

- v. ***AFSCME Local 1902 v. MWD*** – Contract interpretation hearing officer appeal

AFSCME Local 1902 submitted a grievance alleging that Metropolitan violated the Memorandum of Understanding (MOU) by assigning a Water Treatment Plant Operator to perform the duties of a higher classification without granting a temporary promotion. Metropolitan denied the grievance, and AFSCME subsequently appealed the decision to a hearing officer pursuant to the MOU's grievance procedures. While both parties maintained that their respective positions had merit, Metropolitan acknowledged that the grievant met the minimum qualifications for a promotion irrespective of the grievance. To resolve the matter, the parties entered into a settlement agreement, which provided the grievant with a lump sum payment of \$2,500.00 and a promotion that already was set to proceed. The settlement did not involve any equal employment opportunity (EEO) issues. The employee remains employed by Metropolitan. There is no confidentiality provision in the agreement. Additionally, the agreement clarified the conditions under which a water treatment plant operator assigned to work as a shift operator will receive a temporary promotion moving forward.

- vi. ***AFSCME Local 1902 v. MWD*** – Contract interpretation hearing officer appeal

AFSCME Local 1902 submitted a grievance alleging that Metropolitan violated the Memorandum of Understanding (MOU) by assigning a Water Treatment Plant Operator to perform the duties of a higher classification without granting a temporary promotion. Metropolitan denied the grievance, and AFSCME subsequently appealed the decision to a hearing officer pursuant to the MOU's grievance procedures. While both parties maintained that their respective positions had merit, Metropolitan acknowledged that the grievant met the minimum qualifications for a promotion irrespective of the grievance. To resolve the matter, the parties entered into a settlement agreement, which provided the grievant with a lump sum payment of \$1,048.00 and a promotion that already was set to proceed. The settlement did not involve any equal employment opportunity (EEO) issues. The employee remains employed by Metropolitan. There is no confidentiality provision in the agreement. Additionally, the agreement clarified the conditions under which a water treatment plant operator assigned to work as a shift operator will receive a temporary promotion moving forward.

- vii. ***AFSCME Local 1902 v. MWD*** – Contract interpretation hearing officer appeal

AFSCME Local 1902 submitted a grievance alleging that Metropolitan violated the Memorandum of Understanding (MOU) by assigning a Water Treatment Plant Operator to perform the duties of a higher classification without granting a temporary promotion. Metropolitan denied the grievance, and AFSCME subsequently appealed the decision to a

Board Report (December 31, 2024 Quarterly Report)

hearing officer pursuant to the MOU's grievance procedures. While both parties maintained that their respective positions had merit, Metropolitan acknowledged that the grievant met the minimum qualifications for a promotion irrespective of the grievance. To resolve the matter, the parties entered into a settlement agreement, which provided the grievant with a lump sum payment of \$11,097.90. The settlement did not involve any equal employment opportunity (EEO) issues. The employee remains employed by Metropolitan. There is no confidentiality provision in the agreement. Additionally, the agreement clarified the conditions under which a water treatment plant operator assigned to work as a shift operator will receive a temporary promotion moving forward.

viii. ***AFSCME Local 1902 v. MWD*** – Contract interpretation hearing officer appeal

AFSCME Local 1902 submitted a grievance alleging that Metropolitan violated the Memorandum of Understanding (MOU) by assigning a Water Treatment Plant Operator to perform the duties of a higher classification without granting a temporary promotion. Metropolitan denied the grievance, and AFSCME subsequently appealed the decision to a hearing officer pursuant to the MOU's grievance procedures. While both parties maintained that their respective positions had merit, to resolve the matter, the parties entered into a settlement agreement, which provided the grievant with a lump sum payment of \$14,213.10. The settlement did not involve any equal employment opportunity (EEO) issues. The employee remains employed by Metropolitan. There is no confidentiality provision in the agreement. Additionally, the agreement clarified the conditions under which a water treatment plant operator assigned to work as a shift operator will receive a temporary promotion moving forward.

Notice of Violation within this past quarter:

i. **Inspection Notice Re: Robert Diemer Treatment Plant**

As a result of an October 2024 inspection at the Robert Diemer Water Treatment Plant, the Orange County Fire Authority ("OCFA") issued a Fire and Life Safety Inspection Notice citing the following violations of the California Fire Code ("CFC") and the National Fire Protection Agency National Fire Alarm and Signaling Code ("NFPA 72"): (1) Violation of CFC Chapter 7, Rated Doors, Wall, & Other Construction, for a fire door being removed in the elevator lobby of Admin Building 1, and (2) Violation of CFC section 907 and NFPA 72, Fire Alarm, Detection, & Monitoring Systems, for a fire alarm control panel showing trouble codes. There is no proposed penalty amount at this time. Legal has been supporting Metropolitan's Office of Safety, Security, and Protection to provide a timely and appropriate response to the OCFA demonstrating Metropolitan's compliance with the stated violations. Metropolitan is currently awaiting a determination from the OCFA inspector that Metropolitan is in compliance with the cited violations.

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.

Board Report (December 31, 2024 Quarterly Report)

- 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 last 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
October 1, 2024 – December 31, 2024

Classification	Control No.	Date of Injury	Amount of Settlement	Nature of Injury	Basis for Settlement
Pump Plant Maintenance Operator II	2022-0120-0270	1/20/2022	\$8,772.5	Psyche/Stress	Stipulation with Request for Award

ATTACHMENT B
 Claims Against Metropolitan Resolved by Risk Management During the Period
October 1, 2024 – December 31, 2024

Claimant/ Third-Party	Control No. TPA No.	Amount of Settlement	Incident Description	Basis for Resolution
Michael Thomas (employee)	GHC0074870	\$631.87	On 07/31/2024, an MWD employee rented a vehicle from Alamo while on business travel. The rear bumper of the vehicle was damaged (cracked) by an unknown third party or caused while parked and unoccupied in a parking lot.	When the vehicle was rented, the employee did not accept the rental damage waiver. The vehicle rental company (Alamo), located in Alberta Canada, did not agree to present, or resolve their vehicle damage claim with MWD directly because the rental contract was between them and the employee. Consequently, they charged the employee’s personal credit card for the damage. The employee’s out of pocket expense claim for damage to the rental vehicle was settled based upon an evaluation of vehicle damage report and repair cost.
Curt Geiger	GHC0077189	\$1,306.36	On 10/15/2024, an MWD vehicle struck the rear of a third-party vehicle that was stopped in traffic. The impact damaged the third-party vehicle bike rack that was mounted to the rear of the vehicle.	The third-party property damage claim was settled based upon an evaluation of the accident, impact, damage, and repair cost.

ATTACHMENT C
 Costs Collected During the Period
October 1, 2024 – December 31, 2024

Third Party or Cause	Control No. TPA No.	Costs Collected	Incident Description	Basis for Costs Collected
Securitas	2023-1127-0220 GHC0065453	\$4,897.10	On 11/22/2023, a third-party vehicle struck and damaged the rear of an MWD truck.	The property damage claim was paid in full by the third party.
State Farm Insurance ASO Juan Campos	2024-0118-0279 GHC0067153	\$5,331.12	On 1/18/2024, a third-party vehicle struck and damaged the rear of an MWD vehicle.	The property damage claim was paid in full by the third-party insurance carrier.