



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Legal Department

• September 30, 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
July 1, 2024 – September 30, 2024 - NONE.
- ATTACHMENT B: Claims Against Metropolitan Resolved by Risk Management During the Period
July 1, 2024 – September 30, 2024.
- ATTACHMENT C: Costs Collected During the Period
July 1, 2024 – September 30, 2024 – NONE.
- ATTACHMENT D: Property Damage Written Off as Uncollectible During the Period
July 1, 2024 – September 30, 2024 - NONE.
- ATTACHMENT E: Accounts Receivables Written Off as Uncollectible During the Period
July 1, 2024 – September 30, 2024.

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:

Law Office of Alexis M. Chiu

Metropolitan retained the services of Co-Bond Counsel to provide the following services: authorization & 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; 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

Date of Report: 11/18/2024

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or proposed federal or state legislation or regulatory agency rules, actions or policies which have a bearing on prospective financing of Metropolitan projects or currently authorized or outstanding financings; presentations to Metropolitan's Board of Directors on financing matters.

Anzel Galvan LLP

Metropolitan retained the services of Bond Counsel to provide the following services: authorization & 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; 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 prospective financing of Metropolitan projects or currently authorized or outstanding financings; presentations to Metropolitan's Board of Directors on financing matters.

BDG Law Group, A Professional Law Corporation

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

Best Best & Krieger, LLP

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

Debra I. Reilly, A Professional Law Corporation

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

Drooz Legal, LLP

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

Ellis Investigations Law Corporation

Metropolitan retained the services of Consultant to impartially investigate and provide analysis on EEO based complaints brought forward by an employee.

Erin Joyce Law, PC

Metropolitan retained the services of Special Counsel to provide ethics advice to Metropolitan regarding the ethical obligations of Metropolitan's General Counsel.

Glaser Weil Fink Howard Jordan & Shapiro

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

Grutman Law APC

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

Hackler Flynn & Associates

Metropolitan retained the services of Special Counsel Metropolitan to provide advice in a confidential Government Code claim matter.

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Harris & Associates - Agreement No. 220397

Metropolitan retained the services of Special Counsel to assist in a confidential employment matter. This agreement was also amended in the same quarter to amend the scope of representation.

Hawkins, Delafield & Wood, LLP

Metropolitan retained the services of Bond Counsel to provide the following services: authorization & 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; 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 prospective financing of Metropolitan projects or currently authorized or outstanding financings; presentations to Metropolitan's Board of Directors on financing matters.

Hemming Morse, LLP

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

Hogan Lovells US LLP

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

Innovative Legal Services, P.C.

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

Liebert Cassidy Whitmore - Agreement No. 158032

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

Liebert Cassidy Whitmore - Agreement No. 216041

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

Musick, Peeler & Garrett LLP - Agreement No. 220417

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

Musick, Peeler & Garrett LLP Agreement No 203452

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

Nixon Peabody LLP

Metropolitan retained the services of Bond Counsel to provide the following services: authorization & 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; 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

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or proposed federal or state legislation or regulatory agency rules, actions or policies which have a bearing on prospective financing of Metropolitan projects or currently authorized or outstanding financings; presentations to Metropolitan's Board of Directors on financing matters.

Norton Rose Fulbright US LLP

Metropolitan retained the services of Bond Counsel to provide the following services: authorization & issuance documentation for Metropolitan's water revenue and general obligations bonds, notes, remarketing and commercial parper 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 contiuing basis; 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 prospective financing of Metropolitan projects or currently authorized or outstanding financings; presentations to Metropolitan's Board of Directors on financing matters.

Procopio, Cory, Hargreaves & Savitch, LLP

Metropolitan retained the services of Special Counsel to provide advice and guidance, as requested, regarding the California Public Records Act (CPRA) requests seeking records related to the June 13, 2024 decision by Metropolitan's Board of Directors to place Adel Hagekhalil on administrative leave.

Renne Public Law Group, LLP Agreement No. 220421

Metropolitan retained the services of Special Counsel to provide legal advice and representation before the Public Employment Relations Board regarding unfair practice charge filed in the matter entitled, *Association of Confidential Employees v. Metropolitan Water District of Southern California*, PERB Case No. LA-CE-17239-M.

Renne Public Law Group, LLP Agreement No. 220422

Metropolitan retained the services of Special Counsel to provide legal advice and representation before the Public Employment Relations Board regarding 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-1733-M.

Robert P. Otilie

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

Ryan & Associates

Metropolitan retained the services of Special Counsel to provide legal assistance with cases involving trespass, interference, or encumbrance of Metropolitan's rights-of-way and infrastructure.

Sanders Roberts LLP

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

Setec Security Technologies, Inc.

Metropolitan retained the services of Consultant to provide technical advice and support related to the forensic imaging of the current backlog of computer systems.

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Sheppard Mullin Richter & Hampton LLP

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

Stradling Yocca Carlson & Rauth LLP

Metropolitan retained the services of Disclosure Counsel to provide the following services: assist in the preparation and review of Metropolitan's preliminary and final official statements, remarketing agreements and other disclosure documents including Appendix A; assist in the preparation and review of disclosure related board letters and responses to comments on Metropolitan's financial disclosures; provide written opinions to Metropolitan and the underwriter(s) of bonds or other securities to the effect that, based upon participation in the financing, nothing has come to Disclosure Counsel's attention which leads them to believe that the official statement, remarketing agreement or other disclosure document contains an untrue statement of a material fact or omits to state a material fact necessary to make the statement(s) therein misleading pursuant to Rule 15c2-12 under Securities Exchange Act of 1934, as amended; assist in the preparation and filing of Metropolitan's annual reports and notices of events pursuant to Rule 15c2-12 under Securities Exchange Act of 1934, as amended and pursuant to Metropolitan's disclosure procedures; assist, upon request, with an assessment or inquiries relating to Metropolitan's continuing disclosure compliance; assist in periodic review and updates to Metropolitan's disclosure procedures; assist in the preparation and review of disclosure related presentations and press releases including for and from rating agencies and for conferences; evaluate, assist with or prepare responses to disclosure and due diligence related inquiries, including responses to banks, rating agencies, investors and commenters on Metropolitan's disclosures; provide disclosure training updates to Metropolitan staff and Board; assist in the representation of Metropolitan in litigation or administrative agency proceedings regarding disclosure 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 disclosure issues related to prospective financing of Metropolitan projects or currently authorized or outstanding financings.

Claims and Other Matters

1. Between July 1, 2024 – September 30, 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 entered into the following settlement agreements within this past quarter:

- i. Temporary employee sent a demand letter through his attorney to Metropolitan alleging that he had been subject to sexual harassment and that Metropolitan failed to prevent the harassment. Metropolitan denied the allegation, however, after a lengthy mediation between the parties, Metropolitan agreed to pay the temporary employee \$60,000 for non-wage related damages, and agreed to cover the employee's portion of the costs associated with the mediation in the amount of \$5,145.00. The settlement agreement was signed on July 18, 2024. Although EEO issues were implicated, no corrective action was taken and there was no admission of liability on the part of Metropolitan in the settlement terms.
- ii. Employee received a three-day suspension as a result of failing to report an EEO violation immediately and retaliation against an employee engaged in a protected activity. The settlement agreement reduced the suspension to a written warning. Employee was also required to attend additional EEO training. EEO issues were implicated. Employee will be retroactively reimbursed for the three days without pay. The payment is subject to all deductions for state and federal taxes or for any other routine payroll deductions that

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- employee is subject to as determined by Metropolitan's payroll staff. Settlement agreement was signed this quarter containing no confidential terms.
- iii. Settlement agreement states that Metropolitan will adjust employee's overall evaluation rating for the 2020-2021 performance evaluation to a "meets standards." No other modification was made. EEO issues were implicated. Settlement agreement was executed this quarter containing no financial or confidential terms.
 - iv. Employee committed a series of violations of the misconduct provisions of the MOU which warranted a recommendation for discharge from employment. On multiple occasions, employee refused to work collaboratively with others, was threatening, demeaning, and intimidating towards management and staff, and engaged in acts of sabotage at the Eagle Pump Plant that jeopardized the entire plant's operation. Settlement will allow for resignation without a hearing. Employee will remain on paid administrative leave through 12/31/24 and will then resign from the District. No EEO issues were implicated. Settlement agreement was signed this quarter effective 12/31/24, containing no financial or confidential terms.
 - v. Settlement with the California Civil Rights Department (CRD) on behalf of a former MWD temporary employee in the amount of \$30,000.00. A suspension was assessed for the subject of that investigation as the findings were substantiated. EEO issues were implicated and a settlement agreement was executed on July 23, 2024 containing no confidential terms. There was no admission of liability by MWD in the settlement terms.
 - vi. Settlement with the U.S. Equal Employment Opportunity Commission (EEOC) on behalf of a former MWD employee in the amount of \$5,000.00. The matter was unsubstantiated. EEO will conduct on-site EEO training for employees in the impacted group to address the allegations. A settlement agreement was executed on July 23, 2024 containing no confidential terms. There was no admission of liability by MWD in the settlement terms.
 - vii. Third party filed a civil complaint against MWD alleging dangerous condition of public property for injuries sustained while riding his bicycle in a public park in the city of Hemet. After proving to Plaintiff's counsel that MWD does not have any property interest in the public park, Plaintiff's counsel dismissed MWD from the lawsuit.
 - viii. Insurance company State Farm filed a civil complaint against MWD for subrogation of property damage the insured sustained in a vehicle collision with an MWD driver. Settlement and Release Agreement stated that MWD shall pay \$2,905.70 for satisfaction of claims and dismissal of MWD from the lawsuit. There was no admission of liability by MWD in the settlement terms.
- 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.

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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. 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 last quarter.
4. Accounts Receivables were written off as uncollectible by the General Manager within this past quarter are reported in Attachment E.

ATTACHMENT B
Claims Against Metropolitan Resolved by Risk Management During the Period
July 1, 2024 – September 30, 2024

Claimant/ Third-Party	Control No. TPA No.	Amount of Settlement	Incident Description	Basis for Resolution
Sanchez, Amalia	2024-0626-0545 GHC0073691	\$701.40	On 06/25/2024, an MWD vehicle struck and damaged the passenger side mirror of a third party vehicle	The third party property damage claim was settled based upon an evaluation of the accident, impact, damage, and repair cost
Temecula Valley Unified School District	2024-0403-0401 GHC0070626	\$173.91	On 04/03/2024, an MWD vehicle struck and damaged the driver side mirror of a third party vehicle	The third party property damage claim was settled based upon an evaluation of the accident, impact, damage, and repair cost
Berriozabal, Jennifer	2022-0128-0289 027-000158	\$3,103.80	On 01/28/2022, an MWD vehicle struck and damaged the rearend of the third party vehicle	The third party out of pocket rental expense claim was settled based upon an evaluation of the rental invoice and usage time while the vehicle was in the repair shop
Ditchey Geiger LLC, for AAA a/s/o Argueta, Yadira Barrillas	2024-0209-0310 GHC0068107	\$4,783.50	On 02/08/2024, an MWD vehicle struck and damage the left rear quarter panel of the third party vehicle	The third party subrogation claim for property damage was settled based upon an evaluation of the accident, impact, damage, and repair and rental vehicle cost
Nguyen, Dung	2024-0403-0398 GHC0070499	\$548.82	On 04/02/2024, an MWD vehicle struck and damaged the driver side rear quarter panel of a third party vehicle	The third party out of pocket rental expense claim was settled based upon an evaluation of the rental invoice and usage time while the vehicle was in the repair shop
Clerkin, Sinclair & Mahfouz LLP for State Farm Mutual Automobile Insurance Company a/s/o Dung Bang Thi Nguyen	2024-0403-0398 GHC0070499	\$2,905.70	On 04/02/2024, an MWD vehicle struck and damaged the driver side rear quarter panel of a third party vehicle	The third party subrogation claim for property damage was settled based upon an evaluation of the accident, impact, damage, and repair cost

ATTACHMENT E
 Accounts Receivable Written Off as Uncollectible During the Period of
July 1, 2024 – September 30, 2024

Invoice Date	Invoice Number	Customer Name	Amount Written-Off	Brief Description	Basis for Write-Off	Date Written-Off
09/01/22	48405	U.S. Dept. of Justice	\$1,700.00	Lease of district property as described in R.L964 for share of cost of maintaining the access road to district owned radio/telephone communication installation on Black Metal Mountain	Amount Uncollectible	08/07/2024
09/01/23	49107	U.S. Dept. of Justice	\$1,700.00	Lease of district property as described in R.L.964 for share of cost of maintaining the access road to district owned radio/telephone communication installation on Black Metal Mountain	Amount Uncollectible	08/07/2024
12/04/23	49367	River Rat Radio	\$296.05	Late Fee – check was only 31 days late but confirmed a earlier check was lost and damaged in the mail	Approved Write-off Request 192	08/30/2024
		Total:	\$3,696.05			