



### ***Legal and Claims Committee***

5/12/2026 Committee Meeting

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#### **Subject**

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General Counsel Business Plan for Fiscal Year 2026/2027

#### **Role of the General Counsel**

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*The role of the General Counsel is to serve as the attorney for The Metropolitan Water District of Southern California; to represent Metropolitan in all actions and proceedings; to serve as the legal advisor to the Board and Officers of Metropolitan; and to cooperate with and assist the General Manager and his staff by providing a full range of legal services in a professional, timely, cost effective, and creative manner.*

#### **Description**

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The General Counsel's fiscal year 2026/2027 Business Plan establishes the anticipated focus of the Legal Department for the next fiscal year. The Business Plan focuses on the work required to support Metropolitan's priorities, as authorized by the Board and described in the General Manager's Business Plan.

#### **Drivers:**

##### **Unplanned matters – Litigation and other adversary actions:**

The General Counsel represents Metropolitan in all actions and proceedings. In addition to litigation, this involves pre-litigation claims, regulatory matters such as Cal-OSHA citations and permits. In over 90% of such matters, Metropolitan is the defendant: the litigation is neither planned nor initiated by Metropolitan. The Department must be flexible and capable of responding on short notice to litigation and other unanticipated matters. Although the nature and timing of matters are unplanned, the General Counsel's Office anticipates and plans to respond to claims, citations, and litigation that will be filed each year.

##### **Priorities of the Board and the General Manager**

Equally important to representing Metropolitan in disputed matters, the role of the Department is to support the priorities established by the Board of Directors and the General Manager. The goal of the Legal Department is to provide a full range of legal services in a professional, timely, cost effective, and creative manner that assist with implementation of Board priorities in a manner that minimizes risk to Metropolitan.

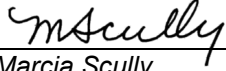
Legal's support includes providing advice, drafting documents, and taking other actions to minimize risk to Metropolitan in the implementation of the District's priorities as well as in responding to requests of Metropolitan from third parties.

The proposed Business Plan (**Attachment 1**) includes anticipated activities consistent with the priorities of Metropolitan as set forth in the Budget and the General Manager's Business Plan.

**Policy**

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Metropolitan Water District Administrative Code Section 6436(b): Annual and Quarterly Reports to Legal and Claims Committee

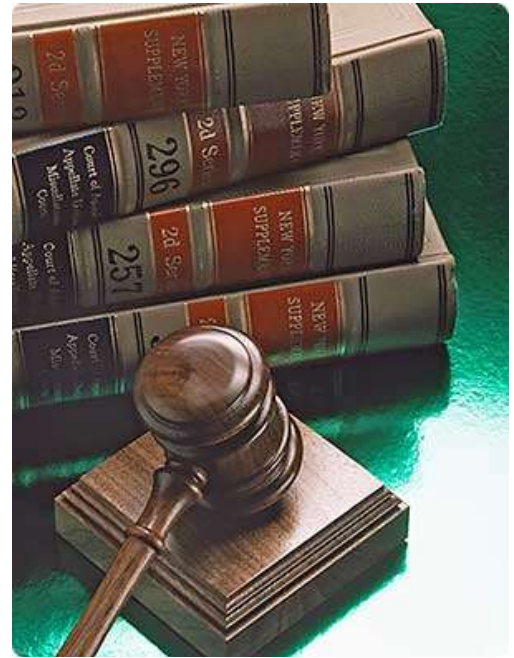
  
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Marcia Scully  
General Counsel

5/7/2026  
Date

**Attachment 1 – General Counsel’s Business Plan for Fiscal Year 2026-2027**





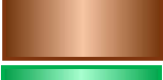





Ref# I12707409

The Metropolitan Water District of Southern California



# General Counsel’s Business Plan Fiscal Year 2026/2027

Purpose: The General Counsel’s fiscal year 2026/2027 Business Plan establishes the anticipated focus of the Legal Department for the next fiscal year. The role of the Department is to support the priorities established by the Board of Directors and the General Manager, and to provide a full range of legal services in a professional, timely, cost effective, and creative manner.

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# Water Supply Reliability

## Colorado River

The current Operating Guidelines (Guidelines) for management of the Colorado River (CR) expire this year. To date, negotiations among the seven states that are parties to the Colorado River Compact have been unsuccessful.

The Bureau of Reclamation is proposing actions to manage CR supplies including actions to protect Glen Canyon Dam and Lake Powell infrastructure.

It is anticipated that in the coming year: i) the Guidelines will require all Lower Basin States (California, Nevada and Arizona) to significantly reduce demands on the CR; ii) there may be litigation among various parties including Basin States, the federal government or water agencies; iii) third party challenges to Metropolitan's Colorado River rights including Intentionally Created Surplus (ICS).

The Legal Department, using in-house staff and outside counsel engaged for their CR and litigation expertise will collaborate with the General Manager's staff and Metropolitan's partners on the CR to provide legal and strategic advice; assist with documentation of agreements, including forbearance and fallowing agreements with agricultural partners and Tribes required to implement conservation measures, and new Guidelines to minimize risk and protect Metropolitan's water supply.

Assist, as appropriate, with applications for federal funds.

Advise and represent Metropolitan in the event of litigation or other disputes.

## Water Quality

Continue to monitor and comment on matters impacting water quality including:

- Remediation of groundwater contamination at Topock
- Continue to coordinate with General Manager staff to resolve issues relating to contamination impacting groundwater storage banks
- Continue to monitor litigation, regulations, and legislation regarding per and polyfluoroalkyl substances (PFAS) and other contaminants.
- Continue to monitor actions by water agencies and legislation regarding fluoride
- Continue to participate and represent Metropolitan's interests in the remediation of the former Tronox site and use of settlement funds from the Tronox adversary action, and remediation of the former PEPCON/AMPAC site

- Investigation and remediation of the Hoover Dam waste disposal site
- Changes to state and federal perchlorate and chromium 6 regulations

Continue to monitor and comment on other matters impacting source water quality and treatment.

### State Water Project (SWP)/Bay Delta

Represent Metropolitan, as a separate party or working through the State Water Contractors (SWC), in litigation and regulatory proceedings relating to:

- Permits and operation of the SWP
- Water diversions and deliveries to Metropolitan
- The update to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary
- The Delta Plan and regulations

Provide legal advice and representation regarding compliance with the Delta Plan and regulations adopted by the Delta Stewardship Council.

Provide legal support regarding Delta science and habitat restoration objectives.

Represent Metropolitan's interests before the State Water Resources Control Board (SWRCB) as a separate party or through the SWC on matters of concern to Metropolitan, including:

- Bay Delta Water Quality Control Plan amendments, including assisting with negotiation of the Agreements to Support Healthy Rivers and Landscapes
- Methyl Mercury TMDL
- Protecting stored water releases

Provide legal support in ongoing negotiations between SWC and Department of Water Resources (DWR) concerning various SWP financial and billing issues in the annual Statement of SWP Charges.

Provide support to General Manager's staff in review and implementation of Board decisions relating to the future use of the Delta Islands.

Provide legal advice and support for:

- Metropolitan's and DWR's cooperative efforts relating to SWP infrastructure, including subsidence issues and potential action by DWR
  - Implementation of the SWP Contract Extension Amendment
  - Development of the SWP Multi-Year Market Pool and similar programs for the sale and purchase of SWP water

Provide legal advice and support for drought response actions, including potential legislation or regulations affecting SWP supplies.

Continue to assist with negotiation, drafting, and documentation of proposed agreements or amendments to existing agreements, including Metropolitan's SWP contract.

### Delta Conveyance Project (DCP)

As authorized by the Board, assist with the work required to complete necessary regulatory approvals and permitting, including the change in point of diversion petition at the State Water Resources Control Board and certification of consistency with the Delta Plan.

Represent Metropolitan in anticipated a new revenue bond validation litigation, SWC amendment and potential legislation to facilitate financing and construction of the DCP.

Review and analyze proposed legislation, regulations and amendments that may affect implementation of DCP or impact Metropolitan's interest in the Delta.

Continue to assist with negotiations of SWP contract amendments to allocate costs and benefits of the DCP among the SWCs.

### Pure Water Southern California

To the extent authorized by the Board, assist with the development and implementation of the proposed Pure Water Southern California recycled water project with Los Angeles County Sanitation Districts, including assistance with:

- right-of-way acquisition
- preliminary design
- construction contracts
- electrical upgrades
- grant funding applications
- financing options and related governance structures, including possible tax treatment
- regulatory compliance issues and other matters
- partnering opportunities with agencies within and outside service area

### Groundwater Storage Projects

Assist with continued implementation of Antelope Valley-East Kern Water Agency (AVEK) High Desert Water Bank Groundwater Storage Program, including:

### Kern County Groundwater Subbasin:

- Continue to monitor updates to groundwater sustainability plans including incorporation of DWR subsidence best practices and implementation.

### Arvin-Edison Water Storage District (Arvin-Edison) Groundwater Storage Program

Continue to collaborate with Arvin-Edison regarding:

- Existing and emerging contaminants
- Operational and financial challenges

### Semitropic Water Storage District (Semitropic) Groundwater Storage Program

Continue to monitor water quality and contaminant litigation, including:

- Semitropic's lawsuit regarding 1,2,3-trichloropropane (TCP)

Continue to represent Metropolitan's interests with respect to nationwide per and polyfluoroalkyl substances (PFAS) litigation.

### Surface Water Storage

Continue to assist with the Sites Reservoir planning efforts to augment dry-year supplies and advise re participation in the next phases of the Sites Reservoir Project, including potential financial commitments, design, construction and governance.

### Distribution/Delivery

#### **State Water Project Dependent Areas**

Assist with permits and capital projects required to:

- provide additional flexibility in the operation of Metropolitan's distribution system and collaborate with Metropolitan's non-member agency partners in development and implementation of shared use programs
- meet the special needs of SWP-dependent member agencies
- address potential issues relating to potential invasive species within the SWP

#### **Transfer/Exchanges**

Provide legal advice and support for documentation of water transfers and exchanges and development of demand management programs.

Assist in development of local supply exchange program.

### Conservation

Provide legal advice and support regarding:

- Development and implementation of emergency conservation measures intended to maximize available supplies

- LRP and other conservation programs
- Advise regarding opportunities for partnership with third parties for new programs

### Legislation/Regulation

Provide legal advice and support regarding:

- issues and proposed legislation and regulations regarding both regulated and emerging contaminants, such as PFAS
- facilitation of the completion of DCP
- potential governance of Sites

Continue to monitor and participate as amicus (as appropriate) in litigation regarding:

- The definition and scope of waters of the United States protected under the federal Clean Water Act
- EPA determinations and actions to regulate specific contaminants in drinking water

### Water Supply Plans

- Implementation of the 2020 Integrated Water Resources Plan (IRP) and continued implementation of the 2020 Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP)
- Support member agency coordination, public outreach, drafting, finalizing, and public hearing for the 2025 UWMP and WSCP and submit to DWR before the July 1, 2026 deadline
  - Preparation of the annual SB 60 Report to the California State Legislature regarding Metropolitan's achievements in conservation, recycling, and groundwater recharge
  - Preparation of the Annual Drinking Water Quality Report
  - Development and implementation of Metropolitan's Cross-Connection Control Plan
  - Support investigation of opportunities for increased exchange/transfers and sales including the potential for interstate transfers on the Colorado River

# Finance/Business Model/Camp4W

## Revenue

Provide legal advice regarding implementation of the adopted rates and charges and levying of ad valorem taxes.

Assist with development of new sources of revenues to meet budget demands.

Participate and provide assistance in all aspects of the review of the Camp4W development of alternatives to the business model and review of potential infrastructure projects.

Assist with grant applications and compliance.

## Financial Transactions

Provide legal support for Metropolitan’s financial transactions, including issuance of bonds and other debt instruments.

Provide review of legal compliance with financial documents in connection with the annual audit and quarterly financial reports.

Assist in development of proposed financing structures.

Assist in the preparation of accurate and timely disclosures to the municipal markets.

## Regulation/Legislation

Monitor and report on litigation and legislation relating to public agency water rates at the wholesale and retail levels and public finance.

## Training

Provide training to staff and the Board regarding financial disclosures and related securities laws.

# Representation of District in Disputed Matters/Litigation

Represent Metropolitan in litigation including:

- Disputed matters, claims and litigation arising from construction contracts, operations, and CEQA compliance
- Provide amicus support in litigation impacting Metropolitan's interests
- Coordinate with Risk Manager to resolve Government Code claims, workers' compensation claims, and settlement of litigation

Continue to represent Metropolitan's interests in pending litigation and/or engage in settlement discussions as appropriate.

## Be prepared to handle new matters including:

- Government Code claims and tort litigation
- CEQA issues
- Employment matters including PERB hearings, administrative hearings
- Construction-related litigation
- Eminent domain, pre-condemnation activities, and real property issues
- Finance-related matters
- Notices of safety violations from Cal-OSHA and be prepared to handle new matters including other regulatory entities or environmental
- Rates
- Other matters

# Operations/Sustainability

## Safety

Provide legal support for operational safety and environmental compliance.

Coordinate with Safety Staff to respond to Cal-OSHA and other regulatory issues.

Provide legal support with the development of a FEMA Hazard Mitigation Plan.

## Infrastructure

Provide legal assistance with:

- Negotiating and preparing new or amended service connection agreements
- Regulatory and permitting issues relating to both water deliveries and changes to Metropolitan's infrastructure to support operational requirements
- CEQA compliance for operations and maintenance projects

## Permits

Work with the SWRCB and Regional Boards as they revise municipal stormwater discharge permits to ensure that Metropolitan maintains the ability to discharge system water as part of maintenance operations.

Assist in obtaining permits relating to the impact of invasive species on operations

## Energy Costs and Management

Assist with implementation of the Energy Management Plan, including providing advice on:

- Wholesale energy transactions
- Sustainable energy projects
- Energy-related contracts
- Legislation and regulations

Assist staff with long-term resource and transmission planning and compliance with national electric reliability standards.

Assist with providing information and education to the Board regarding power

### Climate Action/Energy

Assist staff with implementing the Climate Action Plan, Energy Sustainability Plan, Transmission Strategic Plan, and Risk Management Policy.

Assist with implementation of contracts with Southern California Edison, the Arizona Electric Power Cooperative, Inc., and the California Independent System Operator for the operation and resource management of the Colorado River Aqueduct Transmission System.

Provide legal support to ensure that SWP energy needs are met in a cost-effective and sustainable manner.

Assist with the protection of Metropolitan's interests in determination and collection of required mitigation from third party entities developing new power generation facilities impacting Metropolitan.

Participate in or monitor proceedings to protect and promote Metropolitan's financial and regulatory interests at:

- Federal Energy Regulatory Commission
- California Independent System Operator
- California Public Utilities Commission
- Other agencies, as appropriate

Monitor climate change litigation and legislation pertaining to carbon-free generation, DWR energy procurement, and regionalization of transmission operations.

## Corporate Resources/ District Infrastructure/CIP

Provide legal support with respect to contracting for:

- Capital investment projects
- Repair and replacement projects
- Professional services
- Procurement

Provide legal support for CEQA compliance of Metropolitan's capital projects and other discretionary actions.

Analyze potential operational and environmental impacts of other agencies' projects on Metropolitan's properties and facilities.

Provide legal support to Engineering and Contracting Services on construction, procurement, and professional services contracts and solicitations.

Continue to review and work with Contracting Services to provide consistent contracting practices.

Work with outside counsel and contracting services on specialized technology contracts to protect Metropolitan's interests

Assist Business Outreach with policies related to small, regional, veteran-owned, and historically underutilized businesses.

Assist in the management and development of a data classification and new records retention schedule.

Assist with the implementation of the PLA.

### Real Property

Assist and support:

- the acquisition, management, and protection and disposition of real property assets
- reduction of expenses related to real property holdings
- generation of revenues from secondary uses to offset operational expenses.
- Assist in resolution of third-party claims relating to Metropolitan property and other assets.

Assist Asset Management in:

- Maintaining and operating MWD real property assets, Union Station Headquarters Building and Diamond Valley Lake Visitor Center in an environmentally sustainable manner

Assist Planning and Acquisition in:

- Negotiation and documentation of real property transactions
- Disposal of surplus real property
- Planning and valuation of real property and real property rights in support of near term and long-term capital projects and strategic initiatives to meet water supply and infrastructure reliability targets
- Title reviews and environmental property assessments
- Property owner and tenant relocations

Assist Land Management in:

- Management and protection of property assets and the development of secondary revenues from such holdings
- Negotiation and documentation of easements, licenses and permits for the use of land, site use agreements, and leases
- Elimination of unauthorized encroachments on Metropolitan's property
- Annexation matters

## Workforce/Human Resources

Provide representation and proactive advice on workforce and deferred compensation plan matters.

Provide legal advice and support concerning:

- Metropolitan Memoranda of Understanding (MOUs) with Bargaining Units
  - Metropolitan Administrative Code and Operating Policies regulating employee relations and personnel matters
  - Employee benefits
  - Bargaining unit consultation and negotiations
  - Personnel transactions, including recruitment, promotions, transfers, and separations
  - Workforce housing and recreational activities for Metropolitan's desert facilities
  - When requested, assist with Equal Employment Opportunity (EEO) matters, including mediation of federal U.S. Equal Employment Opportunity Commission (EEOC) and state Civil Rights Department (CRD) Complaints
  - Misconduct matters and threat assessments, as requested
- Diversity, Equity, and Inclusion initiatives and compliance, as requested

Supervise consultant investigations concerning:

- Misconduct, as referred by Human Resources or management
- Incident response investigations, as requested by management

Represent Metropolitan in:

- Pre-litigation employment claims
- Employment litigation
- California Public Employment Relations Board (PERB) matters, grievances and hearing officer appeals

Provide specialized advice on Metropolitan's deferred compensation plans, including:

- The plan investment committee
- The recordkeeper contract
- Plan amendments
- Plan loans, distributions, and death benefits

# Technology

Collaborate on information governance initiatives and policies with:

- Chief Sustainability Resiliency and Innovation Officer
- Information Technology Group, including software upgrades
- Administrative Services
- External Affairs, including ADA compliance
- Human Resources

Continue to work collaboratively with staff to advise on:

- Appropriate use of new technology and equipment
- Governance, training, and pilot testing in use of Generative Artificial Intelligence (AI) applications
- The use of drones, mobile devices, and MWD applications
- Cybersecurity issues, incident response and reporting, new cybersecurity regulations, and the cybersecurity operations center
- Data management, secure data sharing, and records retention
- Calendaring and document management system
- Website content management, access, and regulatory compliance

Work with appropriate business units for a district-wide system of record keeping with capabilities for calendaring and tracking key dates for agreement terms.

Provide training to the Board on emerging legal issues relating to Technology, AI, and social media.

# Legislation

Analyze proposed legislation affecting Metropolitan and assist with comments and draft amendments, as requested.

Prepare and/or review Metropolitan-proposed legislation and amendments.

Assist with the development of legislative strategy.

Participate in and support industry groups regarding proposed legislation, including the review and drafting of comments on proposed regulations and legislation.

Legislation

# District Governance and Support

## Administration

Provide timely advice to the Board and committees and the Board Executive Office and staff on governance and legal compliance matters including Brown Act compliance and training.

Assist board support staff on agendas, board letters, board meeting process and technology.

When requested, assist the Chair of the Board, management, and staff regarding amendments to the Administrative Code.

Prepare updates of the Administrative Code and the MWD Act to conform to new legislation.

Assist with review and updates to Metropolitan's Operating Policies, and other internal policies and procedures.

Review and assist with delegations of authority.

Continue to coordinate Metropolitan's responses to Public Records Act requests.

Review contracts to ensure compliance with MWD requirements.

District Governance  
and Support

## Legal Department Administration

Aggressively manage outside counsel and consultant costs, while obtaining effective representation and specialized expertise to protect Metropolitan's interests.

Upgrade technology within the Legal Department and improve the efficient use of Metropolitan resources.

Provide training in new technologies, including Generative AI and cybersecurity.

Provide ongoing training opportunities related to:

- Minimum Continuing Legal Education compliance
- Litigation skills, including monthly litigation meetings
- Drafting of contracts and other documents
- Oral and written communication
- Presentation skills
- Leadership and management skills
- Various substantive areas

Develop and implement succession planning.

Provide an appropriate level of staffing.

Provide timely employee evaluations.