

# The Metropolitan Water District of Southern California

# Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

## L&C Committee

M. Luna, Chair  
J. McMillan, Vice Chair  
M. Camacho  
G. Cordero  
L. Dick  
C. Douglas  
A. Fellow  
C. Kurtz  
T. McCoy  
C. Miller  
M. Ramos  
K. Seckel

## **Legal and Claims Committee - Final - Revised 2**

Meeting with Board of Directors \*

**March 11, 2025**

**10:15 a.m.**

**Agendas, live streaming, meeting schedules, and other board materials are available here:**

**<https://mwdh2o.legistar.com/Calendar.aspx>. Written public comments received by 5:00 p.m. the business days before the meeting is scheduled will be posted under the Submitted Items and Responses tab available here:**

**<https://mwdh2o.legistar.com/Legislation.aspx>.**

**If you have technical difficulties with the live streaming page, a listen-only phone line is available at 1-877-853-5257; enter meeting ID: 873 4767 0235.**

**Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 876 9484 9772 or to join by computer [click here](#).**

**Tuesday, March 11, 2025  
Meeting Schedule**

**08:30 a.m. FAAME  
10:15 a.m. LEGAL  
11:30 a.m. Break  
12:00 p.m. BOD**

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**MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012**

**Teleconference Locations:**

**3008 W. 82nd Place • Inglewood, CA 90305**

**525 Via La Selva • Redondo Beach, CA 90277**

**26772 Calle Maria • Dana Point, CA 92624**

**Cedars-Sinai Imaging Medical Group • 8700 Beverly Boulevard, Suite M313 • Los Angeles, CA 90048**

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\* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

**1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))**

**2. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS**

- A. General Counsel's report of monthly activities [21-4344](#)

**Attachments:** [03112025 LC 2A Report](#)

**\*\* CONSENT CALENDAR ITEMS -- ACTION \*\***

**3. CONSENT CALENDAR OTHER ITEMS - ACTION**

- A. Approval of the Minutes of the Legal and Claims Committee for February 11, 2025 (Copies have been submitted to each Director, any additions, corrections, or omissions) [21-4345](#)

**Attachments:** [03112025 LC 3A \(02112025\) Minutes](#)

**4. CONSENT CALENDAR ITEMS - ACTION**

- 7-10** Approve amendments to the Metropolitan Water District Administrative Code to conform surplus water provisions to current law and practice, update the list of active District funds, and clarify employee benefits for unrepresented employees; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [ITEM DEFERRED on 2/26/2025] [21-4204](#)

- 7-11** Authorize an increase of \$100,000, to an amount not-to-exceed \$600,000, for a contract for legal services with Hanson Bridgett LLP to provide legal advice on deferred compensation plans, other employee benefits, taxes, and CalPERS matters; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-4367](#)

**Attachments:** [03112025 LC 7-11 B-L](#)  
[03112025 LC 7-11 Presentation](#)

- 7-12** Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of various committees and the roles of specified board and committee officers; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-4365](#)

**Attachments:** [03112025 LC 7-12 B-L](#)  
[03112025 LC 7-12 Presentation](#)

**\*\* END OF CONSENT CALENDAR ITEMS \*\***

**5. OTHER BOARD ITEMS - ACTION**

- 8-3 Report on litigation in Ryan Tieggs v. Metropolitan Water District of Southern California, Riverside County Superior Court Case No. CVPS2306176; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]. [WITHDRAWN on 3/5/2025] [21-4366](#)

**6. BOARD INFORMATION ITEMS**

NONE

**7. COMMITTEE ITEMS**

- a. Report on litigation in San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004, CPF-16-515282, CPF-16-515391, CGC-17-563350, and CPF-18-516389; the appeals of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901, A148266, A161144, and A162168, and California Supreme Court Case No. S243500; the petition for extraordinary writ in the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case No. A155310; the petition for extraordinary writ in the second 2016 action, Court of Appeal for the First Appellate District Case No. A154325 and California Supreme Court Case No. S251025; the Metropolitan Water District of Southern California v. San Diego County Water Authority cross-complaints in the 2014, 2016, and 2018 actions; and the appeals of the 2014, 2016, and 2018 actions, Court of Appeal for the First Appellate District Case No. A170156; and provide direction to staff on potential settlement of the 2014, 2016, and 2018 actions, including the cross-complaints and appeals, San Francisco County Superior Court Case Nos. CPF-14-514004, CPF-16-515282, and CPF-18-516389 and Court of Appeal for the First Appellate District Case No. A170156; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1)] [21-4343](#)

- b. Report on Katano Kasaine v. Metropolitan Water District of Southern California et al., Los Angeles County Superior Court Case No. 25STCV05250 [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]. [ADDED ITEM on 3/5/2025] [21-4379](#)
  
- c. Conference with legal counsel regarding anticipated litigation based on existing facts and circumstances, including receipt of two separate government claims threatening litigation, there is significant exposure to litigation against Metropolitan: two potential cases; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2). [ADDED ITEM on 3/5/2025] [21-4380](#)

**Attachments:** [03112025 LC 7c Claim-1](#)  
[03112025 LC 7c Claim-2](#)

**8. FOLLOW-UP ITEMS**

NONE

**9. FUTURE AGENDA ITEMS**

**10. ADJOURNMENT**

**NOTE:** This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Committee agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>.

Requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.



### Metropolitan Cases

#### **Ryan Tiegs v. Metropolitan (Riverside County Superior Court)**

On March 4, 2025, the Riverside County Superior Court granted Metropolitan's motion for summary judgment or, in the alternative, summary adjudication, dismissing the case in its entirety before trial. Following oral argument, the court adopted as its final decision its tentative ruling of

March 3, 2025, which included finding that there was not an adverse employment action sufficient to establish race or gender discrimination, there was not the requisite evidence to establish retaliation or race or gender harassment, and the failure to prevent claim was derivative of the other claims. The court also granted Metropolitan's evidentiary objections. Trial had been set for April 4, 2025.

### Matters Received

<u>Category</u>	<u>Received</u>	<u>Description</u>	
Action in which MWD is a party	1	Unlimited Complaint for Damages for: (1) Negligence; (2) Motor Vehicle; (3) Negligent Entrustment; and (4) Negligent Hiring, filed in Los Angeles County Superior Court, in the case <i>Samer Samir Shafik Shahat v. MWD and an MWD employee</i> , Case No. 25STCV01301	
Government Code Claims	2	Claims relating to: (1) the door of an MWD vehicle swung open into Claimant's vehicle in the MWD Jensen parking lot during high winds; and (2) an accident involving an MWD vehicle	
Requests Pursuant to the Public Records Act	17	<u>Requestor</u>	<u>Documents Requested</u>
		22nd Century Technologies	Winning proposals, bid tabulations, and total payments made to each vendor for Temporary Labor Services - Professional/Administrative, Scientific and Technical
		Allied Universal	Current contract, contract extensions, wage/bill rates, and winning proposal for security guard services
		Anaheim Public Works Department	Drawings of any MWD utilities in near the project for the S. Elder Street Sanitary Sewer Improvements in the City of Anaheim



<u>Requestor</u>	<u>Documents Requested</u>
Atlas Technical Consultants (2 requests)	First Request: Proposals, evaluation scores, and contracts for On-Call Fabrication Inspection Services procured between March and April 2022  Second Request: Proposals, evaluation scores, and contracts for: (1) On-Call Engineering Services for Water Treatment Facilities, Conveyance, Storage & Distribution Facilities, Large Rotating Equipment, Power Distribution Facilities; (2) On-Call Geotechnical and Dam Safety Engineering Consulting Services; and (3) As Needed Environmental Site Assessment
Atlas Water (2 requests)	(1) Water management agreements between MWD and Silvertip or I-Squared; and (2) MWD agreements with Westside Agriculture LLC
CCS Global Tech	Bid tabulations, winning proposals, number of task orders/purchase orders issued, and awarded contracts for On-Call Information Technology Services
City of Hemet	Agreement or other documents that shows MWD owns parcel located in the City of Hemet (APN 454-040-035-3)
City of Los Angeles, Office of the City Attorney	Claims Services Agreement between Tristar Risk Management and MWD executed on August 11, 2021, any proposals submitted by Tristar Risk Management that resulted in the 2021 agreement, and any termination letter from MWD to Tristar
Davis Cleaning Services	Janitorial services contract for Lake Mathews
IDS MEP Engineers	Meter and water pressure information for Maywood Teen Center project in the city of Maywood
MWD Supervisors Association	Transcript of MWD board meeting held on January 29, 2025
PCL Construction	Geotechnical report for the Lake Mathews area, around the forebay
Private Citizen	Job posting, selection criteria, qualifications, and demographic information relating to the hiring decision for Information Technology Support Analyst I



		<u>Requestor</u>	<u>Documents Requested</u>
		SmartProcure	Purchase order data including purchase order number, purchase order date, line item details, line item quantity, line item price, vendor information from November 11, 2024 to current
		Ultimate Maintenance Services	Contract for janitorial services at Lake Mathews
Other Matters	1	Wage garnishment	



PLEASE NOTE

- ADDITIONS ONLY IN THE FOLLOWING TWO TABLES WILL BE SHOWN IN RED.
- ANY CHANGE TO THE *OUTSIDE COUNSEL AGREEMENTS* TABLE WILL BE SHOWN IN REDLINE FORM (I.E., ADDITIONS, REVISIONS, DELETIONS).



<b>Bay-Delta and SWP Litigation</b>	
<b>Subject</b>	<b>Status</b>
<p><b>Delta Conveyance Project CEQA Cases</b></p> <p><i>Tulare Lake Basin Water Storage District v. California Department of Water Resources</i> (case name for the consolidated cases)</p> <p><i>City of Stockton v. California Department of Water Resources</i></p> <p><i>County of Butte v. California Department of Water Resources</i></p> <p><i>County of Sacramento v. California Department of Water Resources</i></p> <p><i>County of San Joaquin et al. v. California Department of Water Resources</i></p> <p><i>Sacramento Area Sewer District v. California Department of Water Resources</i></p> <p><i>San Francisco Baykeeper, et al. v. California Department of Water Resources</i></p> <p><i>Sierra Club, et al. v. California Department of Water Resources</i></p> <p><i>South Delta Water Agency and Rudy Mussi Investment L.P. v. California Department of Water Resources</i></p> <p><i>Sacramento County Superior Ct. (Judge Acquisto)</i></p> <p>3d District Court of Appeal Case No. C101878</p>	<ul style="list-style-type: none"> <li>• DWR is the only named respondent/defendant</li> <li>• All alleged CEQA violations</li> <li>• Most allege violations of the Delta Reform Act, Public Trust Doctrine and Delta and Watershed Protection Acts</li> <li>• Two allege violations of the fully protected bird statute</li> <li>• One alleges violations of Proposition 9 (1982) and the Central Valley Project Act</li> <li>• Deadline for DWR to prepare the administrative record extended to Jan. 31, 2025</li> <li>• June 20, 2024 trial court issued a preliminary injunction halting pre-construction geotechnical soil testing until DWR certifies that the DCP is consistent with the Delta Plan</li> <li>• Aug. 19, 2024 DWR appealed the injunction</li> <li>• Oct. 24, 2024 cases ordered consolidated for all purposes under <i>Tulare Lake Basin Water Storage District v. California Department of Water Resources</i></li> <li>• April 4, 2025 next case management conference</li> <li>• <u>Jan. 21, 2025 DWR's opening brief in preliminary injunction appeal due (DWR is using a rule of court extension, so filing date TBD)</u></li> <li>• <u>Feb. 6, 2025 DWR filed its opening brief on appeal of the preliminary injunction halting preconstruction geotechnical work</u></li> <li>• <u>March 21, 2025 trial court hearing on DWR's motion to for stay of enforcement of injunction to allow the DCA to resume preconstruction geotechnical work</u></li> </ul>





Subject	Status
<p><b>Delta Conveyance Project Water Right Permit Litigation</b></p> <p><i>Central Delta Water Agency et al. v. State Water Resources Control Board</i></p> <p>Fresno County Superior Court (Judge Hamilton)</p>	<ul style="list-style-type: none"> <li>Complaint filed April 16, 2024, alleges that the State Water Board must rule on DWR’s 2009 petition to extend the time to perfect its State Water Project rights before the State Water Board may begin to adjudicate DWR’s petition to change its water rights to add new points of diversion for the Delta Conveyance Project</li> <li>Sept. 19 hearing date for State Water Resources Control Board demurrer (motion to dismiss) and motion to strike and DWR’s demurrer (motion to dismiss) taken off calendar by court-entered stipulation of the parties after DWR withdrew the 2009 petition to extend its SWP water rights</li> <li>March 11, 2025 Trial Setting Conference</li> </ul>
<p><b>Consolidated DCP Revenue Bond Validation Action and CEQA Case</b></p> <p><i>Sierra Club, et al. v. California Department of Water Resources</i> (CEQA, designated as lead case)</p> <p><i>DWR v. All Persons Interested</i> (Validation)</p> <p>Sacramento County Superior Ct. (Judge Kenneth C. Mennemeier)</p> <p>3d District Court of Appeal Case No. C100552</p>	<ul style="list-style-type: none"> <li><b>Validation Action</b></li> <li>Final Judgment and Final Statement of Decision issued January 16, 2024 ruling the bonds are not valid</li> <li>DWR, Metropolitan and other supporting public water agencies filed Notices of Appeal on or before the February 16, 2024 deadline</li> <li>Eight opposing groups filed Notices of Cross Appeals by March 27, 2024</li> <li>April 16, 2024 DWR moved to dismiss the cross appeals as untimely</li> <li>October 4, 2024 DWR’s and Supporting SWP Contractors’ Joint Opening Brief and Appellants’ Appendix filed</li> <li>October 15, 2024 DWR’s and Supporting SWP Contractors’ joint motion for calendar preference was granted; the appeal will be accorded priority pursuant to statutory provisions, which should accelerate oral argument and the court’s decision once briefing is completed in about March 2025</li> <li>Respondents’ and Cross-Appellants’ briefs filed Dec. 31, 2024 and Jan. 2, 2025</li> <li><u>DWR’s and Supporting SWP Contractors’ <del>Opposition Briefs due filed</del> reply to Howard Jarvis Taxpayers Association’s opposition brief Feb. 11, <del>12,</del> 2025</u></li> <li><u>DWR’s and Supporting SWP Contractors’ combined opposition to cross-appeals and reply brief due ~March 18, 2025</u></li> </ul>



Subject	Status
<p><b>2025 Delta Conveyance Program Revenue Bond Validation</b></p> <p><i>Department of Water Resources v. All Persons Interested, etc.</i></p> <p>Sacramento County Superior Court (Judge TBD)</p>	<ul style="list-style-type: none"> <li>Jan. 6, 2025, the Department of Water Resources (DWR) adopted a new bond resolution</li> <li>Jan. 7, DWR filed a complaint seeking a judgment validating its authority to issue the bonds under the CVP Act</li> <li>Jan. 27, 2025 summons issued</li> <li>Feb. 27, 2025 Case Management Conference</li> <li><u>March 25, 2025 deadline to file answers</u></li> <li><u>Metropolitan and Coachella Valley Water District filed answers in support in mid- and late-February, respectively</u></li> </ul>
<p><b>SWP-CVP 2019 BiOp Cases</b></p> <p><i>Pacific Coast Fed'n of Fishermen's Ass'ns, et al. v. Raimondo, et al. (PCFFA)</i></p> <p><i>Calif. Natural Resources Agency, et al. v. Raimondo, et al. (CNRA)</i></p> <p>Federal District Court, Eastern Dist. of California, Fresno Division (Judge Thurston)</p>	<ul style="list-style-type: none"> <li>SWC intervened in both <i>PCFFA</i> and <i>CNRA</i> cases</li> <li>Federal defendants reinitiated consultation on Oct 1, 2021</li> <li>March 28, 2024 order extending the Interim Operations Plan and the stay of the cases through the issuance of a new Record of Decision or December 20, 2024, whichever is first</li> </ul>
<p><b>2020 CESA Incidental Take Permit Cases</b></p> <p><b>Coordinated Case Name <i>CDWR Water Operations Cases, JCCP 5117</i> (Coordination Trial Judge Gevercer)</b></p> <p><i>Metropolitan &amp; Mojave Water Agency v. Calif. Dept. of Fish &amp; Wildlife, et al. (CESA/CEQA/Breach of Contract)</i></p> <p><i>State Water Contractors &amp; Kern County Water Agency v. Calif. Dept. of Fish &amp; Wildlife, et al. (CESA/CEQA)</i></p> <p><i>San Bernardino Valley Municipal Water Dist. v. Calif. Dept. of Water Resources, et al. (CEQA/CESA/ Breach of Contract/Takings)</i></p> <p><i>Sierra Club, et al. v. Calif. Dept. of Water Resources (CEQA/Delta Reform Act/Public Trust)</i></p> <p><i>San Francisco Baykeeper, et al. v. Calif. Dept. of Water Resources, et al. (CEQA/CESA)</i></p>	<ul style="list-style-type: none"> <li>Administrative records certified in October 2023</li> <li>Order entered to delay setting a merits briefing schedule by 90 days and extending the time to bring the action to trial by six months</li> <li>Deadline to bring all the coordinated cases to trial is now December 5, 2025</li> <li>December 2024 three petitioner groups filed requests for dismissal without prejudice</li> <li>Remaining petitioner groups meeting and conferring in light of the new, 2024 CESA Incidental Take Permit</li> <li>March 7, 2025 Case Management Conference</li> </ul>



Subject	Status
<p><b>2024 CESA Incidental Take Permit Cases</b></p> <p><i>San Francisco Baykeeper, et al. v. California Department of Water Resources</i> (CEQA, Delta Reform Act, Public Trust Doctrine)</p> <p>Sacramento County Superior Ct. Case No. 24WM000185 (Judge Arguelles)</p> <p><i>California Sportfishing Protection Alliance, et al. v. California Department of Water Resources, et al.</i> (CEQA, CESA, Delta Reform Act, Public Trust Doctrine)</p> <p>Sacramento County Superior Ct. Case No. 24WM000181 (Judge Arguelles)</p> <p><i>Tehama-Colusa Canal Authority, et al. v. California Department Of Water Resources, et al.</i> (CEQA)</p> <p>Sacramento County Superior Ct. Case No. 24WM000183 (Judge Rockwell)</p> <p><b>Central Delta Water Agency and South Delta Water Agency v. California Department of Water Resources</b> (CEQA, Delta Reform Act, Watershed Protection Acts, Public Trust Doctrine)</p> <p><b>Sacramento County Superior Ct. Case No. 24WM000186</b> (Judge Acquisto)</p>	<ul style="list-style-type: none"> <li>• Cases challenge DWR's Final EIR and the California Department of Fish and Wildlife's California Endangered Species Act Incidental Take Permit for the updated Long Term Operations plan for the State Water Project</li> </ul>



Subject	Status
<p><b>CDWR Environmental Impact Cases</b>  <b>Sacramento Superior Ct. Case No. JCCP 4942,</b>  <b>3d DCA Case No. C100302</b>  <b>(20 Coordinated Cases)</b></p> <p>Validation Action  <i>DWR v. All Persons Interested</i></p> <p>CEQA            17 cases</p> <p>CESA/Incidental Take Permit            2 cases</p> <p>(Judge Arguelles)</p>	<ul style="list-style-type: none"> <li>• Cases dismissed after DWR rescinded project approval, bond resolutions, decertified the EIR, and CDFW rescinded the CESA incidental take permit</li> <li>• January 10, 2020 – Nine motions for attorneys’ fees and costs denied in their entirety</li> <li>• May 11, 2022, court of appeal reversed the trial court’s denial of attorney fees and costs</li> <li>• Coordinated cases remitted to trial court for re-hearing of fee motions consistent with the court of appeal’s opinion</li> <li>• Dec. 26, 2023 order denying fee motions</li> <li>• Six notices of appeal filed</li> <li>• Appellants’ opening briefs and appendices filed Oct. 29 and Oct. 31</li> <li>• <del>Jan. 31, 2025 deadline for DWR’s opposition brief (DWR is using a rule-of-court extension, so filing date TBD)</del></li> <li>• <u>Feb. 13, 2025 DWR filed its omnibus respondents’ (opposition) brief</u></li> <li>• <u>Reply briefs due May 5, 2025</u></li> </ul>
<p><i>North Coast Rivers Alliance v. DWR</i>            Sacramento County Superior Ct.            (Judge Rockwell)</p>	<ul style="list-style-type: none"> <li>• Case dismissed Dec. 12, 2024</li> </ul>
<p><b>Water Management Tools Contract Amendment</b></p> <p><i>California Water Impact Network et al. v. DWR</i>            Sacramento County Superior Ct.            (Judge Acquisto)</p> <p><i>North Coast Rivers Alliance, et al. v. DWR</i>            Sacramento County Super. Ct.            (Judge Acquisto)</p>	<ul style="list-style-type: none"> <li>• Filed September 28, 2020</li> <li>• CWIN and Aqualliance allege one cause of action for violation of CEQA</li> <li>• NCRA et al. allege four causes of action for violations of CEQA, the Delta Reform Act, Public Trust Doctrine and seeking declaratory relief</li> <li>• SWC motion to intervene in both cases granted</li> <li>• Dec. 20, 2022 DWR filed notice of certification of the administrative record and filed answers in both cases</li> </ul>



***San Diego County Water Authority v. Metropolitan, et al.***

Cases	Date	Status
<b>2014, 2016</b>	Sept. 30	Based on the Court of Appeal's Sept. 21 opinion in the parties' earlier 2010/2012 cases, and the Board's Sept. 28 authorization, Metropolitan paid \$35,871,153.70 to SDCWA for 2015-2017 Water Stewardship Rate charges under the Exchange Agreement and statutory interest.
<b>2017</b>	July 23, 2020	Dismissal without prejudice entered.
<b>2018</b>	April 11, 2022	Court entered order of voluntary dismissal of parties' WaterFix claims and cross-claims.
<b>2014, 2016, 2018</b>	June 11, 2021	Deposition of non-party witness.
	Aug. 25	Hearing on Metropolitan's motion for further protective order regarding deposition of non-party witness.
	Aug. 25	Court issued order consolidating the 2014, 2016, and 2018 cases for all purposes, including trial.
	Aug. 30	Court issued order granting Metropolitan's motion for a further protective order regarding deposition of non-party witness.
	Aug. 31	SDCWA filed consolidated answer to Metropolitan's cross-complaints in the 2014, 2016, and 2018 cases.
	Feb. 22	Metropolitan and SDCWA each filed motions for summary adjudication.
	April 13	Hearing on Metropolitan's and SDCWA's motions for summary adjudication.
	May 4	Court issued order granting Metropolitan's motion for summary adjudication on cross-claim for declaratory relief that the conveyance facility owner, Metropolitan, determines fair compensation, including any offsetting benefits; and denying its motion on certain other cross-claims and an affirmative defense.
	May 11	Court issued order granting SDCWA's motion for summary adjudication on cross-claim for declaratory relief in the 2018 case regarding lawfulness of the Water Stewardship Rate's inclusion in the wheeling rate and transportation rates in 2019-2020; certain cross-claims and affirmative defenses on the ground that Metropolitan has a duty to charge no more than fair compensation, which includes reasonable credit for any offsetting benefits, with the court also stating that whether that duty arose and whether Metropolitan breached that duty are issues to be resolved at trial; affirmative defenses that SDCWA's claims are untimely and SDCWA has not satisfied claims presentation requirements; affirmative defense in the 2018 case that SDCWA has not satisfied contract dispute resolution requirements; claim, cross-claims, and affirmative defenses regarding applicability of



Cases	Date	Status
<b>2014, 2016, 2018 (cont.)</b>		Proposition 26, finding that Proposition 26 applies to Metropolitan's rates and charges, with the court also stating that whether Metropolitan violated Proposition 26 is a separate issue; and cross-claims and affirmative defenses regarding applicability of Government Code section 54999.7, finding that section 54999.7 applies to Metropolitan's rates. Court denied SDCWA's motion on certain other cross-claims and affirmative defenses.
	May 16-27	Trial occurred but did not conclude.
	June 3, June 24, July 1	Trial continued, concluding on July 1.
	June 24	SDCWA filed motion for partial judgment.
	July 15	Metropolitan filed opposition to motion for partial judgment.
	Aug. 19	Post-trial briefs filed.
	Sept. 14	Court issued order granting in part and denying in part SDCWA's motion for partial judgment (granting motion as to Metropolitan's dispute resolution, waiver, and consent defenses; denying motion as to Metropolitan's reformation cross-claims and mistake of fact and law defenses; and deferring ruling on Metropolitan's cost causation cross-claim).
	Sept. 21	Metropolitan filed response to order granting in part and denying in part SDCWA's motion for partial judgment (requesting deletion of Background section portion relying on pleading allegations).
	Sept. 22	SDCWA filed objection to Metropolitan's response to order granting in part and denying in part SDCWA's motion for partial judgment.
	Sept. 27	Post-trial closing arguments.
	Oct. 20	Court issued order that it will rule on SDCWA's motion for partial judgment as to Metropolitan's cost causation cross-claim simultaneously with the trial statement of decision.
	Dec. 16	Parties filed proposed trial statements of decision.
	Dec. 21	SDCWA filed the parties' stipulation and proposed order for judgment on Water Stewardship Rate claims for 2015-2020.
	Dec. 27	Court entered order for judgment on Water Stewardship Rate claims for 2015-2020 as proposed by the parties.
	March 14, 2023	Court issued tentative statement of decision (tentatively ruling in Metropolitan's favor on all claims litigated at trial, except for those ruled to be moot based on the rulings in Metropolitan's favor)



Cases	Date	Status
<b>2014, 2016, 2018 (cont.)</b>	March 14	Court issued amended order granting in part and denying in part SDCWA's motion for partial judgment (ruling that Metropolitan's claims for declaratory relief regarding cost causation are not subject to court review).
	March 29	SDCWA filed objections to tentative statement of decision
	April 3	Metropolitan filed response to amended order granting in part and denying in part SDCWA's motion for partial judgment (requesting deletion of Background section portion relying on pleading allegations).
	April 25	Court issued statement of decision (ruling in Metropolitan's favor on all claims litigated at trial, except for those ruled to be moot based on the rulings in Metropolitan's favor)
	Jan. 10, 2024	Parties filed joint status report and stipulated proposal on form of judgment
	Jan. 17	Court issued order approving stipulated proposal on form of judgment (setting briefing and hearing)
	April 3	Court entered final judgment
	April 3	Court issued writ of mandate regarding demand management costs
	April 3	SDCWA filed notice of appeal
	April 17	Metropolitan filed notice of cross-appeal
	May 3	Participating member agencies filed notice of appeal
	May 31	Parties filed opening briefs on prevailing party
	June 28	Parties filed response briefs on prevailing party
	July 17	Court issued tentative ruling that there is no prevailing party due to mixed results
	July 18	Hearing on prevailing party; court took matter under submission, stating it expects to rule in mid-Aug.
	Aug. 15	Court issued ruling that Metropolitan is the prevailing party and is entitled to SDCWA's payment of its litigation costs and fees under the Exchange Agreement
	Sept. 25	Court issued order extending time for Metropolitan to file its memorandum of costs and motion for attorneys' fees
	Sept. 27	Metropolitan filed its memorandum of costs in the amount of \$372,788.64



Cases	Date	Status
<b>2014, 2016, 2018 (cont.)</b>	Oct. 18	Parties filed a joint application to extend the briefing schedule in the Court of Appeal
	Oct. 21	Court of Appeal granted parties' joint briefing schedule; briefing begins April 11, 2025 and ends October 10, 2025
	Oct. 29	SDCWA filed its motion to tax (reduce) Metropolitan's costs
	Nov. 26	SDCWA withdrew its motion to tax (reduce) Metropolitan's costs and requested that the court cancel the Dec. 11 motion hearing
	Dec. 17	The court entered the parties' stipulated order that Metropolitan's recoverable attorneys' fees are \$3,402,408.71 and its recoverable costs are \$372,788.64; unless the Court of Appeal reverses the order that Metropolitan is the prevailing party, SDCWA is to pay Metropolitan these amounts, plus interest; and briefing on Metropolitan's motion for attorneys' fees is vacated.
	Dec. 17	The court issued an order reassigning the cases from the Honorable Anne-Christine Massullo to the Honorable Ethan P. Schulman.
	Jan. 28, 2025	Court of Appeal granted parties' modified joint briefing schedule; briefing begins July 11, 2025 and ends January 9, 2026.
<b>All Cases</b>	April 15, 2021	Case Management Conference on 2010-2018 cases. Court set trial in 2014, 2016, and 2018 cases on May 16-27, 2022.
	April 27	SDCWA served notice of deposition of non-party witness.
	May 13-14	Metropolitan filed motions to quash and for protective order regarding deposition of non-party witness.
	June 4	Ruling on motions to quash and for protective order.





Outside Counsel Agreements				
Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Albright, Yee & Schmit, APC	<del>Employment Matter</del>	<del>220423</del>	<del>10/24</del>	<del>\$100,000</del>
	Employment Matter	222524	11/24	<del>\$50,000</del> <del>\$75,000</del>
	Employment Matter	222529	12/24	\$50,000
Andrade Gonzalez LLP	MWD v. DWR, CDFW and CDNR Incidental Take Permit (ITP) CESA/CEQA/Contract Litigation	185894	07/20	\$250,000
Aleshire & Wynder	Oil, Mineral and Gas Leasing	174613	08/18	\$50,000
Anzel Galvan LLP	Bond Issues	220411	07/24	N/A
Atkinson Andelson Loya Ruud & Romo	Employee Relations	59302	04/04	\$1,316,937
	Delta Conveyance Project Bond Validation-CEQA Litigation	185899	09/21	\$250,000
	MWD Drone and Airspace Issues	193452	08/20	\$50,000
	AFSCME Local 1902 in Grievance No. 1906G020 (CSU Meal Period)	201883	07/12/21	\$30,000
	AFSCME Local 1902 v. MWD, PERB Case No. LA-CE-1438-M	201889	09/15/21	\$20,000
	MWD MOU Negotiations**	201893	10/05/21	\$100,000
	<del>Misconduct Investigation</del>	<del>222533</del>	<del>01/25</del>	<del>\$25,000</del>
	<del>Ethics Investigation</del>	<del>222534</del>	<del>01/25</del>	<del>\$25,000</del>
BDG Law Group, APLC	Gutierrez v. MWD	216054	03/24	\$250,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Best, Best & Krieger	Bay-Delta Conservation Plan/Delta Conveyance Project (with SWCs)	170697	08/17	\$500,000
	Environmental Compliance Issues	185888	05/20	\$100,000
	Grant Compliance Issues	211921	05/23	\$150,000
	Pure Water Southern California	207966	11/22	\$250,000
	Progressive Design Build	216053	04/24	\$250,000
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP	FCC and Communications Matters	110227	11/10	\$100,000
Brown White & Osborn LLP	Employment Matter	222523	10/24	\$50,000
	Employment Matter	222525	11/24	\$50,000
Buchalter, a Professional Corp.	Union Pacific Industry Track Agreement	193464	12/07/20	\$50,000
Burke, Williams & Sorensen, LLP	Real Property – General	180192	01/19	\$100,000
	Labor and Employment Matters	180207	04/19	\$75,000
	General Real Estate Matters	180209	08/19	\$200,000
	Rancho Cucamonga Condemnation Actions (Grade Separation Project)	207970	05/22	\$100,000
Law Office of Alexis S.M. Chiu*	Bond Counsel	200468	07/21	N/A
	Bond Counsel	220409	07/24	N/A
Castañeda + Heidelman LLP	Employment Matter	216055	04/24	\$100,000
	Employment Matter	222530	11/24	\$100,000
Cislo & Thomas LLP	Intellectual Property	170703	08/17	\$100,000
Curls Bartling P.C.*	Bond Counsel	200470	07/21	N/A
Davis Wright Tremaine, LLP	Advice and Representation re Potential Litigation	220424	10/24	\$250,000
Duane Morris LLP	SWRCB Curtailment Process	138005	09/14	\$615,422



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Duncan, Weinberg, Genzer & Pembroke	Power Issues	6255	09/95	\$3,175,000
Ellison, Schneider, Harris & Donlan	Colorado River Issues	69374	09/05	\$175,000
	Issues re SWRCB	84457	06/07	\$200,000
Erin Joyce Law, PC	Employment Matter	216039	11/23	\$100,000
	Ethics Advice	216058	05/24	\$100,000
Glaser Weil Fink Howard Jordan & Shapiro	Employment Matter	220395	7/24	\$150,000
Greines, Martin, Stein & Richland LLP	SDCWA v. MWD	207958	10/22	\$100,000
	Colorado River Matters	207965	11/22	\$100,000
Hackler Flynn & Associates	Government Code Claim Advice	216059	5/24	\$150,000
Haden Law Office	Real Property Matters re Agricultural Land	180194	01/19	\$50,000
Hanna, Brophy, MacLean, McAleer & Jensen, LLP	Workers' Compensation	211926	06/23	\$500,000
Hanson Bridgett LLP	Finance Advice	158024	12/16	\$100,000
	Deferred Compensation/HR	170706	10/17	\$500,000
	Tax Issues	180200	04/19	\$50,000
	Alternative Project Delivery (ADP)	207961	10/22	\$250,000
	Ad Valorem Property Taxes	216042	11/23	\$100,000
Harris & Associates	Employment Matter	220397	7/24	\$100,000
Hausman & Sosa, LLP	Jones v. MWD	216056	05/24	\$100,000
	Villavicencio v. MWD	220426	10/24	\$100,000
	Jensen Operator Standby Removal	222522	10/24	\$100,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Hawkins Delafield & Wood LLP*	Bond Counsel	193469	07/21	N/A
	Bond Counsel	220405	07/24	N/A
Hemming Morse, LLP	Baker Electric v. MWD	211933	08/23	\$175,000
Horvitz & Levy	SDCWA v. MWD	124100	02/12	\$1,250,000
	General Appellate Advice	146616	12/15	\$200,000
	Colorado River	203464	04/22	\$100,000
	Delta Conveyance Bond Validation Appeal	216047	03/24	\$25,000
	PFAS Multi-District Litigation – Appeal	216050	03/24	\$200,000
Innovative Legal Services, P.C.	Employment Matter	211915	01/19/23	\$175,000
Internet Law Center	Cybersecurity and Privacy Advice and Representation	200478	04/13/21	\$100,000
	Systems Integrated, LLC v. MWD	201875	05/17/21	\$100,000
Amira Jackmon, Attorney at Law*	Bond Counsel	200464	07/21	N/A
Jackson Lewis P.C.	Employment: Department of Labor Office of Contract Compliance	137992	02/14	\$45,000
Jones Hall, A Professional Law Corp*	Bond Counsel	200465	07/21	N/A
Katten Muchin Rosenman LLP	Bond Counsel	220412	07/24	N/A
Kronenberger Rosenfeld, LLP	Systems Integrated, LLC v. MWD	211920	04/23	\$250,000
Kutak Rock LLP	Delta Islands Land Management	207959	10/22	\$60,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Liebert Cassidy Whitmore	Labor and Employment	158032	02/17	\$240,821
	FLSA Audit	180199	02/19	\$50,000
	EEO Advice	216041	12/23	<del>\$200,000</del> <u>\$250,000</u>
Lieff Cabraser Heimann & Bernstein, LLP	PFAS Multi-District Litigation	216048	03/24	\$200,000
Manatt, Phelps & Phillips	SDCWA v. MWD rate litigation	146627	06/16	\$4,400,000
	Raftelis-Subcontractor of Manatt, Agr. #146627: Per 5/2/22 Engagement Letter between Manatt and Raftelis, MWD paid Raftelis Financial Consultants, Inc.	Invoice No. 23949		\$56,376.64 for expert services & reimbursable expenses in SDCWA v. MWD
Marten Law LLP	PFAS Multi-District Litigation	216034	09/23	\$550,000
	PFAS-Related Issues (PWSC)	220414	08/24	\$100,000
	Perris Valley Pipeline Project	220415	07/24	\$100,000
	PFAS-Related Issues (General)	220413	10/24	\$50,000
Meyers Nave Riback Silver & Wilson	Pure Water Southern California	207967	11/22	\$100,000
Miller Barondess, LLP	SDCWA v. MWD	138006	12/14	\$600,000
Morgan, Lewis & Bockius	SDCWA v. MWD	110226	07/10	\$8,750,000
	Project Labor Agreements	200476	04/21	\$100,000
Musick, Peeler & Garrett LLP	Colorado River Aqueduct Electric Cables Repair/Contractor Claims	193461	11/20	\$3,250,000
	Arvin-Edison v. Dow Chemical	203452	01/22	\$150,000
	Semitropic TCP Litigation	207954	09/22	\$75,000
	Employment Matter	<del>216063</del>	<del>06/24</del>	<del>\$100,000</del>
	Employment Matter	220417	08/24	\$100,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Nixon Peabody LLP*	Bond Counsel [re-opened]	193473	07/21	N/A
	Special Finance Project	207960	10/22	\$50,000
	Bond Counsel	220404	07/24	N/A
Norton Rose Fulbright US LLP*	Bond Counsel	200466	07/21	N/A
	Bond Counsel	220407	7/24	N/A
Olson Remcho LLP	Government Law	131968	07/14	<del>\$400,000</del> \$600,000
	Executive Committee/Ad Hoc Committees Advice	207947	08/22	\$60,000
	Advice/Assistance re Proposition 26/Election Issues	211922	05/23	\$100,000
<del>Robert P. Otilie</del>	<del>Employment Matter</del>	<del>220403</del>	<del>09/24</del>	<del>\$100,000</del>
Pearlman, Brown & Wax, L.L.P.	Workers' Compensation	216037	10/23	\$100,000
Procopio, Cory, Hargreaves & Savitch, LLP	CityWatch Los Angeles Public Records Act Request	216046	02/24	\$75,000
	Public Records Act Requests	220399	7/24	\$75,000
Renne Public Law Group, LLP	ACE v. MWD (PERB Case No. LA-CE-1574-M)	203466	05/22	\$100,000
	ACE v. MWD (PERB Case No. LA-CE-1611-M)	207962	10/22	\$50,000
	Employee Relations and Personnel Matters	216045	01/24	\$50,000
	ACE v. MWD (PERB Case No. LA-CE-1729-M)	220421	09/24	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1733-M)	220422	09/24	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1738-M)	220425	10/24	\$35,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
	<u>SAMWD v. MWD (PERB Case No. LA-CE-1745-M)</u>	<u>220527</u>	<u>11/24</u>	<u>\$35,000</u>
	<u>AFSCME v. MWD (PERB Case No. LA-CE-1746-M)</u>	<u>222528</u>	<u>11/24</u>	<u>\$35,000</u>
<u>Melanie Ross Law P.C.</u>	<u>Tiegs v. MWD</u>	<u>222535</u>	<u>01/25</u>	<u>\$25,000</u>
Ryan & Associates	Leasing Issues	43714	06/01	\$200,000
	Oswalt v. MWD	211925	05/23	\$100,000
	Unlawful Encroachment on Metropolitan Rights-of-Way	216065	06/24	\$100,000
Seyfarth Shaw LLP	Claim (Contract #201897)	201897	11/04/21	\$350,000
	Claim (Contract #203436)	203436	11/15/21	\$350,000
	Claim (Contract #203454)	203454	01/22	\$210,000
	Reese v. MWD	207952	11/22	<del>\$750,000</del> <u>\$900,000</u>
	General Labor/Employment Advice	211917	3/23	\$250,000
	Civil Rights Department Complaint	211931	07/23	\$100,000
	Crawford v. MWD	216035	09/23	\$525,000
	Tiegs v. MWD	216043	12/23	\$525,000
	Zarate v. MWD	216044	01/24	\$250,000
Shaw Law Group, PC	Administrative Investigation	222531	12/24	\$30,000
Sheppard Mullin Richter & Hampton LLP	Lorentzen v. MWD	216036	09/23	\$250,000
	<u>Iverson v. MWD</u>	<u>222532</u>	<u>12/24</u>	<u>\$100,000</u>
Stradling Yocca Carlson & Rauth*	Bond Counsel	200471	07/21	N/A
	Bond Counsel	220408	7/24	N/A



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
<del>The Myers Law Group, APC</del>	<del>Employment Matter</del>	<del>220420</del>	<del>11/24</del>	<del>\$100,000</del>
Theodora Oringher PC	Construction Contracts - General Conditions Update	185896	07/20	\$100,000
Thompson Coburn LLP	NERC Energy Reliability Standards	193451	08/20	\$300,000
Van Ness Feldman, LLP	General Litigation	170704	07/18	\$50,000
	Colorado River MSHCP	180191	01/19	\$50,000
	Bay-Delta and State Water Project Environmental Compliance	193457	10/15/20	\$50,000
	Colorado River Issues	211924	05/23	\$250,000

\*Expenditures paid by Bond Proceeds/Finance

\*\*Expenditures paid by another group



**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**LEGAL AND CLAIMS COMMITTEE**

**February 11, 2025**

Chair Luna called the meeting to order at 8:32 a.m.

Members present: Directors Camacho, Cordero, Dick (entered after roll call), Fellow, Garza, Kurtz (entered during roll call), Luna, McCoy, Miller (teleconference posted location), and Seckel.

Members absent: Directors Douglas and Ramos

Other Board Members present: Directors Ackerman (AB2449 “Just Cause”), Armstrong, Bryant, Dennstedt, Erdman, Faessel, Fong-Sakai, Goldberg, Gray (teleconference posted location), Lewitt, McMillan, Morris, Ortega, and Pressman (teleconference posted location).

Director Ackerman indicated she is participating under AB 2449 “just cause” due to recovery from a medical procedure. Director Ackerman appeared by audio and on camera.

Committee Staff present: Beatty, Boucher, Gaxiola, Rubin, and Scully.

**1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE’S JURISDICTION**

None

**2. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS**

A. Subject: General Counsel’s report of monthly activities

General Counsel Scully provided an update on the settlement negotiations in San Diego County Water Authority v. Metropolitan.

Chair Luna deferred Item 7a to March 2025.

**CONSENT CALENDAR ITEMS – ACTION**

**3. CONSENT CALENDAR OTHER ITEMS – ACTION**

- A. Subject: Approval of the Minutes of the Legal and Claims Committee for January 14, 2025.

**4. CONSENT CALENDAR ITEMS – ACTION**

None

Director Camacho made a motion, seconded by Director Fellow, to approve item 3A.

The vote was:

Ayes: Directors Camacho, Cordero, Fellow, Garza, Kurtz, Luna, McCoy, Miller, and Seckel  
Noes: None  
Abstentions: None  
Absent: Dick, Douglas, and Ramos

The motion for Item 3A passed by a vote of 9 ayes, 0 noes, 0 abstentions, and 3 absent.

**END OF CONSENT CALENDAR ITEMS**

Chair Luna called the meeting into closed session.

Director Dick entered the meeting.

**5. OTHER BOARD ITEMS – ACTION**

- 8-3**            Subject            Report on litigation in Ryan Tiegs v. Metropolitan Water District of Southern California, Riverside County Superior Court Case No. CVPS2306176, and authorize increase in the maximum amount payable under a contract for legal services with Seyfarth Shaw LLP in the amount of \$300,000 for a total amount not to exceed \$825,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA  
[Conference with legal counsel – existing litigation; may be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1)]
- Presented by:    Marcia Scully, General Counsel
- Motion            Authorize increase in the maximum amount payable under a contract for legal services in Ryan Tiegs v. Metropolitan Water District of Southern California with Seyfarth Shaw LLP in the amount of \$300,000 for a total amount not to exceed \$825,000.

Chair Luna reported there was no action taken in closed session.

In open session, Director Seckel made a motion, seconded by Director Camacho to approve the contract increase for item 8-3.

The vote was:

- Ayes:            Directors Camacho, Cordero, Dick, Fellow, Garza, Kurtz, Luna, McCoy, Miller, and Seckel
- Noes:            None
- Abstentions:    None
- Absent:          Douglas and Ramos

The motion for item 8-3 passed by a vote of 10 ayes, 0 noes, 0 abstentions, and 2 absent.

**6. BOARD INFORMATION ITEMS**

None

## 7. COMMITTEE ITEMS

- a. Report on litigation in San Diego County Water Authority v. 21-4230 Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004, CPF-16-515282 , CPF-16-515391, CGC-17-563350, and CPF-18-516389; the appeals of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901, A148266, A161144, and A162168, and California Supreme Court Case No. S243500; the petition for extraordinary writ in the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case No. A155310; the petition for extraordinary writ in the second 2016 action, Court of Appeal for the First Appellate District Case No. A154325 and California Supreme Court Case No. S251025; the Metropolitan Water District of Southern California v. San Diego County Water Authority cross-complaints in the 2014, 2016, and 2018 actions; and the appeals of the 2014, 2016, and 2018 actions, Court of Appeal for the First Appellate District Case No. A170156; including report on discussions regarding potential settlement of the 2014, 2016, and 2018 actions, including the cross-complaints and appeals, San Francisco County Superior Court Case Nos. CPF-14-514004, CPF-16-515282, and CPF-18-516389 and Court of Appeal for the First Appellate District Case No. A170156 [Conference with legal counsel – existing litigation; may be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1)]

Item deferred.

## 8. FOLLOW-UP ITEMS

None

## 9. FUTURE AGENDA ITEMS

None

Next meeting will be held on March 11, 2025.

Meeting adjourned at 9:09 am

Miguel Luna  
Chair



- **Board of Directors**  
***Legal and Claims Committee***

3/11/2025 Board Meeting

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7-11

## **Subject**

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Authorize an increase of \$100,000, to an amount not to exceed \$600,000, for a contract for legal services with Hanson Bridgett LLP to provide legal advice on deferred compensation plans, other employee benefits, taxes, and CalPERS matters; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## **Executive Summary**

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The General Counsel entered into a contract with the law firm of Hanson Bridgett LLP (Hanson Bridgett), as special counsel, on November 1, 2017, for the amount of \$100,000 to provide Metropolitan with legal, tax, and benefits advice on Metropolitan's deferred compensation plans and other employee benefits. The firm has specialized expertise and has assisted Metropolitan in the operation of its deferred compensation program and advised on related tax issues. The Board authorized contract increases in 2018, 2020, 2021, and 2022, bringing the current not-to-exceed amount to \$500,000. The firm's assistance will be required going forward to assist with legally required changes to the plans, and review of various procedures relating to deferred compensation and other employee benefits. Staff's experience is that the workload remains constant and the current cost incurred is approximately \$70,000 per year.

## **Proposed Action(s)/Recommendation(s) and Options**

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### **Staff Recommendation: Option #1**

#### **Option #1**

Authorize the General Counsel to increase the amount payable under its contract with Hanson Bridgett LLP by \$100,000 to an amount not to exceed \$600,000.

**Fiscal Impact:** \$100,000 for the provision of the authorized legal services

**Business Analysis:** Metropolitan will obtain specialized legal expertise for its deferred compensation plans.

#### **Option #2**

Do not authorize an increase in the maximum amount payable under this contract with Hanson Bridgett LLP.

**Fiscal Impact:** No known fiscal impact

**Business Analysis:** Metropolitan will not obtain specialized legal expertise for its deferred compensation plans.

## **Alternatives Considered**

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Not applicable

## Applicable Policy

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Metropolitan Water District Administrative Code Section 6430: General Counsel Powers and Duties

Metropolitan Water District Administrative Code Section 6810: Employee Deferred Compensation and Savings Plans

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

## Related Board Action(s)/Future Action(s)

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Not applicable

## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

### CEQA determination for Option #2:

None required

## Details and Background

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### Background

The General Counsel entered into a contract with the law firm of Hanson Bridgett LLP (Hanson Bridgett), as special counsel, on November 1, 2017, for the amount of \$100,000 to provide Metropolitan with legal, tax, and benefits advice on Metropolitan's deferred compensation plans and other employee benefits. Because it is an area of specialized expertise, Metropolitan has regularly retained special counsel for its deferred compensation plans. Hanson Bridgett has expertise and experience in public agency deferred compensation programs. The firm also has expertise in and provides advice on other tax, employee benefits, and CalPERS matters. The firm also provides Metropolitan with current legislative and regulatory guidance on new laws, IRS rules, and U.S. Treasury regulations.

In 2018, Metropolitan selected a new record keeper and amended its deferred compensation plans. Hanson Bridgett assisted in these efforts, including review of record keeper related agreements and the incorporation of numerous changes to the plans requested by the participants.

In 2019, Metropolitan further updated its deferred compensation plans to expand plan features for participants and streamline plan administration. Hanson Bridgett assisted in these efforts and advised on several issues, such as de minimis account forfeitures, plan rollovers and deferral contributions. The firm also assisted with the development of a managed account services agreement to offer online and personal account management advice to plan participants.

In 2020, Metropolitan enhanced its plans' operations to make the plans' features more convenient for participants. Hanson Bridgett assisted in these efforts and advised on many topics, such as automated loan payments, electronic signatures on plan forms, and unified beneficiary designation rules and procedures. The firm also advised Metropolitan on the incorporation of COVID-19 loans and hardship distribution rules for qualified participants.

In 2021 and 2022, Metropolitan automated its required minimum distribution procedures and drafted plan amendments to allow qualified birth and adoption distributions and lower the 457(b) plan in-service distribution age limit to age 59½. As requested by participants, it also added environmental social governance funds to its fund lineup and provided non pro rata options for partial distributions. Hanson Bridgett assisted in these efforts and advised on other issues, such as plan loan offsets, death benefits determinations, and after-tax Roth deferrals.

for participants. They also advised on employee benefits matters, such as employer tax credits for family and sick leave coverage.

In 2023 and 2024, Metropolitan restructured and streamlined plan governance, including amending the Administrative Code and establishing an investment committee with governing bylaws. It also implemented Roth deferral accounts and provided retirees the option to consolidate plan accounts. Hanson Bridgett assisted in these efforts and advised on the mandatory and optional provisions of Secure Act 2.0, on properly designating trust and wills as beneficiaries, and on how the plan expense account may be applied, for example, to provide fiduciary training.

In September 2018, March 2020, March 2021, and December 2022, the Board authorized increases of \$100,000 for a current not-to-exceed amount of \$500,000. Upcoming efforts will include amending the plans under Secure Act 2.0, which will, among other things, streamline operations by eliminating inadvertent overpayment recovery and expanding the use of IRS self-correction rules to make minor corrections, will clarify rules that allow charitable remainders, and will allow for the adoption of new plan features that simplify federal disaster relief and lower penalties for failing to timely take required distributions. Hansen Bridgett will assist in these plan amendments.

Staff requests authority to increase the maximum amount payable pursuant to this contract by \$100,000 to an amount not to exceed \$600,000 so that Hanson Bridgett may continue to assist Metropolitan with its deferred compensation plans and related legal services.

While the rate of expenditure is dependent upon the need for expert assistance, it is anticipated that the proposed increase will be adequate for up to one additional year.

  
\_\_\_\_\_  
Marcia Scully  
General Counsel

3/4/2025  
\_\_\_\_\_  
Date

Ref# I12707383LC



Legal & Claims Committee

# Request for Additional Funds for Outside Counsel Hanson Bridgett LLP

Item 7-11

March 11, 2025



## Special Counsel

### Request for Additional Funds for Special Counsel

Authorize an increase of \$100,000, to an amount not-to-exceed \$600,000, for a contract for legal services with Hanson Bridgett LLP to provide legal advice on deferred compensation plans, other employee benefits, taxes, and CalPERS matters.

## 401(k) and 457(b) Plans and Employee Benefits

### Specialize in 401(k) and 457(b) Plans and Employee Benefits

- Regularly retain for Deferred Compensation Plans and Employee Benefits
- First retained in 2017
- Increased contract maximum authorized in 2018, 2020, 2021, and 2022

## Primary Use is for Deferred Compensation

- Plan updates and features
- Service agreements
- Best practices and procedures
- New laws, IRS Rules, and U.S. Treasury regulations

## Going Forward

- Secure Act 2.0 Plan Amendments
- Routine Advisories
- Plan Administration
- Investment Committee

## Other Uses

- Tax
- Other Employee Benefits
- CalPERS Matters

# Board Options

- **Option #1**  
Authorize the General Counsel to increase the amount payable under its contract with Hanson Bridgett LLP by \$100,000 to an amount not-to-exceed \$600,000.
- **Option #2**  
Do not authorize an increase in the maximum amount payable under this contract with Hanson Bridgett LLP.

# Staff Recommendation

- Option #1



# Questions







- **Board of Directors**  
***Legal and Claims Committee***

3/11/2025 Board Meeting

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7-12

## Subject

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Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of various committees and the roles of specified board and committee officers; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## Executive Summary

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The proposed amendments to Administrative Code Division II, Chapters 2, 3, and 4, Division IV, Chapters 3 and 5, Division V, Chapters 1 and 3, Division VI, Chapters 1, 2, 3 and 4, Division VII, Chapter 4, and Division VIII, Chapter 2 will update the Code to modify the structure and functions of various committees and the roles of specified board and committee officers to provide greater clarity and operational flexibility and to conform the committee structure to the current workload and priorities of the Board.

## Proposed Action(s)/Recommendation(s) and Options

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### Staff Recommendation: Option #1

#### Option #1

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of various committees and the roles of specified board and committee officers

**Fiscal Impact:** None

**Business Analysis:** Will provide clarity and conform the committee structure to the current workload and priorities of the Board.

#### Option #2

Do not approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of various committees and the roles of specified board and committee officers

**Fiscal Impact:** None

**Business Analysis:** Will not provide clarity or conform the committee structure to the current workload and priorities of the Board.

## Alternatives Considered

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Not applicable

## Applicable Policy

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Metropolitan Water District Administrative Code Section 2451: Duties and Functions [Legal and Claims Committee]

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

## Related Board Actions

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February 11, 2025, Board Letter Item 6B approving changes to modify the structure and functions of various committees and the roles of specified board and committee officers.

### California Environmental Quality Act (CEQA)

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#### CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves organizational, maintenance, or administrative activities; personnel-related actions; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5)).

#### CEQA determination for Option #2:

None required

## Details and Background

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### A. Past Actions Recommended by the Chair and Approved by the Board on February 11, 2025, in Board Letter Item 6B Modifying Committee Structures and Functions.

The following changes to Standing Committee and to Ad Hoc Committees were recommended by the Chair and approved by the Board.

#### Board-Approved Standing Committee Changes

- The Audit Subcommittee of the Executive Committee will become the Audit Committee.
- The Ethics, Organization and Personnel Committee will become the Organization, Personnel and Effectiveness Committee, focusing on personnel matters, bargaining unit negotiations, oversight of training programs, and recruitment programs.
- The Equity, Inclusion and Affordability Committee will become the Community and Workplace Culture Committee.
- The Finance and Asset Management Committee will become the Finance, Affordability, Asset Management, and Efficiency Committee, assuming oversight of affordability and efficiency in addition to oversight of previously assigned financial and asset management activities.
- The One Water and Stewardship Committee will become the One Water and Adaptation Committee.

#### Board-Approved Ad Hoc Committee Changes

- Eliminate the Ad Hoc Committee on Bay-Delta Negotiations and the Ad Hoc Committee on Colorado River whose duties are transferred to the Subcommittee on Imported Water under the One Water and Adaptation Committee.
- Eliminate the Ad Hoc Committee on San Diego Litigation and the Ad Hoc Committee on Policy Impacts of Third-Party Changes to Member Agency boundaries because their tasks are completed.
- Create an Ad Hoc Committee on Executive Performance.
- Create an Ad Hoc Committee on Equal Employment Opportunity Investigations.
- Create an Ad Hoc Committee on Ag and Tribal Partnerships to focus on potential interstate conservation and initiatives to increase ground-storage and transfers.
- The Ad Hoc Committee on Facility Naming will become the Ad Hoc Committee on Communications and Facility Naming.

**B. Present Action Based on Board-approved Actions on February 11, 2025 in Board Letter Item 6B Modifying Committee Structures and Functions and Which Require Amendments to the Administrative Code.**

The following proposed code amendments are based on the Board-approved actions of February 11, 2025 in Board Letter Item 6B which require amendments to Metropolitan's Administrative Code. The proposed amendments are to Division II, Chapters 2, 3, and 4, Division IV, Chapters 3 and 5, Division V, Chapters 1 and 3, Division VI, Chapters 1, 2, 3 and 4, Division VII, Chapter 4, and Division VIII, Chapter 2. These amendments modify the structure and functions of various committees and the roles of specified board and committee officers to provide greater clarity and operational flexibility and conform the committee structure to the current workload and priorities of the Board. The Administrative Code is proposed to be amended as follows:

1. Section 2204 is amended to delete the oversight by Board Vice Chairs over fixed portfolios and to clarify their duty to act in the absence of the Board Chair. It further clarifies their ex officio membership duties on committees to which they are designated by the Board Chair. Conforming amendments are provided at Sections 2401(c) and (d).
2. Section 2311 is amended to require Ad Hoc Committees to provide reports to the Executive Committee as well as committees where the subjects are relevant.
3. Section 2400 is amended to insert the new committees, with added abbreviations, to the resulting list of Standing Committees.
  - i. Audit Committee. Conforming amendment to change the name from Audit Subcommittee is provided at Section 6450(f). New Article 3 of Division II, Chapter 4 is added for the Audit Committee. Consequently Articles 3, 4, 5, 6, 7, 8 and 9 are renumbered Articles 4, 5, 6, 7, 8, 9, and 10.
  - ii. Finance, Affordability, Asset Management, and Efficiency Committee. Conforming amendments to change the name from Finance and Asset Management Committee are provided at Sections 4304(a), (b), (c), and (d), 4305(a) and (b), 4507(g)(3), 5104(b), 5105(b), 5107(a), 5305, 8248(b) and 8257.
  - iii. Organization, Personnel and Effectiveness Committee. Conforming amendments to change the name from Ethics, Organization and Personnel Committee are provided at Sections 2470 and 2471, 6113(a) and (b), 6121, 6208(h) and 6209(a).
  - iv. One Water and Adaptation. Conforming amendments to change the name from One Water and Stewardship Committee are provided at Sections 2480 and 2481.
  - v. Community and Workplace Culture Committee. Conforming amendment change the name from Equity, Inclusion and Affordability Committee is provided at Section 2490. Conforming amendments to change the name from Ethics, Organization and Personnel Committee are provided at Sections 6304, 6416, 6436 (b), 6450(b), 6470(a), (e), and (i), 6471(d), 6472(a) and (b), 7405(a) and (b), 7411(b), and 7412(e).

This Section 2400 is also amended to delete committees being eliminated: the Finance and Asset Management Committee and the Ethics, Organization and Personnel Committee.

4. Section 2402 is amended to provide greater flexibility by allowing Standing Committees with fixed meeting schedules, as specified, to meet on Monday before the regular Board meeting or on the second or fourth Tuesday of each month. Conforming amendments are provided at Sections 2430 (Engineering, Operations and Technology), 2440 (Finance, Affordability, Asset Management, and Efficiency), 2450 (Legal and Claims), 2460 (Legislation and Communications), 2470 (Organization, Personnel and Effectiveness), 2480 (One Water and Adaptation) and 2490 (Community and Workplace Culture).
5. Section 2410 is amended to clarify the duty of a committee's Vice Chair as an alternate on the Executive Committee for an absent committee Chair.

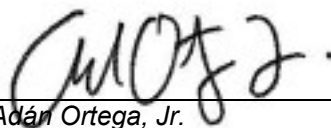
6. Sections 2420 and 2421 are amended to create the Audit Committee. Accordingly, the listed duties of the Audit Subcommittee at Section 2416(f)(6) are deleted and transferred to the Audit Committee at Section 2421(a) through (e) and the duties from the preamble to engage in the annual evaluation process of the General Auditor and monitor compliance with the state audit are added at Section 2421(f) and (g). Also, Section 2420 specifies the regular meetings of this standing committee shall be on a quarterly basis.
7. Section 2462 is added for the Board Chair to designate two committee Vice Chairs for the Legislation and Communications Committee, one to preside over legislative affairs, the other over communications matters.
8. Section 2471 is amended to add to the duties of the Organization, Personnel and Effectiveness Committee the oversight of workforce training programs at subsection (h), the recruitment of top-tier talent at subsection (i) and personnel matters at subsection (j).
9. Section 2491 is amended to create the Community and Workplace Culture Committee. Accordingly, the ethics-related duties of the Ethics, Organization and Personnel Committee at Section 2471(i) through (m) are deleted and transferred to the Community and Workplace Culture Committee at Section 2491(a)(1) through (5). Section 2491(b) is created and former subsections (a) through (f) renumbered underneath it with respect to the equal employment opportunity, and diversity equity and inclusion duties of the Community and Workplace Culture Committee.

C. Future Actions Recommended in the February 11, 2025, Board Letter Item 6B Modifying Subcommittee Structures and Functions That Will Require Standing Committees to Review and Approve.

Based on Administrative Code 2311, the following changes to subcommittee structures and functions will require separate action by their standing committees:

- Eliminate the Subcommittee on Pure Water and Regional Conveyance under the Engineering, Operations and Technology Committee.
- Eliminate the Subcommittee on Demand Management and Conservation Programs and Priorities under the One Water and Adaptation Committee.
- Create a Subcommittee on Imported Water under the One Water and Adaptation Committee with membership to consist of Metropolitan representatives to the key District-engaged entities concerned with Colorado River water usage and the Bay-Delta project, as well as interested committee members, as selected by the committee Chair.

The proposed amendments, and the amendments authorized by the Board at the February 11, 2025 meeting are set forth in **Attachment 1**, with overstrikes reflecting deletions and underlining reflecting additions. **Attachment 2** sets forth the sections as they will appear in the Administrative Code if the changes are approved.

  
 Adán Ortega, Jr.  
 Chair of the Board

3/6/2025  
 Date

**Attachment 1 – The Administrative Code of The Metropolitan Water District of Southern California (with changes marked)**

**Attachment 2 – The Administrative Code of The Metropolitan Water District of Southern California (clean copy)**

**Division II****PROCEDURES PERTAINING TO BOARD, COMMITTEES  
AND DIRECTORS****Chapter 2****BOARD OFFICERS****§ 2204. Delegation of Duties to Vice Chairs.**

The Vice Chairs selected by the Chair shall act in the Chair's absence, failure or inability to act. The Vice Chairs shall have ex officio membership and may vote to break a tie and maintain a quorum. If the committee Chair and Vice Chair(s) of the committee are not present in person the Vice Chair may preside over the meeting. ~~The Vice Chairs shall have ex officio membership on standing committees, subcommittees, or special committees as designated in this Code. The Chair assigns the following duties to the designated Vice Chairs as follows:~~

~~————(1) Vice Chair for Climate Action will provide guidance to the following committees:~~

~~(a) Engineering, Operations and Technology Committee and the Subcommittee on Pure Water Southern California and Regional Conveyance; and~~

~~(b) One Water and Stewardship Committee and the Subcommittee on Demand Management and Conservation Programs and Priorities.~~

~~————(2) Vice Chair for Strategic Communications and Stakeholder Engagement Policy will provide guidance to the following committees:~~

~~(a) Legislation and Communications Committee.~~

~~————(3) Vice Chair for Finance and Planning will provide guidance to the following committees:~~

~~(a) Finance and Asset Management Committee and the Subcommittee on Long-Term Regional Planning Processes and Business Modeling.~~

~~————(4) Vice Chair for Organizational Integrity and Accountability will provide guidance to the following committees:~~

~~(a) Ethics, Organization and Personnel Committee;~~

~~(b) Legal and Claims Committee; and~~

~~(c) Equity, Inclusion, and Affordability Committee.~~

### Chapter 3

#### RULES GOVERNING COMMITTEES

##### § 2310. Ad Hoc Committees.

Ad Hoc Committees may be created by the Board to undertake special assignments on behalf of the Board. An ad hoc committee shall exist for a specified term or until its special assignments are completed, whichever comes first, but its existence may be extended for an added term or added assignments by action of the Board. Unless otherwise specified, members of an ad hoc committee shall be appointed by the Chair of the Board and shall serve at the Chair's pleasure. Ad Hoc Committees shall provide reports to the Executive Committee as well as committees where the subjects are relevant.

### Chapter 4

#### STANDING COMMITTEES

Article		Sec.
1	General	2400
2	Executive Committee	2410
<u>3</u>	<u>Audit Committee</u>	<u>2420</u>
<u>34</u>	Engineering, Operations and Technology Committee	2430
<u>45</u>	<del>Finance and Asset Management Committee</del> <u>Finance, Affordability, Asset Management, and Efficiency Committee</u>	<del>2440</del>
<u>56</u>	Legal and Claims Committee	2450
<u>67</u>	Legislation and Communications Committee	2460
<u>78</u>	<del>Ethics, Organization and Personnel Committee</del> <u>Organization, Personnel and Effectiveness Committee</u>	<del>2470</del>
<u>89</u>	One Water and <del>Stewardship</del> <u>Adaptation</u> Committee	<del>2480</del>
<u>910</u>	<del>Equity, Inclusion and Affordability Committee</del> <u>Community and Workplace Culture Committee</u>	<del>2490</del>

#### Article 1

#### GENERAL

- Sec.  
 2400. Identification of Standing Committees  
 2401. Officers and Members of Standing Committees  
2402. Regular Meetings

##### § 2400. Identification of Standing Committees.

The Standing Committees of the Board of Directors are:

- ~~\_\_\_\_\_~~ Executive Committee (EXEC)
- Audit Committee
- ~~\_\_\_\_\_~~ Engineering, Operations and Technology Committee (EOT)
- ~~\_\_\_\_\_~~ Finance and Asset Management Committee ~~Legal and Claims Committee~~ Finance, Affordability, Asset Management, and Efficiency Committee (FAAME)
- ~~\_\_\_\_\_~~ Legal and Claims Committee (LC)
- ~~\_\_\_\_\_~~ Le ~~\_\_\_\_\_~~ Legislation and Communications Committee ~~Ethics, Organization and Personnel Committee~~ (LEG)
- ~~\_\_\_\_\_~~ ~~Ethics, Organization and Personnel~~ Organization, Personnel and Effectiveness Committee (OPE)
- ~~\_\_\_\_\_~~ One Water and Adaptation Stewardship Committee (OWA)
- Community and Workplace Culture Committee (CWC)

#### § 2401. Officers and Members of Standing Committees.

(a) Members, Chair, and Vice Chairs of standing committees with the exception of the Executive Committee shall be appointed subject to the approval of the Executive Committee and the Board on the basis that each director, with the exception of the Chair of the Board, serve on at least one standing committees, in addition to the Executive Committee. Such appointment shall be made by the Chair of the Board unless a new Chair-elect has been selected by the Board to take office on the next January 1, in which event appointment of Chair and Vice-Chairs of standing committees shall be made by the Chair-elect.

(b) Chair and Vice Chairs of standing committees with the exception of the Executive Committee are to be appointed in even-numbered years at the December meeting of the Board for a two-year term commencing on January 1 of odd-numbered years. No director shall be appointed to the same committee office for more than two consecutive full terms and a partial term immediately prior to the first term.

(c) The Chair of the Board or the Vice Chair ~~to whom the Chair has assigned the Chair's membership pursuant to Section 2204 acting in the Chair's absence per Section 2204,~~ is a member ex-officio, with right to vote, of all standing committees, subcommittees, and special committees of the Board. However, the Chair (or the Vice Chair) ~~to whom the Chair's membership has been assigned~~ shall not be considered a member of any committee of which the officer is a member ex-officio for the purpose of determining whether a quorum of the committee is present unless the Chair or Vice Chair is actually present at the meeting of the committee.



(d) The committee Chair's duties include presiding over meetings of the committee, with the exception that the committee may, by a majority vote, overrule parliamentary rulings of the Chair. Any Vice Chair of that committee may serve as the alternate presiding officer of committee meetings when the committee Chair is absent.

### **§ 2402. Regular Meetings.**

- The regular meetings of standing committees shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month. Executive Committee

The Audit Committee shall meet on a quarterly basis. If a scheduled meeting falls on a holiday designated in Section 1106, the meeting will be rescheduled to the next business day unless the Board selects an alternative date. Staff will adjust its schedule accordingly.

## **Article 2**

### **EXECUTIVE COMMITTEE**

#### **§ 2410. Membership.**

The Executive Committee shall consist of the Chair, Vice Chairs of the Board, Secretary, all past Chairs of the Board who are directors of the District, and the Chairs of the standing committees in addition to the Executive Committee, and four (4) additional directors as nonofficer members. In the absence of a committee Chair, a committee's Vice Chair shall serve as the alternate on the Executive Committee for the absent committee Chair.

#### **§ 2416. Duties and Functions. [Executive Committee]**

(a) The Executive Committee shall study, advise, and make recommendations with regard to:

- (1) Public information for governmental and other entities and officials, and for the citizens of California regarding matters affecting the District's interests;
- (2) Official dealings with the United States Government, the State of California or other states, member public agencies or their sub-agencies, foreign governments and other entities or persons in matters of public policy or other activities as deemed appropriate;
- (3) Policies and procedures to be considered by the Board or committees thereof, except for policy matters within the jurisdiction of a specific standing committee;
- (4) Matters relating to the Colorado River Board of California;
- (5) Major policy issues to be considered by the Board, including proposed amendments to the Metropolitan Water District Act;

(6) Questions raised by the officers and staff in intervals between meetings of the Board and in unexpected situations and emergencies.

(7) The terms and conditions of employment of all consultants and advisors not within the jurisdiction of other committees;

(8) Resolution of conflicting committee recommendations pursuant to Section 2314;

(9) The progress of, and propose modifications to, the Board's goals in light of then existing and projected future conditions; and

(10) Such other matters as may be required by Division II of this Code.

(b) The Executive Committee shall:

(1) Review and approve board and committee agendas and, notwithstanding the jurisdiction of the other standing committees in the Code, have the authority to direct which committee shall consider an item;

(2) Review and approve the scheduling of board and committee meetings;

(3) Be responsible for the oversight and management of the organization including, but not limited to, the form of the District's organization and the flow of the authority and responsibility. This includes monitoring and overseeing the duties and responsibilities of management; and

(4) Consider the effectiveness of the District's internal control system, including information technology security and control.

(c) The Executive Committee shall retain ultimate responsibility for those duties as are specifically assigned to the subcommittees of the Executive Committee.

(d) The Executive Committee shall be responsible for reviewing and approving the annual business plan containing the General Manager's key priorities for the coming year.

(e) As part of the Department Head annual evaluation process, the Executive Committee shall be responsible for engaging in periodic performance expectations discussions, including progress checks, with the General Manager.

(f) The Executive Committee shall also:

(1) Act on behalf of the Board in unexpected situations and emergencies, subject to subsequent approval or ratification of the actions taken whenever such approval or ratification is required by law.

(2) Provide policy guidance where appropriate to those directors and District staff members who are associated with organizations in which the District has membership.

(3) Conduct hearings on appeals of protest denials involving Purchasing Contracts and Professional and Technical Services Contracts pursuant to Section 8150(b).

(i) Hearings shall be held by the committee at its next regular meeting to be held at least 72 hours after the filing of the notice of appeal of the General Manager's determination under Section 8150(b). The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

(ii) The Chair of the Executive Committee may re-delegate duties provided for under subparagraph (i) above to a minimum of three members of the Executive Committee who shall act in place of the committee.

(4) Resolve disputes over inspection dates and monitor conduct of inspection trips to assure maximum effectiveness.

(5) Address substantiated allegations of discrimination, harassment, and retaliation against directors, the General Manager, General Counsel, General Auditor, and Ethics Officer:

(i) The Executive Committee shall create an ad hoc subcommittee of three members and two alternates that will serve for a period of one year to address substantiated findings of violations determined as a result of Equal Employment Opportunity (EEO) investigations conducted for alleged violations of Section 2131 made against a director and for alleged violations of Section 6305 made against the General Manager, General Counsel, General Auditor, or Ethics Officer. If any director serving on the three-member subcommittee is an involved party to an EEO investigation, or has a conflict of interest with any involved party, the conflicted director shall recuse themselves from the matter. The Chief EEO Officer (EEO Officer) will select an alternate director to fulfill all subcommittee duties related to the particular matter. If the EEO Officer has a conflict of interest in the same matter, the Ethics Officer and/or General Counsel will select an alternate director. Directors serving as alternates will not participate in ad hoc committee matters unless or until called to serve.

(ii) The Executive Committee will also select an external law firm to serve as counsel to the ad hoc subcommittee to provide guidance, as needed, for post investigation actions.

(iii) The ad hoc subcommittee shall delegate to the EEO Officer the responsibility to designate an external investigator to conduct a fact-finding EEO

investigation pursuant to this section. ALL EEO investigations will be fair, impartial, timely, and promptly initiated and completed by qualified personnel. Detailed EEO investigative procedures, pursuant to this section can be found in *EEO Investigative Procedures for the Board and its Direct Reports*. The EEO Officer shall refer substantiated findings of EEO investigations to the ad hoc subcommittee to determine recommended appropriate action. At its discretion, the ad hoc subcommittee may consult with the EEO Officer, Ethics Officer, and/or General Counsel on appropriate action regarding a director or department head. The ad hoc subcommittee shall report a substantiated finding of an EEO violation by a director or department head and recommend appropriate action for the Board's consideration. Appropriate action for directors may include, but is not limited to, counseling, training, a private warning letter, public censure, temporary or permanent removal from committee assignments, or referral to the Director's appointing authority requesting appropriate action. Appropriate action for department heads may include, but is not limited to, counseling, training, performance review, or the imposition of discipline, as deemed appropriate under the circumstances.

(iv) When the General Manager is a party to the complaint or when in the judgment of the EEO Officer that matter should be handled differently to avoid real or perceived conflicts of interest, or to avoid potential bias or threats to impartiality, the EEO Officer shall delegate to the Ethics Officer the responsibility to retain an external investigator to conduct a fact-finding EEO investigation pursuant to this section. If the Ethics Officer has a conflict of interest in the particular case, the EEO Officer would delegate to the General Counsel the responsibility to retain an external investigator to conduct a fact-finding investigation pursuant to this section. Substantiated EEO findings under this subsection shall be referred directly to the ad hoc subcommittee to determine recommended appropriate action for the Board's consideration.

(v) A deviation of this investigation protocol by the EEO Officer may occur, in certain circumstances, with a written justification and approval of the ad hoc subcommittee responsible for EEO investigations of directors and department heads

(vi) On a quarterly basis, the Chief EEO Officer will report to the Executive Committee EEO case statistics regarding EEO complaints filed against the Board and its direct reports.

~~(6) Audit Subcommittee. The Executive Committee shall create an Audit Subcommittee, whose membership shall include the at-large members of the Executive Committee. This committee shall have the responsibility to monitor compliance with the recommendations of the California State Audit (April 2022) and, with respect to the duties and functions of the General Auditor, shall be responsible to:~~

~~(i) Study, advise, and make recommendations with regard to:~~

~~a. All reports of the General Auditor and external auditors, including the audited financial statements of the District;~~

~~b. The Audit Department’s annual business plan and biennial budget; and,~~

~~e. Requests from other committees of the Board and individual Board members for audits and review not included in the Audit Department’s annual business plan.~~

~~(ii) Monitor and oversee the duties and responsibilities of the Audit Department and the external auditors as those duties and responsibilities relate to the effectiveness of the District’s internal control system.~~

~~(iii) Review and approve, in advance of the July Board meeting, the Audit Department annual business plan containing the key priorities of the General Auditor and the Audit Department.~~

~~(iv) As part of the Department Head annual evaluation process, be responsible for engaging in periodic performance expectations discussions, including progress checks, with the General Auditor.~~

**Article 3**

**AUDIT COMMITTEE**

**§ 2420. Day of Regular Meeting**

The regular meetings of the Audit Committee shall be held on a quarterly basis in the months of March, June, September and December.

**§ 2421. Duties and Functions**

~~(6) Audit Subcommittee. The Executive Committee shall create an Audit Subcommittee, whose membership shall include the at large members of the Executive Committee. This committee shall have the responsibility to monitor compliance with the recommendations of the California State Audit (April 2022) and, with respect to the duties and functions of the General Auditor, shall be responsible to:~~

The Audit Committee shall \_\_\_\_\_ (i) Sstudy, advise, and make recommendations with regard to:

~~(a) a. All reports of the General Auditor and external auditors, including the audited financial statements of the District;~~

~~(a) \_\_\_\_\_~~

~~(b) b. The Audit Department’s annual business plan and biennial budget; and,~~

(c) e-Requests from other committees of the Board and individual Board members for audits and review not included in the Audit Department's annual business plan.

(d) (ii)-Monitor and oversee the duties and responsibilities of the Audit Department and the external auditors as those duties and responsibilities relate to the effectiveness of the District's internal control system.

(e) (iii)-Review and approve, in advance of the July Board meeting, the Audit Department annual business plan containing the key priorities of the General Auditor and the Audit Department.

(f) (iv)-As part of the Department Head annual evaluation process, be responsible for engaging in periodic performance expectations discussions, including progress checks, with the General Auditor.

(g) Monitor compliance with the recommendations of the California State Audit (April 2022).

### Article ~~43~~

#### ENGINEERING, OPERATIONS AND TECHNOLOGY COMMITTEE

Sec.

2430. Day of Regular Meeting

2431. Duties and Functions

#### § 2430. Day of Regular Meetings.

The regular meetings of the Engineering, Operations and Technology (~~EOT~~) Committee shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month. ~~regular Board meetings.~~

### Article ~~54~~

#### FINANCE, ~~AFFORDABILITY, AND~~ ASSET MANAGEMENT, AND EFFICIENCY COMMITTEE

Sec.

2440. Day of Regular Meeting

2441. Duties and Functions

#### § 2440. Day of Regular Meetings.

The regular meetings of the ~~Finance and Asset Management~~Finance, Affordability, Asset Management, and Efficiency (FAAME) Committee shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month. ~~regular meetings.~~

**§ 2441. Duties and Functions.**

The Finance and Asset Management Committee shall study, advise and make recommendations with regard to:

- (a) Preparation of budgets;
- (b) Policies and procedures related to budget development and cost containment;
- (c) Sale of bonds and borrowing and repayment of money;
- (d) Disposition and investment of funds;
- (e) Authorization of appropriations, except appropriations for capital projects;
- (f) The determination of revenues to be obtained through water transactions, including, but not limited to, sales, exchanges, and wheeling of water, water standby or availability of service charges, and the levying of taxes;
- (g) The financial impact and requirements of policies concerning annexation;
- (h) The financial aspects of the District's risk management program;
- (i) Questions pertaining to insurance coverage and self-insurance;
- (j) The selection of financial and insurance consultants and the determination of the scope of their assignments;
- (k) Form and contents of accounts, financial reports, and financial statements;
- (l) Proposed amendments to the Metropolitan Water District Act affecting the finance and asset management functions of the District;
- (m) Goals and objectives related to financial planning for Metropolitan, including but not limited to revenues, operating expenses, reserve policies, internally funded construction, debt management, investments and capital financing strategies;
- (n) The prices and conditions governing water transactions, including, but not limited to, sales, exchanges, and wheeling sales of water;

(o) Costs and accounting procedures relating to the District's and other state water service contracts;

(p) Policies regarding water transactions, including, but not limited to, the sale, exchange, and wheeling of water for various uses;

(q) Policies regarding allocation of water standby or availability of service revenue requirements among member public agencies;

(r) Water standby or availability of service charges within the District;

(s) Determinations by the General Manager with respect to appeals concerning charges for water service, including readiness-to-serve charges and capacity charges, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(t) Appeals from determinations by the General Manager to deny or qualify an application for exemption from the water standby charge, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(u) The purchase, management and disposition of personal property assets such as equipment and vehicles;

(v) Facility master plans, including budgeting for capital improvements and long-term facilities commitments;

(w) Proposed rules and proposals regarding business development opportunities for real property;

(x) Policies for the acquisition of rights-of-way;

(y) The purchase, sale, and leasing of land and buildings, including the District's various office and garage space needs;

(z) The incidental use of land in farming operations and otherwise;

(aa) The operation and maintenance of buildings;

(bb) The development, oversight, and coordination of recreational facilities at Diamond Valley Lake and Lake Skinner;

(cc) The use of proceeds from the sale or disposition of surplus property related to Diamond Valley Lake and Lake Skinner for recreational purposes;

(dd) Annexations and annexation policies including the requirements, procedures, terms and conditions for annexation.



**Article ~~65~~****LEGAL AND CLAIMS COMMITTEE**

Sec.

2450. Day of Regular Meetings

2451. Duties and Functions

**§ 2450. Day of Regular Meeting.**

The regular meetings of the Legal and Claims Committee (LC) shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.  
~~regular Board meetings.~~

**Article ~~76~~****THE LEGISLATION AND COMMUNICATIONS COMMITTEE**

Sec.

2460. Day of Regular Meeting

2461. Duties and Functions

2462. Vice Chairs.**§ 2460. Day of Regular Meeting.**

The regular meetings of the Legislation, ~~Regulatory Affairs~~ and Communications (LEG) Committee shall be on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.  
~~regular board meetings.~~

**§ 2461. Duties and Functions.**

The Legislation and Communications Committee shall study, advise and make recommendations to the Board with regard to:

(a) Proposals of the General Manager, other committees, and board members concerning State and Federal legislation or amendments thereto, that may affect the District;

(b) Recommendations for new legislation identified by members of the Board or the General Manager;

(c) Opportunities for members of the Board to assist in outreach activities, including efforts to inform members of the Legislature or the Congress of the District's position with regard to proposed legislation;

(d) The effectiveness of legislative and administrative advocacy efforts by staff and members of the Board;

(e) The development and implementation of Directors' inspection trips, including the expectations and goals for these trips;

(f) The development and implementation of school education programs, including the expectations and goals for these programs;

(g) The effectiveness of Metropolitan's external affairs programs and general communications efforts directed at member agencies and the general public; and

(h) The selection of public information consultants and the scope of their assignments.

**§ 2462. Vice-Chairs.**

The Board Chair shall designate two Vice Chairs for the committee, one to preside over legislative affairs, the other over communications matters.

**Article 87**

**ETHICS, ORGANIZATION AND PERSONNEL ORGANIZATION, PERSONNEL AND EFFECTIVENESS COMMITTEE**

Sec.

2470. Day of Regular Meeting

2471. Duties and Functions

**§ 2470. Day of Regular Meeting.**

The regular meetings of the ~~Ethics, Organization and Personnel~~ Organization, Personnel and Effectiveness (OPE) Committee shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of ~~regular board meetings each month.~~

**§ 2471. Duties and Functions.**

The ~~Ethics, Organization and Personnel~~ OPE Committee shall study, advise and make recommendations with regard to:

(a) The form of the District's organization and the flow of authority and responsibility;

(b) Periodic independent reviews and studies of the organization, classification of positions, job duties, salaries, and salary ranges;

(c) Relations between the District and its employees, including all matters affecting wage, hours, pension plans and other employee benefits, and other terms and conditions of employment, as well as the district's negotiation of such matters with employee bargaining units and selection of negotiators;

(d) Areas of special concern to the District and its employees, including, but not limited to work rules pertaining to the health and safety of employees;

(e) Policies and rules regarding employment, discipline and discharge of District officers and employees;

(f) Proposed amendments to the Metropolitan Water District Act and Administrative Code affecting contract procedures and policies, the organization and personnel policies of the District and to the Public Employees' Retirement Law;

(g) Information technology strategies, projects and activities, including information technology asset management and the budgeting and tracking of information technology resources; and

~~(h) Annual overall coordination of the Department Head Evaluation Program. (i) Periodic performance expectations discussions, including progress checks, with the Ethics Officer.~~

~~————(j) Monitoring and overseeing the duties and responsibilities of the Ethics Officer to ensure the independence of the Ethics Officer.~~

~~————(k) Receive and review bi-monthly status reports of pending investigations by the Ethics Officer. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, resolution of the investigation.~~

~~————(l) Receive and review quarterly reports from the Ethics Officer on any engagement of professional and technical consultants.~~

~~————(m) Review and approval of the business plan containing the key priorities for the coming year for the Ethics Office. It shall review and approve the business plan in advance of the July Board meeting.~~

(h) Oversight of workforce training programs, including strategic planning, needs assessment, program design and development, and metric-based evaluation.

(i) Recruitment of top-tier talent throughout the District and securing leaders with exceptional skills, qualities, and abilities.

(j) Policies and procedures concerning District personnel matters.

## Article 28

### ONE WATER AND ~~STEWARDSHIP~~ ADAPTATION COMMITTEE

Sec.

2480. Day of Regular Meeting

2481. Duties and Functions

### § 2480. Day of Regular Meeting

The regular meetings of the One Water and Stewardship-Adaptation Committee (OWA) shall ~~hold regular meetings on an as-needed basis.~~ be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

### § 2481. Duties and Functions

The ~~One Water and Stewardship~~OWA Committee shall have oversight over the planning, prioritization, and funding of any current or future regional demand management or any regional or local supply projects within the Metropolitan service area receiving funding from Metropolitan, such as the Regional Recycling Project and local projects funded through Metropolitan's Local Resources Program. The ~~c~~Committee shall review and consider:

(a) Establishing policies and programs regarding water conservation and reuse, watershed management, storm water capture and management, recycling, sustainable groundwater management and protection, underground storage, and use thereof;

(b) Seawater desalination, recycling and reuse, and brackish water issues in Metropolitan's service area, and use thereof;

(c) Overseeing development and implementation of Metropolitan's Local Resources Program and Conservation Program and other efforts to meet local supply and water use efficiency goals;

(d) The effect of existing and proposed federal, state and local environmental, water supply and water management statutes and regulations on supplies produced or that may be produced within the District's region;

(e) Recommendations for comprehensive solutions to regional supply problems with the intent to increase water reliability, cost effectiveness, and environmental benefit;

(f) Expanding Metropolitan's understanding of regional water supply issues by inviting informational presentations and feedback from external representatives;

(g) Recommendations to the Board on policies and programs that will strengthen relationships with other agencies in furthering Metropolitan's objectives for increased regional self-reliance and greater water use efficiency;

(h) Creating opportunities for collaboration to advance the development of local supplies and achieving greater water use efficiency;

(i) Coordinating and aligning new water supplies, local resources projects and programs, and investments with other Metropolitan strategic priorities and initiatives;

- (j) Developing criteria for the prioritization of investments in new water supplies;
- (k) Policies, sources, and means of importing and distributing water, transferring water, and wheeling water as required by the District;
- (l) Policies and procedures regarding the delivery and exchange of water for various uses;
- (m) Metropolitan Water Supply Planning including the Integrated Resources Planning Process and completion of the Urban Water Management Plan and related policies; and
- (n) Environmental compliance and requirements, and informing the technical aspects and science factors in providing comments to regulatory agencies and legislation affecting the regulation of water supply operational facilities and the conditions that they operate under.

### Article 109

### COMMUNITY AND WORKPLACE CULTURE COMMITTEE

Sec.

- 2490 Day of Regular Meeting
- 2491 Duties and Functions

#### § 2490. Day of Regular Meeting

The regular meetings of the ~~Equity, Inclusion and Affordability~~ Community and Workplace Culture (CWC) Committee shall ~~hold regular meetings on an as-needed basis~~ be held on the Monday preceding regular board meetings on the second or fourth Tuesday of each month.

#### § 2491 Duties and Functions

The CWC Committee shall study, advise and make recommendations, as follows:

(a) With regards to ethics matters:

(1) Periodic performance expectations discussions, including progress checks, with the Ethics Officer.

(2) Monitoring and overseeing the duties and responsibilities of the Ethics Officer to ensure the independence of the Ethics Officer.

(3) Receive and review bi-monthly status reports of pending investigations by the Ethics Officer. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, resolution of the investigation.

(4) Receive and review quarterly reports from the Ethics Officer on any engagement of professional and technical consultants.

(5) Review and approval of the business plan containing the key priorities for the coming year for the Ethics Office. It shall review and approve the business plan in advance of the July Board meeting.

(b) With respect to matters of equal employment opportunity and of diversity, equity and inclusion:

(1a) Direct and receive reports from, and be the home committee for Metropolitan's Diversity, Equity and Inclusion Officer, and Metropolitan's Chief Equal Employment Opportunity Officer;

(2b) Receive input, policy and procedure recommendations from the Diversity, Equity and Inclusion Officer;

(3e) Study diversity, equity, and inclusion issues within Metropolitan to recommend ways to enhance and promote equal opportunity, affirmative action, increased diversity of the workforce and a culture of inclusion within Metropolitan;

(4d) Monitor performance of efforts to Ppromote workforce development programs, including training and advancement opportunities at Metropolitan to increase diversity, equity and inclusion within Metropolitan and benefit the communities within Metropolitan's service area; and

(5e) Study areas of special concern to the District and its employees, including, but not limited to, equal employment opportunity and affirmative action.

(6f) Study, advise and make recommendations on the ways the District can:

(i1) Better serve the disadvantaged and underserved communities within Metropolitan's service area, and mitigate issues of affordability;

(ii2) Improve the access of disadvantaged and underserved communities to reliable, high-quality drinking water supplies;

(iii3) Increase participation of currently underserved communities in Metropolitan's rebate, conservation, and other local resources programs; and

(iv4) Assist and support member agency programs and advocate for underserved communities, including providing communications, operational and technical assistance, with focus on consumer confidence in drinking water.

(7) Monitor Metropolitan's compliance with laws governing equal opportunities and employment and the manner in which investigations are conducted in compliance with such laws.

## Division IV

### WATER SERVICE POLICIES

#### Chapter 3

#### WATER TRANSACTIONS REVENUE

#### § 4304. Apportionment of Revenues and Setting of Water Rates.

(a) Not later than at its February meeting the General Manager shall present to the ~~Finance and Asset Management~~ Finance, Affordability, Asset Management, and Efficiency (FAAME) Committee of the Board:

(1) Determinations of the revenue requirements and cost of service analysis supporting the rates and charges required during the biennial period beginning the following July 1, as determined by the General Manager in accordance with current Board policies, and,

(2) Recommendations of rates including, but not limited to, the System Access Rate, Water Stewardship Rate, System Power Rate, Treatment Surcharge, and the Supply Rates for the various classes of water service to become effective each January 1 of the biennial period. These recommended rates shall be the General Manager's determination, made in accordance with current Board policies, of the rates necessary to produce substantially the revenues to be derived from water transactions, including, but not limited to, sales, exchanges, and wheeling, during the biennial period beginning the following July 1.

(b) Not later than at its February meeting, the General Manager shall also present to the ~~Finance and Asset Management~~ FAAME Committee -recommendations regarding the continuation of a water standby charge or the imposition of an availability of service charge (such as the readiness-to-serve charge and capacity charge), which shall be the General Manager's determination, made in accordance with current Board policies, of the charge necessary to produce substantially the revenues to be derived from fixed revenue sources, if any, exclusive of taxes, during the biennial period beginning the following July 1 which ~~the Finance and Asset Management~~ said committee has determined to be necessary.

(c) Not later than its February meeting the ~~Finance and Asset Management~~ FAAME Committee shall set a time or times for, and shall thereafter hold, one or more meetings of ~~the Finance and Asset Management Committee~~ said committee, to be held prior to its regular April meeting, at which interested parties may present their views regarding the proposed water rates and availability of service charges to ~~said~~ the committee. The ~~Finance and Asset Management~~

cCommittee shall direct the General Manager to cause the publication of a notice of such public hearing to be published in newspapers of general circulation within the District's service area. Such notice shall be published not less than 10 days prior to the public hearing.

(d) Not later than its regular April meeting the ~~Finance and Asset Management~~ FAAME Committee shall make its determination regarding the revenue requirement to be paid from water rates and the water rates to become effective each January 1 of the biennial period and shall recommend said water rates to the Board no later than the Board's regular April meeting.

(e) Not later than its April meeting, the Board shall establish water rates for deliveries beginning each January 1 of the biennial period.

(f) Proposals for changes in water rates to become effective at times other than on January 1 shall require adequate notice to the public and a hearing before such proposals are acted upon by the Board, unless the Board finds that an immediate change in water rates is urgent.

#### **§ 4305. Setting of Charges to Raise Fixed Revenue.**

(a) Not later than its regular May meeting each year, the ~~Finance and Asset Management~~ FAAME Committee shall make its final determination regarding the water standby charge or other fixed revenue charge, if any, for the fiscal year beginning the following July 1, and shall recommend such charge, if any, to the Board at its regular May meeting.

(b) Not later than such May meeting, the Board shall consider and take action upon the recommendations, if any, of the ~~Finance and Asset Management~~ FAAME cCommittee regarding a fixed revenue source, exclusive of taxes, to become effective the following January 1 or for the fiscal year beginning the following July 1, as determined by the Board for each fixed revenue source.

### **Chapter 5**

#### **WATER SERVICE REGULATIONS - GENERAL**

#### **§ 4507. Billing and Payment for Water Deliveries.**

(a) **Timeframe for Billing and Payment.** Except as noted herein below, invoices shall be mailed electronically, or, if requested by the member agency, by hardcopy via United States mail, not later than the tenth day of the month following delivery to a member public agency. Each such invoice shall indicate the date of mailing and the date on which the payment thereunder becomes delinquent and shall show the total amount of water delivered for each class of service, the charges for water sold and delivered for each class, the readiness-to-serve and capacity charges, as applicable, and the total amount due and owing, all as determined by the General Manager. Payment of the amount shown on any such invoice shall be due on the last business day of that month and shall be delinquent if not received by the Treasurer of the District before the close of crediting activity on the last business day of the first month following such



date of mailing. When making any such payment the member public agency shall specify the invoice or invoices to which the payment shall be credited by the District.

(1) For purposes of Section 4507(a), "business day" shall mean any day other than a Saturday, a Sunday, or a Holiday (as defined in Section 1106).

(2) For purposes of Section 4507(a), "received by the Treasurer of the District" shall mean receipt either (1) in the office of the Treasurer or (2) by crediting pursuant to advance agreement with the Treasurer to the District's general demand account at the District's principal depository bank, in such form that the funds are immediately available for investment or other use or disposal by the District.

(3) For purposes of Section 4507(a), "crediting activity" shall mean either (1) 2:00 p.m. if payment is delivered to the office of the Treasurer, or (2) the cutoff time for crediting by the District's principal depository bank of that day's transactions if payment is initiated by wire transfer, automated clearinghouse transfer, interbranch transfer, direct deposit, or by other means pursuant to advance agreement with the Treasurer.

If, under advance agreement with the Treasurer, a member agency has authorized payment of any invoice by automated clearinghouse transfer initiated by the Treasurer, the Treasurer shall initiate such transfer for processing two business days prior to the business day on which such payment shall be delinquent. Failure of such transfer shall not relieve such member agency from liability for such payment or charges in the event such payment should become delinquent, except as specifically provided under advance agreement with the Treasurer.

**(b) Full Service and Emergency Storage Program Facility.** In cases where water through a particular facility is delivered during any month for full service or Emergency Storage Program Service, the bill for water delivered in such month will be prepared by applying the rates for water sold and delivered in full service to the total quantity of water delivered. If the member public agency desires to receive credit for water used in Emergency Storage Program Service, the facts concerning the quantities of water so used must be certified to the District via the District's electronic certification and billing system by an authorized user for the member public agency purchasing such water as provided for in Section 4507 (c). The amount of such credits shall be based on the difference in water rates in effect at the time the water is used.

**(c) Late Certifications.** Based on available information, the District will notify a member agency for any certification that it has not received, if known, three months from the end of the month for which the agency would normally certify. No certification received after six months following the end of any month in which such a credit is claimed will be accepted. Certifications must be received by Metropolitan before 3:30 p.m. on the third working day after the end of the month to receive credit for any preceding month on the next bill, subject to the provisions with respect to late certifications in this Section. This Section applies to all cases where a certification is required to receive a credit, whether or not specifically named in this Section, unless otherwise provided by this Code.

(d) **Determination by General Manager as to Type of Delivery.** In the event the respective quantities of water sold and delivered in any month on order of any member public agency for use therein in any water program or contract requiring certification, are not determinable to the satisfaction of the General Manager in time for preparing regular monthly bills, then billing and payment for all water sold and delivered in such month to such member public agency shall be made at the rates prescribed for water used in full service in Section 4401(a)(1) hereof. Upon the determination by the General Manager of the correct quantities of water sold and delivered and used in any water program or contract requiring certification, any adjustment which is necessary to give effect to the applicable credit for the water used in any water program or contract requiring certification, shall be made by application of credits on subsequent purchases of water from the District by such member public agency. Such adjustments shall not be made in cases where a claim for the applicable credit is not submitted within the period provided in Section 4507(c).

(e) **Obligation to Pay for Appropriate Class of Service.** If water has been sold and delivered at the rates prescribed for water sold in any water program or contract and appropriate certifications have been submitted for the water so used, but the water has in fact been used in full service or another class of service, the member public agency shall be obligated to pay the difference between the rates prescribed for water sold for the applicable water program or contract and the rates prescribed for the class of service actually used.

(f) **Submission of Documentation by Member Agency.** With respect to water sold and delivered at the rates prescribed for water sold under water programs or contract (unless otherwise specified in an agreement with the District), original documentation supporting the use of such water as certified must be submitted no later than December 31 following the end of the fiscal year for which a certification is submitted, unless otherwise specified in an agreement with the District. If the documentation is not submitted by December 31 following the end of the fiscal year for which a certification was submitted, an agency will receive a late penalty of \$2,500. If the agency does not submit documentation by February 28/29 following the end of the fiscal year for which a certification was submitted, it shall be conclusively presumed that:

(1) The water sold from the District was used for full service, and the District's next monthly billing shall reflect such adjustment; or

(2) The yield was not produced as certified and the District's next monthly billing shall reflect such adjustment.

This provision will apply individually to each program or agreement that an agency or sub-agency participates in separately.

(g) **Review Process.** With respect to water sold and delivered at the rates prescribed for water sold under water programs or contract (unless otherwise specified in an agreement with the District) the District will complete its review within twelve months from date of receipt of the original supporting documentation.

(1) Should the District not complete its review within twelve months of the submittal of all source documentation, the review will be considered complete and the certifications final.

(2) When the review is completed, the District will notify the member agency of its initial findings for its comments. The member agency will provide its comments within 60 days. Metropolitan staff and the agency will work together to reconcile any differences.

(3) If the member agency and Metropolitan staff cannot reconcile the differences, Metropolitan's Water System Operations' Group Manager has the responsibility to consult with the member agency and make a final ruling, subject to the General Manager's oversight. If the ruling is unsatisfactory to the agency, it can be appealed to Metropolitan's ~~Finance and Asset Management~~ Finance, Affordability, Asset Management, and Efficiency Committee.

(4) If the member agency does not provide further documentation correcting Metropolitan staff findings within the 60-day comment period as specified in (g) (2), then it shall be conclusively presumed that the District's findings are correct and the District's next monthly billing shall reflect such adjustment.

**(h) Discovery of Mistakes or Errors.** In the event a mistake or error is discovered in a District water sales record, the General Manager shall initiate appropriate corrective action. No mistake or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District. In the event a mistake or error is discovered by a member agency in its water sales record or certifications, no mistake or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District.

(1) A District water sales record shall include a water billing invoice, or district invoice for other water-related charges.

(2) If the District finds the mistake or error, the discovery of the mistake or error shall be documented in writing to the member agency. The date of discovery for corrective action purposes shall be the date notice is sent to the member agency.

(3) If the member agency discovers the mistake or error, the discovery of the mistake or error shall be documented in writing to the District by either a revised certification form or letter, whichever is applicable. The date of discovery for corrective action purposes shall be the date the certification or letter is received by the District.

(4) If an incorrect invoice has been issued to a member public agency, the General Manager shall notify the affected agency of any adjustment and the manner of making any required credit or charge, neither of which shall bear interest.

(5) Mistakes or errors shall also include but are not limited to mistakes or errors in metering or recording deliveries to member agencies, entry or calculation errors in fixed charges, discovery of errors in either a member agency or sub-agency submitted certification(s), or processing of a certification(s) for the Local Projects Program, the Local Resources Program, the Groundwater Recovery Program, Conservation Credit Program, or any other water management program or storage programs or agreements unless specified otherwise in the contract.

(6) Any mistakes or error for a fiscal year period that is less than five acre-feet cumulative by agency or sub-agency, by program or agreement, shall be waived.

(i) **Rate Change.** In the event that deliveries of water are made by the District to member public agencies over a billing period during which the District's water rates change, the General Manager may cause the meters recording deliveries of water during such period to be read at the end of the period and the statement of charges for such deliveries of water may be based on a proration between the previous and new water rates for the periods of time during which each were in effect as determined by the General Manager.

## Division V

### FINANCIAL MATTERS

#### Chapter 1

### ADMINISTRATIVE MATTERS

#### § 5104. Payment After Loss of Bond Interest Coupon.

(a) The Treasurer of the District is authorized to effectuate payment, without action of the Board, of a claim arising from the loss of a bond interest coupon that has been detached from a District bond or from the destruction of a bond interest coupon at any time after the date of its maturity, and the Treasurer has received:

(1) An affidavit or affidavits establishing the ownership of the coupon and reciting therein the circumstances under which it was lost or destroyed; and

(2) An indemnity bond in a penal sum which is at least the amount of the claim, said sum being specifically stated in said bond, said bond to be approved by the General Counsel and then filed with the Treasurer. The indemnity bond must include a rider substantially in the form hereinafter set forth:

(i) Rider.

This Rider is attached to and is a part of the Bond of Indemnity executed by the (enter name of insurance company) respecting the loss of coupons due

coupons at \$        per coupon - total \$        , detached from \$        Bonds of THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, numbered        to        , % , maturing        , at \$        each bond in bearer form.

It is understood and agreed that in the event the balance in the coupon account respecting the above-described issue of bonds, maintained by the Treasurer of said District, should hereafter not be sufficient as a result of the payment of coupon(s) to provide for outstanding unpaid coupons, (enter name of insurance company) will reimburse The Metropolitan Water District of Southern California, up to the face amount of the coupon(s) paid under this indemnity contingent upon presentation by said District of (a) evidence that said District has paid the afore-described coupon(s) or (b) a certificate from the Treasurer of said District that there is a deficiency in said coupon account balance.

It is understood that within the first year after the due date of the afore-described coupon(s) that (enter name of insurance company) may request that the Treasurer of said District search the District's records to ascertain if in fact the afore-described coupon(s) have been paid, but any such request shall only be honored by said Treasurer upon payment by (enter name of insurance company) of any fee required by said Treasurer to cover costs of such search.

Executed this        day of        , 20        .

(enter name of insurance company)

(b) The Treasurer shall report to the ~~Finance and Asset Management~~ Finance, Affordability, Asset Management, and Efficiency Committee all payments made pursuant to this Section 5104.

### **§ 5105. Lost or Destroyed Bonds.**

(a) The Treasurer of the District is authorized to issue a new District bond or bonds similar to the original to replace it if the Treasurer has received:

(1) Proof satisfactory to the Treasurer that the bond has been lost or destroyed;  
and

(2) Security approved by the Treasurer and the General Counsel from the owner indemnifying the District against any loss incurred on account of the bond, such security to be equal to the principal amount of the bond and plus the aggregate amount of any attached interest coupons; and

(3) The costs for issuance of the new bond.

(b) The Treasurer shall report to the ~~Finance, Audit, Insurance and Real Property~~FAAME Committee of the Board all issuances of duplicate bonds made pursuant to this Section 5105.

### **§ 5107. Biennial Budget Process.**

(a) There shall be prepared each even-numbered year, under the direction of the General Manager, a proposed biennial budget covering District operations for the following two fiscal years. The proposed biennial budget shall be submitted to the Board no later than the date of the regular Board meeting in June immediately preceding the first fiscal year of the biennium to which the budget applies. The proposed biennial budget shall indicate by fund all anticipated expenses and required reserves and the source of revenues to be used to meet such expenses and provide such reserves. The proposed biennial budget will at a minimum include a five-year financial forecast. At least one Board Workshop on the proposed biennial budget will be conducted prior to submission of the proposed biennial budget for Board approval. The ~~Finance and Asset Management~~FAAME Committee shall review the proposed biennial budget in its entirety, together with the recommendations from the Board workshop, and report its recommendations to the Board.

(b) After considering the proposed biennial budget and making any revisions thereto that it may deem advisable, the Board shall adopt the biennial budget before the beginning of the biennial period to which the budget applies. The amounts provided in the adopted budget for the biennial period for total expenses for operations and maintenance, including minimum and variable operations and maintenance charges under water or power contracts with the State, for capital charges under such contracts, and for debt service shall be deemed to be appropriated from the funds indicated in the budget.

(c) The adoption of the budget shall have no effect upon appropriations for capital projects and continuing expenditures not susceptible to immediate direct allocation, as described in Section 5108 hereof, and shall not establish any limitations on expenditures for such purposes.

(d) The total operations and maintenance budget shall be measured against the regional rate of inflation as measured by the five-year rolling average change in the Consumer Price Index (CPI) for the Los Angeles-Riverside-range County area, not seasonally adjusted, for all items as reported by the U. S. Bureau of Labor Statistics. The budget will include explanations of increases greater than the CPI due to unique conditions, growth or expansion of services.

## **Chapter 3**

### **SHORT-TERM REVENUE CERTIFICATES**

#### **§ 5305. Report of Exercise of Authority.**

The General Manager shall report to the next following meeting of the ~~Finance and Asset Management~~Finance, Affordability, Asset Management, and Efficiency Committee of the Board any exercise of authority pursuant to this Chapter.

**Division VI****PERSONNEL MATTERS****Chapter 1****EMPLOYEE RELATIONS****Article 2****REPRESENTATION PROCEEDINGS****§ 6113. Appeals.**

(a) An employee organization aggrieved by an appropriate unit determination of the Employee Relations Officer; or an employee organization aggrieved by a determination of the Employee Relations Officer that a Recognition Petition (Section 6105), Challenging Petition (Section 6107), Decertification Petition (Section 6109), Unit Modification Petition (Section 6111) --- or employees aggrieved by a determination of the Employee Relations Officer that a Decertification Petition (Section 6109) --- has not been filed in compliance with the applicable provisions of this Article, may, within twenty (20) days of notice of the Employee Relations Officer's final decision request to submit the matter to mediation by the State Mediation and Conciliation Service, or may, in lieu thereof or thereafter, appeal such determination to the ~~Ethics, Organization and Personnel~~Organization, Personnel and Effectiveness (OPE)-Committee for final decision within fifteen (15) days of notice of the Employee Relations Officer's determination or the termination of mediation proceedings, whichever is later.

(b) Appeals to the ~~Ethics, Organization and Personnel~~OPE Committee shall be filed in writing with the Board's Executive Secretary, and a copy thereof served on the Employee Relations Officer. The ~~Ethics, Organization and Personnel~~said cCommittee shall commence to consider the matter within thirty (30) days of the filing of the appeal. The ~~Ethics, Organization and Personnel~~cCommittee may, in its discretion, refer the dispute to a third-party hearing process. Any decision of the ~~Ethics, Organization and Personnel~~cCommittee on the use of such procedures, and/or any decision of the ~~Ethics, Organization and Personnel~~cCommittee determining the substance of the dispute shall be final and binding.

**Article 5****MISCELLANEOUS PROVISIONS****§ 6121. Interpretation and Administration.**

The General Manager shall have authority to interpret and administer provisions of this Chapter, subject to appeal to the ~~Ethics, Organization and Personnel~~ Ethics, Organization and Personnel ~~Organization, Personnel and Effectiveness~~ Committee.

## Chapter 2

### PERSONNEL REGULATIONS

#### § 6208. Pay Rate Administration.

(a) Pay rate schedules, as approved by the Board, shall include pay rate grades and pay rate ranges consisting of minimum and maximum rates of pay for each position. Except by action of the Board, or as provided in Section 6208(d), the hourly pay rate paid each employee shall be at least the minimum but not in excess of the maximum hourly pay rate prescribed for the applicable position. Notwithstanding any other provision of this section, the salaries of the department heads shall be fixed as a flat rate.

(b) Pay rates for Department Heads shall be individually fixed by the Board. Pay rates for all employees shall be fixed by their respective Department Heads within the ranges fixed by the Board for such positions in accordance with practices, policies and procedures promulgated by the General Manager. The Board at its August meeting will review each Department Head's salary and compensation after determining an overall performance rating for each Department Head, and make adjustments as appropriate, if any, based on salary comparisons, pay rate survey and/or performance, with any change to be effective at the beginning of the pay period that includes the prior July 1.

(c) Job descriptions in terms of duties and responsibilities shall be prepared by the Director of Human Resources for each position. Job descriptions for positions requiring appointment or approval of appointment by the Board shall be submitted to the Board for approval. Job descriptions for positions peculiar to the Legal or Audit Departments or Ethics Office shall be subject to approval of the General Counsel, General Auditor, or Ethics Officer as appropriate. It shall be the duty of Human Resources to insure that all employees are properly classified.

(d) The General Manager is authorized to provide for payment at a "Y" rate to any employee whose position is reclassified to a position in a lower pay rate or the pay rate of whose position is reduced and the General Manager may maintain the employee at a "Y" rate until such time as the General Manager deems the "Y" rate to be no longer justified. As used herein, "Y" rate means a pay rate higher than the highest rate applicable to the employee's position.

(e) New employees, upon entering District service, will be placed by the Director of Human Resources at a salary grade and step within the salary range appropriate for the position available and the applicant's qualifications. -Employees who are promoted to a position in a higher range shall be paid at least the minimum of such range but not more than four steps over their prior rate or the fifth step of the higher pay rate range, whichever is higher, but not in excess of the maximum rate specified for the position to which promoted. New employees are



eligible for a merit increase after completion of a six-month probationary period. The eligibility date for subsequent merit reviews shall be 12 months from the most recent merit increase, promotion or demotion, whichever is later. Employees at the top step of the pay range will not be eligible for any merit increase. Merit increases will be awarded as provided for by Section 6211.

(f) Pay rates for temporary employees in District service are the rates paid to regular employees in the same classifications.

(g) Subject to Section 6211, the performance of regular employees other than Department Heads, will be annually reviewed by their Department Heads to determine eligibility for merit increases under evaluation procedures, guidelines and rules developed by the General Manager. Changes in pay rate ranges approved by the Board have no effect upon these limitations.

(h) Pay Rate Survey.

(1) As needed, the General Manager has the authority to cause a survey to be made of rates of pay and benefits of employees of other organizations specified by the Board, and may thereafter recommend to the Board revisions in the pay rate structure and benefits for employees. The survey need not include positions for which pay rates are established pursuant to a memorandum of understanding approved by the Board which is in effect for the entire calendar year. Action, if any, on the pay rate survey may be taken at the same meeting the survey information is presented or at a subsequent meeting. The General Counsel, General Auditor and Ethics Officer may also recommend to the ~~Ethics, Organization and Personnel~~ Organization, Personnel and Effectiveness Committee revisions regarding positions peculiar to their own departments.

(2) The list of agencies to be used in the District's pay rate survey may include the following:

County of Los Angeles  
 East Bay Municipal Utility District  
 Los Angeles Metropolitan Transportation Authority  
 Los Angeles County Sanitation District  
 Los Angeles Department of Water & Power  
 Orange County Water District  
 San Diego County Water Authority  
 San Francisco Public Utilities Commission  
 State Department of Water Resources

The nine comparator agencies were selected by comparing the following factors: Industry (type of utility), total number of units managed, population served, total number of employees, total assets, net operating income, gross revenue, and total service area (square miles).

(i) For temporary construction personnel employed under authority of Section 6207(c), the General Manager is authorized to fix the hourly rates of pay at least equal to, but not more

than 20 percent higher than, those so determined by the Board to be prevailing in the county in which such personnel primarily will be engaged.

**§ 6209. Discharge.**

(a) Unclassified employees, other than executive officers and their principal assistants, may be removed by their respective Department Heads, but may appeal such removal to the ~~Ethics, Organization and Personnel~~OPE Committee. The decision of the Committee will be final unless the Committee chooses to refer the appeal to the Board.

(b) Probationary employees serve at the pleasure of their respective Department Heads. Classified employees may be discharged, for cause, immediately by their respective Department Heads. When immediate discharge is not deemed appropriate, written notice shall be given at least 14 calendar days in advance of discharge for probationary employees and at least 30 calendar days in advance of discharge for other classified employees.

(c) Regular non-probationary classified employees who are discharged are afforded the due process rights provided under Section 6218 of this Code or as provided in the applicable memorandum of understanding.

**Chapter 3**

**GENERAL EMPLOYEE MATTERS**

**Article 1**

**EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION**

**§ 6304. General Manager's Report on Equal Employment Opportunity Policy and Affirmative Action Program.**

Annually, the General Manager shall report to the ~~Equity, Inclusion and Affordability~~Community and Workplace Culture Committee on the status of the equal employment opportunity policy and affirmative action program.

**Chapter 4**

**OFFICERS**

**Article 2**

**GENERAL MANAGER**

**§ 6416. Annual Report to Executive Committee**

The General Manager shall annually submit to the Executive Committee a business plan containing the General Manager's key priorities for the coming year. The business plan shall be submitted in conjunction with similar plans by the General Auditor to the Executive Committee and the Ethics Officer to the ~~Ethics, Organization and Personnel~~ Community and Workplace Culture Committee and the General Counsel to the Legal and Claims Committee.

### Article 3

#### GENERAL COUNSEL

##### § 6436. Annual and Quarterly Reports to Legal and Claims Committee.

(a) The General Manager and General Counsel shall report quarterly to the Legal and Claims Committee the exercise of any power delegated to them by Sections 6433 and 6434. The General Counsel shall report quarterly to the Legal and Claims Committee the exercise of any power delegated to them by Section 6431.

(b) The General Counsel shall annually, in advance of the July Board meetings, submit to the Legal and Claims Committee a business plan containing the Legal Department's key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee and the General Auditor to the Executive Committee, and the Ethics Officer to the ~~Ethics, Organization and Personnel~~ Community and Workplace Culture Committee.

### Article 4

#### GENERAL AUDITOR

##### § 6450. Powers and Duties.

(a) The District's independent internal auditing function is governed by provisions of the California Government Code and by policies established by the Board of Directors. The Executive Committee is responsible for the oversight of the internal auditing function, approving the Audit Department charter (subject to review and approval of the Board of Directors), selecting and overseeing the work of external auditors, and reviewing reports issued by both the internal and external auditors.

(b) The General Auditor manages the District's Audit Department and is responsible for formulating departmental policies and procedures; directing and evaluating the performance of work done by employees within the department, administering the internal records of the department; and administering the District's contract for external audit services. The General Auditor shall, annually in advance of the July Board meetings, submit to the Executive Committee an Audit business plan containing key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee, the General Counsel to the Legal and Claims Committee

and Ethics Officer to the ~~Ethics, Organization, and Personnel~~ Community and Workplace Culture Committee.

(c) The General Auditor shall report the findings, opinions, and recommendations which result from the performance of the duties outlined in paragraph 6450(b) to the General Manager, General Counsel and Ethics Officer for their information and appropriate actions. Whenever an audit report contains recommendations for corrective actions or changes in current practices, the General Manager, General Counsel, Ethics Officer or their designees shall respond to the General Auditor in an appropriate manner and within a reasonable time, indicating their views on the recommendations and proposed actions to be taken, if any.

(d) The General Auditor's reports on internal audit assignments shall be addressed to the Executive Committee. The General Auditor shall have the discretion to determine the form and content of such audit reports, subject to guidance by the Executive Committee. With the exception of those reports which the General Auditor deems to be urgent or confidential in nature, copies of all audit reports addressed to the Executive Committee shall be submitted to the General Manager and General Counsel for review and comment simultaneously to their submittal to the Executive Committee.

(e) The General Auditor shall transmit all reports issued by the District's external auditors to the Executive Committee and any other committees of the Board as may be applicable. Such transmittal letters should include any comments on the external auditor's reports that the General Auditor deems necessary.

(f) The General Auditor may receive requests from time to time from the other executive officers or committees of the Board to perform audit assignments which are not included in the approved annual Audit Business Plan. Similarly, the General Auditor may identify a need to include new assignments in the Audit Business Plan during the year. The General Auditor shall have sufficient latitude and discretion to include those new assignments in the annual Audit Business Plan as the General Auditor deems necessary based upon their professional judgement and available resources. Requests from other committees of the Board and individual Board members desiring specific audit assignments shall be submitted to the Audit ~~Subcommittee~~ Committee for study, advise, and recommendation, or if such subcommittee is not currently in place, the Executive Committee. Once the audit assignment is approved by the Board, the General Auditor reserves the right to determine how to best fit the directed audit assignment into the Audit Business Plan. The reporting process for assignments requested by either executive management, by committees of the Board, or by individual Board members shall generally follow the process outlined in paragraphs 6450(c) or (d) previously.

(g) The General Auditor shall manage the work of the Audit Department in accordance with the Audit Department Charter. The General Auditor shall assess annually whether the purpose, authority and responsibility, as defined in this Charter, continue to be adequate to enable the Audit Department to accomplish its objectives.

## Article 5

## ETHICS OFFICER

Sec.

6470. Powers and Duties

6471. Authority to Obtain Professional Services

6472. Reports to ~~Ethics, Organization and Personnel~~ Community and Workplace Culture Committee

### **§ 6472. Reports to ~~Ethics, Organization and Personnel~~ Community and Workplace Culture Committee.**

(a) The Ethics Officer shall annually, in advance of the July Board meetings, submit to the ~~Ethics, Organization and Personnel~~ Community and Workplace Culture (CWC) Committee a business plan for the Ethics Office containing key priorities for the coming year for review and approval.

(b) The Ethics Officer shall prepare quarterly reports to the ~~Ethics, Organization and Personnel~~ CWC Committee on activities concerning agreements executed pursuant to the authority given to the Ethics Officer in Section 6471, and bi-monthly reports related to pending investigations as specified in Section 6470.

### **§ 6470. Powers and Duties.**

The powers and duties of the Ethics Officer shall be as follows:

(a) The Ethics Officer shall report to the Board, through the ~~Ethics, Organization and Personnel~~ CWC Committee.

(b) The Ethics Officer shall oversee an Ethics Office staffed with professional, qualified persons.

(c) The Ethics Officer shall be free from political interference in fulfilling the responsibilities detailed in this article and in Division VII.

(d) The Ethics Officer shall have sole authority to interpret Metropolitan's ethics rules.

(e) The Ethics Officer shall propose amendments to the Administrative Code to the ~~Ethics, Organization and Personnel~~ CWC Committee for approval and adoption by the Board, relating to:

- (1) Regulation of lobbying activities;
- (2) Conflicts of interest and financial disclosure;
- (3) Public notice and approval procedures for contracts of \$50,000 or more;
- (4) Disclosure of campaign contributions related to potential conflicts of interest;
- (5) Such other ethics rules for application to board members, officers, employees, lobbyists, lobbying firms, and contractors as deemed appropriate.

(f) The Ethics Officer shall educate, train, provide advice and seek compliance from board members, officers, applicable employees, lobbyist, lobbying firms, and Metropolitan contractors and subcontractors concerning:

- (1) The rules prescribed in Division VII;
- (2) The Political Reform Act of 1974, as amended and applicable regulations;
- (3) The conflict of interest rules of Government Code section 1090.

(g) The Ethics Officer shall investigate potential violations of ethics rules in Division VII by board members, officers, applicable staff, lobbyists, lobbying firms, and contractors consistent with the rules specified in Division VII. The Ethics Officer shall prepare status reports of pending investigations on a bi-monthly basis. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, the resolution of the investigation.

(h) The Ethics Officer shall be the filing officer on behalf of the District to receive and file Statements of Economic Interest pursuant to the California Government Code and Section 7501 of this Administrative Code.

(i) The Ethics Officer shall have the authority to confer with the Chair of the Board and the Chair and Vice Chair of the ~~Ethics, Organization and Personnel~~CWC Committee for the purpose of seeking advice and feedback on any policy and operational matters, or feedback on investigative matters, subject to the confidentiality requirements in section 7412 of the Administrative Code.

(j) The Ethics Officer shall have the authority to obtain, and have unrestricted access to all functions, documents, records, property, personnel and other information requested as part of an Ethics Office complaint or investigation without waiving any privileges that may apply.

#### **§ 6471. Authority to Obtain Professional Services.**

(a) The Ethics Officer is authorized to contract for independent legal counsel as they deem necessary in fulfilling duties and responsibilities of the Ethics Office. The Ethics Officer may contract with one or more attorneys or law firms depending on the areas of expertise needed. The amount to be expended in fees, costs and expenses under any one contract in any one-year period shall not exceed \$100,000. The General Counsel shall review such contracts solely for consistency with Metropolitan's contract requirements. The General Counsel shall not have the authority to deny the Ethics Officer's ability to contract with any given party.

(b) The Ethics Officer is authorized to contract for professional services of outside investigators and investigation firms to conduct investigations under the Ethics Officer's purview. The amount to be expended in fees, costs, and expenses under any one contract in any one-year period shall not exceed \$250,000.

(c) The Ethics Officer is authorized to employ the services of other professional or technical consultants for advice and assistance in performing the duties assigned as may be

required or as deemed necessary, provided that the amount to be expended in fees, costs and expenses under any one contract in any one year shall not exceed \$50,000.

(d) The Ethics Officer shall inform the ~~Ethics, Organization and Personnel~~CWC Committee whenever the authority granted under this section is exercised, and shall further report quarterly on activities concerning any agreements entered into under this section. Any such contracts shall be consistent with Metropolitan contract requirements and shall be reviewed by the General Counsel.

**§ 6472. Reports to ~~Ethics, Organization and Personnel~~Committee, Community and Workplace Culture Committee.**

(a) The Ethics Officer shall annually, in advance of the July Board meetings, submit to the ~~Ethics, Organization and Personnel~~CWC Committee a business plan for the Ethics Office containing key priorities for the coming year for review and approval.

(b) The Ethics Officer shall prepare quarterly reports to the ~~Ethics, Organization and Personnel~~CWC Committee on activities concerning agreements executed pursuant to the authority given to the Ethics Officer in Section 6471, and bi-monthly reports related to pending investigations as specified in Section 6470.

**Division VII**

**GOVERNMENTAL ETHICS**

**Chapter 4**

**INVESTIGATION BY THE ETHICS OFFICER**

**Article 1**

**AUTHORITY TO INVESTIGATE AND JURISDICTION**

**§ 7405. Investigations of Directors, General Manager, General Counsel, General Auditor, or Ethics Officer.**

(a) The Ethics Officer shall retain an outside counsel or investigator to conduct any investigation of alleged violations of Metropolitan ethics rules by a Director, General Manager, General Counsel or General Auditor. The investigation shall be conducted in consultation with the Ethics Officer. The Ethics Officer shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the Ethics Officer shall notify the ~~Ethics, Organization and Personnel~~Community and Workplace Culture (CWC) Committee Chair, unless the Chair is the subject of the investigation, in which case the Vice Chair shall be notified.

(b) The Ethics Officer shall refer to the General Counsel any complaint of alleged violations of Metropolitan ethics rules by the Ethics Officer or any member of the Office staff. The General Counsel shall retain an outside counsel or investigator to conduct the investigation in consultation with the General Counsel. The General Counsel shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the General Counsel shall notify the CWC Committee ~~Ethics, Organization and Personnel Committee~~ Chair.

(c) The General Counsel shall review any contract with an outside counsel or investigator to ensure compliance with Metropolitan contracting requirements.

## Article 2

### PROCEDURES FOR INVESTIGATIONS

#### § 7411. Investigation Timeframe.

(a) Investigations shall be conducted expeditiously and completed within 180 calendar days, except as provided in subparagraph (b). An investigation commences upon the Ethics Officer's determination to open an investigation, but in no event later than 30 calendar days from receipt of the complaint or referral.

(b) For good cause, an investigation may extend beyond 180 calendar days; provided, however, the Ethics Officer shall provide written notice to the subject of the investigation with an expected completion date. The Ethics Officer shall also notify the Ethics, Organization and Personnel-CWC Committee Chair whenever an investigation extends beyond 180 calendar days and provide periodic updates on the status of the investigation thereafter.

(c) For purposes of the 180\_-calendar day period specified in this section, an investigation terminates upon service of the Ethics Officer's report upon the subject of the investigation, or upon notice of no violation given to the subject of the investigation, pursuant to section 7416.

#### § 7412. Confidentiality of Investigations.

(a) Investigations by the Ethics Officer shall be confidential to the fullest extent possible.

(b) The Ethics Officer has the discretion to disclose information related to investigations for significant operational or safety reasons.

(c) The Ethics Officer shall not unnecessarily disclose the identity of the subject of a complaint, except as needed in furtherance of the investigation or otherwise provided by Article 3 of this chapter.

(d) During the investigation, the Ethics Officer shall advise the subject of the investigation, the complainant, and any witnesses of the confidentiality of the investigation.



(e) The Ethics Officer may confer with the Chair of the Board and the Chair and Vice Chair of the ~~Ethics, Organization and Personnel~~CWC Committee on any investigative matter subject to the following:

- (1) The communications shall be for the purpose of feedback.
- (2) The communications shall be confidential.
- (3) The restrictions on interference with investigations in section 7129(d).

(f) The Ethics Officer shall, to the extent possible, protect the identity of any complainant.

### **Division VIII**

## **CONTRACTS/DISTRICT PROPERTY**

### **Chapter 2**

## **DISTRICT PROPERTY**

### **Article 4**

## **DISPOSITION OF REAL PROPERTY**

### **§ 8248. Disposal of Unnecessary Improvements.**

(a) The General Manager is authorized to dispose of, in the manner the General Manager deems to be in the best interest of the District, any improvements that must be removed to make land acquired for District operations suitable for District use.

(b) The General Manager shall report quarterly to the ~~Finance and Asset Management~~ Finance, Affordability, Asset Management, and Efficiency (FAAME) Committee the details of any transactions during the preceding quarter in which an improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District.

### **§ 8257. Quarterly Reports.**

The General Manager shall report to the ~~Finance and Asset Management~~FAAME Committee quarterly on any real property sold pursuant to this Article.

## Division II

### PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS

#### Chapter 2

#### BOARD OFFICERS

##### § 2204. Delegation of Duties to Vice Chairs.

The Vice Chairs selected by the Chair shall act in the Chair's absence, failure or inability to act. The Vice Chairs shall have ex officio membership and may vote to break a tie and maintain a quorum. If the committee Chair and Vice Chair(s) of the committee are not present in person the Vice Chair may preside over the meeting.

#### Chapter 3

#### RULES GOVERNING COMMITTEES

##### § 2310. Ad Hoc Committees.

Ad Hoc Committees may be created by the Board to undertake special assignments on behalf of the Board. An ad hoc committee shall exist for a specified term or until its special assignments are completed, whichever comes first, but its existence may be extended for an added term or added assignments by action of the Board. Unless otherwise specified, members of an ad hoc committee shall be appointed by the Chair of the Board and shall serve at the Chair's pleasure. Ad Hoc Committees shall provide reports to the Executive Committee as well as committees where the subjects are relevant.

#### Chapter 4

#### STANDING COMMITTEES

Article		Sec.
1	General	2400
2	Executive Committee	2410
3	Audit Committee	2420
4	Engineering, Operations and Technology Committee	2430
5	Finance, Affordability, Asset Management, and Efficiency Committee	2440
6	Legal and Claims Committee	2450
7	Legislation and Communications Committee	2460
8	Organization, Personnel and Effectiveness Committee	2470
9	One Water and Adaptation Committee	2480
10	Community and Workplace Culture Committee	2490

**Article 1****GENERAL**

Sec.

2400. Identification of Standing Committees

2401. Officers and Members of Standing Committees

2402. Regular Meetings

**§ 2400. Identification of Standing Committees.**

The Standing Committees of the Board of Directors are:

- Executive Committee (EXEC)
- Audit Committee
- Engineering, Operations and Technology Committee (EOT)
- Finance, Affordability, Asset Management, and Efficiency Committee (FAAME)
- Legal and Claims Committee (LC)
- Legislation and Communications Committee (LEG)
- Organization, Personnel and Effectiveness Committee (OPE)
- One Water and Adaptation Committee (OWA)
- Community and Workplace Culture Committee (CWC)

**§ 2401. Officers and Members of Standing Committees.**

(a) Members, Chair, and Vice Chairs of standing committees with the exception of the Executive Committee shall be appointed subject to the approval of the Executive Committee and the Board on the basis that each director, with the exception of the Chair of the Board, serve on at least one standing committees, in addition to the Executive Committee. Such appointment shall be made by the Chair of the Board unless a new Chair-elect has been selected by the Board to take office on the next January 1, in which event appointment of Chair and Vice-Chairs of standing committees shall be made by the Chair-elect.

(b) Chair and Vice Chairs of standing committees with the exception of the Executive Committee are to be appointed in even-numbered years at the December meeting of the Board for a two-year term commencing on January 1 of odd-numbered years. No director shall be appointed to the same committee office for more than two consecutive full terms and a partial term immediately prior to the first term.

(c) The Chair of the Board or the Vice Chair acting in the Chair's absence per Section 2204, is a member ex-officio, with right to vote, of all standing committees, subcommittees, and special committees of the Board. However, the Chair (or the Vice Chair) shall not be considered a member of any committee of which the officer is a member ex-officio for the purpose of determining whether a quorum of the committee is present unless the Chair or Vice Chair is actually present at the meeting of the committee.

(d) The committee Chair's duties include presiding over meetings of the committee, with the exception that the committee may, by a majority vote, overrule parliamentary rulings of the Chair. Any Vice Chair of that committee may serve as the alternate presiding officer of committee meetings when the committee Chair is absent.

### **§ 2402. Regular Meetings.**

The regular meetings of standing committees shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month. The Audit Committee shall meet on a quarterly basis. If a scheduled meeting falls on a holiday designated in Section 1106, the meeting will be rescheduled to the next business day unless the Board selects an alternative date. Staff will adjust its schedule accordingly.

## **Article 2**

### **EXECUTIVE COMMITTEE**

#### **§ 2410. Membership.**

The Executive Committee shall consist of the Chair, Vice Chairs of the Board, Secretary, all past Chairs of the Board who are directors of the District, and the Chairs of the standing committees in addition to the Executive Committee, and four (4) additional directors as nonofficer members. In the absence of a committee Chair, a committee's Vice Chair shall serve as the alternate on the Executive Committee for the absent committee Chair.

#### **§ 2416. Duties and Functions. [Executive Committee]**

(a) The Executive Committee shall study, advise, and make recommendations with regard to:

(1) Public information for governmental and other entities and officials, and for the citizens of California regarding matters affecting the District's interests;

(2) Official dealings with the United States Government, the State of California or other states, member public agencies or their sub-agencies, foreign governments and other entities or persons in matters of public policy or other activities as deemed appropriate;

(3) Policies and procedures to be considered by the Board or committees thereof, except for policy matters within the jurisdiction of a specific standing committee;

(4) Matters relating to the Colorado River Board of California;

(5) Major policy issues to be considered by the Board, including proposed amendments to the Metropolitan Water District Act;

(6) Questions raised by the officers and staff in intervals between meetings of the Board and in unexpected situations and emergencies.

(7) The terms and conditions of employment of all consultants and advisors not within the jurisdiction of other committees;

(8) Resolution of conflicting committee recommendations pursuant to Section 2314;

(9) The progress of, and propose modifications to, the Board's goals in light of then existing and projected future conditions; and

(10) Such other matters as may be required by Division II of this Code.

(b) The Executive Committee shall:

(1) Review and approve board and committee agendas and, notwithstanding the jurisdiction of the other standing committees in the Code, have the authority to direct which committee shall consider an item;

(2) Review and approve the scheduling of board and committee meetings;

(3) Be responsible for the oversight and management of the organization including, but not limited to, the form of the District's organization and the flow of the authority and responsibility. This includes monitoring and overseeing the duties and responsibilities of management; and

(4) Consider the effectiveness of the District's internal control system, including information technology security and control.

(c) The Executive Committee shall retain ultimate responsibility for those duties as are specifically assigned to the subcommittees of the Executive Committee.

(d) The Executive Committee shall be responsible for reviewing and approving the annual business plan containing the General Manager's key priorities for the coming year.

(e) As part of the Department Head annual evaluation process, the Executive Committee shall be responsible for engaging in periodic performance expectations discussions, including progress checks, with the General Manager.

(f) The Executive Committee shall also:

(1) Act on behalf of the Board in unexpected situations and emergencies, subject to subsequent approval or ratification of the actions taken whenever such approval or ratification is required by law.

(2) Provide policy guidance where appropriate to those directors and District staff members who are associated with organizations in which the District has membership.

(3) Conduct hearings on appeals of protest denials involving Purchasing Contracts and Professional and Technical Services Contracts pursuant to Section 8150(b).

(i) Hearings shall be held by the committee at its next regular meeting to be held at least 72 hours after the filing of the notice of appeal of the General Manager's determination under Section 8150(b). The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

(ii) The Chair of the Executive Committee may re-delegate duties provided for under subparagraph (i) above to a minimum of three members of the Executive Committee who shall act in place of the committee.

(4) Resolve disputes over inspection dates and monitor conduct of inspection trips to assure maximum effectiveness.

(5) Address substantiated allegations of discrimination, harassment, and retaliation against directors, the General Manager, General Counsel, General Auditor, and Ethics Officer:

(i) The Executive Committee shall create an ad hoc subcommittee of three members and two alternates that will serve for a period of one year to address substantiated findings of violations determined as a result of Equal Employment Opportunity (EEO) investigations conducted for alleged violations of Section 2131 made against a director and for alleged violations of Section 6305 made against the General Manager, General Counsel, General Auditor, or Ethics Officer. If any director serving on the three-member subcommittee is an involved party to an EEO investigation, or has a conflict of interest with any involved party, the conflicted director shall recuse themselves from the matter. The Chief EEO Officer (EEO Officer) will select an alternate director to fulfill all subcommittee duties related to the particular matter. If the EEO Officer has a conflict of interest in the same matter, the Ethics Officer and/or General Counsel will select an alternate director. Directors serving as alternates will not participate in ad hoc committee matters unless or until called to serve.

(ii) The Executive Committee will also select an external law firm to serve as counsel to the ad hoc subcommittee to provide guidance, as needed, for post investigation actions.

(iii) The ad hoc subcommittee shall delegate to the EEO Officer the responsibility to designate an external investigator to conduct a fact-finding EEO investigation pursuant to this section. ALL EEO investigations will be fair,

impartial, timely, and promptly initiated and completed by qualified personnel. Detailed EEO investigative procedures, pursuant to this section can be found in *EEO Investigative Procedures for the Board and its Direct Reports*. The EEO Officer shall refer substantiated findings of EEO investigations to the ad hoc subcommittee to determine recommended appropriate action. At its discretion, the ad hoc subcommittee may consult with the EEO Officer, Ethics Officer, and/or General Counsel on appropriate action regarding a director or department head. The ad hoc subcommittee shall report a substantiated finding of an EEO violation by a director or department head and recommend appropriate action for the Board's consideration. Appropriate action for directors may include, but is not limited to, counseling, training, a private warning letter, public censure, temporary or permanent removal from committee assignments, or referral to the Director's appointing authority requesting appropriate action. Appropriate action for department heads may include, but is not limited to, counseling, training, performance review, or the imposition of discipline, as deemed appropriate under the circumstances.

(iv) When the General Manager is a party to the complaint or when in the judgment of the EEO Officer that matter should be handled differently to avoid real or perceived conflicts of interest, or to avoid potential bias or threats to impartiality, the EEO Officer shall delegate to the Ethics Officer the responsibility to retain an external investigator to conduct a fact-finding EEO investigation pursuant to this section. If the Ethics Officer has a conflict of interest in the particular case, the EEO Officer would delegate to the General Counsel the responsibility to retain an external investigator to conduct a fact-finding investigation pursuant to this section. Substantiated EEO findings under this subsection shall be referred directly to the ad hoc subcommittee to determine recommended appropriate action for the Board's consideration.

(v) A deviation of this investigation protocol by the EEO Officer may occur, in certain circumstances, with a written justification and approval of the ad hoc subcommittee responsible for EEO investigations of directors and department heads

(vi) On a quarterly basis, the Chief EEO Officer will report to the Executive Committee EEO case statistics regarding EEO complaints filed against the Board and its direct reports.

### **Article 3**

#### **AUDIT COMMITTEE**

##### **§ 2420. Day of Regular Meeting**

The regular meetings of the Audit Committee shall be held on a quarterly basis in the months of March, June, September and December.

### **§ 2421. Duties and Functions**

The Audit Committee shall study, advise, and make recommendations with regard to:

- (a) All reports of the General Auditor and external auditors, including the audited financial statements of the District;
- (b) The Audit Department's annual business plan and biennial budget;
- (c) Requests from other committees of the Board and individual Board members for audits and review not included in the Audit Department's annual business plan.
- (d) Monitor and oversee the duties and responsibilities of the Audit Department and the external auditors as those duties and responsibilities relate to the effectiveness of the District's internal control system.
- (e) Review and approve, in advance of the July Board meeting, the Audit Department annual business plan containing the key priorities of the General Auditor and the Audit Department.
- (f) As part of the Department Head annual evaluation process, be responsible for engaging in periodic performance expectations discussions, including progress checks, with the General Auditor.
- (g) Monitor compliance with the recommendations of the California State Audit (April 2022).

### **Article 4**

#### **ENGINEERING, OPERATIONS AND TECHNOLOGY COMMITTEE**

Sec.

2430. Day of Regular Meeting

2431. Duties and Functions

### **§ 2430. Day of Regular Meetings.**

The regular meetings of the Engineering, Operations and Technology (EOT) Committee shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

### **Article 5**

#### **FINANCE, AFFORDABILITY, ASSET MANAGEMENT, AND EFFICIENCY COMMITTEE**



Sec.

2440. Day of Regular Meeting

2441. Duties and Functions

**§ 2440. Day of Regular Meetings.**

The regular meetings of the Finance, Affordability, Asset Management, and Efficiency (FAAME) Committee shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

**§ 2441. Duties and Functions.**

The Finance and Asset Management Committee shall study, advise and make recommendations with regard to:

- (a) Preparation of budgets;
- (b) Policies and procedures related to budget development and cost containment;
- (c) Sale of bonds and borrowing and repayment of money;
- (d) Disposition and investment of funds;
- (e) Authorization of appropriations, except appropriations for capital projects;
- (f) The determination of revenues to be obtained through water transactions, including, but not limited to, sales, exchanges, and wheeling of water, water standby or availability of service charges, and the levying of taxes;
- (g) The financial impact and requirements of policies concerning annexation;
- (h) The financial aspects of the District's risk management program;
- (i) Questions pertaining to insurance coverage and self-insurance;
- (j) The selection of financial and insurance consultants and the determination of the scope of their assignments;
- (k) Form and contents of accounts, financial reports, and financial statements;
- (l) Proposed amendments to the Metropolitan Water District Act affecting the finance and asset management functions of the District;

(m) Goals and objectives related to financial planning for Metropolitan, including but not limited to revenues, operating expenses, reserve policies, internally funded construction, debt management, investments and capital financing strategies;

(n) The prices and conditions governing water transactions, including, but not limited to, sales, exchanges, and wheeling sales of water;

(o) Costs and accounting procedures relating to the District's and other state water service contracts;

(p) Policies regarding water transactions, including, but not limited to, the sale, exchange, and wheeling of water for various uses;

(q) Policies regarding allocation of water standby or availability of service revenue requirements among member public agencies;

(r) Water standby or availability of service charges within the District;

(s) Determinations by the General Manager with respect to appeals concerning charges for water service, including readiness-to-serve charges and capacity charges, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(t) Appeals from determinations by the General Manager to deny or qualify an application for exemption from the water standby charge, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(u) The purchase, management and disposition of personal property assets such as equipment and vehicles;

(v) Facility master plans, including budgeting for capital improvements and long-term facilities commitments;

(w) Proposed rules and proposals regarding business development opportunities for real property;

(x) Policies for the acquisition of rights-of-way;

(y) The purchase, sale, and leasing of land and buildings, including the District's various office and garage space needs;

(z) The incidental use of land in farming operations and otherwise;

(aa) The operation and maintenance of buildings;

(bb) The development, oversight, and coordination of recreational facilities at Diamond Valley Lake and Lake Skinner;

(cc) The use of proceeds from the sale or disposition of surplus property related to Diamond Valley Lake and Lake Skinner for recreational purposes;

(dd) Annexations and annexation policies including the requirements, procedures, terms and conditions for annexation.

**Article 6**

**LEGAL AND CLAIMS COMMITTEE**

Sec.

2450. Day of Regular Meetings

2451. Duties and Functions

**§ 2450. Day of Regular Meeting.**

The regular meetings of the Legal and Claims Committee (LC) shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

**Article 7**

**THE LEGISLATION AND COMMUNICATIONS COMMITTEE**

Sec.

2460. Day of Regular Meeting

2461. Duties and Functions

2462. Vice Chairs.

**§ 2460. Day of Regular Meeting.**

The regular meetings of the Legislation and Communications (LEG) Committee shall be on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

**§ 2461. Duties and Functions.**

The Legislation and Communications Committee shall study, advise and make recommendations to the Board with regard to:

(a) Proposals of the General Manager, other committees, and board members concerning State and Federal legislation or amendments thereto, that may affect the District;

(b) Recommendations for new legislation identified by members of the Board or the General Manager;

(c) Opportunities for members of the Board to assist in outreach activities, including efforts to inform members of the Legislature or the Congress of the District's position with regard to proposed legislation;

(d) The effectiveness of legislative and administrative advocacy efforts by staff and members of the Board;

(e) The development and implementation of Directors' inspection trips, including the expectations and goals for these trips;

(f) The development and implementation of school education programs, including the expectations and goals for these programs;

(g) The effectiveness of Metropolitan's external affairs programs and general communications efforts directed at member agencies and the general public; and

(h) The selection of public information consultants and the scope of their assignments.

**§ 2462. Vice-Chairs.**

The Board Chair shall designate two Vice Chairs for the committee, one to preside over legislative affairs, the other over communications matters.

**Article 8**

**ORGANIZATION, PERSONNEL AND EFFECTIVENESS COMMITTEE**

Sec.

2470. Day of Regular Meeting

2471. Duties and Functions

**§ 2470. Day of Regular Meeting.**

The regular meetings of the Organization, Personnel and Effectiveness (OPE) Committee shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

**§ 2471. Duties and Functions.**

The OPE Committee shall study, advise and make recommendations with regard to:

(a) The form of the District's organization and the flow of authority and responsibility;

(b) Periodic independent reviews and studies of the organization, classification of positions, job duties, salaries, and salary ranges;

(c) Relations between the District and its employees, including all matters affecting wage, hours, pension plans and other employee benefits, and other terms and conditions of employment, as well as the district's negotiation of such matters with employee bargaining units and selection of negotiators;

(d) Areas of special concern to the District and its employees, including, but not limited to work rules pertaining to the health and safety of employees;

(e) Policies and rules regarding employment, discipline and discharge of District officers and employees;

(f) Proposed amendments to the Metropolitan Water District Act and Administrative Code affecting contract procedures and policies, the organization and personnel policies of the District and to the Public Employees' Retirement Law;

(g) Information technology strategies, projects and activities, including information technology asset management and the budgeting and tracking of information technology resources; and

(h) Oversight of workforce training programs, including strategic planning, needs assessment, program design and development, and metric-based evaluation.

(i) Recruitment of top-tier talent throughout the District and securing leaders with exceptional skills, qualities, and abilities.

(j) Policies and procedures concerning District personnel matters.

## **Article 9**

### **ONE WATER AND ADAPTATION COMMITTEE**

Sec.

2480. Day of Regular Meeting

2481. Duties and Functions

#### **§ 2480. Day of Regular Meeting**

The regular meetings of the One Water and Adaptation Committee (OWA) shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

#### **§ 2481. Duties and Functions**

The OWA Committee shall have oversight over the planning, prioritization, and funding of any current or future regional demand management or any regional or local supply projects within the Metropolitan service area receiving funding from Metropolitan, such as the Regional

Recycling Project and local projects funded through Metropolitan's Local Resources Program. The committee shall review and consider:

(a) Establishing policies and programs regarding water conservation and reuse, watershed management, storm water capture and management, recycling, sustainable groundwater management and protection, underground storage, and use thereof;

(b) Seawater desalination, recycling and reuse, and brackish water issues in Metropolitan's service area, and use thereof;

(c) Overseeing development and implementation of Metropolitan's Local Resources Program and Conservation Program and other efforts to meet local supply and water use efficiency goals;

(d) The effect of existing and proposed federal, state and local environmental, water supply and water management statutes and regulations on supplies produced or that may be produced within the District's region;

(e) Recommendations for comprehensive solutions to regional supply problems with the intent to increase water reliability, cost effectiveness, and environmental benefit;

(f) Expanding Metropolitan's understanding of regional water supply issues by inviting informational presentations and feedback from external representatives;

(g) Recommendations to the Board on policies and programs that will strengthen relationships with other agencies in furthering Metropolitan's objectives for increased regional self-reliance and greater water use efficiency;

(h) Creating opportunities for collaboration to advance the development of local supplies and achieving greater water use efficiency;

(i) Coordinating and aligning new water supplies, local resources projects and programs, and investments with other Metropolitan strategic priorities and initiatives;

(j) Developing criteria for the prioritization of investments in new water supplies;

(k) Policies, sources, and means of importing and distributing water, transferring water, and wheeling water as required by the District;

(l) Policies and procedures regarding the delivery and exchange of water for various uses;

(m) Metropolitan Water Supply Planning including the Integrated Resources Planning Process and completion of the Urban Water Management Plan and related policies; and

(n) Environmental compliance and requirements, and informing the technical aspects and science factors in providing comments to regulatory agencies and legislation affecting the regulation of water supply operational facilities and the conditions that they operate under.

## **Article 10**

### **COMMUNITY AND WORKPLACE CULTURE COMMITTEE**

Sec.

2490 Day of Regular Meeting

2491 Duties and Functions

#### **§ 2490. Day of Regular Meeting**

The regular meetings of the Community and Workplace Culture (CWC) Committee shall be held on the Monday preceding regular board meetings on the second or fourth Tuesday of each month.

#### **§ 2491 Duties and Functions**

The CWC Committee shall study, advise and make recommendations, as follows:

(a) With regards to ethics matters:

(1) Periodic performance expectations discussions, including progress checks, with the Ethics Officer.

(2) Monitoring and overseeing the duties and responsibilities of the Ethics Officer to ensure the independence of the Ethics Officer.

(3) Receive and review bi-monthly status reports of pending investigations by the Ethics Officer. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, resolution of the investigation.

(4) Receive and review quarterly reports from the Ethics Officer on any engagement of professional and technical consultants.

(5) Review and approval of the business plan containing the key priorities for the coming year for the Ethics Office. It shall review and approve the business plan in advance of the July Board meeting.

(b) With respect to matters of equal employment opportunity and of diversity, equity and inclusion:

(1) Direct and receive reports from, and be the home committee for Metropolitan's Diversity, Equity and Inclusion Officer, and Metropolitan's Chief Equal Employment Opportunity Officer;

(2) Receive input, policy and procedure recommendations from the Diversity, Equity and Inclusion Officer;

(3) Study diversity, equity, and inclusion issues within Metropolitan to recommend ways to enhance and promote equal opportunity, affirmative action, increased diversity of the workforce and a culture of inclusion within Metropolitan;

(4) Monitor performance of efforts to promote workforce development programs, including training and advancement opportunities at Metropolitan to increase diversity, equity and inclusion within Metropolitan and benefit the communities within Metropolitan's service area; and

(5) Study areas of special concern to the District and its employees, including, but not limited to, equal employment opportunity and affirmative action.

(6) Study, advise and make recommendations on the ways the District can:

(i) Better serve the disadvantaged and underserved communities within Metropolitan's service area, and mitigate issues of affordability;

(ii) Improve the access of disadvantaged and underserved communities to reliable, high-quality drinking water supplies;

(iii) Increase participation of currently underserved communities in Metropolitan's rebate, conservation, and other local resources programs; and

(iv) Assist and support member agency programs and advocate for underserved communities, including providing communications, operational and technical assistance, with focus on consumer confidence in drinking water.

(7) Monitor Metropolitan's compliance with laws governing equal opportunities and employment and the manner in which investigations are conducted in compliance with such laws.

#### **Division IV**

### **WATER SERVICE POLICIES**

#### **Chapter 3**

### **WATER TRANSACTIONS REVENUE**



**§ 4304. Apportionment of Revenues and Setting of Water Rates.**

(a) Not later than at its February meeting the General Manager shall present to the Finance, Affordability, Asset Management, and Efficiency (FAAME) Committee of the Board:

(1) Determinations of the revenue requirements and cost of service analysis supporting the rates and charges required during the biennial period beginning the following July 1, as determined by the General Manager in accordance with current Board policies, and,

(2) Recommendations of rates including, but not limited to, the System Access Rate, Water Stewardship Rate, System Power Rate, Treatment Surcharge, and the Supply Rates for the various classes of water service to become effective each January 1 of the biennial period. These recommended rates shall be the General Manager's determination, made in accordance with current Board policies, of the rates necessary to produce substantially the revenues to be derived from water transactions, including, but not limited to, sales, exchanges, and wheeling, during the biennial period beginning the following July 1.

(b) Not later than at its February meeting, the General Manager shall also present to the FAAME Committee recommendations regarding the continuation of a water standby charge or the imposition of an availability of service charge (such as the readiness-to-serve charge and capacity charge), which shall be the General Manager's determination, made in accordance with current Board policies, of the charge necessary to produce substantially the revenues to be derived from fixed revenue sources, if any, exclusive of taxes, during the biennial period beginning the following July 1 which said committee has determined to be necessary.

(c) Not later than its February meeting the FAAME Committee shall set a time or times for, and shall thereafter hold, one or more meetings of said committee, to be held prior to its regular April meeting, at which interested parties may present their views regarding the proposed water rates and availability of service charges to the committee. The committee shall direct the General Manager to cause the publication of a notice of such public hearing to be published in newspapers of general circulation within the District's service area. Such notice shall be published not less than 10 days prior to the public hearing.

(d) Not later than its regular April meeting the FAAME Committee shall make its determination regarding the revenue requirement to be paid from water rates and the water rates to become effective each January 1 of the biennial period and shall recommend said water rates to the Board no later than the Board's regular April meeting.

(e) Not later than its April meeting, the Board shall establish water rates for deliveries beginning each January 1 of the biennial period.

(f) Proposals for changes in water rates to become effective at times other than on January 1 shall require adequate notice to the public and a hearing before such proposals are

acted upon by the Board, unless the Board finds that an immediate change in water rates is urgent.

**§ 4305. Setting of Charges to Raise Fixed Revenue.**

(a) Not later than its regular May meeting each year, the FAAME Committee shall make its final determination regarding the water standby charge or other fixed revenue charge, if any, for the fiscal year beginning the following July 1, and shall recommend such charge, if any, to the Board at its regular May meeting.

(b) Not later than such May meeting, the Board shall consider and take action upon the recommendations, if any, of the FAAME committee regarding a fixed revenue source, exclusive of taxes, to become effective the following January 1 or for the fiscal year beginning the following July 1, as determined by the Board for each fixed revenue source.

**Chapter 5**

**WATER SERVICE REGULATIONS - GENERAL**

**§ 4507. Billing and Payment for Water Deliveries.**

(a) **Timeframe for Billing and Payment.** Except as noted herein below, invoices shall be mailed electronically, or, if requested by the member agency, by hardcopy via United States mail, not later than the tenth day of the month following delivery to a member public agency. Each such invoice shall indicate the date of mailing and the date on which the payment thereunder becomes delinquent and shall show the total amount of water delivered for each class of service, the charges for water sold and delivered for each class, the readiness-to-serve and capacity charges, as applicable, and the total amount due and owing, all as determined by the General Manager. Payment of the amount shown on any such invoice shall be due on the last business day of that month and shall be delinquent if not received by the Treasurer of the District before the close of crediting activity on the last business day of the first month following such date of mailing. When making any such payment the member public agency shall specify the invoice or invoices to which the payment shall be credited by the District.

(1) For purposes of Section 4507(a), "business day" shall mean any day other than a Saturday, a Sunday, or a Holiday (as defined in Section 1106).

(2) For purposes of Section 4507(a), "received by the Treasurer of the District" shall mean receipt either (1) in the office of the Treasurer or (2) by crediting pursuant to advance agreement with the Treasurer to the District's general demand account at the District's principal depository bank, in such form that the funds are immediately available for investment or other use or disposal by the District.

(3) For purposes of Section 4507(a), "crediting activity" shall mean either (1) 2:00 p.m. if payment is delivered to the office of the Treasurer, or (2) the cutoff time for crediting by the District's principal depository bank of that day's transactions if payment is initiated by wire

transfer, automated clearinghouse transfer, interbranch transfer, direct deposit, or by other means pursuant to advance agreement with the Treasurer.

If, under advance agreement with the Treasurer, a member agency has authorized payment of any invoice by automated clearinghouse transfer initiated by the Treasurer, the Treasurer shall initiate such transfer for processing two business days prior to the business day on which such payment shall be delinquent. Failure of such transfer shall not relieve such member agency from liability for such payment or charges in the event such payment should become delinquent, except as specifically provided under advance agreement with the Treasurer.

**(b) Full Service and Emergency Storage Program Facility.** In cases where water through a particular facility is delivered during any month for full service or Emergency Storage Program Service, the bill for water delivered in such month will be prepared by applying the rates for water sold and delivered in full service to the total quantity of water delivered. If the member public agency desires to receive credit for water used in Emergency Storage Program Service, the facts concerning the quantities of water so used must be certified to the District via the District's electronic certification and billing system by an authorized user for the member public agency purchasing such water as provided for in Section 4507 (c). The amount of such credits shall be based on the difference in water rates in effect at the time the water is used.

**(c) Late Certifications.** Based on available information, the District will notify a member agency for any certification that it has not received, if known, three months from the end of the month for which the agency would normally certify. No certification received after six months following the end of any month in which such a credit is claimed will be accepted. Certifications must be received by Metropolitan before 3:30 p.m. on the third working day after the end of the month to receive credit for any preceding month on the next bill, subject to the provisions with respect to late certifications in this Section. This Section applies to all cases where a certification is required to receive a credit, whether or not specifically named in this Section, unless otherwise provided by this Code.

**(d) Determination by General Manager as to Type of Delivery.** In the event the respective quantities of water sold and delivered in any month on order of any member public agency for use therein in any water program or contract requiring certification, are not determinable to the satisfaction of the General Manager in time for preparing regular monthly bills, then billing and payment for all water sold and delivered in such month to such member public agency shall be made at the rates prescribed for water used in full service in Section 4401(a)(1) hereof. Upon the determination by the General Manager of the correct quantities of water sold and delivered and used in any water program or contract requiring certification, any adjustment which is necessary to give effect to the applicable credit for the water used in any water program or contract requiring certification, shall be made by application of credits on subsequent purchases of water from the District by such member public agency. Such adjustments shall not be made in cases where a claim for the applicable credit is not submitted within the period provided in Section 4507(c).

**(e) Obligation to Pay for Appropriate Class of Service.** If water has been sold and delivered at the rates prescribed for water sold in any water program or contract and appropriate

certifications have been submitted for the water so used, but the water has in fact been used in full service or another class of service, the member public agency shall be obligated to pay the difference between the rates prescribed for water sold for the applicable water program or contract and the rates prescribed for the class of service actually used.

**(f) Submission of Documentation by Member Agency.** With respect to water sold and delivered at the rates prescribed for water sold under water programs or contract (unless otherwise specified in an agreement with the District), original documentation supporting the use of such water as certified must be submitted no later than December 31 following the end of the fiscal year for which a certification is submitted, unless otherwise specified in an agreement with the District. If the documentation is not submitted by December 31 following the end of the fiscal year for which a certification was submitted, an agency will receive a late penalty of \$2,500. If the agency does not submit documentation by February 28/29 following the end of the fiscal year for which a certification was submitted, it shall be conclusively presumed that:

(1) The water sold from the District was used for full service, and the District's next monthly billing shall reflect such adjustment; or

(2) The yield was not produced as certified and the District's next monthly billing shall reflect such adjustment.

This provision will apply individually to each program or agreement that an agency or sub-agency participates in separately.

**(g) Review Process.** With respect to water sold and delivered at the rates prescribed for water sold under water programs or contract (unless otherwise specified in an agreement with the District) the District will complete its review within twelve months from date of receipt of the original supporting documentation.

(1) Should the District not complete its review within twelve months of the submittal of all source documentation, the review will be considered complete and the certifications final.

(2) When the review is completed, the District will notify the member agency of its initial findings for its comments. The member agency will provide its comments within 60 days. Metropolitan staff and the agency will work together to reconcile any differences.

(3) If the member agency and Metropolitan staff cannot reconcile the differences, Metropolitan's Water System Operations' Group Manager has the responsibility to consult with the member agency and make a final ruling, subject to the General Manager's oversight. If the ruling is unsatisfactory to the agency, it can be appealed to Metropolitan's Finance, Affordability, Asset Management, and Efficiency Committee.

(4) If the member agency does not provide further documentation correcting Metropolitan staff findings within the 60-day comment period as specified in (g) (2), then

it shall be conclusively presumed that the District's findings are correct and the District's next monthly billing shall reflect such adjustment.

(h) **Discovery of Mistakes or Errors.** In the event a mistake or error is discovered in a District water sales record, the General Manager shall initiate appropriate corrective action. No mistake or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District. In the event a mistake or error is discovered by a member agency in its water sales record or certifications, no mistake or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District.

(1) A District water sales record shall include a water billing invoice, or district invoice for other water-related charges.

(2) If the District finds the mistake or error, the discovery of the mistake or error shall be documented in writing to the member agency. The date of discovery for corrective action purposes shall be the date notice is sent to the member agency.

(3) If the member agency discovers the mistake or error, the discovery of the mistake or error shall be documented in writing to the District by either a revised certification form or letter, whichever is applicable. The date of discovery for corrective action purposes shall be the date the certification or letter is received by the District.

(4) If an incorrect invoice has been issued to a member public agency, the General Manager shall notify the affected agency of any adjustment and the manner of making any required credit or charge, neither of which shall bear interest.

(5) Mistakes or errors shall also include but are not limited to mistakes or errors in metering or recording deliveries to member agencies, entry or calculation errors in fixed charges, discovery of errors in either a member agency or sub-agency submitted certification(s), or processing of a certification(s) for the Local Projects Program, the Local Resources Program, the Groundwater Recovery Program, Conservation Credit Program, or any other water management program or storage programs or agreements unless specified otherwise in the contract.

(6) Any mistakes or error for a fiscal year period that is less than five acre-feet cumulative by agency or sub-agency, by program or agreement, shall be waived.

(i) **Rate Change.** In the event that deliveries of water are made by the District to member public agencies over a billing period during which the District's water rates change, the General Manager may cause the meters recording deliveries of water during such period to be read at the end of the period and the statement of charges for such deliveries of water may be based on a proration between the previous and new water rates for the periods of time during which each were in effect as determined by the General Manager.

## Division V

## FINANCIAL MATTERS

### Chapter 1

#### ADMINISTRATIVE MATTERS

#### § 5104. Payment After Loss of Bond Interest Coupon.

(a) The Treasurer of the District is authorized to effectuate payment, without action of the Board, of a claim arising from the loss of a bond interest coupon that has been detached from a District bond or from the destruction of a bond interest coupon at any time after the date of its maturity, and the Treasurer has received:

(1) An affidavit or affidavits establishing the ownership of the coupon and reciting therein the circumstances under which it was lost or destroyed; and

(2) An indemnity bond in a penal sum which is at least the amount of the claim, said sum being specifically stated in said bond, said bond to be approved by the General Counsel and then filed with the Treasurer. The indemnity bond must include a rider substantially in the form hereinafter set forth:

(i) Rider.

This Rider is attached to and is a part of the Bond of Indemnity executed by the (enter name of insurance company) respecting the loss of coupons due coupons at \$     per coupon - total \$     , detached from \$     Bonds of THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, numbered     to     , %, maturing     , at \$     each bond in bearer form.

It is understood and agreed that in the event the balance in the coupon account respecting the above-described issue of bonds, maintained by the Treasurer of said District, should hereafter not be sufficient as a result of the payment of coupon(s) to provide for outstanding unpaid coupons, (enter name of insurance company) will reimburse The Metropolitan Water District of Southern California, up to the face amount of the coupon(s) paid under this indemnity contingent upon presentation by said District of (a) evidence that said District has paid the afore-described coupon(s) or (b) a certificate from the Treasurer of said District that there is a deficiency in said coupon account balance.

It is understood that within the first year after the due date of the afore-described coupon(s) that (enter name of insurance company) may request that the Treasurer of said District search the District's records to

ascertain if in fact the afore-described coupon(s) have been paid, but any such request shall only be honored by said Treasurer upon payment by (enter name of insurance company) of any fee required by said Treasurer to cover costs of such search.

Executed this        day of        , 20    .

(enter name of insurance company)

(b) The Treasurer shall report to the Finance, Affordability, Asset Management, and Efficiency Committee all payments made pursuant to this Section 5104.

### **§ 5105. Lost or Destroyed Bonds.**

(a) The Treasurer of the District is authorized to issue a new District bond or bonds similar to the original to replace it if the Treasurer has received:

(1) Proof satisfactory to the Treasurer that the bond has been lost or destroyed;  
and

(2) Security approved by the Treasurer and the General Counsel from the owner indemnifying the District against any loss incurred on account of the bond, such security to be equal to the principal amount of the bond and plus the aggregate amount of any attached interest coupons; and

(3) The costs for issuance of the new bond.

(b) The Treasurer shall report to the FAAME Committee of the Board all issuances of duplicate bonds made pursuant to this Section 5105.

### **§ 5107. Biennial Budget Process.**

(a) There shall be prepared each even-numbered year, under the direction of the General Manager, a proposed biennial budget covering District operations for the following two fiscal years. The proposed biennial budget shall be submitted to the Board no later than the date of the regular Board meeting in June immediately preceding the first fiscal year of the biennium to which the budget applies. The proposed biennial budget shall indicate by fund all anticipated expenses and required reserves and the source of revenues to be used to meet such expenses and provide such reserves. The proposed biennial budget will at a minimum include a five-year financial forecast. At least one Board Workshop on the proposed biennial budget will be conducted prior to submission of the proposed biennial budget for Board approval. The FAAME Committee shall review the proposed biennial budget in its entirety, together with the recommendations from the Board workshop, and report its recommendations to the Board.

(b) After considering the proposed biennial budget and making any revisions thereto that it may deem advisable, the Board shall adopt the biennial budget before the beginning of the

biennial period to which the budget applies. The amounts provided in the adopted budget for the biennial period for total expenses for operations and maintenance, including minimum and variable operations and maintenance charges under water or power contracts with the State, for capital charges under such contracts, and for debt service shall be deemed to be appropriated from the funds indicated in the budget.

(c) The adoption of the budget shall have no effect upon appropriations for capital projects and continuing expenditures not susceptible to immediate direct allocation, as described in Section 5108 hereof, and shall not establish any limitations on expenditures for such purposes.

(d) The total operations and maintenance budget shall be measured against the regional rate of inflation as measured by the five-year rolling average change in the Consumer Price Index (CPI) for the Los Angeles-Riverside-range County area, not seasonally adjusted, for all items as reported by the U. S. Bureau of Labor Statistics. The budget will include explanations of increases greater than the CPI due to unique conditions, growth or expansion of services.

### **Chapter 3**

## **SHORT-TERM REVENUE CERTIFICATES**

### **§ 5305. Report of Exercise of Authority.**

The General Manager shall report to the next following meeting of the Finance, Affordability, Asset Management, and Efficiency Committee of the Board any exercise of authority pursuant to this Chapter.

### **Division VI**

## **PERSONNEL MATTERS**

### **Chapter 1**

## **EMPLOYEE RELATIONS**

### **Article 2**

## **REPRESENTATION PROCEEDINGS**

### **§ 6113. Appeals.**

(a) An employee organization aggrieved by an appropriate unit determination of the Employee Relations Officer; or an employee organization aggrieved by a determination of the Employee Relations Officer that a Recognition Petition (Section 6105), Challenging Petition (Section 6107), Decertification Petition (Section 6109), Unit Modification Petition (Section 6111) --- or employees aggrieved by a determination of the Employee Relations Officer that a Decertification Petition (Section 6109) --- has not been filed in compliance with the



applicable provisions of this Article, may, within twenty (20) days of notice of the Employee Relations Officer's final decision request to submit the matter to mediation by the State Mediation and Conciliation Service, or may, in lieu thereof or thereafter, appeal such determination to the Organization, Personnel and Effectiveness (OPE) Committee for final decision within fifteen (15) days of notice of the Employee Relations Officer's determination or the termination of mediation proceedings, whichever is later.

(b) Appeals to the OPE Committee shall be filed in writing with the Board's Executive Secretary, and a copy thereof served on the Employee Relations Officer. The said committee shall commence to consider the matter within thirty (30) days of the filing of the appeal. The committee may, in its discretion, refer the dispute to a third-party hearing process. Any decision of the committee on the use of such procedures, and/or any decision of the committee determining the substance of the dispute shall be final and binding.

## **Article 5**

### **MISCELLANEOUS PROVISIONS**

#### **§ 6121. Interpretation and Administration.**

The General Manager shall have authority to interpret and administer provisions of this Chapter, subject to appeal to the Organization, Personnel and Effectiveness Committee.

## **Chapter 2**

### **PERSONNEL REGULATIONS**

#### **§ 6208. Pay Rate Administration.**

(a) Pay rate schedules, as approved by the Board, shall include pay rate grades and pay rate ranges consisting of minimum and maximum rates of pay for each position. Except by action of the Board, or as provided in Section 6208(d), the hourly pay rate paid each employee shall be at least the minimum but not in excess of the maximum hourly pay rate prescribed for the applicable position. Notwithstanding any other provision of this section, the salaries of the department heads shall be fixed as a flat rate.

(b) Pay rates for Department Heads shall be individually fixed by the Board. Pay rates for all employees shall be fixed by their respective Department Heads within the ranges fixed by the Board for such positions in accordance with practices, policies and procedures promulgated by the General Manager. The Board at its August meeting will review each Department Head's salary and compensation after determining an overall performance rating for each Department Head, and make adjustments as appropriate, if any, based on salary comparisons, pay rate survey and/or performance, with any change to be effective at the beginning of the pay period that includes the prior July 1.

(c) Job descriptions in terms of duties and responsibilities shall be prepared by the Director of Human Resources for each position. Job descriptions for positions requiring appointment or approval of appointment by the Board shall be submitted to the Board for approval. Job descriptions for positions peculiar to the Legal or Audit Departments or Ethics Office shall be subject to approval of the General Counsel, General Auditor, or Ethics Officer as appropriate. It shall be the duty of Human Resources to insure that all employees are properly classified.

(d) The General Manager is authorized to provide for payment at a "Y" rate to any employee whose position is reclassified to a position in a lower pay rate or the pay rate of whose position is reduced and the General Manager may maintain the employee at a "Y" rate until such time as the General Manager deems the "Y" rate to be no longer justified. As used herein, "Y" rate means a pay rate higher than the highest rate applicable to the employee's position.

(e) New employees, upon entering District service, will be placed by the Director of Human Resources at a salary grade and step within the salary range appropriate for the position available and the applicant's qualifications. Employees who are promoted to a position in a higher range shall be paid at least the minimum of such range but not more than four steps over their prior rate or the fifth step of the higher pay rate range, whichever is higher, but not in excess of the maximum rate specified for the position to which promoted. New employees are eligible for a merit increase after completion of a six-month probationary period. The eligibility date for subsequent merit reviews shall be 12 months from the most recent merit increase, promotion or demotion, whichever is later. Employees at the top step of the pay range will not be eligible for any merit increase. Merit increases will be awarded as provided for by Section 6211.

(f) Pay rates for temporary employees in District service are the rates paid to regular employees in the same classifications.

(g) Subject to Section 6211, the performance of regular employees other than Department Heads, will be annually reviewed by their Department Heads to determine eligibility for merit increases under evaluation procedures, guidelines and rules developed by the General Manager. Changes in pay rate ranges approved by the Board have no effect upon these limitations.

(h) Pay Rate Survey.

(1) As needed, the General Manager has the authority to cause a survey to be made of rates of pay and benefits of employees of other organizations specified by the Board, and may thereafter recommend to the Board revisions in the pay rate structure and benefits for employees. The survey need not include positions for which pay rates are established pursuant to a memorandum of understanding approved by the Board which is in effect for the entire calendar year. Action, if any, on the pay rate survey may be taken at the same meeting the survey information is presented or at a subsequent meeting. The General Counsel, General Auditor and Ethics Officer may also recommend to the Organization, Personnel and Effectiveness Committee revisions regarding positions peculiar to their own departments.

(2) The list of agencies to be used in the District's pay rate survey may include the following:

County of Los Angeles  
East Bay Municipal Utility District  
Los Angeles Metropolitan Transportation Authority  
Los Angeles County Sanitation District  
Los Angeles Department of Water & Power  
Orange County Water District  
San Diego County Water Authority  
San Francisco Public Utilities Commission  
State Department of Water Resources

The nine comparator agencies were selected by comparing the following factors: Industry (type of utility), total number of units managed, population served, total number of employees, total assets, net operating income, gross revenue, and total service area (square miles).

(i) For temporary construction personnel employed under authority of Section 6207(c), the General Manager is authorized to fix the hourly rates of pay at least equal to, but not more than 20 percent higher than, those so determined by the Board to be prevailing in the county in which such personnel primarily will be engaged.

#### **§ 6209. Discharge.**

(a) Unclassified employees, other than executive officers and their principal assistants, may be removed by their respective Department Heads, but may appeal such removal to the OPE Committee. The decision of the Committee will be final unless the Committee chooses to refer the appeal to the Board.

(b) Probationary employees serve at the pleasure of their respective Department Heads. Classified employees may be discharged, for cause, immediately by their respective Department Heads. When immediate discharge is not deemed appropriate, written notice shall be given at least 14 calendar days in advance of discharge for probationary employees and at least 30 calendar days in advance of discharge for other classified employees.

(c) Regular non-probationary classified employees who are discharged are afforded the due process rights provided under Section 6218 of this Code or as provided in the applicable memorandum of understanding.

### **Chapter 3**

## **GENERAL EMPLOYEE MATTERS**

### **Article 1**

**EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION****§ 6304. General Manager's Report on Equal Employment Opportunity Policy and Affirmative Action Program.**

Annually, the General Manager shall report to the Community and Workplace Culture Committee on the status of the equal employment opportunity policy and affirmative action program.

**Chapter 4****OFFICERS****Article 2****GENERAL MANAGER****§ 6416. Annual Report to Executive Committee**

The General Manager shall annually submit to the Executive Committee a business plan containing the General Manager's key priorities for the coming year. The business plan shall be submitted in conjunction with similar plans by the General Auditor to the Executive Committee and the Ethics Officer to the Community and Workplace Culture Committee and the General Counsel to the Legal and Claims Committee.

**Article 3****GENERAL COUNSEL****§ 6436. Annual and Quarterly Reports to Legal and Claims Committee.**

(a) The General Manager and General Counsel shall report quarterly to the Legal and Claims Committee the exercise of any power delegated to them by Sections 6433 and 6434. The General Counsel shall report quarterly to the Legal and Claims Committee the exercise of any power delegated to them by Section 6431.

(b) The General Counsel shall annually, in advance of the July Board meetings, submit to the Legal and Claims Committee a business plan containing the Legal Department's key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee and the General Auditor to the Executive Committee, and the Ethics Officer to the Community and Workplace Culture Committee.

**Article 4**

## GENERAL AUDITOR

### § 6450. Powers and Duties.

(a) The District's independent internal auditing function is governed by provisions of the California Government Code and by policies established by the Board of Directors. The Executive Committee is responsible for the oversight of the internal auditing function, approving the Audit Department charter (subject to review and approval of the Board of Directors), selecting and overseeing the work of external auditors, and reviewing reports issued by both the internal and external auditors.

(b) The General Auditor manages the District's Audit Department and is responsible for formulating departmental policies and procedures; directing and evaluating the performance of work done by employees within the department, administering the internal records of the department; and administering the District's contract for external audit services. The General Auditor shall, annually in advance of the July Board meetings, submit to the Executive Committee an Audit business plan containing key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee, the General Counsel to the Legal and Claims Committee and Ethics Officer to the Community and Workplace Culture Committee.

(c) The General Auditor shall report the findings, opinions, and recommendations which result from the performance of the duties outlined in paragraph 6450(b) to the General Manager, General Counsel and Ethics Officer for their information and appropriate actions. Whenever an audit report contains recommendations for corrective actions or changes in current practices, the General Manager, General Counsel, Ethics Officer or their designees shall respond to the General Auditor in an appropriate manner and within a reasonable time, indicating their views on the recommendations and proposed actions to be taken, if any.

(d) The General Auditor's reports on internal audit assignments shall be addressed to the Executive Committee. The General Auditor shall have the discretion to determine the form and content of such audit reports, subject to guidance by the Executive Committee. With the exception of those reports which the General Auditor deems to be urgent or confidential in nature, copies of all audit reports addressed to the Executive Committee shall be submitted to the General Manager and General Counsel for review and comment simultaneously to their submittal to the Executive Committee.

(e) The General Auditor shall transmit all reports issued by the District's external auditors to the Executive Committee and any other committees of the Board as may be applicable. Such transmittal letters should include any comments on the external auditor's reports that the General Auditor deems necessary.

(f) The General Auditor may receive requests from time to time from the other executive officers or committees of the Board to perform audit assignments which are not included in the approved annual Audit Business Plan. Similarly, the General Auditor may identify a need to include new assignments in the Audit Business Plan during the year. The General Auditor shall

have sufficient latitude and discretion to include those new assignments in the annual Audit Business Plan as the General Auditor deems necessary based upon their professional judgement and available resources. Requests from other committees of the Board and individual Board members desiring specific audit assignments shall be submitted to the Audit Committee for study, advise, and recommendation, or if such subcommittee is not currently in place, the Executive Committee. Once the audit assignment is approved by the Board, the General Auditor reserves the right to determine how to best fit the directed audit assignment into the Audit Business Plan. The reporting process for assignments requested by either executive management, by committees of the Board, or by individual Board members shall generally follow the process outlined in paragraphs 6450(c) or (d) previously.

(g) The General Auditor shall manage the work of the Audit Department in accordance with the Audit Department Charter. The General Auditor shall assess annually whether the purpose, authority and responsibility, as defined in this Charter, continue to be adequate to enable the Audit Department to accomplish its objectives.

## **Article 5**

### **ETHICS OFFICER**

Sec.

6470. Powers and Duties

6471. Authority to Obtain Professional Services

6472. Reports to Community and Workplace Culture Committee

#### **§ 6472. Reports to Community and Workplace Culture Committee.**

(a) The Ethics Officer shall annually, in advance of the July Board meetings, submit to the Community and Workplace Culture (CWC) Committee a business plan for the Ethics Office containing key priorities for the coming year for review and approval.

(b) The Ethics Officer shall prepare quarterly reports to the CWC Committee on activities concerning agreements executed pursuant to the authority given to the Ethics Officer in Section 6471, and bi-monthly reports related to pending investigations as specified in Section 6470.

#### **§ 6470. Powers and Duties.**

The powers and duties of the Ethics Officer shall be as follows:

(a) The Ethics Officer shall report to the Board, through the CWC Committee.

(b) The Ethics Officer shall oversee an Ethics Office staffed with professional, qualified persons.

(c) The Ethics Officer shall be free from political interference in fulfilling the responsibilities detailed in this article and in Division VII.

(d) The Ethics Officer shall have sole authority to interpret Metropolitan's ethics rules.

(e) The Ethics Officer shall propose amendments to the Administrative Code to the CWC Committee for approval and adoption by the Board, relating to:

- (1) Regulation of lobbying activities;
- (2) Conflicts of interest and financial disclosure;
- (3) Public notice and approval procedures for contracts of \$50,000 or more;
- (4) Disclosure of campaign contributions related to potential conflicts of interest;
- (5) Such other ethics rules for application to board members, officers, employees, lobbyists, lobbying firms, and contractors as deemed appropriate.

(f) The Ethics Officer shall educate, train, provide advice and seek compliance from board members, officers, applicable employees, lobbyist, lobbying firms, and Metropolitan contractors and subcontractors concerning:

- (1) The rules prescribed in Division VII;
- (2) The Political Reform Act of 1974, as amended and applicable regulations;
- (3) The conflict of interest rules of Government Code section 1090.

(g) The Ethics Officer shall investigate potential violations of ethics rules in Division VII by board members, officers, applicable staff, lobbyists, lobbying firms, and contractors consistent with the rules specified in Division VII. The Ethics Officer shall prepare status reports of pending investigations on a bi-monthly basis. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, the resolution of the investigation.

(h) The Ethics Officer shall be the filing officer on behalf of the District to receive and file Statements of Economic Interest pursuant to the California Government Code and Section 7501 of this Administrative Code.

(i) The Ethics Officer shall have the authority to confer with the Chair of the Board and the Chair and Vice Chair of the CWC Committee for the purpose of seeking advice and feedback on any policy and operational matters, or feedback on investigative matters, subject to the confidentiality requirements in section 7412 of the Administrative Code.

(j) The Ethics Officer shall have the authority to obtain, and have unrestricted access to all functions, documents, records, property, personnel and other information requested as part of an Ethics Office complaint or investigation without waiving any privileges that may apply.

#### **§ 6471. Authority to Obtain Professional Services.**

(a) The Ethics Officer is authorized to contract for independent legal counsel as they deem necessary in fulfilling duties and responsibilities of the Ethics Office. The Ethics Officer may contract with one or more attorneys or law firms depending on the areas of expertise needed. The amount to be expended in fees, costs and expenses under any one contract in any

one-year period shall not exceed \$100,000. The General Counsel shall review such contracts solely for consistency with Metropolitan's contract requirements. The General Counsel shall not have the authority to deny the Ethics Officer's ability to contract with any given party.

(b) The Ethics Officer is authorized to contract for professional services of outside investigators and investigation firms to conduct investigations under the Ethics Officer's purview. The amount to be expended in fees, costs, and expenses under any one contract in any one-year period shall not exceed \$250,000.

(c) The Ethics Officer is authorized to employ the services of other professional or technical consultants for advice and assistance in performing the duties assigned as may be required or as deemed necessary, provided that the amount to be expended in fees, costs and expenses under any one contract in any one year shall not exceed \$50,000.

(d) The Ethics Officer shall inform the CWC Committee whenever the authority granted under this section is exercised, and shall further report quarterly on activities concerning any agreements entered into under this section. Any such contracts shall be consistent with Metropolitan contract requirements and shall be reviewed by the General Counsel.

#### **§ 6472. Reports to Community and Workplace Culture Committee.**

(a) The Ethics Officer shall annually, in advance of the July Board meetings, submit to the CWC Committee a business plan for the Ethics Office containing key priorities for the coming year for review and approval.

(b) The Ethics Officer shall prepare quarterly reports to the CWC Committee on activities concerning agreements executed pursuant to the authority given to the Ethics Officer in Section 6471, and bi-monthly reports related to pending investigations as specified in Section 6470.

### **Division VII**

## **GOVERNMENTAL ETHICS**

### **Chapter 4**

## **INVESTIGATION BY THE ETHICS OFFICER**

### **Article 1**

## **AUTHORITY TO INVESTIGATE AND JURISDICTION**

#### **§ 7405. Investigations of Directors, General Manager, General Counsel, General Auditor, or Ethics Officer.**

(a) The Ethics Officer shall retain an outside counsel or investigator to conduct any investigation of alleged violations of Metropolitan ethics rules by a Director, General Manager,



General Counsel or General Auditor. The investigation shall be conducted in consultation with the Ethics Officer. The Ethics Officer shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the Ethics Officer shall notify the Community and Workplace Culture (CWC) Committee Chair, unless the Chair is the subject of the investigation, in which case the Vice Chair shall be notified.

(b) The Ethics Officer shall refer to the General Counsel any complaint of alleged violations of Metropolitan ethics rules by the Ethics Officer or any member of the Office staff. The General Counsel shall retain an outside counsel or investigator to conduct the investigation in consultation with the General Counsel. The General Counsel shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the General Counsel shall notify the CWC Committee Chair.

(c) The General Counsel shall review any contract with an outside counsel or investigator to ensure compliance with Metropolitan contracting requirements.

## **Article 2**

### **PROCEDURES FOR INVESTIGATIONS**

#### **§ 7411. Investigation Timeframe.**

(a) Investigations shall be conducted expeditiously and completed within 180 calendar days, except as provided in subparagraph (b). An investigation commences upon the Ethics Officer's determination to open an investigation, but in no event later than 30 calendar days from receipt of the complaint or referral.

(b) For good cause, an investigation may extend beyond 180 calendar days; provided, however, the Ethics Officer shall provide written notice to the subject of the investigation with an expected completion date. The Ethics Officer shall also notify the CWC Committee Chair whenever an investigation extends beyond 180 calendar days and provide periodic updates on the status of the investigation thereafter.

(c) For purposes of the 180 calendar day period specified in this section, an investigation terminates upon service of the Ethics Officer's report upon the subject of the investigation, or upon notice of no violation given to the subject of the investigation, pursuant to section 7416.

#### **§ 7412. Confidentiality of Investigations.**

(a) Investigations by the Ethics Officer shall be confidential to the fullest extent possible.

(b) The Ethics Officer has the discretion to disclose information related to investigations for significant operational or safety reasons.

(c) The Ethics Officer shall not unnecessarily disclose the identity of the subject of a complaint, except as needed in furtherance of the investigation or otherwise provided by Article 3 of this chapter.

(d) During the investigation, the Ethics Officer shall advise the subject of the investigation, the complainant, and any witnesses of the confidentiality of the investigation.

(e) The Ethics Officer may confer with the Chair of the Board and the Chair and Vice Chair of the CWC Committee on any investigative matter subject to the following:

- (1) The communications shall be for the purpose of feedback.
- (2) The communications shall be confidential.
- (3) The restrictions on interference with investigations in section 7129(d).

(f) The Ethics Officer shall, to the extent possible, protect the identity of any complainant.

## **Division VIII**

### **CONTRACTS/DISTRICT PROPERTY**

#### **Chapter 2**

#### **DISTRICT PROPERTY**

#### **Article 4**

### **DISPOSITION OF REAL PROPERTY**

#### **§ 8248. Disposal of Unnecessary Improvements.**

(a) The General Manager is authorized to dispose of, in the manner the General Manager deems to be in the best interest of the District, any improvements that must be removed to make land acquired for District operations suitable for District use.

(b) The General Manager shall report quarterly to the Finance, Affordability, Asset Management, and Efficiency (FAAME) Committee the details of any transactions during the preceding quarter in which an improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District.

#### **§ 8257. Quarterly Reports.**

The General Manager shall report to the FAAME Committee quarterly on any real property sold pursuant to this Article.



Legal and Claims Committee

# Chair's Amendments to the Administrative Code

Item 7-12

March 11, 2025

## Item # 7-12

# Modify Committees and Officers' Roles

## Subject

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of various committees and the roles of specified board and committee officers

Amendments based on Board approval of Chair's recommendations, February 11, 2025, Item 6B

# Committee Changes

- Organization, Personnel and **Effectiveness**
- Finance, **Affordability**, Asset Management, and **Efficiency**
- **Community and Workplace Culture**
- **One Water and Adaptability**
- **Audit Committee**

## Other Committee Changes

- Create an Imported Water Subcommittee
- Eliminate Ad Hoc Committees re:
  - Bay-Delta Negotiations
  - Colorado River
  - San Diego Litigation
  - Boundary Changes

## Standing Committees

### More flexible monthly meeting schedules

- Monday Before Board
- Second Tuesdays
- Fourth Tuesday – added

Audit will meet quarterly.

## Board Vice Chairs

No more fixed “portfolios”

Vice Chairs shall act ex officio in the Chair’s absence at committees.

Vice Chairs may:

- Vote to break ties
- Maintain a quorum, if present

Vice Chairs may preside in absences



## Ad Hoc Committees

### Providing reports

To provide reports to Executive Committee and other committees where the subjects are relevant

## Committee Vice Chairs

### *Alternate on Executive Committee*

To act as an alternate on the Executive Committee for absent committee Chairs

# Legislation and Communications

## Two Vice Chairs

The Board Chair shall designate two Vice Chairs for the committee

- One to preside over legislative affairs
- The other over communications matters

## Changes in Committee Roles

### Effectiveness and Efficiency

- Community and Workplace Culture Committee
  - Ethics and EEO oversight

### Organization, Personnel and Effectiveness

- Workforce training
- Top-tier recruitment
- Personnel

# Board Options

- **Option #1**  
Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and functions of various committees and the roles of specified board and committee officers
- **Option #2**  
Do not approve

# Staff Recommendation

- Option #1





Schonbrun Seplow Harris  
Hoffman & Zeldes, LLP

RECEIVED

MAY 13 2024

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
LEGAL DEPARTMENT

**CONFIDENTIAL**

May 13, 2024

**VIA HAND DELIVERY**

Metropolitan Water District of Southern California  
700 North Alameda Street  
Los Angeles, CA 90012  
Attn.: General Counsel Marcia Scully

Re: *Heather Beatty v. Metropolitan Water District of Southern California*  
Claim Pursuant to Government Code Section 910, et seq.  
Demand Under Labor Code Section 2802 and Government Code Sections 825,  
et seq. and 995, et seq.

To Metropolitan Water District of Southern California:

This letter constitutes a claim on behalf of Heather Beatty pursuant to Government Code Section 910, et seq., with respect to claims arising from ongoing retaliation and other violations of law suffered during her employment with Metropolitan Water District of Southern California ("MWD"). This letter also contains a demand under Labor Code Section 2802 and Government Code Sections 825, et seq. and 995, et seq. Below are details of Ms. Beatty's claim and demand against MWD.

*As a preliminary matter, please notify me immediately if MWD will require my office to deliver this claim and demand to the Executive Secretary of the MWD Board of Directors.* Ms. Beatty is aware that more routine claims such as for property damage are so delivered, but that the claims are then circulated among numerous MWD staff across departments. Because of the nature of this claim and demand, that type of circulation would be inappropriate and further damage Ms. Beatty. Moreover, Ms. Beatty is aware that other employment claims made under Government Code Section 910, et seq. have been delivered directly to the Legal Department and have been accepted.

**The name and post office address of the claimant:**

Heather C. Beatty, Esq.  
c/o Wilmer J. Harris, Esq.  
Schonbrun Seplow Harris Hoffman & Zeldes LLP  
715 Fremont Avenue, Suite A  
South Pasadena, CA 91030  
Tel.: (626) 441-4129

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715 Fremont Avenue, Suite A, South Pasadena, CA 91030  
Tel.: (626) 441-4129 | Fax: (626) 283-5770 | www.sshhzlaw.com



Fax: (626) 283-5770

**The post office address to which the person presenting the claim desires notices to be sent:**

Wilmer J. Harris, Esq.  
Schonbrun Seplow Harris Hoffman & Zeldes LLP  
715 Fremont Avenue, Suite A  
South Pasadena, CA 91030  
Tel.: (626) 441-4129  
Fax: (626) 283-5770

**The date, place, and other circumstances of the occurrence or transaction which gave rise to the claim asserted.**

**A. Heather Beatty Is An Exemplary Attorney and MWD Employee.**

Heather Beatty began working for MWD's Legal Department in 2008 as a Senior Deputy General Counsel, after a successful career in private practice including partnership at the international law firm Bingham McCutchen, where MWD was one of her clients. Her lifelong pattern of academic and professional success, conducted with integrity, continued unabated at MWD and she was promoted to an Assistant General Counsel in 2012, placing her as part of MWD's executive management. Ms. Beatty has always provided exemplary service to MWD, resulting in increasing responsibilities and professional acknowledgement and respect. Throughout her tenure at MWD, Ms. Beatty has received the highest rating, "outstanding," in every evaluation.

Ms. Beatty has provided legal representation to MWD on litigation, finance, labor/employment, governance, external affairs, technology, and operational matters, and until recent years on ethics matters as well. She has overseen litigation and finance work of Legal, including managing a series of complex and significant finance cases that have resulted in savings for MWD of over \$500 million in recent years and billions of dollars going forward. Ms. Beatty also assists the General Counsel in managing the Legal Department (which consists of about twenty attorneys, as well as other staff).

**B. MWD Retaliates Against Ms. Beatty for Engaging in Protected Whistleblowing Conduct and Engages in Other Unlawful Conduct Against Her.**

MWD should be well aware of the whistleblowing report Ms. Beatty made on February 25, 2022, which she expanded upon on June 30, 2022 and July 13, 2022, and which was preceded by Ms. Beatty's unsuccessful efforts beginning in December 2021 to prevent Ethics officials' violations of law and ethical standards. In summary, Ms. Beatty engaged in conduct protected by Labor Code Section 1102.5 and the Fair Employment and Housing Act ("FEHA"), among other laws and regulations, by acting in compliance with local, state, and federal law; refusing to engage in unlawful and unethical conduct at MWD; and reporting unlawful conduct. In 2023, Ms. Beatty also made a report and sought the correction of false information that had

been submitted to a government agency on MWD's behalf, which too was conduct protected by Labor Code Section 1102.5.

In retaliation for Ms. Beatty's protected conduct, MWD has subjected Ms. Beatty to a campaign of retaliation, defamation, and harassment and discrimination due to her gender that has caused her significant emotional distress and diminished and harmed her professional reputation and potentially her livelihood.

Specifically, Ethics Officer Abel Salinas and Assistant Ethics Officer Peter von Haam failed and refused to comply with the California Public Records Act, sought to force Ms. Beatty's violation of that law, engaged in a series of other unlawful and unethical conduct, and made false and defamatory internal and external statements about Ms. Beatty's work performance and professional integrity, as a result of her protected conduct beginning in December 2021 and her whistleblower report in February 2022. Upon information and belief, the false and defamatory statements continue to the present day.

Rather than address Ms. Beatty's whistleblower report properly and with due care, MWD unreasonably and it appears deliberately mishandled the matter. That this was occurring was signaled by the fact that Director Marsha Ramos - the director with oversight responsibility over Ethics, who received Ms. Beatty's whistleblower report, and was one of three directors assigned to the ad hoc committee of the Board of Directors that was charged with handling most of the report - engaged in gratuitous, effusive public praise of the Ethics Officer while the matter was under investigation. The ad hoc committee then issued to Ms. Beatty a series of contradictory and pretextual closing communications over several months. The final closing communication of the ad hoc committee, labeled a "draft," revealed that in contrast to representations in earlier closing communications, many of Ms. Beatty's allegations in fact were ignored and were only addressed against one of the two respondents (without identifying which). That communication also confirmed that contrary to earlier closing communications that nothing she alleged was substantiated, it was in fact substantiated that "the respondent" was found to have prevented Ms. Beatty's compliance with the law on behalf of MWD, as she reported. Inexplicably, this unlawful conduct by MWD's Ethics official(s) was stated to nevertheless be acceptable, without identifying who had made such an extraordinary decision on behalf of MWD with future significant repercussions for MWD's operations.

The ad hoc committee also stated that they "understand" (although apparently did not bother to confirm) that a portion of Ms. Beatty's complaint was being handled by the EEO Officer: EEO allegations regarding the Assistant Ethics Officer. Yet, EEO Officer Jonaura Wisdom failed and refused to provide any communication to Ms. Beatty about this whatsoever. Moreover, the EEO Officer failed to afford Ms. Beatty any of the mandated retaliation protections, even while the EEO Office informed the Board that it always does so. Ms. Beatty is informed and believes based on the EEO Office's required protocols to involve its independent counsel, that the EEO Officer's independent counsel Camille Hamilton Pating of Meyers Nave participated in this retaliatory mistreatment of Ms. Beatty.

When Ms. Beatty elevated to Chair of the Board Adan Ortega the failure and refusal of MWD to address many of her serious allegations and the conclusion on behalf of MWD that Ethics official(s) may violate the law and force others to do so, neither the Chair nor anyone else on behalf of MWD addressed this. The Chair simply ignored Ms. Beatty's last communication on the topic in December 2023, just as the ad hoc committee had ignored her communications in October and November 2023.

In addition, beginning in January 2023, Ms. Beatty reported misrepresentations made to a government agency on MWD's behalf and sought for this to be corrected, and was retaliated against for doing so. In connection with her litigation responsibilities, Ms. Beatty learned that Ms. Hamilton Pating on behalf of the EEO Officer had submitted to the California Civil Rights Department ("CRD") a complaint response of MWD that contained multiple incorrect and misleading statements. The CRD case was still open and this was fixable. Ms. Beatty notified her manager General Counsel Marcia Scully, Redacted

[Redacted]

<sup>1</sup> Ms. Hamilton Pating was very hostile about this. The incorrect and misleading response was never corrected, that CRD case was closed with the response standing as the official statement of MWD, and it may become a factor in pending litigation to MWD's (and the General Manager's) detriment. Among the inaccuracies in the response is the omission of the General Manager's involvement despite a direct question by the CRD, his own public statements about his involvement, and the fact that the EEO Officer recused herself because of his involvement. Also among the incorrect statements was that the Board of Directors considered a matter and took an action that never occurred.

Moreover, Ms. Beatty has suffered unlawful harassment and discrimination based on her gender. In the course of her work, MWD subjected Ms. Beatty to hostile, demeaning treatment that her male counterparts did not suffer and caused the diminishment of her responsibilities and marginalization due to her gender. Ms. Beatty's report of harassment due to gender was mishandled, and it was ignored entirely as to at least one respondent. The gender harassment has continued and Ms. Beatty has subsequently experienced gender discrimination as well.

MWD's campaign of retaliation against Ms. Beatty and other mistreatment has eroded her well-earned reputation for professionalism and integrity among MWD management and executive leadership in the period from December 2021 to the present. For example and notably,

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<sup>1</sup> Ms. Beatty's and the General Counsel's communications with Ms. Hamilton Pating are not privileged. The Legal Department, which represents MWD, has no professional relationship with Ms. Hamilton Pating. Pursuant to Board direction, she is independent counsel for the EEO Officer, and the General Manager has also made her his own employment counsel. And in this situation in particular, there was no common interest in an incorrect and misleading submission to a government agency.

on March 12, 2024, the General Manager and the Chair of the Board continued the ongoing pattern of retaliation, defamation, and gender harassment and discrimination in an egregious fashion by falsely accusing Ms. Beatty of misconduct while she was giving a presentation to the Legal and Claims Committee of the Board about four employment cases which she was responsible for managing on behalf of MWD.<sup>2</sup>

Redacted

Redacted

The statements were knowingly false. As the General Manager well knows, the investigation findings (which Ms. Beatty had no involvement in) are in writing, the General Manager was briefed on the findings by management and engaged in decision making on behalf of MWD as a result, and the findings have been known to him for nearly three years. Redacted

As the Chair of the Board well knows, Ms. Beatty did not withhold any investigation reports from the Board and instead it was the Ethics Officer - who oversaw and was responsible for the investigations - who did so. Indeed, the Chair knows that part of Ms. Beatty's unaddressed whistleblower report is that in 2022 after directors requested the investigation reports, the Ethics Officer and Assistant Ethics Officer created false "summaries" and provided these to the Board instead of providing the reports; tried to force Ms. Beatty's participation in that effort and retaliated against her for refusing to participate; and suggested she misrepresent the falsified documents as supposed compliance with Public Records Act requests for the reports.

Despite the outrageous and unfounded attacks on Ms. Beatty while she tried to fulfill her work requirements, Redacted

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<sup>2</sup> While these statements occurred in closed session, they are not privileged for at least two reasons: (1) they are not part of the proper scope of the closed session; and (2) the Chair of the Board, upon advice of outside counsel, has taken the position on behalf of MWD that a whistleblower may discuss statements made in closed session. Ms. Beatty's discussion of this information is as a whistleblower.

Shockingly, immediately after the meeting and despite Ms. Beatty being visibly upset, the General Manager continued this campaign against Ms. Beatty when he blocked her from gathering her belongings; then placed and held his hand on her shoulder, holding her in place in an aggressive and intimidating manner; and as he did so, got close to her face and said he needed to defend himself. His offensive and threatening physical action and restraint of Ms. Beatty was outrageous and extraordinarily upsetting. It was extreme enough that an employee who witnessed the incident from across the room sent Ms. Beatty an unsolicited email shortly after, documenting what he saw and noting others were watching intently too.

The General Manager and the Chair of the Board are clearly pleased with their attack on Ms. Beatty and their success in causing Ms. Beatty distress, which was apparent. Neither has said anything to Ms. Beatty about what they did on March 12 - not one word of apology, explanation, or concern, or even any acknowledgement of what occurred. However, both continue to make public statements professing to care about all employees and employees' safety and work environment. And the Chair continues to make laudatory public remarks about the Ethics Officer.

Notably, four high-level staff of the General Manager who have leadership roles in addressing mistreatment of employees were present in the March 12 meeting and observed what occurred. None have contacted Ms. Beatty about this either, clearly following the General Manager's lead that she is an employee who is to be devalued, mistreated, and marginalized. In contrast, multiple directors reached out to Ms. Beatty thanking her for speaking truthfully and expressing support.

As a result of continued unwarranted attacks on Ms. Beatty's professional ability and integrity and other mistreatment, and her own need to not be in the position of being forced to violate the law or further attacked, Ms. Beatty has been subjected to further limitations on her work for MWD, reduction of her position and responsibilities, yet more diminution of her opportunities for continued advancement and promotion, and marginalization.<sup>3</sup>

**The name or names of the public employee or employees causing the injury, damage, or loss, if known.**

Abel Salinas; Peter von Haam; Directors Marsha Ramos and Cynthia Kurtz, and former Director Richard Atwater (agents of MWD, assigned responsibilities of MWD as ad hoc committee members); Jonaura Wisdom; Adan Ortega (agent of MWD, assigned responsibilities of MWD including over ad hoc committee members); Adel Hagekhalil; Camille Hamilton Pating (Meyers Nave, acting on behalf of and in concert with her clients Jonaura Wisdom and Adel Hagekhalil).

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<sup>3</sup> Ms. Beatty can provide more specific information about the facts underlying her claim as requested.

**A general description of the indebtedness, obligation, injury, damage, or loss incurred so far as it may be known at the time of presentation of the claim.**

Ms. Beatty has suffered and continues to suffer substantial economic losses (in the form of the reduction and instability of her existing position and diminished career prospects) and severe emotional injuries as a direct and proximate result of conduct by employees and agents of MWD. As a result of the above-discussed conduct, Ms. Beatty will bring causes of action that include, but are not limited to, retaliation in violation of Labor Code Section 1102.5; gender harassment, discrimination, and retaliation in violation of FEHA; failure to prevent gender harassment, discrimination, and retaliation in violation of FEHA; defamation; battery; false imprisonment; negligent supervision; intentional infliction of emotional distress; and other state and federal civil rights violations, among other claims.

**Superior Court Jurisdiction.**

Ms. Beatty's damages are far in excess of the minimum jurisdiction of the Los Angeles County Superior Court.

**Cessation of Retaliation and Other Unlawful Conduct.**

*Please ensure that retaliation and other unlawful conduct against Ms. Beatty ceases immediately.* Due to her above-stated experience, Ms. Beatty cannot utilize MWD's internal complaint procedures without facing further and more severe retaliation and other mistreatment, all while any such complaint is mishandled and/or ignored. Therefore, this claim and subsequent legal action are the only way she can attempt to protect herself.

**Demand Under Labor Code Section 2802 and Government Code Sections 825, et seq. and 995, et seq.**

Ms. Beatty hereby makes a demand for MWD's payment and indemnity for all necessary expenditures and losses, including but not limited to attorney's fees for her defense and all other reasonable costs, that she incurs as a result of pending California State Bar Case No. 22-O-12952.

On November 14, 2023, Ms. Beatty learned that Assistant Ethics Officer Peter von Haam had filed a false and retaliatory complaint about her with the California State Bar in 2022 as a result of her above-described protected activity. Ms. Beatty engaged in no professional misconduct and instead at all times acted properly within the course and scope of her employment with MWD and in the proper discharge of her duties for MWD. Ms. Beatty is legally entitled to MWD's payment and indemnity for all expenditures and losses that she necessarily incurs as a result of the complaint.

On November 15, 2023, General Counsel Marcia Scully by email informed Chair of the Board Adan Ortega **Redacted**

**Redacted**  
Ms. Beatty's response to the

Metropolitan Water District of Southern California  
May 13, 2024  
Page 8

complaint was submitted to the State Bar by her legal counsel on March 4, 2024, the matter is pending, and it may be pending for years.

Based on the above-described events and in particular the retaliatory and defamatory conduct of the Chair of the Board on March 12, 2024, Ms. Beatty does not wish to rely solely on the email statement of the Chair regarding authorization for MWD's payment of the defense. Accordingly, Ms. Beatty makes this formal demand for MWD's payment and indemnity for all expenditures and losses, including costs of defense, associated with Case No. 22-O12952.

**Requested Communication to the Board of Directors.**

We request that this letter be provided to the MWD Board of Directors promptly and confidentially.

Sincerely,

SCHONBRUN SEPLOW HARRIS  
HOFFMAN & ZELDES LLP



Wilmer J. Harris



**Kerry Garvis Wright**  
T 310.553.3000  
D 310.556.7889  
kgarviswright@glaserweil.com

January 28, 2025

**CONFIDENTIAL**

**BY EMAIL**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
700 North Alameda Street  
Los Angeles, California 90012  
Attn: Henry Torres, Jr., Esq.  
Assistant General Counsel  
htorres@mwdh2o.com

Re: *Adel Hagekhalil vs. Metropolitan Water District of Southern California, et al.*  
**NOTICE OF CLAIMS PURSUANT TO GOVERNMENT CODE SECTION 910, ET  
SEQ.**

To Metropolitan Water District of Southern California:

Pursuant to Government Code section 910, et seq., this constitutes notice of claims on behalf of Adel Hagekhalil (“Mr. Hagekhalil” or “Claimant”) against the Metropolitan Water District of Southern California (“Metropolitan” or “the District”) and others. These claims arise out of Mr. Hagekhalil’s employment with the District and include, but are not limited to unlawful retaliation and racial and ethnic discrimination.

What is described below is only a fraction of what Mr. Hagekhalil has experienced during his tenure with Metropolitan, and, as the General Manager who oversees the entire agency and is accountable to the Board, has had visibility into all of the unlawful and unethical conduct—and not just that directed toward him. Therefore, Mr. Hagekhalil expressly reserves the right to, and will, amend this notice of claims, including in particular if any further adverse employment actions are taken against him.



## Circumstances Which Give Rise to the Claims

### Retaliation

Mr. Hagekhalil has been subjected to a continued pattern of retaliation for having engaged in protected activity and otherwise blowing the whistle on conduct he reasonably believed to be unlawful and/or unethical. Mr. Hagekhalil was retaliated against for engaging in among other protected activity, the following:

- Opposing unlawful workplace retaliation as was identified by the [Redacted] and by the State Auditor;
- Insisting on compliance with the recommended disciplinary actions for the unlawful conduct identified by the [Redacted];
- Opposing those who sought to undermine investigations, [Redacted];
- Changing Human Resources leadership, [Redacted] for other management decisions in the best interest of the District;
- Supporting the Ethics Office in the fulfillment of its duties;
- Opposing certain staff and Board members who had clear conflicts of interests and attempted to steer Metropolitan action in furtherance of their [Redacted];
- Improving working conditions in the desert facilities, preventing harassment and favoritism in promotions and work assignments, and other reforms; and
- Refusing to provide special favors and support to Board members and senior staff for their special interests, business interests and relationships, and political agendas.

The retaliatory conduct took many forms, including but not limited to:

- Aiding and coordinating [Redacted] complaints against Mr. Hagekhalil, [Redacted];
- Amending complaints against Mr. Hagekhalil by Board leadership;
- Placing Mr. Hagekhalil on “temporary” administrative leave and then extending the leave without justification, while preventing Mr. Hagekhalil from performing in his role as General Manager;
- Preventing Mr. Hagekhalil from being able to adequately respond to the [Redacted] made against him, including but not limited to, by restricting his access to the District’s offices and staff and his emails, files, and other documents;
- Leaking confidential complaints, investigative reports, confidential personnel files as part of a smear campaign to cause harm to Mr. Hagekhalil’s reputation;

- Improperly colluding in violation of the Brown Act to manufacture charges and recruit complaints against Mr. [Redacted];
- Improperly interfering in the investigation of complaints made against Mr. Hagekhalil, blatantly defying the findings of the State Auditor, which found that the Board and the General Counsel improperly interfered in Ethics complaints; and
- Refusing to give Mr. Hagekhalil his performance evaluation (which reflected exceptional performance) and a cost of living increase, which was given to others.

Among others, Mr. Hagekhalil has claims for: (1) retaliation in violation of FEHA (Gov't Code § 12940(h)); (2) retaliation in violation of Labor Code § 1102.5; and (3) retaliation in violation of Gov't Code § 8547.10.

### **Discrimination, Harassment, and Hostile Work Environment**

Mr. Hagekhalil is proudly the first Arab and Muslim-American General Manager in Metropolitan's 100 years of history. Regrettably, he has been subjected to unlawful discrimination and harassment on the basis of his ethnicity, race, and/or religion. When he competed for the General Manager role in 2021, he was subjected to racist behaviors by certain Board members who voted against his appointment. Since his appointment, those same Board members and others have continued to harbor ethnic, racial, and/or religious animus against Mr. Hagekhalil and have participated in making adverse employment decisions against Mr. Hagekhalil that were motivated by such ethnic, racial, and religious animus. The Board has treated Mr. Hagekhalil far differently than his—white, male—predecessor, [Redacted] District failed to prevent such discrimination and harassment and, worse, tolerated and condoned such unlawful conduct.

When Mr. Hagekhalil and others on his behalf complained of the discrimination, Mr. Hagekhalil was retaliated against in various ways, including but not limited to unfair and disparate treatment in how the District responded to and purported to investigate [Redacted] that were made against Mr. Hagekhalil.

Shockingly, Board members have made racist and bigoted comments about Arab and Muslim Americans on several occasions. Board leadership demeaned Mr. Hagekhalil [Redacted].

Among others, Mr. Hagekhalil has claims for: (1) discrimination based on ethnicity/race/religion in violation of the Fair Employment and Housing Act ("FEHA") (Gov't Code § 12940(a)); (2) failure to prevent discrimination in violation of FEHA (Gov't Code § 12940(k)); and (3) hostile work environment in violation of FEHA (Gov't Code § 12940(j)).

**Public Employees Causing the Injury, Damage, and Loss**

Among others, the following have caused the injury, damage, and loss that Mr. Hagekhalil has suffered: Board members, [Redacted], and [Redacted].

**Amount of the Claims**

The amount claimed exceeds \$10,000 and will not be filed as a limited civil case. As Mr. Hagekhalil's damages greatly exceed the \$35,000 jurisdictional limit for limited civil cases.

Mr. Hagekhalil has suffered substantial economic and non-economic damages, including emotional distress damages caused by the unrelenting discrimination, harassment, and retaliation he endured. Mr. Hagekhalil has also suffered significant and irreparable harm to his personal and professional reputation, impairing his ability to obtain future employment, costing him millions of dollars in lost compensation and pension and other benefits. All told, we believe the damages will exceed \$10 million, plus Mr. Hagekhalil will be entitled to his attorneys' fees and costs as the prevailing party in the litigation.

**Name and Post Office Address of Claimant**

Adel Hagekhalil  
c/o Patricia L. Glaser, Esq. and Kerry Garvis Wright, Esq.  
Glaser Weil Fink Howard Jordan & Shapiro LLP  
10250 Constellation Blvd., 19<sup>th</sup> Floor  
Los Angeles, CA 90067

**Post Office Address to Which Notices Should Be Sent**

Patricia L. Glaser, Esq.  
Kerry Garvis Wright, Esq.  
Glaser Weil Fink Howard Jordan & Shapiro, LLP  
10250 Constellation Blvd., 19<sup>th</sup> Floor  
Los Angeles, CA 90067

Respectfully submitted,

*Kerry Garvis Wright*

Kerry Garvis Wright  
of GLASER WEIL FINK HOWARD JORDAN & SHAPIRO LLP

cc: Adan Ortega, Jr., Chair, MWD Board of Directors + Board Members  
Adel Hagekhalil  
Jennifer Rosner, Esq.  
Patricia L. Glaser, Esq.