



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

1/14/2025 Board Meeting

7-6

Subject

Report on litigation in Darren A. Reese v. Metropolitan Water District of Southern California, Riverside County Superior Court Case No. CVPS2204312, and authorize increase in the maximum amount payable under a contract for legal services with Seyfarth Shaw LLP in the amount of \$150,000 for a total amount not to exceed \$900,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This is a request from the General Counsel's Office to authorize an increase in the amount payable under a contract with Seyfarth Shaw LLP (Seyfarth) in Darren A. Reese v. Metropolitan Water District of Southern California, an employment case filed in Riverside County Superior Court in October 2022. The case resolved shortly before the October 2024 trial. In November 2024, the court entered dismissal of the case with prejudice. The requested contract increase of \$150,000, to a contract maximum not to exceed \$900,000, would fund Seyfarth's last portion of work on the case, including in connection with pre-trial motions, final discovery, settlement negotiations, and completing the settlement.

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

Staff Recommendation: Option #1

Option #1

Authorize increase in the maximum amount payable under a contract for legal services with Seyfarth Shaw LLP for Darren A. Reese v. Metropolitan Water District of Southern California, Riverside County Superior Court Case No. CVPS2204312, in the amount of \$150,000 for a total amount not to exceed \$900,000.

Fiscal Impact: Additional legal costs of \$150,000 funded by the self-insured retention fund.

Business Analysis: The requested increase would fund Seyfarth's last portion of work on the case, including completing settlement.

Option #2

Do not authorize the requested increase in the contract with Seyfarth Shaw LLP.

Fiscal Impact: None

Business Analysis: Metropolitan would not pay Seyfarth for work performed to Metropolitan's benefit, which the General Counsel's Office has determined was appropriate.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 6430(d): Powers and Duties (employment of attorneys)

Metropolitan Water District Administrative Code Section 6431: Authority to Obtain Expert Assistance (including special counsel)

Metropolitan Water District Administrative Code Section § 6433(e): Authority to Litigate, Compromise and Settle Claims by and Against the District

Metropolitan Water District Administrative Code Section § 11104: Delegation of Responsibilities

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

Not applicable

California Environmental Quality Act (CEQA)

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(s) for Option #2:

None required


Details and Background

Employee Darren Reese filed his lawsuit in Riverside County Superior Court in October 2022. He alleged causes of action for gender and race harassment and discrimination, retaliation, and failure to prevent harassment, discrimination, and retaliation, all under the California Fair Employment and Housing Act. The General Counsel retained the Seyfarth law firm to defend Metropolitan in the case.

Over the nearly two years of litigating the case, the parties engaged in depositions, document productions, written discovery, and motion proceedings. In June 2023, the parties participated in an unsuccessful mediation. A jury trial was scheduled for October 2024. In June 2024, Metropolitan filed a motion for summary judgment or, in the alternative, summary adjudication, requesting the dismissal of all or part of the case before trial, which was to be heard by the court in September 2024.

In late August 2024, the parties reached a resolution of the case with the assistance of the mediator who conducted the June 2023 mediation. The resolution was within the authority of the General Manager and General Counsel under the Administrative Code. On September 3, 2024, the parties jointly requested that the court cancel the October 2024 trial and pre-trial hearings. The parties engaged in the required steps to complete the settlement through November 2024. On November 25, 2024, the court dismissed the case with prejudice.

Seyfarth's final invoices include its last portion of case work, including in connection with pre-trial motions, final discovery, settlement negotiations, and settlement completion. The General Counsel's Office reviewed the final invoices and obtained Seyfarth's agreement to reasonable reductions. The requested contract increase of \$150,000, for a total amount payable under the contract of \$900,000, will complete Metropolitan's payment obligations to Seyfarth for its defense of this case. The General Counsel's Office has determined that payment of \$150,000 to fund Seyfarth's final case work is appropriate.



Marcia Scully
General Counsel

12/30/2024

Date