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.

<u>L&C Committee</u> M. Luna, Chair	Legal and Claims Committee	Tuesday, February 8, 2022 Meeting Schedule
J. Garza, Vice Chair M. Camacho	Meeting with Board of Directors *	09:00 a.m L&C
G. Cordero L. Dick	February 8, 2022	10:00 a.m Jt L&C/OP&T
L. DICK C. Douglas C. Kurtz T. McCoy C. Miller	9:00 a.m.	10:30 a.m OP&T 11:30 a.m Break 12:00 p.m BOD
G. Peterson M. Ramos K. Seckel	Agendas, live streaming, meeting schedules, and available here: https://mwdh2o.legistar.com/Caler technical difficulties with the live streaming page available at 1-877-853-5257; enter meeting ID: 862 public may present their comments to the Board of jurisdiction as listed on the agenda via in-person participate via teleconference 1-833-548-0276 and 4276 or click https://us06web.zoom.us/j/81520664276pwd=a1R ² R1c2Zz09	ndar.aspx. If you have , a listen-only phone line is 4397 5848. Members of the on matters within their or teleconference. To enter meeting ID: 815 2066

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

* 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.

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))

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

2. MANAGEMENT REPORTS

a. General Counsel's report of monthly activities

Attachments: 02082022 LC 2a Report - Revised

3. CONSENT CALENDAR OTHER ITEMS - ACTION

21-845

Legal and Claims Committee

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A. Approval of the Minutes of the Meeting of the Legal and Claims <u>21-854</u> Committee held January 11, 2022

Attachments: 02082022 LC 3A minutes.pdf

4. CONSENT CALENDAR ITEMS - ACTION

** END OF CONSENT CALENDAR ITEMS **

5. OTHER BOARD ITEMS - ACTION

NONE

6. BOARD INFORMATION ITEMS

NONE

7. COMMITTEE ITEMS

- a. Discussion of Department Head Performance and Goal Setting <u>21-846</u>
 [Public employees' performance evaluations General Counsel; to be heard in closed session pursuant to Gov. Code Section 54957]
- Report on litigation, including discussions regarding potential b. 21-847 settlement, 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-16-515391, CPF-14-514004, CPF-16-515282, 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; and the Metropolitan Water District of Southern California v. San Diego County Water Authority cross-complaints in the 2014, 2016, and 2018 actions. [Conference with legal counsel - existing litigation; to be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1)]

8. FOLLOW-UP ITEMS

NONE

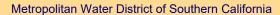
9. FUTURE AGENDA ITEMS

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. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. 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 http://www.mwdh2o.com.

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.







State Water Project Contract Extension Litigation (Sacramento Superior Court)

On February 10, Judge Culhane issued a Tentative Decision validating the State Water Project (SWP) Contract Extension Amendments (Amendments) approved by the California Department of Water Resources (DWR) in December 2018. These Amendments extend the term of the SWP Contracts (Contracts) to 2085 and make certain other revisions aimed at improving the financial management and fiscal integrity of the SWP moving forward.

DWR has Contracts with 29 public water agencies, including Metropolitan (Contractors). Executed in the 1960s, these Contracts all have 75-year terms that end between 2035 and 2042, depending on when each was signed. In 2006, the Contractors began discussing the need to extend the Contracts to permit issuance of long-term bonds to finance ongoing and future SWP capital expenditures. In 2013, DWR and the Contractors began formal negotiations regarding the Amendments, which resulted in an "Agreement in Principle" (AIP) signed by DWR and 25 Contractors.

The AIP served as the framework for the actual Amendments and as the "proposed project" for the environmental review required under the California Environmental Quality Act (CEQA). DWR certified the final EIR and issued a Notice of Determination approving the Amendments on December 11, 2018. Concurrently, Metropolitan considered the certified final EIR and approved the Amendment specific to its SWP Contract at the December 11, 2018 Board meeting.

That same day, DWR filed a lawsuit seeking to validate the Amendments. Subsequently, two separate lawsuits were filed challenging DWR's final EIR and approval of the Amendments. The three cases were assigned to Judge Culhane, who held a three-day non-jury trial in early January.

In issuing his decision, Judge Culhane rejected the myriad claims asserted in various answers filed in opposition to DWR's validation complaint, as well as in the two related cases challenging the EIR and Amendments. The Court agreed with DWR and the Contractors that the Amendments are largely financial in nature and do not alter the physical operations of the SWP, the existing contractual rights to SWP water, or the authority to construct or modify SWP facilities. The Court also rejected attempts to portray the Amendments as part and parcel of other projects currently under review, such as the Delta conveyance project.

The parties have until March 7 to file any objections to the Tentative Decision. Following a ruling on any objections, the Court will issue a final Statement of Decision that will serve as the basis for entering formal judgments in each of these three cases. Once entered, the parties would then have 60 days to appeal those judgments.

Metropolitan has been actively involved in all aspects of the Contract extension process, including the litigation. Metropolitan filed an answer supporting DWR in the validation lawsuit and intervened in the two related cases to assist DWR in defending its approval of the Amendments. Metropolitan's outside and in-house counsel prepared trial briefs in the three cases and presented the Contractors' arguments at the threeday trial.

Matters Impacting Metropolitan

The Navajo Nation v. United States Department of the Interior (U.S. Court of Appeals for the Ninth Circuit)

On February 17, 2022, the Ninth Circuit denied the U.S. Department of Interior's (DOI) and Intervenor-Appellee's (Intervenors) motions for rehearing en banc or by an 11-judge panel of the Court's April 28, 2021 decision finding that that Navajo Nation (Navajo) stated a claim for breach of trust against DOI premised on the Navajo's treaties with the United States, the Navajo's federally reserved water rights, and DOI's alleged "pervasive control over the Colorado River." In its April 2021 opinion, it also refused to reach the jurisdictional issue of whether the Navajo's claims are subject to the exclusive jurisdiction of the U.S. Supreme Court. It reasoned that because the Navaio's claims did not ask for quantified supplies from the mainstem of the Colorado River, there was no iurisdictional issue. Metropolitan and the other Intervenors asked the Ninth Circuit to review this decision because they contend the Navajo is seeking mainstem river rights. Additional Intervenors include the State of Arizona, Coachella Valley Water District, Imperial Irrigation District, Salt River Valley Water Users' Association, Salt River Project Agricultural Improvement and Power District, Central Arizona Water Conservation District, the State of Nevada, Colorado River Commission of Nevada, Southern Nevada Water Authority, and the State of Colorado.

In its February 17, 2022 order, the Court noted the full court had been advised of the request for rehearing and no judge requested a vote on whether to rehear the case. There was no further discussion of why rehearing was denied. However, the court agreed to amend its opinion regarding two factual issues raised by Intervenors related to incorrect references to the Boulder Canyon Project Act. Additionally, the Court declined to correct statements in its decision that the reservation is appurtenant to the Colorado River and that the Secretary of the Interior has "pervasive authority" over the river when it only acts as watermaster for the Lower Basin. DOI and the Intervenors will have until May 18. 2022 to decide whether to file a petition for a writ of certiorari appealing the decision to the U.S. Supreme Court. The matter will proceed in the district court regardless of whether it is appealed.

Metropolitan will continue to participate in this case to protect its Colorado River water interests. (See General Counsel's August 2021 Activity Report.)

Roberts v. Coachella Valley Water District (Riverside Superior Court)

In November 2018, Plaintiff Roberts filed a class action case against Coachella Valley Water

District (CVWD), as part of a series of cases challenging various water rates, charges, and property taxes. Among other things, plaintiff alleges CVWD uses property taxes collected for the purpose of paying SWP costs to pay for groundwater replenishment management and other costs unrelated to CVWD's SWP costs. Plaintiff also alleges conflict of interest of certain directors and other improper financial practices. Plaintiff has since moved out of the CVWD service area and Howard Jarvis Taxpayers Association (HJTA) replaced Roberts as plaintiff.

The State Water Contractors' Association (SWC) has monitored this case and past related cases given allegations in the complaints that were contrary to the appellate decision in *Goodman v. County of Riverside (1983) 140 Cal.App.3d 900.* Among other allegations, plaintiffs' complaints allege that a State Water Contractor must make a determination of necessity, and potentially exhaust all other revenue sources, before it may levy the voterapproved property taxes to pay SWP costs.

On January 3, 2022, SWC filed a motion for an order allowing the filing of an amicus brief on the narrow issue of the interpretation of the authority to levy SWP property taxes and the interpretation of the Goodman decision. On February 9, after full briefing and hearing, the court in Department 5 of the Riverside Superior Court denied SWC's motion. It did so based on Plaintiff HJTA's representations that its complaint does not seek to change established law on the authority to levy SWP property taxes. Instead, Plaintiff HJTA represented the case challenges CVWD's alleged specific use of property tax revenues for purposes other than SWP-related costs. The Court denied SWC's motion without prejudice, which will allow the SWC to file a motion for amicus briefing again if the scope of the authority to levy SWP taxes is addressed in the case. Metropolitan is not a party in this, or any other related case, but it is a member of the SWC.



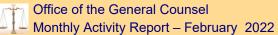
Other Matters

California State Audit

Pursuant to requests from the California State Auditor for documentation of employee-related settlements, there were a few matters which no documentation could be found that these matters were reported to the Board. There is a total of 8 matters from 2004 through 2010 comprised of 3 lawsuits, 1 DFEH matter, 3 EEOC matters and 1 separation agreement. In 2019, there was an additional lawsuit which was settled at mediation. These matters were all settled within the General Manager's and General Counsel's authority of \$125,000 or less.

Matters Received by the Legal Department

<u>Category</u>	Received	Description	
Government Code Claims	1	Claim relating to an accide	ent involving an MWD vehicle
Subpoenas	1	Subpoena for employmen a matter unrelated to Metr	t-related records for a former employee for opolitan
Requests Pursuant to	14	Requestor	Documents Requested
the Public Records Act		AFSCME Local 1902	Shaw Law Group reports, results of the investigation, and all communications
		Braun Blaising Smith Wynne	September 2019 contract between the California Department of Water Resources and MWD for 29 MW of small hydro resources
		Center for Contract Compliance	Notice of Completion for Electrical Upgrades at 15 structures in Orange County Region
		FirmoGraphs	Bid results for Control System Upgrade Program and CRA Conduit Erosion Control Improvements
		Green Media Creations	Winning proposal and scoring for The California Friendly and Native Plant Landscape Training, Design Seminar and Turf Removal
		Infojini Consulting	Proposals total spend and purchase orders for On-Call Information Technology Services
		Law Office of Daniel S. Rose	Records relating to easements in the vicinity of Rainbow Heights Road
		Los Angeles Times	Agreements between MWD and Dr. Manny Tau or his companies
		Los Angeles Department of Water and Power	Data regarding LRP benefits paid to member agencies



Requestor	Documents Requested
Paint BidTracker	Data on winning bid for Bulk Chemicals for Regional Recycled Water Advanced Purification Center
Specialty Mowing Services	Awarded bid and annual spend for Weed Abatement, Herbicide Application and Trash Removal Services - DVL Distribution System Area
SmartProcure	Purchase order data including purchase order number, purchase order date, line item details, line item quantity, line item price, vendor information from October 29, 2021 to current
Supervisors Association	Written transcript, digital media, and chats from Coffee with the General Manager session held on February 16, 2022
United Storm Water	Winning bid for Solids Removal and Disposal Services for the Skinner Water Treatment Plant



ANY CHANGE IN CONTRACT AMOUNTS WILL BE SHOWN IN REDLINE FORM (I.E., ADDITIONS, REVISIONS, DELETIONS).



Bay-Delta and SWP Litigation		
Subject	Status	
Consolidated DCP Revenue Bond Validation Action and CEQA Case Sierra Club, et al. v. California Department of Water Resources (CEQA, designated as lead case) DWR v. All Persons Interested (Validation) Sacramento County Superior Ct. (Judge TBD) (Judge Earl has been appointed as a justice at the Third Appellate District of the California Court of Appeal in Sacramento)	 Validation Action Metropolitan, Mojave Water Agency, Coachella Valley Water District, and Santa Clarita Valley Water Agency have filed answers in support Kern County Water Agency, Tulare Lake Basin Water Storage District, Oak Flat Water District, County of Kings, Kern Member Units & Dudley Ridge Water District, and City of Yuba City filed answers in opposition North Coast Rivers Alliance et al., Howard Jarvis Taxpayers Association, Sierra Club et al., County of Sacramento & Sacramento County Water Agency, CWIN et al., Clarksburg Fire Protection District, Delta Legacy Communities, Inc, and South Delta Water Agency & Central Delta Water Agency have filed answers in opposition Case ordered consolidated with the DCP Revenue Bond CEQA Case for pre-trial and trial purposes and assigned to Judge Earl for all purposes DWR's motions for summary judgment re CEQA affirmative defenses granted; cross- motions by opponents denied CEQA Case Sierra Club, Center for Biological Diversity, Planning and Conservation League, Restore the Delta, and Friends of Stone Lakes National Wildlife Refuge filed a standalone CEQA lawsuit challenging DWR's adoption of the bond resolutions Alleges DWR violated CEQA by adopting bond resolutions before certifying a Final EIR for the Delta Conveyance Project Cases ordered consolidated for pre-trial and trial all purposes DWR's motion for summary judgment granted; Sierra Club's motion denied 	

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SWP-CVP 2019 BiOp Cases	SWC intervened in both <i>PCFFA and CNRA</i> cases
Pacific Coast Fed'n of Fishermen's Ass'ns, et al. v. Raimondo, et al. (PCFFA) Calif. Natural Resources Agency, et al. v. Raimondo, et al. (CNRA) Federal District Court, Eastern Dist. of California, Fresno Division (Judge Drozd)	
	 Hearing on motions set for held Feb. 11, 2022 Awaiting ruling
CESA Incidental Take Permit Cases	All 8 cases ordered coordinated in Sacramento County Superior Court
Coordinated Case Name <i>CDWR Water</i> <i>Operations Cases</i> , JCCP 5117 (Coordination Trial Judge Gevercer)	 Stay on discovery issued until coordination trial judge orders otherwise



 Metropolitan & Mojave Water Agency v. Calif. Dept. of Fish & Wildlife, et al. (CESA/CEQA/Breach of Contract) State Water Contractors & Kern County Water Agency v. Calif. Dept. of Fish & Wildlife, et al. (CESA/CEQA) Tehama-Colusa Canal Auth., et al. v. Calif. Dept. of Water Resources (CEQA) San Bernardino Valley Municipal Water Dist. v. Calif. Dept. of Water Resources, et al. (CEQA/CESA/ Breach of Contract/Takings) Sierra Club, et al. v. Calif. Dept. of Water Resources (CEQA/Delta Reform Act/Public Trust) North Coast Rivers Alliance, et al. v. Calif. Dept. of Water Resources (CEQA/Delta Reform Act/Public Trust) Central Delta Water Agency, et. al. v. Calif. Dept. of Water Resources (CEQA/Delta Reform Act/Public Trust) San Francisco Baykeeper, et al. v. Calif. Dept. of Water Resources, et al. (CEQA/CESA) 	 All four Fresno cases transferred to Sacramento to be heard with the four other coordinated cases SWC and Metropolitan have submitted Public Records Act requests seeking administrative record materials and other relevant information Answers filed in the three cases filed by State Water Contractors, including Metropolitan's Draft administrative records produced on Sept. 16, 2021 Certified administrative records due early March 2022
CDWR Environmental Impact Cases Sacramento Superior Ct. Case No. JCCP 4942, 3d DCA Case No. C091771 (20 Coordinated Cases) Validation Action DWR v. All Persons Interested CEQA 17 cases CESA/Incidental Take Permit 2 cases	 Cases dismissed after DWR rescinded project approval, bond resolutions, decertified the EIR, and CDFW rescinded the CESA incidental take permit January 10, 2020 – Nine motions for attorneys' fees and costs denied in their entirety Parties have appealed attorneys' fees and costs rulings <u>Appeals fully briefed Hearing on attorneys' fee</u> <u>appeals set for March 28, 2022</u>
COA Addendum/ No-Harm Agreement North Coast Rivers Alliance v. DWR Sacramento County Superior Ct. (Judge Gevercer)	 Plaintiffs allege violations of CEQA, Delta Reform Act & public trust doctrine USBR Statement of Non-Waiver of Sovereign Immunity filed September 2019 Westlands Water District and North Delta Water Agency granted leave to intervene Metropolitan & SWC monitoring Deadline to prepare administrative record extended to March 21, 2022



	July 22, 2022 hearing on the merits
 Delta Plan Amendments and Program EIR 4 Consolidated Cases Sacramento County Superior Ct. (Judge Gevercer) North Coast Rivers Alliance, et al. v. Delta Stewardship Council (lead case) Central Delta Water Agency, et al. v. Delta Stewardship Council Friends of the River, et al. v. Delta Stewardship Council California Water Impact Network, et al. v. Delta Stewardship Council Delta Stewardship Council Cases 3 Remaining Cases (CEQA claims challenging original 2013 Delta Plan EIR) (Judge Chang) North Coast Rivers Alliance, et al. v. Delta Stewardship Council Central Delta Water Agency, et al. v. Delta Stewardship Council Central Delta Water Impact Network, et al. v. Delta Stewardship Council Central Delta Water Impact Network, et al. v. Delta Stewardship Council California Water Impact Network, et al. v. Delta Stewardship Council California Water Impact Network, et al. v. Delta Stewardship Council 	 Cases challenge, among other things, the Delta Plan Updates recommending dual conveyance as the best means to update the SWP Delta conveyance infrastructure to further the coequal goals Allegations relating to "Delta pool" water rights theory and public trust doctrine raise concerns for SWP and CVP water supplies Cases consolidated for pre-trial and trial under <i>North Coast Rivers Alliance v. Delta Stewardship Council</i> SWC granted leave to intervene Metropolitan supports SWC 2013 and 2018 cases to be heard separately due to peremptory challenge SWC and several individual members, including Metropolitan, SLDMWA and Westlands have dismissed their remaining 2013 CEQA claims but remain intervenor-defendants in the three remaining <i>Delta Stewardship Council Cases</i> After a hearing on Feb. 25, 2022 the court ruled against plaintiffs on the merits of their BDCP-related CEQA claims Hearing on merits of the remaining CEQA claims in the three remaining 2013 cases re-set for April 22, 2022 2018 Cases 2018 Cases fully briefed as of Jan. 24, 2022, hearing on the merits set for July 22, 2022
SWP Contract Extension Validation Action Sacramento County Superior Ct. (Judge Culhane) DWR v. All Persons Interested in the Matter, etc.	 DWR seeks a judgment that the Contract Extension amendments to the State Water Contracts are lawful Metropolitan and 7 other SWCs filed answers in support of validity to become parties Jan. 5-7, 2022 Hearing on the merits held with CEQA cases, below Tentative decision in DWR's favor
SWP Contract Extension CEQA Cases Sacramento County Superior Ct. (Judge Culhane) North Coast Rivers Alliance, et al. v. DWR	 Petitions for writ of mandate alleging CEQA and Delta Reform Act violations filed on January 8 & 10, 2019

Planning & Conservation League, et al. v. DWR	 Deemed related to DWR's Contract Extension Validation Action and assigned to Judge Culhane Administrative Record completed DWR filed its answers on September 28, 2020 Metropolitan, Kern County Water Agency and Coachella Valley Water District have intervened and filed answers in the two CEQA cases Tentative decision in DWR's favor, denying the writs of mandate
Delta Conveyance Project Soil Exploration Case	Filed August 10, 2020
Central Delta Water Agency, et al. v. DWR Sacramento County Superior Ct. (Judge Chang)	 Plaintiffs Central Delta Water Agency, South Delta Water Agency and Local Agencies of the North Delta
	One cause of action alleging that DWR's adoption of an Initial Study/Mitigated Negative Declaration (IS/MND) for soil explorations needed for the Delta Conveyance Project violates CEQA
	 March 24, 2021 Second Amended Petition filed to add allegation that DWR's addendum re changes in locations and depths of certain borings violates CEQA
	 Deadline to prepare the administrative record extended to <u>March 23</u>, 2022
	 DWR's petition to add the 2020 CEQA case to the <i>Department of Water Resources Cases</i>, JCCP 4594, San Joaquin County Superior Court denied
Water Management Tools Contract Amendment	Filed September 28, 2020
<i>California Water Impact Network et al. v. DWR</i> Sacramento County Superior Ct.	 CWIN and Aqualliance allege one cause of action for violation of CEQA
(Judge TBD) North Coast Rivers Alliance, et al. v. DWR Sacramento County Super. Ct.	 NCRA et al. allege four causes of action for violations of CEQA, the Delta Reform Act, Public Trust Doctrine and seeking declaratory relief
(Judge TBD)	• Parties have stipulated to production of a draft administrative record by April 1, 2022 and to a timeline to attempt to resolve any disputes over the contents
	CWIN case reassigned to Judge Earl so both cases will be heard together
	• SWC motion to intervene in both cases granted

San Diego County Water Authority v. Metropolitan, et al.		County Water Authority v. Metropolitan, et al.
Cases	Date	Status
2010, 2012	Aug. 13-14, 2020	Final judgment and writ issued. Transmitted to the Board on August 17.
	Aug. 28, Sept. 1	SDCWA and Metropolitan filed memoranda of costs.
	Sept. 11	Metropolitan filed notice of appeal of judgment and writ.
	Sept. 14, 16	Metropolitan filed motion to strike SDCWA's costs memorandum, and SDCWA filed motion to strike or tax Metropolitan's costs memorandum.
	Jan. 13, 2021	Court issued order finding SDCWA is the prevailing party on the Exchange Agreement, entitled to attorneys' fees and costs under the contract.
	Feb. 4	Metropolitan filed opening appellate brief regarding final judgment and writ.
	Feb. 10	Court issued order awarding SDCWA statutory costs, granting SDCWA's and denying Metropolitan's related motions.
	Feb. 16	Per SDCWA's request, Metropolitan paid contract damages in 2010- 2012 cases judgment and interest. Metropolitan made same payment in Feb. 2019, which SDCWA rejected.
	Feb. 25	Metropolitan filed notice of appeal of Jan. 13 (prevailing party on Exchange Agreement) and Feb. 10 (statutory costs) orders.
	Aug. 5	Metropolitan filed opening appellate brief regarding prevailing party on the Exchange Agreement and statutory costs.
	Sept. 21	Court of Appeal issued opinion on Metropolitan's appeal regarding final judgment and writ, holding: (1) the court's 2017 decision invalidating allocation of Water Stewardship Rate costs to transportation in the Exchange Agreement price and wheeling rate applied not only to 2011-2014, but also 2015 forward; (2) no relief is required to cure the judgment's omission of the court's 2017 decision that allocation of State Water Project costs to transportation is lawful; and (3) the writ is proper and applies to 2015 forward.
	Sept. 21	SDCWA filed responding appellate brief regarding prevailing party on the Exchange Agreement and statutory costs.
	<u>Feb. 28, 2022</u>	Court of Appeal issued tentative opinion affirming orders regarding prevailing party on the Exchange Agreement and statutory costs.

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Cases	Date	Status
	Mar. 16	Court of Appeal oral argument regarding prevailing party on the Exchange Agreement and statutory costs.
2014, 2016	Aug. 28, 2020	SDCWA served first amended (2014) and second amended (2016) petitions/complaints.
	Sept. 28	Metropolitan filed demurrers and motions to strike portions of the amended petitions/complaints.
	Sept. 28-29	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed joinders to the demurrers and motions to strike.
	Feb. 16, 2021	Court issued order denying Metropolitan's demurrers and motions to strike, allowing SDCWA to retain contested allegations in amended petitions/complaints.
	March 22	Metropolitan filed answers to the amended petitions/complaints and cross-complaints against SDCWA for declaratory relief and reformation, in the 2014, 2016 cases.
	March 22-23	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed answers to the amended petitions/complaints in the 2014, 2016 cases.
	April 23	SDCWA filed answers to Metropolitan's cross-complaints.
	Sept. 30	Based on the Court of Appeal's Sept. 21 opinion (described above), 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.
2017	July 23, 2020	Dismissal without prejudice entered.
2018	July 28	Parties filed a stipulation and application to designate the case complex and related to the 2010-2017 cases, and to assign the case to Judge Massullo's court.
	Nov. 13	Court ordered case complex and assigned to Judge Massullo's court.
	April 21	SDCWA filed second amended petition/complaint.

Cases	Date	Status
	May 25	Metropolitan filed motion to strike portions of the second amended petition/complaint.
2018 (cont.)	May 25-26	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed joinders to the motion to strike.
	July 19	Court issued order denying Metropolitan's motion to strike portions of the second amended petition/complaint.
	July 29	Metropolitan filed answer to the second amended petition/complaint and cross-complaint against SDCWA for declaratory relief and reformation.
	July 29	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed answers to the second amended petition/complaint.
	Aug. 31	SDCWA filed answer to Metropolitan's cross-complaint.
2014, 2016, 2018	June 11	Metropolitan lodged administrative records.
	June 11, 21	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.
	Oct. 27	Parties submitted to the court a joint stipulation and proposed order staying discovery through Dec. 8 and resetting pre-trial deadlines.
	October 29	Court issued order staying discovery through Dec. 8 and resetting pre- trial deadlines, while the parties discuss the prospect of settling some or all remaining claims and crossclaims.



Cases	Date	Status
	Jan. 12, 2022	Case Management Conference. Court ordered a 35-day case stay to allow the parties to focus on settlement negotiations, with weekly written check-ins with the court; and directed the parties to meet and confer regarding discovery and deadlines.
	Jan. 27, 2022	Parties submitted to the court a joint stipulation and proposed order resetting pre-trial deadlines.
	<u>Feb. 22, 2022</u>	Metropolitan and SDCWA each filed motions for summary adjudication.
	Feb. 23, 2022	Case Management Conference occurred. No new dates were set.
All Cases	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
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
Atkinson Andelson Loya Ruud & Romo	Employee Relations	59302	04/04	\$1,214,517
	MWD v. Collins	185892	06/20	\$100,000
	Delta Conveyance Project Bond Validation-CEQA Litigation	185899	09/21	\$100,000
	MWD Drone and Airspace Issues	193452	08/20	\$50,000
	Equal Employee Opportunity Commission Charge	200462	03/21	\$20,000
	Public Employment Relations Board Charge No. LA-CE-1441-M	200467	03/21	\$30,000
	Representation re the Shaw Law Group's Investigations	200485	05/20/21	\$50,000
	DFEH Charge- (DFEH Number 202102-12621316)	201882	07/01/21	\$25,000
	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
	DFEH Charge- (DFEH Number 202106-13819209)	203439	12/14/21	\$15,000
Best, Best & Krieger	Navajo Nation v. U.S. Department of the Interior, et al.	54332	05/03	\$185,000
	Bay-Delta Conservation Plan/Delta Conveyance Project (with SWCs)	170697	08/17	\$500,000
	Environmental Compliance Issues	185888	05/20	\$50,000

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Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP	FCC and Communications Matters	110227	11/10	\$100,000
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
Solensen, LLF	Labor and Employment Matters	180207	04/19	\$50,000
	General Real Estate Matters	180209	08/19	\$100,000
Law Office of Alexis S.M. Chiu*	Bond Counsel	200468	07/21	N/A
Cislo & Thomas LLP	Intellectual Property	170703	08/17	\$75,000
Curls Bartling P.C.*	Bond Counsel	174596	07/18	N/A
	Bond Counsel	200470	07/21	N/A
Duane Morris LLP	SWRCB Curtailment Process	138005	09/14	\$615,422
Duncan, Weinberg, Genzer & Pembroke PC	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
Haden Law Office	Real Property Matters re Agricultural Land	180194	01/19	\$50,000
Hanson Bridgett LLP	SDCWA v. MWD	124103	03/12	\$1,100,000
	Finance Advice	158024	12/16	\$100,000
	Deferred Compensation/HR	170706	10/17	\$ 400,000
	Tax Issues	180200	04/19	\$50,000
Hausman & Sosa, LLP	MOU Hearing Officer Appeal	201892	09/21	\$25,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Hawkins Delafield & Wood LLP*	Bond Counsel	193469	07/21	N/A
Horvitz & Levy	SDCWA v. MWD	124100	02/12	\$900,000
	General Appellate Advice	146616	12/15	\$100,000
	MWD v. Collins	203449	01/03/22	\$20,000
Hunt Ortmann Palffy Nieves Darling & Mah, Inc.	Construction Contracts/COVID-19 Emergency	185883	03/20	\$40,000
Internet Law Center	HR Matter	174603	05/18	\$60,000
	Cybersecurity and Privacy Advice and Representation	200478	04/13/21	\$100,000
	Systems Integrated, LLC v. MWD	201875	05/17/21	\$40,000
Amira Jackmon, Attorney at Law*	Bond Counsel	200464	07/21	N/A
Jackson Lewis P.C.	Employment: Department of Labor Office of Contract Compliance (OFCCP)	137992	02/14	\$45,000
Jones Hall, A Professional Law Corporation*	Bond Counsel	200465	07/21	N/A
Kegel, Tobin & Truce	Workers' Compensation	180206	06/19	\$250,000
Lesnick Prince & Pappas LLP	Topock/PG&E's Bankruptcy	185859	10/19	\$30,000
Liebert Cassidy Whitmore	Labor and Employment	158032	02/17	\$201,444
	EEO Investigations	180193	01/19	\$100,000
	FLSA Audit	180199	02/19	\$50,000
LiMandri & Jonna LLP	Bacon Island Subrogation	200457	03/21	\$50,000

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Manatt, Phelps & Phillips	In Re Tronox Incorporated	103827	08/09	\$540,000
	SDCWA v. MWD rate litigation	146627	06/16	\$2,900,000
Meyers Nave Riback Silver &	OCWD v. Northrop Corporation	118445	07/11	\$2,300,000
Wilson	HD-v. MWD	185900	08/20	\$ 410,000
	IID v. MWD (Contract Litigation)	193472	02/21	\$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
BOCKIUS	Project Labor Agreements	200476	04/21	\$100,000
Musick, Peeler & Garrett LLP	Colorado River Aqueduct Electric Cables Repair/Contractor Claims	193461	11/20	\$300,000
	Arvin-Edison v. Dow Chemical	<u>203452</u>	<u>01/22</u>	<u>\$50,000</u>
<u>Nixon Peabody</u> LLP*	Bond Counsel	<u>193473</u>	<u>07/21</u>	<u>N/A</u>
Norton Rose Fulbright US LLP*	Bond Counsel	200466	07/21	N/A
Olson Remcho LLP	Government Law	131968	07/14	\$200,000
	Ethics Office	170714	01/18	\$350,000
Ryan & Associates	Leasing Issues	43714	06/01	\$200,000
Seyfarth Shaw LLP	HR Litigation	185863	12/19	\$250,000
	Claim (Contract #201897)	201897	11/04/21	\$100,000
	Claim (Contract #203436)	203436	11/15/21	\$100,000
	Claim (Contract #203454)	<u>203454</u>	<u>01/22</u>	<u>\$100,000</u>
	Claim (Contract #203455)	<u>203455</u>	<u>10/21</u>	<u>\$100,000</u>
Stradling Yocca Carlson & Rauth*	Bond Counsel	200471	07/21	N/A



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Theodora Oringher PC	OHL USA, Inc. v. MWD	185854	09/19	\$1,100,000
	Construction Contracts - General Conditions Update	185896	07/20	\$100,000
Thomas Law Group	MWD v. DWR, CDFW, CDNR – Incidental Take Permit (ITP) CESA/CEQA/Contract Litigation	185891	05/20	\$250,000
	Iron Mountain SMARA (Surface Mining and Reclamation Act)	203435	12/03/21	\$100,000
Thompson Coburn LLP	FERC Representation re Colorado River Aqueduct Electrical Transmission System	122465	12/11	\$100,000
	NERC Energy Reliability Standards	193451	08/20	\$100,000
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
Western Water and Energy	California Independent System Operator Related Matters	193463	11/20/20	\$100,000

*Expenditures paid by Bond Proceeds/Finance **Expenditures paid by another group

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

LEGAL AND CLAIMS COMMITTEE

January 11, 2022

Chair Dick called the teleconference meeting to order at 8:30 a.m.

Members present: Chair Dick, Directors Atwater, Camacho, Fellow, Goldberg, Phan, Record, Smith, Sutley, and Tamaribuchi (entered after roll call).

Members absent: Director Kassakhian.

Other Directors present: Chairwoman Gray, Directors Abdo, Ackerman, Blois, Cordero, De Jesus, Dennstedt, Erdman, Faessel, Fong-Sakai, Jung, Kurtz, Lefevre, McCoy, Miller, Morris, Ortega, Peterson, Pressman, Quinn, Ramos, and Williams.

Committee Staff present: Beatty, Hagekhalil, Miyashiro, Scully, Torres, and Upadhyay.

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

None

2. MANAGEMENT REPORTS

a. Subject: General Counsel's report of monthly activities

General Counsel reported on the court ruling in the Delta Conveyance Project Bond Validation litigation and the consolidated CEQA case. She also reported on the appellate court ruling in the Monterey Plus cases. Ms. Scully also reported on final resolution of the Monterey Plus cases the court hearing on the state water contract extension.

CONSENT CALENDAR ITEMS – ACTION

3. CONSENT CALENDAR OTHER ITEMS – ACTION

A. Approval of the Minutes of the Meeting of the Legal and Claims Committee meeting held December 14, 2021.

No comments on the minutes.

4. CONSENT CALENDAR ITEMS - ACTION

7-10 Subject Approve amendments to the Administrative Code to establish changes in the committee structure of the Board; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Presented by: Chairwoman Gray

- Motion:Approve the recommendations for changes in the Metropolitan
Administrative Code to modify the Board Committee structure as
set forth in **Attachment 1** to Board Letter 7-10 to reflect the new
committee structure and duties with the following modifications:
 - Include the changes recommended by Director Quinn's written revisions distributed to the Board with changes to the first paragraph to:
 - change the word "authority" to the word "oversight"; and
 - change "demand management or supply projects" to "demand management or local and regional supply projects"
 - Change 3b of the Board Letter to:
 - Delete "reclamation and their development" and in its place add "recycling and reuse"

The following Directors provided comments or asked questions:

- 1. Chairwoman Gray
- 2. Quinn
- 3. Ortega
- 4. Lefevre
- 5. Abdo
- 6. Sutley
- 7. Blois
- 8. Goldberg
- 9. Kurtz
- 10. De Jesus
- 11. Atwater
- 12. Tamaribuchi
- 13. Camacho
- 14. Ackerman
- 15. Chair Dick
- 16. Peterson

General Manager Hagekhalil and General Counsel Scully responded to questions.

Director Camacho made a motion, seconded by Director Sutley, to approve the consent calendar consisting of Items 3A and 7-10:

The vote was:

Ayes:	Directors Atwater, Camacho, Dick, Fellow, Goldberg, Phan, Record, Smith, Sutley, and Tamaribuchi
Noes:	Chair Dick item 7-10 only
Recusal:	None
Abstain:	None
Absent:	Kassakhian

The motion for Item 3A passed by a vote of 10 ayes, 0 noes, 0 abstain, and 1 absent. The motion for Item 7-10 passed by a vote of 9 ayes, 1 no, 0 abstain, and 1 absent.

END OF CONSENT CALENDAR ITEMS

5. OTHER BOARD ITEMS – ACTION

None

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

Subject Report on litigation, including discussions regarding potential a. settlement, 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; and the Metropolitan Water District of Southern California v. San Diego County Water Authority

cross-complaints in the 2014, 2016, and 2018 actions. [Conference with legal counsel - existing litigation; to be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1)]]

Presented by: General Manager Adel Hagekhalil and General Counsel Marcia Scully

Directors Fong-Sakai, Goldberg, Miller, and Smith, representing the San Diego County Water Authority, withdrew from the meeting for the report on this item.

Director Phan recused herself for the report on this item.

In closed session, General Manager Adel Hagekhalil gave a report on this item with input from General Counsel Marcia Scully.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

Next meeting will be held on February 8, 2022.

Meeting adjourned at 10:51 a.m.

Larry Dick Chair