# 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. Garza, Vice Chair
- M. Camacho
- G. Cordero
- L. Dick
- C. Douglas
- C. Kurtz
- T. McCov
- C. Miller
- G. Peterson
- M. Ramos
- K. Seckel

# **Legal and Claims Committee**

Meeting with Board of Directors \*

May 10, 2022

8:30 a.m.

Tuesday, May 10, 2022 **Meeting Schedule** 

> 08:30 a.m. L&C 09:30 a.m. E&O 11:30 a.m. Break 12:00 p.m. BOD

Agendas, live streaming, meeting schedules, and other board materials are available here: https://mwdh2o.legistar.com/Calendar.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: 862 4397 5848. 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: 815 2066

https://us06web.zoom.us/j/81520664276pwd=a1RTQWh6V3h3ckFhNmdsUWpK R1c2Zz09

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 will not vote on matters before this Committee.
- Opportunity for members of the public to address the committee on 1. matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

#### 2. MANAGEMENT REPORTS

Α. General Counsel's report of monthly activities 21-1142

Attachments: 05102022 LC 2A Report - Revised

3. CONSENT CALENDAR OTHER ITEMS - ACTION

21-1145

A. Approval of the Minutes of the Meeting of the Legal and Claims 21-1143
Committee held April 11, 2022

Attachments: 05102022 LC 3A Minutes

### 4. CONSENT CALENDAR ITEMS - ACTION

NONE

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

### 5. OTHER BOARD ITEMS - ACTION

NONE

### 6. BOARD INFORMATION ITEMS

NONE

### 7. COMMITTEE ITEMS

- a. Report on litigation in The Navajo Nation v. United States
  Department of the Interior (U.S. Court of Appeals for the Ninth
  Circuit, Case No. No. 19-17088, D.C. No.
  3:03-cv-00507-PCT-GMS) [Conference with legal counsel existing
  litigation; to be heard in closed session pursuant to Gov. Code
  Sections 54956.9(d)(1)]
- b. Report on litigation, including discussions regarding potential 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)]

# 8. FOLLOW-UP ITEMS

Page 3

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.



# Office of the General Counsel





# **Metropolitan Cases**

# Williams v. Metropolitan Water District (U.S. Court of Appeals for the Ninth Circuit)

On May 11, 2022, the Ninth Circuit entered judgment dismissing this case and affirming Arizona district court's May 6, 2021 decision that plaintiff could not state a valid claim against Metropolitan. This case was filed on January 22, 2021, by Plaintiff James Lee Williams, who represented himself. As alleged in a prior action, Mr. Williams alleged that Metropolitan is discriminating against him and others in his African American community and depriving them of their right to Colorado River water on lands near Yuma, Arizona. The land at issue is owned by the State of Arizona and rented to Mr. Williams and others in his community. Although not named as parties, Mr. Williams alleged that the U.S. Bureau of Reclamation (Reclamation), Congress, and the United States Supreme Court were complicit in perpetuating a system of institutional racism with the development of the Law of the Colorado River that denied him and his community water rights. This is similar to the complaint Mr. Williams filed in this same court in October 2017, which he appealed unsuccessfully to the Ninth Circuit and which was dismissed in March 2020.

In this case, unlike the 2017 action, Mr. Williams named only Metropolitan, and not Reclamation nor the States of Arizona or California. In the prior case, the Ninth Circuit dismissed Mr. Williams' claim because he could not join an indispensable party, the State of Arizona, who refused to waive its sovereign immunity and refused to consent to the jurisdiction of the federal district court in this matter.

In its opinion issued on April 19, 2022, the Ninth Circuit concurred with Metropolitan's arguments that Mr. Williams failed to meet his burden to establish that the court had personal jurisdiction over Metropolitan in Arizona federal court.

Mr. Williams may appeal the decision, either asking the Ninth Circuit to rehear it or asking the U.S. Supreme Court to review it.

The Legal Department is representing Metropolitan in this action.

### **Hearing Officer Appeal Matter**

AFSCME Local 19 and Metropolitan completed several days of hearing regarding an employee's disciplinary appeal of a discharge. The matter is now being briefed by attorneys, and a decision regarding the matter will then be issued by the hearing officer.

# Joshua Rivers v. Metropolitan, et al. (Los Angeles County Superior Court)

Former employee Joshua Rivers sued Metropolitan for whistleblower retaliation under Labor Code section 1102.5 and retaliation for complaints of discrimination and harassment. Rivers generally alleged he disclosed to his managers that Metropolitan was engaged in activities that violated applicable law and that he was retaliated against for these disclosures by having the terms of his probationary employment changed to make it harder to complete probation.

Rivers also claims that he had made complaints to Metropolitan regarding discrimination and harassment he was experiencing and that Metropolitan retaliated against him as a result of the complaints by sabotaging his work performance, ultimately leading to his termination.

On May 16, 2022, Metropolitan answered the complaint and generally denied the allegations. The parties are currently engaged in discovery and initial depositions are expected in June or July. (See General Counsel's March 2022 Activity Report.)

# **Other Matters**

# **Proposed Legislation Regarding Workplace Discrimination and Marijuana Use**

AB 2188 is a February 2022 bill by Assemblymember Dr. Bill Quirk that would, in part, make it unlawful for an employer to discriminate in hiring or employment based upon a person's use of cannabis while off duty.

The bill's proponents highlight a recent case where a California state employee was fired for testing positive for tetrahydrocannabinol after returning to work from a leave of absence. The

employee was fired even though there was no evidence the employee was actively under the influence of cannabis while on duty. The bill's author argues that while there is consensus that no one "should ever show up to work high or impaired, testing positive for this metabolite has no correlation to workplace safety or productivity." On May 26, 2022, the Assembly voted 42-23 in favor of the bill and it was ordered to the Senate for consideration.

If the bill is successful, Governor Newsom will have until the end of September to veto or sign it into law.

# **Matters Received by the Legal Department**

<u>Category</u>	Received	<u>Description</u>			
Action in which MWD is a party	3	Three Complaints for Eminent Domain, filed in San Bernardino Superior Court, in the cases (1) <i>City of Rancho Cucamonga v. BTC III Etiwanda Commerce Center LP, et al.</i> , (2) <i>City of Rancho Cucamonga v. SCG/DP Etiwanda, LLC, et al.</i> , and (3) <i>City of Rancho Cucamonga v. Southern California Edison Company, et al.</i> , case nos. CIV SB 2201955, CIV SB 220-1956, and CIV SB 2201969, in which the City of Ranch Cucamonga seeks to condemn permanent easements and temporary construction easements over portions of real property located along Etiwanda Avenue for the Etiwanda Grade Separation Project, requiring relocation of MWD's facilities			
Government Code Claims	1	Claim relating to accident	involving MWD vehicle		
Requests Pursuant to		Requestor	Documents Requested		
the Public Records Act		2UrbanGirls	Form 700's from 2018 to present and travel requests and reimbursements from 2017 to present submitted by Chairwoman Gloria Gray		
		Apex Companies	Records on any environmental contamination that may have been discovered or reported during MWD's installation of a pipeline near Valley Springs Parkway in Riverside in 1977		
		California State University, Northridge Student	MWD's foundational documents		
		Calvada Surveying	MWD Right-of-Way Map 1429-26 near Garvey Reservoir		

### Requestor

### **Documents Requested**

Center for Contract Compliance (6 requests) (1) Summit Landcare certified payroll records and fringe benefit statement for its work on Landscape Maintenance and Irrigation Repairs in Yorba Linda; (2) Summit Landcare project number for landscape maintenance services at Diemer Plant; (3) Summit Landcare bid package and invoices for Landscape Maintenance and Tree Trimming Services at La Verne; (4) bid and contract documents relating to Landscape Maintenance and Irrigation Repairs in Yorba Linda; (5) contract information for landscape services at Diemer Plant; and (6) bid and contract documents for Landscape Maintenance, Tree Trimming and Herbicide

applications for North Orange County

Documents relating to the Lower Yolo

Ranch Restoration Project

Private Citizens (3

Pacific Advocates

requests)

(1) Chart showing water usage for showers, baths, washers, pools; (2) purpose of cement pipe below property in Azusa, and (3) records on board members with pools

**SmartProcure** Purchase order data including purchase

order number, purchase order date, line item details, line item quantity, line item

price, vendor information from

02/23/2022 to current

University of California, Santa Barbara Student Data on amount of MWD water sold to smaller water systems between 2000

and 2019

### 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).

### **Bay-Delta and SWP Litigation** Subject **Status Consolidated DCP Revenue Bond Validation** Validation Action **Action and CEQA Case** Metropolitan, Mojave Water Agency, Coachella Valley Water District, and Santa Sierra Club, et al. v. California Department of Water Clarita Valley Water Agency have filed Resources (CEQA, designated as lead case) answers in support Kern County Water Agency, Tulare Lake DWR v. All Persons Interested (Validation) Basin Water Storage District, Oak Flat Water District, County of Kings, Kern Sacramento County Superior Ct. Member Units & Dudley Ridge Water (Judge Kenneth C. Mennemeier) 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; crossmotions by opponents denied May 27, 2022 Case Management Conference **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 all purposes DWR's motion for summary judgment granted; Sierra Club's motion denied

### **SWP-CVP 2019 BiOp 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 Thurston)

- SWC intervened in both PCFFA and CNRA cases
- Briefing on federal defendants' motion to dismiss CNRA's California ESA claim is complete; no hearing date set and may be decided on the papers
- Federal defendants circulated administrative records for each of the BiOps
- December 18, 2020 PCFFA and CNRA filed motions to complete the administrative records or to consider extra-record evidence in the alternative
- Federal defendants reinitiated consultation on Oct 1, 2021
- On Nov. 8, 2021, Federal Defendants and PCFFA plaintiffs stipulated to inclusion of certain records in the Administrative Records and to defer further briefing on the matter until July 1, 2022
- On Nov. 12, 2021, SWC filed a motion to amend its pleading to assert cross-claims against the federal defendants for violations of the ESA, NEPA and WIIN Act; Court has yet to set a hearing date
- November 23, 2021, Federal Defendants filed a motion for voluntary remand of the 2019 Biological Opinions and NEPA Record of Decision and requesting that the Court issue an order approving an Interim Operations Plan through September 30, 2022; that the cases be stayed for the same time period; and that the Court retain jurisdiction during the pendency of the remand. State Plaintiffs filed a motion for injunctive relief seeking judicial approval of the Interim Operations Plan
- December 16, 2021 NGO Plaintiffs filed a motion for preliminary injunction related to interim operations
- Motions fully briefed as of Jan. 24, 2022
- Hearing on motions held Feb. 11, 2022
- District court (1) approved the State and Federal Government's Interim Operations Plan (IOP) through September 30, 2022;
   (2) approved the federal defendants' request for a stay of the litigation through September 30, 2022;
   (3) remanded the BiOps without invalidating them for

reinitiated consultation with the 2019 BiOps in place; (4) denied PCFFA's alternative request for injunctive relief; and (5) by ruling on other grounds, denied the state plaintiffs' motion for injunctive relief and the federal defendants' request for equitable relief

### **CESA Incidental Take Permit Cases**

# Coordinated Case Name CDWR Water Operations Cases, JCCP 5117 (Coordination Trial Judge Gevercer)

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/ Delta Protection Acts/Area of Origin)

San Francisco Baykeeper, et al. v. Calif. Dept. of Water Resources, et al. (CEQA/CESA)

- All 8 cases ordered coordinated in Sacramento County Superior Court
- Stay on discovery issued until coordination trial judge orders otherwise
- 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 lodged March 4, 2022
- August 5, 2022 hearing on any motions to augment the administrative records and fifth Case Management Conference

### 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
- May 11, 2022, court of appeal reversed the trial court's denial of attorney fees and costs in an unpublished opinion

### 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 May 20, 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

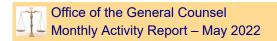
Central Delta Water Agency, et al. v. Delta Stewardship Council

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 North Coast Rivers Alliance v. Delta Stewardship Council
- 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 intervenordefendants in the three remaining Delta Stewardship Council Cases

**2013 Cases** 

	<ul> <li>After a hearing on Feb. 25, 2022 the court ruled against plaintiffs on the merits of their BDCP-related CEQA claims</li> <li>April 22, 2022 court ruled against the remaining CEQA claims and denied the petitions for writs of mandamus</li> <li>2018 Cases</li> <li>2018 Cases fully briefed as of Jan. 24, 2022, hearing on the merits set for July 22, 2022</li> </ul>
SWP Contract Extension Validation Action Sacramento County Superior Ct. (Judge Culhane)  DWR v. All Persons Interested in the Matter, etc.	<ul> <li>DWR seeks a judgment that the Contract Extension amendments to the State Water Contracts are lawful</li> <li>Metropolitan and 7 other SWCs filed answers in support of validity to become parties</li> <li>Jan. 5-7, 2022 Hearing on the merits held with CEQA cases, below</li> <li>Final statement of decision in DWR's favor filed March 9, 2022</li> <li>Final judgment entered and served</li> <li>C-WIN filed a notice of appeal May 20, 2022</li> </ul>
SWP Contract Extension CEQA Cases Sacramento County Superior Ct. (Judge Culhane) North Coast Rivers Alliance, et al. v. DWR Planning & Conservation League, et al. v. DWR	<ul> <li>Petitions for writ of mandate alleging CEQA and Delta Reform Act violations filed on January 8 &amp; 10, 2019</li> <li>Deemed related to DWR's Contract Extension Validation Action and assigned to Judge Culhane</li> <li>Administrative Record completed</li> <li>DWR filed its answers on September 28, 2020</li> <li>Metropolitan, Kern County Water Agency and Coachella Valley Water District have intervened and filed answers in the two CEQA cases</li> <li>Final statement of decision in DWR's favor denying the writs of mandate filed March 9, 2022</li> <li>Final judgments entered and served</li> </ul>



### **Delta Conveyance Project Soil Exploration Case**

Central Delta Water Agency, et al. v. DWR Sacramento County Superior Ct. (Judge Chang)

- Filed August 10, 2020
- 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 April 22, 2022
- DWR's petition to add the 2020 CEQA case to the *Department of Water Resources Cases*, JCCP 4594, San Joaquin County Superior Court denied

### **Water Management Tools Contract Amendment**

California Water Impact Network et al. v. DWR Sacramento County Superior Ct. (Judge Eurie)

North Coast Rivers Alliance, et al. v. DWR Sacramento County Super. Ct. (Judge Eurie)

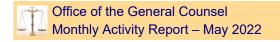
- Filed September 28, 2020
- CWIN and Aqualliance allege one cause of action for violation of CEQA
- NCRA et al. allege four causes of action for violations of CEQA, the Delta Reform Act, Public Trust Doctrine and seeking declaratory relief
- Parties have stipulated to production of a draft administrative 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.
Cases	Date	Status
2010, 2012	Aug. 13-14, 2020	Final judgment and writ issued. Transmitted to the Board on August 17.
	Sept. 11	Metropolitan filed notice of appeal of judgment and writ.
	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. 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.
	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.
	Mar. 17, 2022	Court of Appeal unpublished decision affirming orders determining SDCWA is the prevailing party in the Exchange Agreement and statutory costs.
	Mar. 21	Metropolitan paid SDCWA \$14,296,864.99 for attorneys' fees and \$352,247.79 for costs, including interest.
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.

Cases	Date	Status
2014, 2016 (cont.)	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, 2020	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, 2021	SDCWA filed second amended petition/complaint.
	May 25	Metropolitan filed motion to strike portions of the second amended petition/complaint.
	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.

Cases	Date	Status
2018 (cont.)	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, 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.
	Oct. 29	Court issued order staying discovery through Dec. 8 and resetting pretrial deadlines, while the parties discuss the prospect of settling some or all remaining claims and crossclaims.
	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.
	Feb. 22	Court issued order resetting pre-trial deadlines as proposed by the parties.
	Feb. 22	Metropolitan and SDCWA each filed motions for summary adjudication.
	April 13	Hearing on Metropolitan's and SDCWA's motions for summary adjudication.
	April 18	Parties filed supplemental briefs regarding their respective motions for summary adjudication, as directed by the court.

Cases	Date	Status
2014, 2016, 2018 (cont.)	April 18	Court issued order resetting pre-trial deadlines as proposed by the parties.
	April 29	Parties filed pre-trial briefs.
	April 29	Metropolitan filed motions in limine.
	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.
	<u>May 11</u>	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 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.
	<u>May 13</u>	Pre-trial conference; court denied Metropolitan's motions in limine.
	<u>May 16</u>	Court issued order setting post-trial brief deadline and closing arguments.
	<u>May 16-27</u>	Trial occurred but did not conclude; court set last day of trial on June 3, 2022.
	May 23	SDCWA filed motion in limine.
	<u>May 26</u>	Court denied SDCWA's motion in limine.
	June 3	Last day of trial.
	Aug. 19	Post-trial briefs due.
	<u>Sept. 27</u>	Post-trial closing arguments.



Cases	Date	Status
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	Employee Relations	59302	04/04	\$1,214,517
Loya Ruud & Romo	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
	<u>DFEH Charge-</u> ( <u>DFEH</u> <u>Number 202109-14694608</u> )	<u>203460</u>	<u>02/22</u>	<u>\$15,000</u>

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
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
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP	FCC and Communications Matters	110227	11/10	\$100,000
Brown White & Osborn LLP	HR Matter	203450	03/22	\$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
Solelisell, 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
Tiding & Dollian	Issues re SWRCB	84457	06/07	\$200,000
Haden Law Office	Real Property Matters re Agricultural Land	180194	01/19	\$50,000

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
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
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
	Colorado River	203464	04/22	\$100,000
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

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Liebert Cassidy Whitmore	Labor and Employment	158032	02/17	\$201,444
willinore	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
Manatt, Phelps & Phillips	In Re Tronox Incorporated	103827	08/09	\$540,000
Тишрэ	SDCWA v. MWD rate litigation	146627	06/16	\$2,900,000
Meyers Nave Riback Silver & Wilson	OCWD v. Northrop Corporation	118445	07/11	\$2,300,000
Sliver & Wilson	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
DOCKIUS	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 \$900,000
	Arvin-Edison v. Dow Chemical	203452	01/22	\$50,000
Nixon Peabody LLP*	Bond Counsel	193473	07/21	N/A
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
	MWD Board/Ad Hoc Committee Advice	203459	03/22	\$60,000
Ryan & Associates	Leasing Issues	43714	06/01	\$200,000

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
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)	203454	01/22	\$100,000
	Claim (Contract #203455)	203455	10/21	\$100,000
Stradling Yocca Carlson & Rauth*	Bond Counsel	200471	07/21	N/A
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
LLF	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

<sup>\*</sup>Expenditures paid by Bond Proceeds/Finance \*\*Expenditures paid by another group

### THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

### **MINUTES**

### LEGAL AND CLAIMS COMMITTEE

## **April 11, 2022**

Chair Dick called the teleconference meeting to order at 12:12 p.m.

Members present: Chair Dick, Directors Atwater, Camacho, Fellow, Phan, Record, Smith, Sutley, and Tamaribuchi.

Members absent: Directors Goldberg and 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, and Quinn.

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 announced that Item 7b, the *San Diego County Authority v*. *Metropolitan* litigation, would be deferred. However, she informed the committee that both parties have filed motions for summary adjudication and that the court will hear argument on the cross-motions on Wednesday and the parties are currently engaged in the discovery process in preparation for trial in May.

### CONSENT CALENDAR ITEMS – ACTION

### 3. CONSENT CALENDAR OTHER ITEMS – ACTION

A. Approval of the Minutes of the Meeting of the Legal and Claims Committee held February 8, 2022 and the Joint Meeting of the Legal and Claims Committee and Organization, Personnel and Technology Committee held February 8, 2022 (Legal and Claims Committee only)

No comments on the minutes.

### 4. CONSENT CALENDAR ITEMS – ACTION

7-17 Subject: Report on Baker Electric, Inc. v. Metropolitan Water District of

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Southern California, et al., (Los Angeles Superior Court Case No. 21STCV15612) regarding Metropolitan's CRA 6.9 kV Power Cables Replacement Project, Contract No. 1915; authorize an increase in the maximum amount payable under contract with Musick, Peeler & Garrett LLP, for legal services by \$600,000 to an amount not to exceed \$900,000; and authorize an increase in the maximum amount payable under contract with Exponent, Inc. for consultant services by \$300,000 to an amount not to exceed \$400,000; the General Manager has determined 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).]

Presented by: Senior Deputy General Counsel Patrick Rohen

In closed session, Senior Deputy General Counsel Patrick Rohen gave a report on this item. The vote was taken in open session.

Director Phan recused herself from participation on this item because of a conflict of interest in that Exponent, Inc. is a client of her employer, Rutan and Tucker.

**7-18** Subject: Authorize settlement of John Campbell v. The Metropolitan Water

District of Southern California Workers Compensation Appeals Board, Riverside, Case Numbers ADJ11262832, ADJ9311537, ADJ7783020, and ADJ8290584; 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 Government

Code Section 54956.9(d)(1)]

Presented by: Outside Counsel Steven Green

In closed session, outside counsel Steven Green gave a presentation on item 7-18. The vote was taken in closed session.

Chair Dick reported that the Committee voted to recommend approval of the proposed settlement.

In open session, Director Fellow made a motion, seconded by Director Camacho, to approve the consent calendar consisting of Items 3A and 7-17:

The vote was:

Ayes: Directors Atwater, Camacho, Dick, Fellow, Phan, Record, Smith, Sutley,

and Tamaribuchi

Noes: None

Recusal: Phan for item 7-17 only

Abstain: None

Absent: Goldberg and Kassakhian

The motion for Item 3A passed by a vote of 9 ayes, 0 noes, 0 abstain, and 2 absent.

The motion for Item 7-17 passed by a vote of 8 ayes, 0 noes, 0 abstain, 1 recusal, and 2 absent.

## END OF CONSENT CALENDAR ITEMS

### 5. OTHER BOARD ITEMS – ACTION

None

## 6. BOARD INFORMATION ITEMS

None

### 7. COMMITTEE ITEMS

a. Subject Report on Pacific Coast Federation of Fishermen's Assns., et al. v.

Ross, et al., Federal District Court for the Eastern District of

California, Case No. 1:20 CV 00431 DAD SAB and Calif. Natural Resources Agency, et al. v. Ross, et al., Federal District Court for the Eastern District of California, Case No. 1:20 CV 00426 DAD SKO [Conference with legal counsel existing litigation; to be

heard in closed session pursuant to Gov. Code Section

54956.9(d)(1)].

Presented by: Senior Deputy General Counsel Rebecca Sheehan

In closed session, Senior Deputy General Counsel Rebecca Sheehan make a presentation on this item. No action was taken.

b. Subject

Report on litigation, including discussions regarding potential 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: This item was deferred.

### 8. FOLLOW-UP ITEMS

None

### 9. FUTURE AGENDA ITEMS

None

Next meeting will be held on May 10, 2022.

Meeting adjourned at 1:27 p.m.

Larry Dick Chair