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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

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December 29, 1993

Office of Board of Directors

To: Board of Directors (Executive Committee--Action)
From: Chairman of the Board
Subject: Conforming Amendments to Employment Contract with General Manager

Report

At its December meeting, your Board reviewed the performance of the General Manager and approved an adjustment to his salary. Such adjustment necessitated an amendment to Metropolitan's employment contract with the General Manager. Another technical amendment is required to clarify the number of days to be used in calculating interest.

In addition, your Board approved additional relocation assistance for the General Manager and created an Ad Hoc Committee to handle the implementation of that assistance. The Ad Hoc Committee met and approved amendment of the employment contract with the General Manager in compromise and settlement of all issues with respect to additional relocation benefits.

The benefits approved by the Ad Hoc Committee include a bridge loan and the maximum amount of relocation assistance payments authorized by your Board. Because the bridge loan bears interest at a rate equivalent to Metropolitan's cost of funds, the cost to Metropolitan is within the total cost authorized by your Board.

All of the aforementioned changes have been incorporated in the amendment of Metropolitan's contract with the General Manager and the amendment has been executed by the Chairman of the Board on behalf of Metropolitan.

It is recommended that your Board ratify the actions of the Ad Hoc Committee and execution by the Chairman of your Board of the amendment to the employment contract with the General Manager as described above.

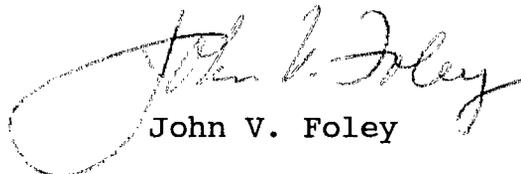
Board Committee Assignment

This letter is referred to the Executive Committee for action, pursuant to its authority to study, advise and make recommendations with regard to the selection of Department Heads and the scope of their duties pursuant to Administrative Code Section 2417, subdivision (h).

Recommendation

EXECUTIVE COMMITTEE FOR ACTION.

It is recommended that the Board of Directors receive and file this report and ratify the actions of the Ad Hoc Committee and the Chairman of your Board with respect to relocation benefits and execution of the amendment to the employment agreement with the General Manager.


John V. Foley