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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

APPROVED
by the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

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JUL 11 1995

EXECUTIVE SECRETARY

June 27, 1995

To: Board of Directors

From: Chairman, Special Committee on Department Head Compensation

Subject: Salary and Compensation

RECOMMENDATION:

The Special Committee on Department Head Compensation recommends Board approval of the following:

1. An incentive payment of \$10,980 for the General Manager, based on his performance evaluation, not to increase his base salary.
2. An incentive payment of \$9,863 for the General Counsel, based on his performance evaluation, not to increase his base salary.
3. An automobile allowance option for the Auditor, where he may elect to use a District vehicle, or receive an automobile allowance of \$600 per month.

John V. Foley
Chairman, Board of Directors

EXECUTIVE SUMMARY:

The Board of Directors is responsible for establishing the salary and benefits for the three Department Heads: General Manager, General Counsel and Auditor. On June 7, 1995, the Special Compensation Committee (Committee) met to evaluate the performance of the Department Heads and to consider their compensation packages. The following is a summary of the Committee's recommendations.

DETAILED REPORT:

In February of 1994, the Board reestablished the Special Committee on Department Head Compensation (Committee) to interview and evaluate the performance of each of the Department Heads. Based on the performance appraisal, the Committee is required to make a recommendation to the Board on salary and other compensation.

On June 7, 1995, the Committee met and developed benefit modifications for the General Manager, General Counsel and Auditor for fiscal year 1994-95. The following is the performance appraisal and remuneration recommendation for the General Manager and General Counsel:

General Manager

An incentive payment in the amount of \$10,980 is recommended for the General Manager. The payment is based on an "exceeds expectations" rating for the 1994/95 performance evaluation. This payment would not increase the General Manager's base salary. The distribution of the payment would be made upon the Board's approval.

General Counsel

An incentive payment in the amount of \$9,863 is recommended for the General Counsel. The payment is based on an "exceeds expectations" rating for the 1994/95 performance evaluation. This payment would not increase the General Counsel's base salary. The distribution of the payment would be made upon the Board's approval.

Auditor

The Committee reviewed the report of the Ad Hoc Committee to Evaluate the Auditor's Performance and Compensation. The Ad Hoc Committee recommended that the salary and compensation package for the Auditor be deferred pending the conclusion of the study of the Auditor's responsibilities. The Committee concurred with its recommendation for deferment. In the interim, the Committee recommends that effective July 1, 1995, the Auditor would have the option to either choose the use of a District vehicle, or receive an automobile allowance of \$600 per month.