

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

JUL - 9 1996

7-13



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Dawn Chin
for EXECUTIVE SECRETARY

June 18, 1996

To: Board of Directors (Land Committee--Action)
(Organization and Personnel Committee--Action)

From: General Manager

Submitted by: Gary M. Snyder
for Chief Engineer

[Signature]
[Signature]

Subject: Authorization to Amend an Agreement with Burton H. Marcus Ph.D.,
ASA to Increase the Maximum Amount Payable from \$250,000 to
\$350,000 for Appraisal Services

RECOMMENDATION

It is recommended that the General Manager be authorized to amend an agreement with Burton H. Marcus Ph.D., ASA (Dr. Marcus), in a form approved by the General Counsel, to increase the maximum amount payable from \$250,000 to \$350,000 for business appraisal services and other related appraisal activities.

EXECUTIVE SUMMARY

Dr. Burton H. Marcus has been retained to perform business appraisals in connection with land acquisitions for Metropolitan. He has appraised a number of businesses, including chicken farms and egg ranches in connection with the Eastside Reservoir Project. It is necessary to increase the amount of his contract to allow Metropolitan to continue to make use of his services.

DETAILED REPORT

Dr. Burton H. Marcus is an economist who specializes in the appraisal of businesses. Metropolitan has retained Dr. Marcus to appraise business losses and loss of goodwill in connection with land acquisitions for several capital projects. His services were used on numerous occasions for the Eastside Reservoir Project to appraise chicken farms, egg ranches, and other farming operations. The appraisals which he provided were used as a means to bring about, and as a basis for, several settlements. He was also used to evaluate the business loss claims made by a construction company related to land acquisitions for the Chemical Unloading Facility. It is necessary to amend Dr. Marcus' contract to increase the amount payable to allow his services to be used for future appraisals.

In particular, Dr. Marcus has been requested to evaluate the impacts on an egg ranch located in Lakeview, Riverside County, from construction of the pipeline connecting Eastside Reservoir to Lake Mathews. His experience in valuing such businesses for Metropolitan in connection with the Reservoir Project will be a benefit in reducing the amount of time and investigation necessary to complete the appraisal.

The firm of Burton Marcus Inc., is an equal opportunity employer and a copy of its Affirmative Action Plan is on file with Metropolitan. Attached is a list of Burton Marcus Inc.'s hourly rates. Dr. Marcus shall also be compensated for necessary and reasonable travel and other expenses required to perform the services under the agreement. In order to allow the continued use of the specialized services provided by Dr. Marcus, his contract with Metropolitan must be amended to increase the maximum amount payable from \$250,000 to \$350,000.

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Attachment

BURTON H. MARCUS, INC.

BILLING RATES

MAY 1993

Principal	Valuation and Consulting	\$185/hr
	Litigation Support and Testimony	\$250/hr
Valuation Personnel	Valuation	\$120/hr
	Litigation Support and Testimony	\$175/hr
Support Personnel	Valuation and Support	\$60/hr