

February 11, 1999

To: Board of Directors (Executive Committee--Action)

From: General Counsel _____

Subject: Authority to Amend Agreement No. 12856 with the Appraisal Firm of Mason & Mason for Eminent Domain Litigation to Acquire Property for the Inland Feeder Project.

RECOMMENDATION(S)

It is recommended that the Board authorize the General Counsel to amend Agreement No. 12856 with the appraisal firm of Mason & Mason from a maximum payable of \$400,000 to \$600,000, including expenses.

DETAILED REPORT

The Inland Feeder Project requires a number of tunnel easements in the Badlands Hills area of San Bernardino and Riverside Counties. In 1997, the General Counsel retained the appraisal firm of Mason & Mason to perform a general study of the effect of deep tunnels on surface values. The tunnel study was completed in 1998, except for two addenda only recently completed. We believe it is the most comprehensive and reliable study of its kind available.

Due to Mason & Mason's familiarity with the project and the firm's excellent experience in tunnel easements, Metropolitan received the Board's approval on September 15, 1998, to amend Mason & Mason's agreement to perform litigation appraisals for each tunnel parcel and to provide expert testimony on those parcels that go to trial. In fact, several of Metropolitan's outside counsel specialists requested the services of Mason & Mason. Mason & Mason has, or is in the processing of appraising 20 tunnel easements and will be needed for expert testimony on each that goes to trial. Each tunnel easement has required \$10,000 to \$15,000 for all work short of trial and, for those which go to trial, will require additional time. Most of the tunnel appraisals are now complete. Trials dates have been scheduled in seven actions and Fran Mason of Mason & Mason either has been, or will be, designated as one of Metropolitan's experts. Therefore, the General Counsel recommends increasing the maximum payable to Mason & Mason, including expenses, to an amount not to exceed \$600,000.

KS

Attachment 8-5A

Attachment 8-5A

ATTACHMENT A
General Counsel
August 20, 1998

MASON & MASON
MEMORANDUM

TO: Karen Schlickemyer
FROM: Francis Wolfe Mason, MAI
DATE: August 14, 1998
SUBJECT: INLAND FEEDER REVISED BUDGET

Following is our best estimate of time to complete the assignments:

Knudsen	\$6,000
DeBlauw	\$8,000
Margaret Farquahar	\$6,500
Louis Farquhar	\$6,500
Ryan	\$8,000
Fletes	\$25,000+/- (includes record certification \$ unknown)
Cozzolino	\$18,000
Fosdick	\$7,500
Ossko	\$7,500
Zuppardo	\$10,000
Campus Crusade- estimate 7 days deposition, pretrial & trial @ \$200 per hour	\$11,200
TOTAL	\$114,200