

- **Board of Directors**

July 10, 2007 Board Meeting

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**10-2**

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**Subject**

Compensation Recommendation for General Manager, General Counsel, General Auditor and Ethics Officer

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**Description**

On June 19, 2007, the Executive Committee, in closed session, evaluated the performance of the General Manager, General Counsel, General Auditor and Ethics Officer. We have reviewed the evaluations and recommend that the Board approve the following actions:

Award each direct report a lump-sum pay-for-performance payment based on 3 percent of his or her base salary effective July 1, 2007 as follows:

General Manager: \$7,800

General Counsel: \$6,480

General Auditor: \$4,950

Ethics Officer: \$1,000 (based on 4/12th of 3% of base salary per part-time status)

It is also recommended that the base salary of the General Counsel be adjusted from \$204,000 to \$216,000 effective July 1, 2007 in order to alleviate an immediate compression issue.

Effective July 1 all bargaining units received a 2.7 percent Cost of Living Adjustment (COLA) per their respective MOUs. The Board recommends that the 2.7 percent COLA also be awarded to the direct reports and their respective annual base salaries be increased as follows

General Manager: Increase of \$7,020 to a new annual salary of \$267,020

General Counsel: Increase of \$5,832 to a new annual salary of \$221,832

General Auditor: Increase of \$4,455 to a new annual salary of \$169,455

Further, it is recommended that the COLA be provided to all unrepresented employees effective July 1, 2007. It is anticipated that a study of significant internal compression issues will be completed in the next few months and the Board will consider further recommendations as a result of the study at that time.

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**Policy**

Metropolitan Water District Administrative Code Section 2417: Duties and Functions of the Executive Committee

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**California Environmental Quality Act (CEQA)**

CEQA determination for Options #1 and #2:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #3:

None required

**Board Options**

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**Option #1**

Adopt the CEQA determination and approve as recommended by the Executive Committee.

**Fiscal Impact:** \$20,230 one-time lump-sum payout and a \$29,307 increase in annual salaries for direct reports and approximately \$136,000 annual increase for remaining unrepresented employees

**Option #2**

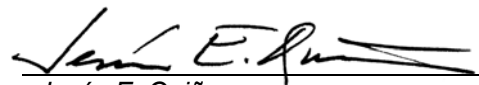
Modify recommendation

**Option #3**

Reject recommendation

  
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Timothy F. Brick  
Chairman of the Board

7/10/2007  
\_\_\_\_\_  
Date

  
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Jesús E. Quiñonez  
Chairman of the Legal and Human  
Resources Committee

7/10/2007  
\_\_\_\_\_  
Date