



BEAUMONT CHERRY VALLEY WATER DISTRICT

**MEETING OF THE
PERSONNEL COMMITTEE
AGENDA**

**Monday, October 15TH, 2007 - 5:00PM
815 E. 12th St, Beaumont CA 92223**

Assistance for the Disabled: If you are disabled in any way and need accommodation to participate in the meeting, please call Blanca Marin Administrative Assistant, at (951) 845-9581 Ext. 23 for assistance so the necessary arrangements can be made.

**1. Call to Order, Pledge of Allegiance, Invocation, Roll Call- Chairman
Chatigny**

2. Public Input

Anyone wishing to address the Board on any item that is not set for public hearing, or any topic within the Board's jurisdiction that is not on the agenda, may do so at this time. This is not a time for Board Member comment or action, but the Board may ask questions for clarification or make a referral to staff for factual information to be reported back to the Board at a later meeting. When called upon, please state your name and address for the record, who you represent and any statement you wish to make. Each Speaker and/or Presenter is limited to three minutes.

**3. Discussion and Possible Action Regarding Education Contracts for Two
Employees**

**4. Discussion and Possible Action Regarding "At Will" Part Time Employment
Contract for Joe Reichenberger**

**5. Discussion and Possible Action Regarding Rental Agreements for District
Housing**

6. Adjournment

Certification of Posting

I certify that on October 12, 2007, I posted a copy of the foregoing agenda at the place of the meeting of the Personnel Committee of the Beaumont Cherry Valley Water District, said time being at least 72 hours in advance of the Personnel Committee Meeting. (Government Code Section 54954.2)

Executed at Beaumont, California, on October 12, 2007

Blanca Marin

Blanca Marin, Administrative Assistant

MEMORADUM

Date: October 12, 2007
From: C.J. Butcher, General Manager
To: Board of Directors (Personnel Committee)
Subject: Education contract issue

In late 2005 the Board, in closed session, discussed and approved paying for Bryan Wilfley to attend school and become a licensed engineer to serve as Assistant District Engineer/District Engineer for a period of 6 years following registration in return for the District paid education.

At this same time, Bryan is also attending specialized classes on Auto Cad mapping and GIS mapping/plotting systems. Attached is a set of graphs showing the costs incurred by the District to date for Bryan's salary and contract engineering that the District is paying for GIS service through an outside firm.

The graph clearly shows the cost savings the District has seen with Bryan becoming proficient in the auto cad mapping system and GIS plotting mapping. Once fully trained, Bryan will in turn be able to train personnel in the use of the GIS/GPS plotting system for collecting of data for mapping of the District's older water system. He will also be able to produce plan and profile for District projects, further reducing engineering cost and assist in planning and performing plan checks for developers. Comparing Auto CAD, GIS and GPS savings, the District will reduce engineering costs in these areas by approximately \$60,000/year beginning in 2009/10. Total cost savings for GIS/GPS related work and training during the remaining life of the contract (8 years) is estimated to be \$480,000.

Additional benefits to having a full time in house engineer will include additional savings in outside engineering costs for planning transmission distribution systems for new development and development engineering which ranged from approximately \$220,000 to \$590,000 per year for the past 5 years. While it is difficult to estimate this saving, I think the District can conservatively expect net savings between \$100,000 and \$200,000 per year for the GIS system implementation, the General Engineering and the Developer Engineering.

Note: Total remaining educational costs for two years tuition at Cal Poly Pomona is \$7,400 plus books/materials and mileage.

Total Cost to date including tuition, books, material and mileage at Craft Hills was \$4,853.54.

BEAUMONT-CHERRY VALLEY WATER DISTRICT
Supplier Invoice Query



AP2090

Page : 1

Date : Oct 12, 2007

Time : 2:54 pm

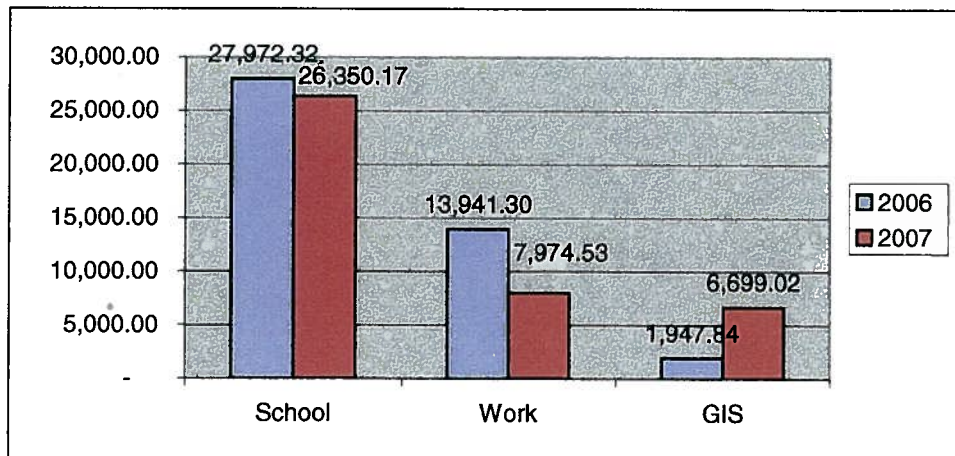
Vendor : BRYANWILFL WILFLEY, BRYAN

Remit To :

Invoice No.	Date	Due Date	Inv Amount	O/S Amount	Status	Hold Date	Description
090607	06-Sep-2007	06-Sep-2007	71.01	0.00	P		B. WILFLEY BOOKS SBVC
083107	31-Aug-2007	31-Aug-2007	20.00	0.00	P		TRANSCRIPTS CRAFTON & SBVC
082207	22-Aug-2007	22-Aug-2007	364.95	0.00	P		B. WILFLEY BOOKS CHC
082207 1	22-Aug-2007	22-Aug-2007	90.00	0.00	P		SBVC BOOKS
012207	22-Jan-2007	22-Jan-2007	184.52	0.00	P		BOOKS
011707	17-Jan-2007	17-Jan-2007	620.33	0.00	P		BOOKS
112306	23-Nov-2006	23-Nov-2006	356.00	0.00	P		CLASSES
110306	03-Nov-2006	03-Nov-2006	334.00	0.00	P		GIS/ PDF CONVERTER/ACCESS 2000
092906	29-Sep-2006	29-Sep-2006	157.28	0.00	P		COMP HARD DRIVE/MARKER BOARD
092706	27-Sep-2006	27-Sep-2006	25.00	0.00	P		UCR PARKING
09 20 06	20-Sep-2006	20-Sep-2006	58.13	0.00	P		BARNES & NOBLE BOOK
09 11 06	11-Sep-2006	11-Sep-2006	89.08	0.00	P		CRAFTON COLLEGE BOOKS/SUPPLI
082206 BARNE	22-Aug-2006	22-Aug-2006	128.00	0.00	P		BOOK
081506 CRAFT	15-Aug-2006	15-Aug-2006	341.03	0.00	P		BOOKS
07 14 06	14-Jul-2006	14-Jul-2006	460.00	0.00	P		CRAFTON COLLEGE CLASSES
JUNE 06	11-Jul-2006	11-Jul-2006	15.00	0.00	P		SCHOOL PARKING
JUNE 06 1	11-Jul-2006	11-Jul-2006	118.46	0.00	P		SCHOOL BOOKS
JUNE 06 2	11-Jul-2006	11-Jul-2006	74.40	0.00	P		SCHOOL BOOKS
JUNE06	06-Jun-2006	06-Jun-2006	130.00	0.00	P		GRADE 4 WATER DIST EXAM
050906	09-May-2006	25-May-2006	227.00	0.00	P		CRAFTON COLLEGE REGISTRATION
032706	27-Mar-2006	25-May-2006	138.87	0.00	P		GRAPH CALCULATOR
030806	08-Mar-2006	25-May-2006	139.27	0.00	P		CRAFTON COLLEGE BOOKS
010906	08-Feb-2006	08-Feb-2006	307.00	0.00	P		CRAFTON COLLEGE 3 CLASSES
072605	08-Feb-2006	08-Feb-2006	122.00	0.00	P		SB VALLEY COLLEGE
011006	10-Jan-2006	08-Feb-2006	141.82	0.00	P		CRAFTON COLLEGE BOOK STORE
BOOKS0904	14-Jul-2005	14-Jul-2005	35.39	0.00	P		
GRADE2	14-Jul-2005	14-Jul-2005	105.00	0.00	P		
Total :			4853.54	0.00			

Beaumont Cherry Valley Water District
Wilfley Salary Distribution

Pay Period	School	2006 Work	GIS	Total	Pay Period	School	2007 Work	GIS	Total
1	1,387.44	211.97	-	1,599.41	1	1,493.28	-	-	1,493.28
2	1,146.57	327.59	-	1,474.16	2	1,451.80	414.80	-	1,866.60
3	1,233.28	423.94	-	1,657.22	3	1,451.80	539.24	-	1,991.04
4	1,146.57	327.59	-	1,474.16	4	1,451.80	622.20	-	2,074.00
5	1,233.28	423.94	-	1,657.22	5	1,451.80	622.20	-	2,074.00
6	1,233.28	423.94	-	1,657.22	6	1,451.80	622.20	-	2,074.00
7	1,233.28	423.94	-	1,657.22	7	1,451.80	622.20	-	2,074.00
8	1,233.28	423.94	-	1,657.22	8	1,451.80	829.60	-	2,281.40
9	1,233.28	423.94	-	1,657.22	9	1,451.80	622.20	165.92	2,239.92
10	1,359.43	365.22	-	1,724.65	10	1,451.80	622.20	331.84	2,405.84
11	1,136.24	-	324.64	1,460.88	11	1,078.48	124.44	663.68	1,866.60
12	1,623.20	-	-	1,623.20	12	912.56	-	995.52	1,908.08
13	730.44	973.92	-	1,704.36	13	1,493.28	-	-	1,493.28
14	831.89	852.18	-	1,684.07	14	860.71	-	311.10	1,171.81
15	811.60	973.92	-	1,785.52	15	1,762.90	-	850.34	2,613.24
16	1,217.40	486.96	-	1,704.36	16	1,078.48	-	788.12	1,866.60
17	1,339.14	304.35	-	1,643.49	17	1,068.11	394.06	1,306.62	2,768.79
18	1,288.42	608.70	-	1,897.12	18	1,109.59	725.90	788.12	2,623.61
19	872.47	568.12	-	1,440.59	19	1,099.22	788.12	-	1,887.34
20	811.69	771.02	162.32	1,745.03	20	1,327.36	425.17	497.76	2,250.29
21	811.69	771.02	324.64	1,907.35	21	-	-	-	-
22	811.69	771.02	324.64	1,907.35	22	-	-	-	-
23	811.69	771.02	324.64	1,907.35	23	-	-	-	-
24	811.69	771.02	486.96	2,069.67	24	-	-	-	-
25	811.69	771.02	-	1,582.71	25	-	-	-	-
26	811.69	771.02	-	1,582.71	26	-	-	-	-
	27,972.32	13,941.30	1,947.84	43,861.46		26,350.17	7,974.53	6,699.02	41,023.72

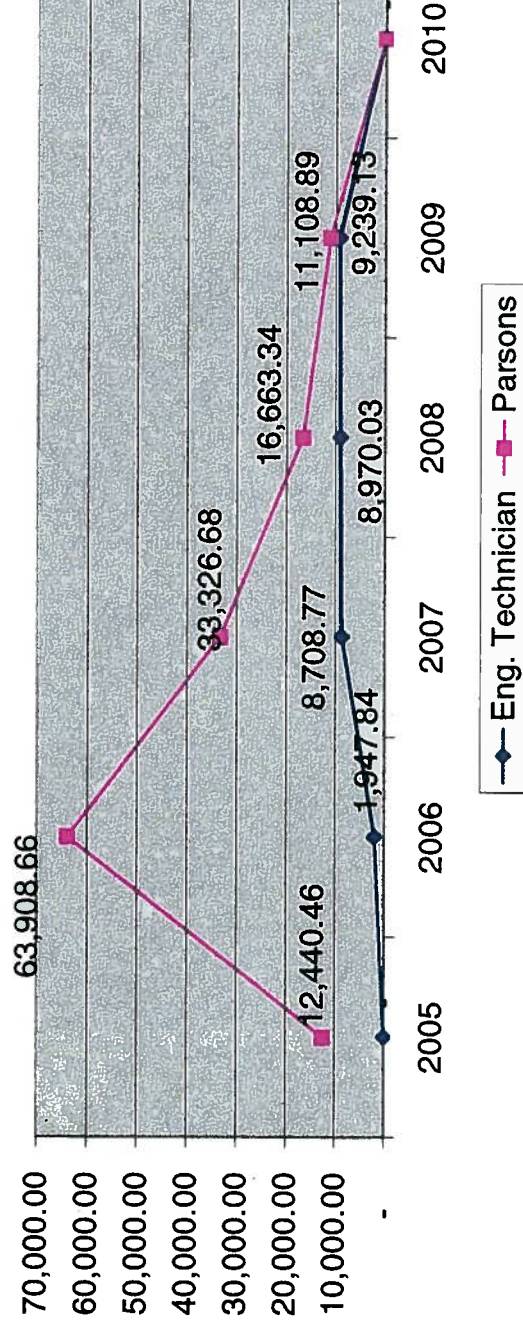


Beaumont Cherry Valley Water District
Willey Salary Distribution

Projected Salary Distribution			
	School	Work	GIS
2006	27,972.32	13,941.30	1,947.84
*2007	34,255.22	10,331.79	8,708.77
*2008	35,282.88	10,641.74	8,970.03
*2009	36,341.36	10,961.00	9,239.13
*2010	-	60,000.00	-
*2011	-	67,320.00	-
*2012	-	75,533.04	-
*2013	-	84,748.07	-
*2014	-	95,087.33	-
	133,851.78	428,564.27	28,865.78

*Estimated salary

GIS Engineering Expense Comparison & Projection



AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2007 ("Effective Date") by and between BEAUMONT CHERRY VALLEY WATER DISTRICT, a public agency of the State of California, ("District"), and _____, an individual and employee of the District, ("Employee"). District and Employee are sometimes referred to individually as "Party" or collectively as "Parties."

RECITALS

- A. District is an irrigation district, organized pursuant to the Wright Act of 1897, and existing pursuant to California Irrigation District Law, California Water Code §20500, et seq.
- B. Employee is currently employed by District as an Engineering Technician.
- C. Employee would like to continue his education and become a licensed Engineer.
- D. District finds that having an employee in house with additional engineering knowledge would be important and beneficial to District.
- E. District is interested in paying for classes and books for Employee to become a licensed Engineer.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1. All of the above recitals are hereby incorporated by reference to the same extent as though hereinagain set forth in full.
- 2. Beginning with the Effective Date of this Agreement, District will pay for engineering courses, and textbooks for those courses at a Community College or University approved by both Parties, in which Employee is enrolled as a full time student, while concurrently employed by the District. "Full time Student" shall mean enrolled in twelve (12) or more units per semester or quarter, depending on the approved term of the school.
- 3. District shall not reimburse Employee for courses or textbooks in a semester or quarter where Employee is not enrolled as a full time student unless there is prior written agreement between the Parties for each individual semester or quarter in which Employee does not meet full time student status.
- 4. Should District make a payment pursuant to this Agreement and Employee register as a full time student during any quarter or semester and at some time during said quarter or semester employee wishes to reduce the number of units such that Employee is considered a part time student, Employee must received written approval from District, which approval will be in the sole and absolute discretion of District, prior to reduction of the number of units being taken by Employee.

5. From and after the Effective Date, Employee will provide proof of enrollment in each engineering course taken and a receipt for the required textbooks, upon which District will cause payment to be made to Employee for courses and required textbooks.
6. District will also provide wages to Employee equivalent to full time employment but receive part time labor from Employee while Employee is enrolled in full time engineering coursework. "Full time employment" is defined as forty (40) work hours per week. "Part time labor" is defined as between fifteen (15) and twenty five (25) hours, inclusive, worked per week.
 - a. District reserves the option, at its sole and absolute discretion, to decrease the hours Employee is expected to work during the period between the completion of all required coursework and the first engineering licensing examination offered. This option applies only to the period between completion of the required coursework and the first examination offered after the completion of required coursework.
 - b. Employee will be engaged in full time employment, as defined above, at all other periods covered by this Agreement.
7. Employee will provide written proof to District, in the form of a semester or quarter grade report, whichever is provided by the school, of the adequate completion of each course for which a payment was made by the District. Adequate completion shall constitute a final grade of "C" or above.
8. Employee is expected to have completed his coursework within five (5) years of Effective Date. In the event that the Employee has not completed the required coursework within five (5) years of Effective Date, Employee will reimburse the District for any and all expenses paid by District as part of this Agreement.
9. In the event Employee terminates his employment with District fewer than five (5) years after receiving his engineering license, or having two (2) or more consecutive semesters where Employee fails to be enrolled in full time coursework, Employee will reimburse any and all expenses provided by District as part of this Agreement.
10. In the event that Employee fails to become a licensed engineer within five (5) years of the last required course taken by Employee, Employee will reimburse any and all expenses provided by District as part of this Agreement.
11. Upon the occurrence of events in Paragraphs 8, 9 or 10, the terms of this Agreement terminate, with the exception of Paragraph 12, which survives the termination of any and all other portion of this Agreement.

12. If repayment is required by Employee pursuant to Paragraphs 8, 9 or 10, then repayment will be governed by the following provisions:
- a. Payment will be due on the first (1st) day of the month, commencing with the first (1st) full month after the event in Paragraphs 8, 9 or 10 causing repayment.
 - b. Payment amounts will follow an amortization schedule of five (5) years at an interest rate on the principal amounts due of ten percent (10%) per annum.
 - c. It is understood that any interest due hereunder shall be calculated on the basis of a three hundred sixty-five (365) day period and the term "per annum" means said three hundred sixty-five (365) day period.
 - d. Despite any other provision of this Agreement, in no event will the amount paid or agreed to be paid to the District as interest hereunder, exceed the highest lawful rate applicable to this Agreement. If the District ever receives interest in amounts which exceed the highest lawful rate applicable to this Agreement, such amount will be applied to the reduction of unpaid principal.
 - e. If the payment is not paid within fifteen (15) days from the due date, Employee shall pay District ten percent (10%) for each payment due as an administrative processing charge. The Parties agree that this late charge represents a fair and reasonable estimate of the administrative cost that District will incur by reason of the late payment by Employee. Acceptance of any late charge shall not constitute a waiver of Employee's default with respect to the overdue amount or prevent the District from exercising any of the other rights and remedies available to District.
 - f. Any principal amount may be prepaid at any time without penalty.
 - g. Any payments received from Employee will be applied in the following order: first, to any fees due for late payments due hereunder; second, to accrued and unpaid interest; and third, to any principal amount.
 - h. The terms of this Paragraph survive the termination of any and all other Paragraphs of this Agreement.
13. In the event of failure to make any payment required pursuant to Paragraphs 8, 9 or 10 of this Agreement, District may, without notice or demand, declare the entire principle sum immediately due and payable.
14. To induce District to execute this Agreement, Employee covenants that Employee will continue on as an employee with District for a minimum period of five (5) years after becoming a licensed Engineer.

15. Upon Employee's successful completion of the required coursework and Employee successfully passing his licensing examination and receiving his engineering license, the Parties will renegotiate the salary of Employee.
16. Employee is solely and completely responsible for any and all tax consequences caused by the payment of the course tuition and books provided for in this Agreement.
17. The Parties agree to cooperate with each other in furthering the purposes of this Agreement. The Parties hereby agree to take such other actions and execute such other reasonable documents as are consistent with this Agreement and as are reasonably necessary to effectuate this Agreement; provided, however, that the foregoing shall not required District to take any legislative action or exercise its discretion in any particular manner.
18. This Agreement contains the final and complete agreement between the Parties with respect to the matter herein discussed and supersedes all previous communications and agreements between them, either oral or written; to the extent such prior communications and agreement are not consistent with this Agreement.
19. In the event that any action or proceeding is commenced between the Parties hereto to enforce or interpret any term of this Agreement, the prevailing Party in such action or proceeding, in addition to all other relief to which it may be entitled, shall be entitled to recover from the other Party the prevailing Party's costs of suit and reasonable attorneys' fees. The attorneys' costs and fees shall include, without limitation, attorneys' costs and fees incurred on appeal and those incurred in enforcing any judgment rendered in any such action or proceeding. Such attorneys' costs and fees may be recovered as an element of costs in the underlying action or proceeding or in a separate recovery action.
20. All notices shall be in writing and shall be considered given and received: (i) when delivered in person to the recipient named below; or (ii) three days after deposit in the United States mail, postage prepaid, addressed to the recipient named below; or (iii) on the date of delivery shown in the records of an express courier such as Federal Express or DHL; or (iv) on the date of delivery by facsimile transmission to the recipient named below. All notices shall be addressed as followed:

If to District:

Charles Butcher
Beaumont Cherry Valley Water District
P.O. Box 2037
Beaumont, CA 92223

If to Employee:

Any party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a Party of an officer or representative of a Party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

21. This Agreement and all its provisions shall in all respects be interpreted, construed, enforced, and governed by and under the laws of the State of California, without regard to its conflict of laws principles.
22. Any action or proceeding brought respecting this Agreement shall be instituted and maintained in the appropriate court in the County of Riverside, California.
23. This Agreement may be modified only by another written instrument duly authorized and executed by both Parties.
24. The provisions of this Agreement are specifically made severable. If any clause, provision, right, or remedy provided for herein is determined to be unlawful or unenforceable, the remainder of this Agreement shall remain in effect and shall be enforced as if such clause, provision, right, or remedy were not contained herein.
25. The language in all parts of this Agreement shall in all respects be construed as a whole according to its fair meaning, and not strictly for or against any other Party. This Agreement is the product of mutual negotiation and drafting efforts. Accordingly, the judicial rule of construction that ambiguities in a document are to be construed against the drafter of that document shall have no application to the interpretation or enforcement of this Agreement.
26. This Agreement may be executed in one or more counterparts, each of which shall be an original and all such counterparts together shall constitute the entire Agreement of the Parties hereto.
27. This Agreement shall not be extinguished or altered in any way, by any Party without the prior written consent of the District.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

DISTRICT:

EMPLOYEE:

BEAUMONT CHERRY VALLEY
WATER DISTRICT, a public agency
of the State of California

By: _____

By: _____

Its: _____

BEAUMONT CHERRY VALLEY WATER DISTRICT

560 Magnolia Avenue

Beaumont, CA 92223

(951)-845-9581

MEMORANDUM

October 3, 2007

TO: Chuck Butcher
General Manager

FROM: J. Reichenberger
District Engineer

SUBJECT: Employment Status of the District Engineer

Chuck, I understand some members of the Board had questions about my employment status as the District Engineer. This memo summarizes my hiring and other issues related to my employment.

In middle to late October 2006, I told Chuck Butcher that I was retiring from Parsons Corporation effective November 10, 2006. Parsons was under contract to the District to provide the District Engineer and other support engineering functions since the early 1980s. Mr. Reichenberger served as the District Engineer, through Parsons, since that time. As such Mr. Reichenberger was a consultant and was billed to the District at Parsons' standard billing rate for his classification and experience – I believe it was about \$160 per hour.

I also told Chuck, that I offered to continue to work for Parsons on the same basis that I had been since 1993, (casual, hourly status), when I took a full time academic position. Parsons senior management stated that it was against their policy to hire back employees who had retired and took their accrued ESOP shares. I told Chuck I would like to continue to work for the District and could do it either as a consultant or a part time employee. We both agreed that it would be better for both of us if I were an employee.

On November 8, 2006, in closed session, the hiring of Mr. Reichenberger was discussed in the full presence of the Board. During the Closed Session my qualifications, potential employment, etc. were discussed. There were no objections. When we came out of closed session my recollection is that an announcement was made that I was hired as District Engineer. My hourly rate at the time of hire was \$100 per hour – 38% less than the District was paying Parsons.

On November 15, 2006, I formally filled out my paperwork for employment, including all "right to work" paperwork and this is considered my first day of employment.

My status is "part time." I am not under the employee SEIU agreement. I receive a W-2 each year just like every other employee. There is withholding, FICA, Medicare, SDI etc taken out of each paycheck.

I have a full time job under a University contract from August 15th through May 15th of the following year. The University allows me 1 day a week off campus so I have one day a week for District activities (Wednesdays) during the school year; during winter break and summers, I have more time available and have been spending about 3 days a week at the District office.

I fill out a time sheet each week designating the work that I do; some is reimbursable from developers; some is chargeable to capital projects; some is general engineering. I charge for the actual hours worked, even if it is more than 8 hours in a single day. I get paid "straight time" for every hour worked. Since I am requested to do work away from the District office, e.g., evaluations, plan reviews etc., I will charge time for these activities.

I am a member of PERS and have about 16 years of service through my tenure on the San Gabriel Valley Municipal Water District Board of Directors. Since I am a new employee, according to the District's current policy, I have to pay a share of the PERS contribution. I have medical insurance through the San Gabriel Valley Municipal Water District (ACWA Group) so I don't take medical or dental or other benefits from the District. Since I am now 65 years old, I am also covered by Medicare Part A. I have dental and vision coverage from the University.

I don't accrue any vacation or sick leave credit. I charge for a holiday if it is a regular work day for me. I do not participate in the District's deferred compensation program, though I may decide to do this at some point. However, this is really at little or no cost to the District, since it is my money that is put into the program.

I have District cell phone which I use for District business; I have a personal cell phone that I use for personal and University business.

When I work at home or the University on District business, I use my own personal equipment – computer, fax etc.

I personally pay for the renewal fees on my California PE license and the California T5 water treatment plant operator license. The latter has significant continuing education requirements which I pay myself. The District benefits from this at no cost.

I am a life member of AWWA and, as such, pay no dues; when I go to AWWA or ACWA conferences, the cost of registration, meals, lodging etc. is paid by the San Gabriel Valley Municipal Water District. BCVWD benefits from my participation in these activities as well as my involvement, as President of the Board of Directors, with the San Gabriel Valley Municipal Water District – one of the State Water Project Contractors.

I trust this should answer any questions the Board or the public may have about my employment status.

MEMORADUM

Date: October 12, 2007
From: C.J. Butcher, General Manager
To: Board of Directors (Personnel Committee)
Subject: District Housing

At the October 10, 2007 meeting of the Board of Directors, Director Ball passed out a BCVWD Personnel Policies & Practices Manual that was developed in the latter part of the 1990s. He called the Board's attention to the current housing situation and claimed that the District, apparently based on the attached policy (District Residences and Facility Emergency Policy), was owed well over \$280,000 presumably in back rental, maintenance and/or utility payments since the passage of the 1990s policy. Actual costs for the 4 residences including utilities and maintenance over the period from 2000 through the end of 2006, is less than ½ of the number recited by Director Ball as a loss of revenue to the District.

Director Ball failed to discuss the current residence situation and the Board approved existing Housing Agreements (currently on file at the District). Attached are several Housing Agreements that date back to my return to the District in December 1999. Please note that the 2000 Housing Agreement between BCVWD and me was part of a settlement of my wrongful termination lawsuit.

In that Agreement, it was agreed that I would pay for utilities in excess of \$3,000.00 for the calendar year, the first \$3,000.00 being paid by the District. In later agreements related to my annual evaluations, the Board approved a reduction in utility payments which resulted in the District paying all utility costs (see attached Housing Agreements).

While I believe the District Residences and Facility Emergency Policy, as shown in Director Ball's handout, does actually cover some important facts related to emergency response, the portion of the policy relating to the residences is not up to date with subsequent actions taken by the Board, and should be rewritten.

The policy does define the need for employees to reside in the District residences for the following reasons:

- Security
- Monitoring facilities (the District has 14 active wells and 2 remote water tanks)
- Rapid response in time of emergencies

Since the policy was developed, and with the change in Board and administration, the District has moved in a more well planned strategic direction. Currently, the four residences are occupied by top staff employees (3 Superintendents and the General Manager). Each, as the old policy directs, lives in a house as a condition of employment.

In addressing the Security issue it is important to note that while the residences have been occupied over the last 27 years, there has been only one occurrence of vandalism. It is also important to note that the canyon is protected from unlawful dumping, as a residence is located at each entrance to the canyon. Attached are photos taken last Friday showing property adjacent to District land on Mile High Road.

Unrestricted access allows serious consequences as demonstrated by these photographs. The District property, if not properly protected, could become a dumping place for trash and old furniture. Beyond these illegal activities the District's land, without security, could become a local dumping site for pollutants that could destroy the District's well fields.

I should also note for the Board's consideration that the utilities at the residences are quite high as the houses are old and the insulation is not up to today's standards, which in turn increases utility costs. When I returned to the District, there were two residences that were unoccupied and when I asked employees why, they indicated that they could not afford the utilities.

BEAUMONT-CHERRY VALLEY WATER DISTRICT PERSONNEL POLICY MANUAL

DISTRICT RESIDENCES AND FACILITY EMERGENCY POLICY

Facility Emergency Policy

The Beaumont-Cherry Valley Water District currently owns four residences. Said residences are located on District property in close proximity to water system facilities necessary for the provision of water service. These facilities include but are not limited to wells, pipelines, reservoirs and other facilities necessary for delivery of water. These facilities are located in remote locations in the District-owned watershed area.

The District will require certain employees to accept lodging as a condition of employment in order to effectively safeguard the District facilities and respond to emergencies or other potential problems which may arise. These employees will be required to be on a on-call schedule to provide the services described below. Such services include but are not limited to:

- 1) Safeguarding property and facilities from trespassers and potential vandalism.
- 2) Monitor property and facilities on a daily basis.
- 3) Respond immediately to facilities nearest the residence in the event of a natural disaster or other emergency.
- 4) First to be called upon to assist the Production Department standby employee in the event of telemetry system, distribution and transmission system, and customer service emergencies which require after hours emergency repairs. (Refer to Standby Program Policy).

The General Manager is responsible for preparing the on-call schedule.

It is critical that the District have the capability to respond to emergencies or other problems which may arise at any time at the remotely located water system facilities. These emergencies include acts of vandalism, security breaches, power failures, operational failures, floods, fires, earthquakes and other natural or manmade emergencies. It is also necessary to have the capability to respond to regional emergencies, in conjunction with other public agencies, in order to provide mutual response to a major and/or natural disaster. The housing of District personnel in said residences is the most practical alternative to provide emergency and safeguarding services to remote water facilities.

**District Residences and
Emergency Facility Policy
Page Two**

For items 1 and 2 listed above, no overtime will be paid for actually performing said services. For items 3 and 4 above, overtime will be paid after two hours of actual emergency work has been performed.

District Residences Policy

In addition to the provisions of the particular Lease for Employee Housing, the employees who are required to reside in District residences shall also be responsible for and comply with the following:

- 1) Employees shall pay for electric and propane utilities at their place of lodging. Employees shall be responsible for such payment within 15 days of presentation of such invoice by the District.
- 2) Employees shall establish, and pay for, their personal telephone service.
- 3) Employees shall pay the possessory interest tax as invoiced by the respective County Tax Assessor/Collector.
- 4) Employees are responsible for normal wear and tear maintenance of the residence up to an amount of \$200 each month. District labor will no longer be authorized for such maintenance items. Any receipts for actual out of pocket expense incurred by the employee must be submitted for recordkeeping purposes. Maintenance and repair items, which exceed \$200 in a one-month period, must be submitted to the General Manager for presentation to the Finance Committee for authorization for reimbursement.

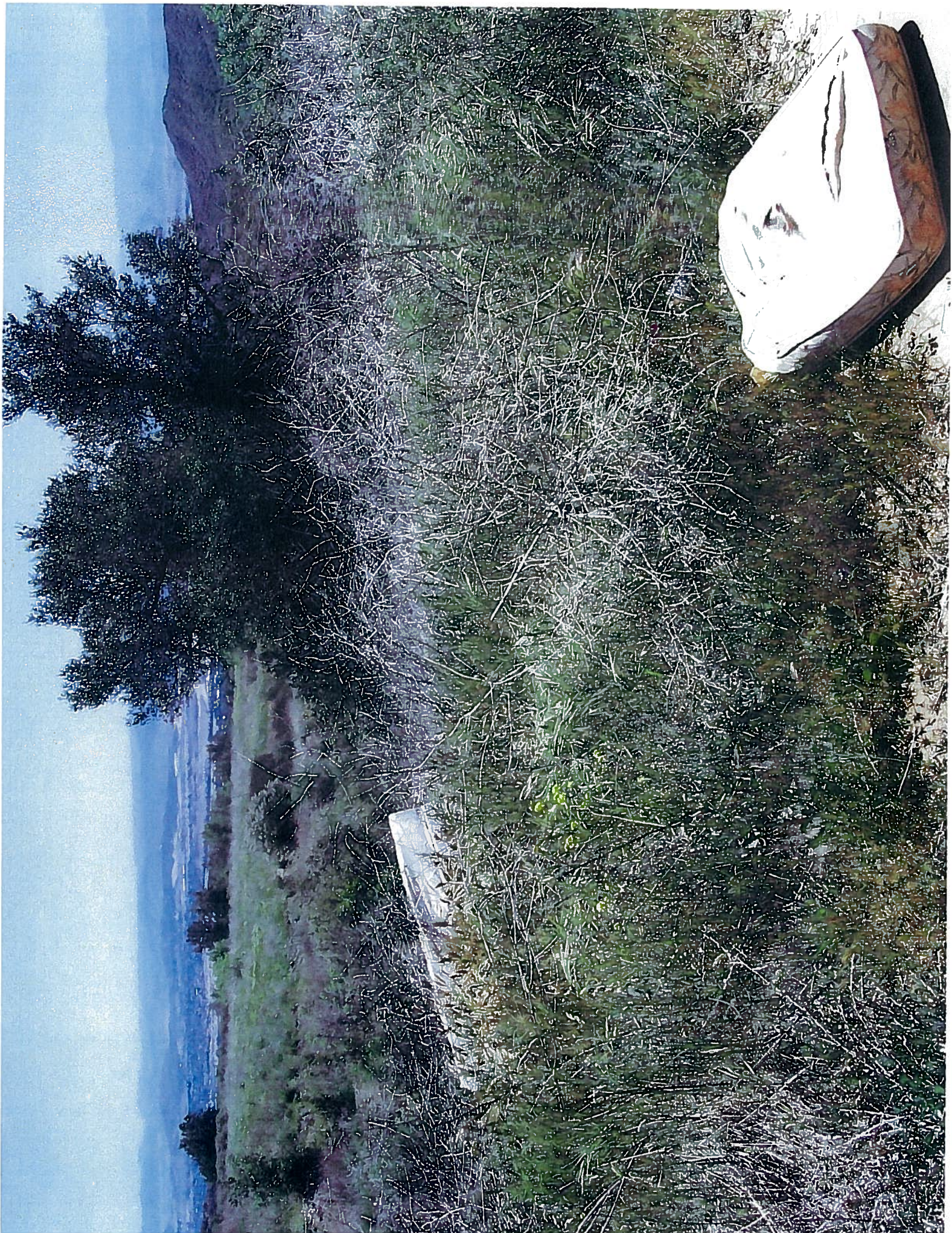
Request for repair and/or maintenance items, or improvements, to the residence in excess of \$200 shall be brought to the General Manager for approval.

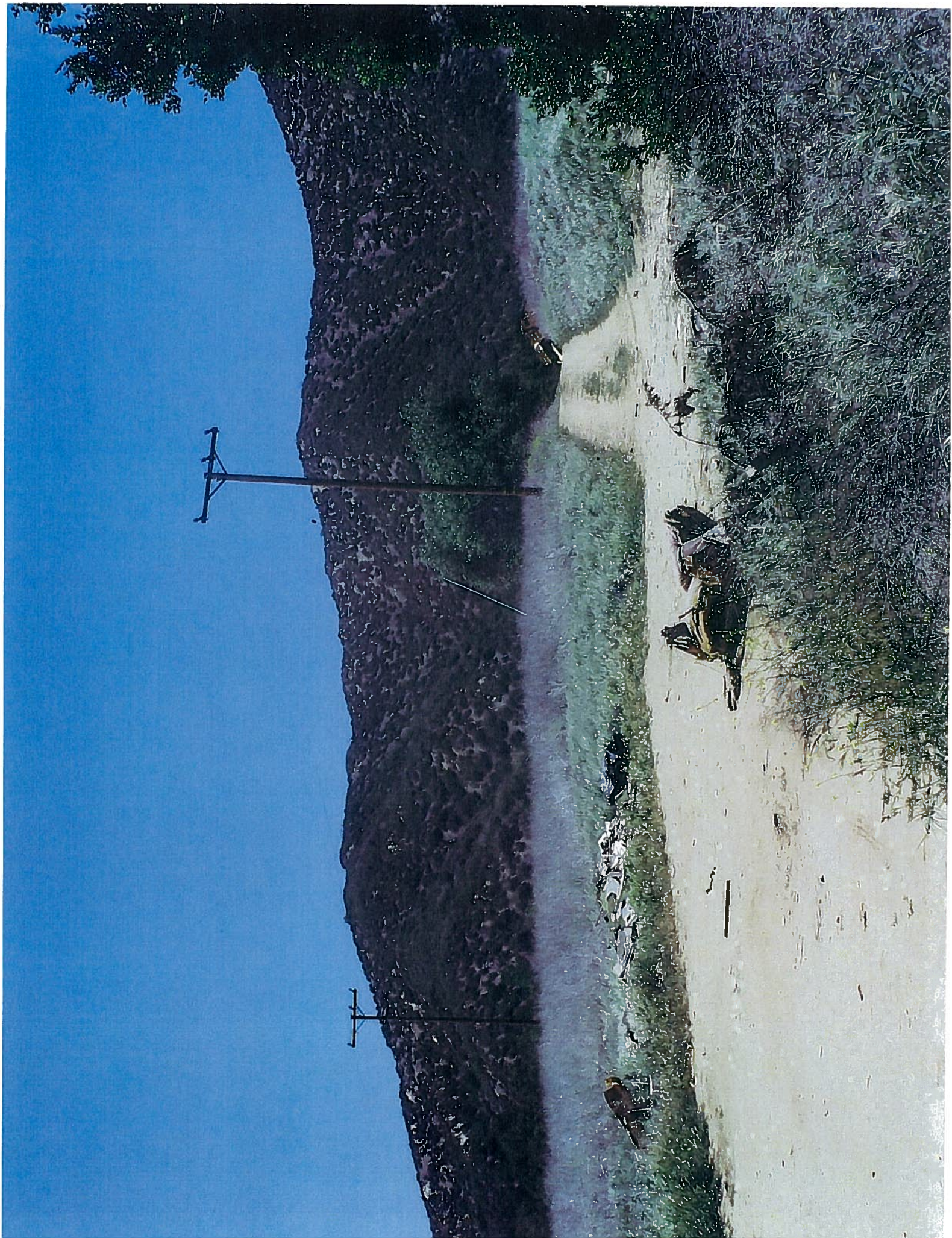
- 5) Employees are responsible for upkeep of individual lawns and yards.

The General Manager is responsible for determining which employees are required to accept lodging in District housing based on the criteria set forth herein. Upon selection, and prior to moving into a residence, the employee shall enter into a Lease For Employee Housing as provided by the District, and included as Exhibit "A" of this policy.

This is a separate policy from the District's *Standby Policy* and does not affect its parameters in any way. This policy for District Residences shall control over any provision of a Lease For Employee Housing in the event of any conflict between provisions of the Policy and a Lease.









HOUSING AGREEMENT

THIS HOUSING AGREEMENT ("Agreement") is made this 15th day of March, 2000, for identification purposes only, by and between BEAUMONT CHERRY VALLEY WATER DISTRICT, a public agency, ("BCVWD") and CHUCK BUTCHER ("Butcher").

RECITALS:

A. BCVWD and Butcher executed that certain employment agreement dated March 15, 2000 ("Employment Agreement") wherein BCVWD employed Butcher for a term of five (5) years, commencing in March of 2000 and continuing through March 15, 2005.

B. BCVWD owns certain real property located in the City of Beaumont, Riverside County, California which is described and/or depicted on Exhibit "A" attached hereto and by this reference incorporated herein ("Premises").

C. As a condition of employment pursuant to the Employment Agreement, Butcher is required to reside at the Premises during the term of the Employment Agreement. Butcher accepted employment with BCVWD under the condition that Butcher would reside at the Premises.

D. The Board of Directors of BCVWD requires Butcher to live on the Premises during the term of his employment because it requires Butcher to be available for duties at all times, to respond to BCVWD needs, including but not limited to, response to emergency and other problems regarding BCVWD facilities and to be on call twenty-four (24) hours per day, at all times of the day and night to monitor BCVWD facilities located in close proximity to the Premises.

E. Butcher agrees to reside in the Premises during his term of employment with BCVWD pursuant to the Employment Agreement and BCVWD shall make available to Butcher the Premises upon the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE

PARTIES AGREE AS FOLLOWS:

1. Term. The Agreement shall commence on March 15, 2000 and end at midnight one (1) year after the termination of Butcher's employment with BCVWD pursuant to the terms of the Employment Agreement.

2. No Payment. The parties hereby acknowledge that Butcher shall reside in the Premises as a condition of his employment and as a convenience to BCVWD. During the term of this Agreement, Butcher shall not be required to pay to BCVWD any amount for the use of the Premises nor shall BCVWD be required to pay Butcher any additional income because it requires Butcher to reside at the Premises.

3. Utilities. BCVWD shall pay, before delinquency, all charges for electricity, light, power and propane/gas used by Butcher in or upon the Premises; provided that, (a) BCVWD shall not be required to pay more than Three Thousand Dollars (\$3,000.00) annually which amount reflects Two Hundred Fifty Dollars (\$250.00) per month, annualized; (b) BCVWD shall not be required to pay for any utilities after the termination of Butcher's employment. On the date of termination until one (1) year after the termination, or on such date Butcher vacates the Premises, Butcher hereby agrees to pay for all utilities used in connection with the Premises. For purposes of this paragraph, a year shall begin on March 16 and end on March 15.

4. Taxes. The parties to this Agreement understand and acknowledge that BCVWD is a public agency and as such is exempt from most real property taxes and assessments. However, the county may require BCVWD to pay a possessory interest tax. The parties hereby agree that Butcher shall pay the possessory interest tax. All possessory interest tax payments shall be made directly to the charging authority by Butcher before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for the nonpayment. Butcher shall promptly furnish BCVWD with satisfactory evidence that the possessory interest taxes have been paid. If Butcher fails to pay the possessory interest taxes when due, BCVWD may pay the taxes and Butcher shall reimburse BCVWD for the amount of the tax payment. All other property taxes and assessments, if any, shall be paid by BCVWD.

5. Compliance With Laws. BCVWD, at its sole cost and expense, except as provided herein, shall comply with and conform to all laws, ordinances, orders, rules and regulations, municipal,

state, and federal, and any and all requirements and orders of any municipal, state, or federal board or authority, present and future, in any way relating to the Premises, or the use or manner of use of the Premises throughout the entire term of this Agreement.

6. Maintenance of Premises. Throughout the term, BCVWD shall, at BCVWD'S sole cost and expense, maintain the Premises and all improvements, in good condition and repair, ordinary wear and tear excepted. Butcher shall not be required to furnish any services or facilities or to make any repairs or alterations or maintain the Premises except for damages caused by the negligence or intentional acts of Butcher. BCVWD shall promptly replace, at the expense of BCVWD, any and all damaged portion or portions of the Premises from any cause whatsoever in and about the Premises, except for damages caused by the negligence or intentional acts of Butcher.

7. Assignment. Butcher shall have no right to assign, or otherwise transfer this Agreement either voluntarily or by operation of law, in whole or in part, nor to sublet or permit occupancy by any party other than Butcher of all or any part of the Premises without the prior written consent of BCVWD in each instance, which consent may be withheld in BCVWD's sole and absolute discretion. Any purported assignment or subletting of BCVWD's interest shall be null and void and shall, at the option of BCVWD, terminate this Agreement.

8. Insurance.

(a) BCVWD shall carry and maintain, at BCVWD's sole cost and expense, at all times during the term of the Agreement, with respect to the Premises, broad form General Public Liability Insurance for Bodily Injury and Property Damage: \$1,000,000 per person, \$3,000,000 per occurrence. The policy(ies) may contain an aggregate limit not less than the occurrence limit. The required limits may be satisfied by a combination of a primary policy and an excess or umbrella policy.

(b) All insurance required pursuant to the express provisions of this Agreement shall provide that coverage shall not be revised, cancelled or reduced until at least thirty (30) days' written notice of such revision, cancellation or reduction shall have been given to Butcher.

(c) The comprehensive general liability insurance to be maintained by BCVWD pursuant to this section above shall name Butcher as an additional insured.

9. Casualty Insurance for BCVWD. BCVWD shall maintain at its sole cost and expense, on the building and other improvements that are a part of the Premises, a policy of standard fire and extended coverage insurance. The insurance policy shall be issued in the name of BCVWD. The insurance policy shall provide that any proceeds shall be made payable to BCVWD.

10. Casualty Insurance for Butcher. Butcher shall maintain at his sole cost and expense, such fire and extended coverage insurance, as he desires on his personal property, household furniture and furnishings, including without limitation, art, silverware, dishes, antiques, personal clothing, jewelry and items of a similar nature. Butcher understands, acknowledges and agrees that neither the foregoing assets nor any other property of Butcher shall be covered under any insurance policy held by BCVWD. The insurance policy shall be issued in the name of Butcher. The insurance policy shall provide that any proceeds shall be made payable to Butcher.

11. Default. A party shall be deemed to be in default under the terms of this Agreement if a party shall fail to promptly perform or observe any covenant, condition or agreement to be performed by such party under this Agreement within thirty (30) days after written notice from the other party describing in reasonable terms the manner in which such party has failed to perform his/its obligation under this Agreement and specifying the action that must be taken to cure the claimed nonperformance.

12. Remedies. In the event of a default by a party, the non-defaulting party without further notice to defaulting party, shall have all available remedies provided by law or equity.

13. General Provisions.

(a) All notices hereunder must be in writing and, unless otherwise provided herein, shall be deemed validly given if sent by certified mail, return receipt requested, addressed as follows (or to any other mailing address which the party to be notified may designate to the other party by such notice). Should BCVWD or Butcher have a change of address, the other party shall immediately be notified as provided in this paragraph of such change.

Butcher: Chuck Butcher
 12303 Oak Glen Road
 Beaumont CA 92223

BCVWD:

Beaumont-Cherry Valley Water District
P.O. Box 2037
Beaumont, CA 92223

If the address or phone number where either party may be contacted is changed, such party will immediately notify the other party of such change.

(b) It is agreed and understood that this Agreement contains all agreements, promises and understandings between BCVWD and Butcher, and no verbal or oral agreements, promises or understandings shall or will be binding upon either BCVWD or Butcher, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing and signed by the parties hereto.

(c) Subject to the provisions of this Agreement on assignment and subletting, each and all of the covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns and personal representatives of the respective parties.

(d) In the event that either party becomes involved in litigation arising out of this Agreement or the performance thereof, the Court in such litigation, or in a separate suit, shall award attorneys' fees and costs to the justly entitled party.

(e) Should any part, clause, provision, or condition of this Agreement be held void, invalid, or inoperative, such invalidity shall not affect any other provision hereof, which shall be effective as though such invalid provisions had not been made.

(f) A party hereto, at any time upon reasonable request of the other party, will execute, acknowledge and deliver all such additional documents, instruments and other agreements and all such further assurances and will do or cause to be done all further acts and things, in each case, as may be proper or reasonably necessary to carry out the purposes hereof.

(g) This Agreement and performance hereof shall be governed, interpreted, construed and regulated by the laws of the State of California.

(h) No failure by either BCVWD or Butcher to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, condition, agreement and term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach.

(i) Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between BCVWD and Butcher, and no provisions contained in this Agreement nor any acts of the parties shall be deemed to create any relationship between BCVWD and Butcher, other than the relationship of employer and employee.

(j) This Agreement is not subject to modification except in writing.

(k) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto, except having additional signature pages executed by other parties to this Agreement attached hereto.

(l) All of the Recitals are hereby incorporated herein by this reference to the same extent as though hereinagain set forth in full.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date first above written.

BCVWD:

BEAUMONT CHERRY VALLEY WATER DISTRICT
a public agency,

By: _____

Its: _____

Butcher:

Chuck Butcher

HOUSING AGREEMENT

THIS HOUSING AGREEMENT ("Agreement") is made this 15th day of March, 2004, for identification purposes only, by and between BEAUMONT CHERRY VALLEY WATER DISTRICT, a public agency, ("B-CVWD") and CHUCK BUTCHER ("Butcher").

RECITALS:

A. B-CVWD and Butcher executed that certain employment agreement dated March 1, 2004 ("Employment Agreement") wherein B-CVWD employed Butcher for a term of seven (7) years, commencing in March of 2004, and continuing through February 28, 2011.

B. B-CVWD owns certain real property located in the City of Beaumont, Riverside County, California which is described and/or depicted on Exhibit "A" attached hereto and by this reference incorporated herein ("Premises").

C. As a condition of employment pursuant to the Employment Agreement, Butcher is required to reside at the Premises during the term of the Employment Agreement. Butcher accepted employment with B-CVWD under the condition that Butcher would reside at the Premises.

D. The Board of Directors of B-CVWD requires Butcher to live on the Premises during the term of his employment because it requires Butcher to be available for duties at all times, to respond to B-CVWD needs, including but not limited to, response to emergency and other problems regarding B-CVWD facilities and to be on call twenty-four (24) hours per day, at all times of the day and night to monitor B-CVWD facilities located in close proximity to the Premises.

E. Butcher agrees to reside in the Premises during his term of employment with B-CVWD pursuant to the Employment Agreement and B-CVWD shall make available to Butcher the Premises upon the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. Term. The Agreement shall commence on March 1, 2004, and end at midnight one (1) year after the termination of Butcher's employment with B-CVWD pursuant to the terms of the Employment Agreement.

2. No Payment. The parties hereby acknowledge that Butcher shall reside in the Premises as a condition of his employment and as a convenience to B-CVWD. During the term of this Agreement, Butcher shall not be required to pay to B-CVWD any amount for the use of the Premises nor shall B-CVWD be required to pay Butcher any additional income because it requires Butcher to reside at the Premises.

3. Utilities. B-CVWD shall pay, before delinquency, all charges for electricity, light, power and propane/gas used by Butcher in or upon the Premises; provided that, (a) B-CVWD shall not be required to pay more than Four Thousand Two Hundred Dollars (\$4,200.00) annually which amount reflects Three Hundred Fifty Dollars (\$350.00) per month, annualized; (b) B-CVWD shall not be required to pay for any utilities after the termination of Butcher's employment. On the date of termination until one (1) year after the termination, or on such date Butcher vacates the Premises, Butcher hereby agrees to pay for all utilities used in connection with the Premises. For purposes of this paragraph, a year shall begin on February 28 and end on March 1.

4. Taxes. The parties to this Agreement understand and acknowledge that B-CVWD is a public agency and as such is exempt from most real property taxes and assessments. However, the county may require B-CVWD to pay a possessory interest tax. The parties hereby agree that Butcher shall pay the possessory interest tax.

All possessory interest tax payments shall be made directly to the charging authority by Butcher before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for the nonpayment. Butcher shall promptly furnish B-CVWD with satisfactory evidence that the possessory interest taxes have been paid. If Butcher fails to pay the possessory interest taxes when due, B-CVWD may pay the taxes and Butcher shall reimburse B-CVWD for the amount of the tax payment. All other property taxes and assessments, if any, shall be paid by B-CVWD.

5. Compliance With Laws. B-CVWD, at its sole cost and expense, except as provided herein, shall comply with and conform to all laws, ordinances, orders, rules and regulations, municipal, state, and federal, and any and all requirements and orders of any municipal, state, or federal board or authority, present and future, in any way relating to the Premises, or the use or manner of use of the Premises throughout the entire term of this Agreement.

6. Maintenance of Premises. Throughout the term, B-CVWD shall, at B-CVWD'S sole cost and expense, maintain the Premises and all improvements, in good condition and repair, ordinary wear and tear excepted. Butcher shall not be required to furnish any services or facilities or to make any repairs or alterations or maintain the Premises except for damages caused by the negligence or intentional acts of Butcher. B-CVWD shall promptly replace, at the expense of B-CVWD, any and all damaged portion or portions of the Premises from any cause whatsoever in and about the Premises, except for damages caused by the negligence or intentional acts of Butcher.

7. Assignment. Butcher shall have no right to assign, or otherwise transfer this Agreement either voluntarily or by operation of law, in whole or in part, nor to sublet or permit occupancy by any party other than Butcher of all or any part of the Premises without the prior written consent of B-CVWD in each instance, which consent may be withheld in B-CVWD's sole and absolute discretion. Any purported assignment or subletting of B-CVWD's interest shall be null and void and shall, at the option of B-CVWD, terminate this Agreement.

8. Insurance.

(a) B-CVWD shall carry and maintain, at B-CVWD's sole cost and expense, at all times during the term of the Agreement, with respect to the Premises, broad form General Public Liability Insurance for Bodily Injury and Property Damage: \$1,000,000 per person, \$3,000,000 per occurrence. The policy(ies) may contain an aggregate limit not less than the occurrence limit. The required limits may be satisfied by a combination of a primary policy and an excess or umbrella policy.

(b) All insurance required pursuant to the express provisions of this Agreement shall provide that coverage shall not be revised, cancelled or reduced until at least thirty (30) days' written notice of such revision, cancellation or reduction shall have been given to Butcher.

(c) The comprehensive general liability insurance to be maintained by B-CVWD pursuant to this section above shall name Butcher as an additional insured.

9. Casualty Insurance for B-CVWD. B-CVWD shall maintain at its sole cost and expense, on the building and other improvements that are a part of the Premises, a policy of standard fire and extended coverage insurance. The insurance policy shall be issued in the name of B-CVWD. The insurance policy shall provide that any proceeds shall be made payable to B-CVWD.

10. Casualty Insurance for Butcher. Butcher shall maintain at his sole cost and expense, such fire and extended coverage insurance, as he desires on his personal property, household furniture and furnishings, including without limitation, art, silverware, dishes, antiques, personal clothing, jewelry and items of a similar nature. Butcher understands, acknowledges and agrees that neither the foregoing assets nor any other property of Butcher shall be covered under any insurance policy held by B-CVWD. The insurance policy shall be issued in the name of Butcher. The insurance policy shall provide that any proceeds shall be made payable to Butcher.

11. Default. A party shall be deemed to be in default under the terms of this Agreement if a party shall fail to promptly perform or observe any covenant, condition or agreement to be performed by such party under this Agreement within thirty (30) days after written notice from the other party describing in reasonable terms the manner in which such party has failed to perform his/its obligation under this Agreement and specifying the action that must

be taken to cure the claimed nonperformance.

12. Remedies. In the event of a default by a party, the nondefaulting party without further notice to defaulting party, shall have all available remedies provided by law or equity.

13. General Provisions.

(a) All notices hereunder must be in writing and, unless otherwise provided herein, shall be deemed validly given if sent by certified mail, return receipt requested, addressed as follows (or to any other mailing address which the party to be notified may designate to the other party by such notice). Should B-CVWD or Butcher have a change of address, the other party shall immediately be notified as provided in this paragraph of such change.

Butcher: Chuck Butcher
12303 Oak Glen Road
Beaumont CA 92223

B-CVWD: Beaumont-Cherry Valley Water District
P.O. Box 2037
Beaumont, CA 92223

If the address or phone number where either party may be contacted is changed, such party will immediately notify the other party of such change.

(b) It is agreed and understood that this Agreement contains all agreements, promises and understandings between B-CVWD and Butcher, and no verbal or oral agreements, promises or understandings shall or will be binding upon either B-CVWD or Butcher, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing and signed by the parties hereto.

(c) Subject to the provisions of this Agreement on assignment and subletting, each and all of the covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns and personal representatives of the respective parties.

(d) In the event that either party becomes involved in litigation arising out of this Agreement or the performance thereof, the Court in such litigation, or in a separate suit, shall award attorneys' fees and costs to the justly entitled party.

(e) Should any part, clause, provision, or condition of this Agreement be held void, invalid, or inoperative, such invalidity shall not affect any other provision hereof, which shall be effective as though such invalid provisions had not been made.

(f) A party hereto, at any time upon reasonable request of the other party, will

execute, acknowledge and deliver all such additional documents, instruments and other agreements and all such further assurances and will do or cause to be done all further acts and things, in each case, as may be proper or reasonably necessary to carry out the purposes hereof.

(g) This Agreement and performance hereof shall be governed, interpreted, construed and regulated by the laws of the State of California.

(h) No failure by either B-CVWD or Butcher to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, condition, agreement and term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach.

(i) Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between B-CVWD and Butcher, and no provisions contained in this Agreement nor any acts of the parties shall be deemed to create any relationship between B-CVWD and Butcher, other than the relationship of employer and employee.

(j) This Agreement is not subject to modification except in writing.

(k) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto, except having additional signature pages executed by other parties to this Agreement attached hereto.

(1) All of the Recitals are hereby incorporated herein by this reference to the same extent as though hereinagain set forth in full.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date first above written.

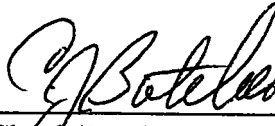
B-CVWD:

BEAUMONT-CHERRY VALLEY WATER DISTRICT

By

Its

Butcher:

A handwritten signature in cursive script, appearing to read 'C. Butcher', written over a horizontal line.

Chuck Butcher

HOUSING AGREEMENT

THIS HOUSING AGREEMENT ("Agreement") is made this 1st day of March, 2006, for identification purposes only, by and between BEAUMONT CHERRY VALLEY WATER DISTRICT, a public agency, ("BCVWD") and Charles J. Butcher ("Butcher").

RECITALS:

- A. BCVWD and Butcher executed that certain employment agreement dated 1st day of March, 2006 ("Employment Agreement") wherein BCVWD employed Butcher for a term of eight (8) years, commencing in March of 2006 and continuing through March 1, 2014.
- B. BCVWD owns certain real property located in the City of Beaumont, Riverside County, California which is described and/or depicted on Exhibit "A" attached hereto and by this reference incorporated herein ("Premises").
- C. As a condition of employment pursuant to the Employment Agreement, Butcher is required to reside at the Premises during the term of the Employment Agreement. Butcher accepted employment with BCVWD under the condition that Butcher would reside at the Premises.
- D. The Board of Directors of BCVWD requires Butcher to live on the Premises during the term of his employment because it requires Butcher to be available for duties at all times, to respond to BCVWD needs, including but not limited to, response to emergency and other problems regarding BCVWD facilities and to be on call twenty-four (24) hours per day, at all times of the day and night to monitor BCVWD facilities located in close proximity to the Premises.
- E. Butcher agrees to reside in the Premises during his term of employment with BCVWD pursuant to the Employment Agreement and BCVWD shall make availability to Butcher the Premises upon the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

- 1. **Term.** The agreement shall commence on March 1, 2006 and at midnight one (1) year after the termination of Butcher's employment with BCVWD pursuant to the terms of the Employment Agreement.
- 2. **No Payment.** The parties hereby acknowledge that Butcher shall reside in the Premises as a condition of his employment and as a convenience to BCVWD. During the term of this Agreement, Butcher shall not be required to pay to BCVWD any amount for the use of the

premises nor shall BCVWD be required to pay Butcher any additional income because it requires Butcher to reside at the Premises.

3. Utilities. BCVWD shall pay, before delinquency, all charges for electricity, light, power and propane/gas used by Butcher in or upon the Premises. BCVWD shall not be required to pay for any utilities after the termination of Butcher's employment. On the date of termination, until one (1) year after the termination, or on such date Butcher vacates the Premises, Butcher hereby agrees to pay for all utilities used in connection with the Premises. For purposes of this paragraph, a year shall begin on February 28 and end on March 1, 2014.
4. Taxes. The parties to this Agreement understand and acknowledge that BCVWD is a public agency and as such is exempt from most real property taxes and assessments. However, the County may require BCVWD to pay a possessor interest tax. The parties hereby agree that Butcher shall pay the possessor interest tax.

All possessor interest tax payments shall be made directly to the charging authority by Butcher before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for the nonpayment. Butcher shall promptly furnish BCVWD with satisfactory evidence that the possessor interest taxes have been paid. If Butcher fails to pay the possessor interest taxes when due, BCVWD may pay the taxes and Butcher shall reimburse BCVWD for the amount of the tax payment. All other property taxes and assessments, if any, shall be paid by BCVWD.

5. Compliance With Laws. BCVWD, at its sole cost and expense, except as provided herein, shall comply with and conform to all laws, ordinances, orders, rules and regulations, municipal, state and federal, and any and all requirements and orders of any municipal, state, or federal board or authority, present and future, in any way relating to the Premises, or the use or manner of use of the Premises throughout the entire term of this Agreement.
6. Maintenance of Premises. Throughout the term, BCVWD shall, at BCVWD's sole cost and expense, maintain the Premises and all improvements, in good condition and repair, ordinary wear and tear excepted. Butcher shall not be required to furnish any services or facilities or to make any repairs or alterations or maintain the Premises except for damages caused by the negligence or intentional acts of Butcher. BCVWD shall promptly replace, at the expense of BCVWD, any and all damaged portion or portions of the Premises from any cause whatsoever in and about the Premises, except for damages caused by the negligence or intentional acts of Butcher.
7. Assignment. Butcher shall have no right to assign, or otherwise transfer this Agreement either voluntarily or by operation of law, in whole or in part, nor to sublet or permit occupancy by any party other than Butcher of all or any part of the Premises without the prior written consent of BCVWD in each instance, which consent may be withheld in BCVWD's sole and absolute discretion. Any purported assignment or subletting of BCVWD's interest shall be null and void and shall, at the option of BCVWD, terminate this Agreement.
8. Insurance.

- a) BCVWD shall carry and maintain, at BCVWD's sole cost and expense, at all times during the term of the Agreement, with respect to the Premises, broad form General Public Liability Insurance for Bodily Injury and Property Damage: \$1,000,000 per person, \$3,000,000 per occurrence. The policy (ies) may contain an aggregate limit not less than the occurrence limit. The required limits may be satisfied by a combination of a primary policy and an excess or umbrella policy.
 - b) All insurance required pursuant to the express provisions of this Agreement shall provide that coverage shall not be revised, cancelled or reduced until at least thirty (30) days' written notice of such revision, cancellation or reduction shall have been given to Butcher.
 - c) The comprehensive general liability insurance to be maintained by BCVWD pursuant to this section above shall name Butcher as an additional insured.
9. Casualty Insurance for BCVWD. BCVWD shall maintain at its sole cost and expense, on the building and other improvements that are a part of the Premises, a policy of standard fire and extended coverage insurance. The insurance policy shall be issued in the name of BCVWD. The insurance policy shall provide that any proceeds shall be made payable to BCVWD.
10. Casualty Insurance for Butcher. Butcher shall maintain at his sole cost and expense, such fire and extended coverage insurance, as he desires on his personal property, household furniture and furnishings, including without limitation, art, silverware, dishes, antiques, personal clothing, jewelry and items of a similar nature. Butcher understands, acknowledges and agrees that neither the foregoing assets nor any other property of Butcher shall be covered under any insurance policy held by BCVWD. The insurance policy shall be issued in the name of Butcher. The insurance policy shall provide that any proceeds shall be made payable to Butcher.
11. Default. A party shall be deemed to be in default under the terms of this Agreement if a party shall fail to promptly perform or observe any covenant, condition or agreement to be performed by such party under this Agreement within thirty (30) days after written notice from the other party describing in reasonable terms the manner in which such party has failed to perform his/its obligation under this Agreement and specifying the action that must be taken to cure the claimed nonperformance.
12. Remedies. In the event of a default by a party, the non-defaulting party without further notice to defaulting party shall have all available remedies provided by law or equity.
13. General Provisions.
- a) All notices hereunder must be in writing and, unless otherwise provided herein, shall be deemed validly given if sent by certified mail, return receipt requested, addressed as follows (or to any other mailing address which the party to be notified may designate to the other party by such notice). Should BCVWD or Butcher have a change of address,

the other party shall immediately be notified as provided in this paragraph of such change.

Butcher:

Chuck Butcher
12303 Oak Glen Road
Beaumont, CA 92223

BCVWD:

Beaumont Cherry Valley Water District
PO Box 2037
Beaumont, CA 92223

If the address or phone number where either party may be contacted is changed, such party will immediately notify the other party of such change.

- b) It is agreed and understood that this Agreement contains all agreements, promises and understandings between BCVWD and Butcher, and no verbal or oral agreements, promises or understanding shall or will be binding upon either BCVWD or Butcher, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing and signed by the parties hereto.
- c) Subject to the provisions of this Agreement on assignment and subletting, each and all of the covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns and personal representatives of the respective parties.
- d) In the event that either party becomes involved in litigation arising out of this Agreement or the performance thereof, the Court in such litigation, or in a separate suit, shall award attorneys' fees and costs to the justly entitled party.
- e) Should any part, clause, provision, or condition of this Agreement be held void, invalid, or inoperative, such invalidity shall not affect any other provision hereof, which shall be effective as though such invalid provisions had not been made.
- f) A party hereto, at any time upon reasonable request of the other party, will execute, acknowledge and deliver such additional documents, instruments and other agreements and all such further assurances and will do or cause to be done all further acts and things, in each case, as may be proper or reasonably necessary to carry out the purposes hereof.
- g) This Agreement and performance hereof shall be governed, interpreted, construed and regulated by the laws of the State of California.
- h) No failure by either BCVWD or Butcher to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, condition, agreement and

term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach.

- i) Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between BCVWD and Butcher, and no provisions contained in this Agreement nor any acts of the parties shall be deemed to create any relationship between BCVWD and Butcher, other than the relationship of employer and employee.
- j) This Agreement is not subject to modification except in writing.
- k) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached there from without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto, except having additional signature pages executed by other parties to this Agreement attached hereto.
- l) All of the Recitals are hereby incorporated herein by this reference to the same extent as through herein again set forth in full.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date first above written.

BCVWD:

BEAUMONT CHERRY VALLEY WATER DISTRICT

By


Gerald H. Brey, President
Board of Directors

Its


Charles J. Butcher

HOUSING AGREEMENT

THIS HOUSING AGREEMENT ("Agreement") is made this 1st day of June, 2006, for identification purposes only, by and between BEAUMONT CHERRY VALLEY WATER DISTRICT, a public agency, ("BCVWD") and KNUTE DAHLSTROM ("Dahlstrom").

RECITALS:

- A. BCVWD owns certain real property located in the City of Beaumont, Riverside County, California which is described and/or depicted on Exhibit "A" attached hereto and by this reference incorporated herein ("Premises").
- B. As a condition of employment pursuant to the Employment Agreement, Dahlstrom is required to reside at the Premises during the term of the Employment Agreement. Dahlstrom accepted employment with BCVWD under the condition that Dahlstrom would reside at the Premises.
- C. The Board of Directors of BCVWD requires Dahlstrom to live on the Premises during the term of his employment because it requires Dahlstrom to be available for duties at all times, to respond to BCVWD needs, including but not limited to, response to emergency and other problems regarding BCVWD facilities and to be on call twenty-four (24) hours per day, at all times of the day and night to monitor BCVWD facilities located in close proximity to the Premises.
- E. Dahlstrom agrees to reside in the Premises during his term of employment with BCVWD pursuant to the Employment Agreement and BCVWD shall make available to Dahlstrom the Premises upon the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

- 1. Term. The Agreement shall commence on June 1, 2006 and at midnight one (1) year after the termination of Dahlstrom's employment with BCVWD pursuant to the terms of the Employment Agreement.
- 2. No Payment. The parties hereby acknowledge that Dahlstrom shall reside in the Premises as a condition of his employment and as a convenience to BCVWD. During the term of this Agreement, Dahlstrom shall not be required to pay to BCVWD any amount for the use of the Premises nor shall BCVWD be required to pay Dahlstrom any additional income because it requires Dahlstrom to reside at the Premises.

3. Utilities. BCVWD shall pay, before delinquency, all charges for electricity, light, power and propane/gas used by Dahlstrom in or upon the Premises; provided that, (a) BCVWD shall not be required to pay more than Three Thousand Dollars (\$3,000.00) annually, which amount reflects to Two Hundred Fifty Dollars (\$250.00) pre month annualized; (b) BCVWD shall not be required to pay for any utilities after the termination of Dahlstrom's employment. On the date of termination until one (1) year after the termination, or on such date Dahlstrom vacates the Premises, Dahlstrom hereby agrees to pay for all utilities used in connection with the Premises. For purposes of this paragraph, a year shall begin on June 1st and end on May 31st.
4. Taxes. The parties to this Agreement understand and acknowledge that BCVWD is a public agency and as such is exempt from most real property taxes and assessments. However, the County may require BCVWD to pay a possessor interest tax. The parties hereby agree that Dahlstrom shall pay the possessor interest tax. All possessor interest tax payments shall be made directly to the charging authority by Dahlstrom before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for the nonpayment. Dahlstrom shall promptly furnish BCVWD with satisfactory evidence that the possessor interest taxes have been paid. If Dahlstrom fails to pay the possessor interest taxes when due, BCVWD may pay the taxes and Dahlstrom shall reimburse BCVWD for the amount of the tax payment. All other property taxes and assessments, if any, shall be paid by BCVWD.
5. Compliance With Laws. BCVWD, at its sole cost and expense, except as provided herein, shall comply with and conform to all laws, ordinances, orders, rules and regulations, municipal, state and federal, and any and all requirements and orders of any municipal, state, or federal board or authority, present and future, in any way relating to the Premises, or the use or manner of use of the Premises throughout the entire term of this Agreement.
6. Maintenance of Premises. Throughout the term, BCVWD shall, at BCVWD's sole cost and expense, maintain the Premises and all improvements, in good condition and repair, ordinary wear and tear excepted. Dahlstrom shall not be required to furnish any services or facilities or to make any repairs or alterations or maintain the Premises except for damages caused by the negligence or intentional acts of Dahlstrom. BCVWD shall promptly replace, at the expense of BCVWD, any and all damaged portion or portions of the Premises from any cause whatsoever in and about the Premises, except for damages caused by the negligence or intentional acts of Dahlstrom.
7. Assignment. Dahlstrom shall have no right to assign, or otherwise transfer this Agreement either voluntarily or by operation of law, in whole or in part, nor to sublet or permit occupancy by any party other than Dahlstrom of all or any part of the Premises without the prior written consent of BCVWD in each instance, which consent may be withheld in BCVWD's sole and absolute discretion. Any purported assignment or subletting of BCVWD's interest shall be null and void and shall, at the option of BCVWD, terminate this Agreement.

8. Insurance.

- a) BCVWD shall carry and maintain, at BCVWD's sole cost and expense, at all times during the term of the Agreement, with respect to the Premises, broad form General Public Liability Insurance for Bodily Injury and Property Damage: \$1,000,000 per person, \$3,000,000 per occurrence. The policy (ies) may contain an aggregate limit not less than the occurrence limit. The required limits may be satisfied by a combination of a primary policy and an excess or umbrella policy.
- b) All insurance required pursuant to the express provisions of this Agreement shall provide that coverage shall not be revised, cancelled or reduced until at least thirty (30) days' written notice of such revision, cancellation or reduction shall have been given to Dahlstrom.
- c) The comprehensive general liability insurance to be maintained by BCVWD pursuant to this section above shall name Dahlstrom as an additional insured.

- 9. Casualty Insurance for BCVWD. BCVWD shall maintain at its sole cost and expense, on the building and other improvements that are a part of the Premises, a policy of standard fire and extended coverage insurance. The insurance policy shall be issued in the name of BCVWD. The insurance policy shall provide that any proceeds shall be made payable to BCVWD.
- 10. Casualty Insurance for Dahlstrom. Dahlstrom shall maintain at his sole cost and expense, such fire and extended coverage insurance, as he desires on his personal property, household furniture and furnishings, including without limitation, art, silverware, dishes, antiques, personal clothing, jewelry and items of a similar nature. Dahlstrom understands, acknowledges and agrees that neither the foregoing assets nor any other property of Dahlstrom shall be covered under any insurance policy held by BCVWD. The insurance policy shall be issued in the name of Dahlstrom. The insurance policy shall provide that any proceeds shall be made payable to Dahlstrom.
- 11. Default. A party shall be deemed to be in default under the terms of this Agreement if a party shall fail to promptly perform or observe any covenant, condition or agreement to be performed by such party under this Agreement within thirty (30) days after written notice from the other party describing in reasonable terms the manner in which such party has failed to perform his/its obligation under this Agreement and specifying the action that must be taken to cure the claimed nonperformance.
- 12. Remedies. In the event of a default by a party, the non-defaulting party without further notice to defaulting party shall have all available remedies provided by law or equity.

13. General Provisions.

- a) All notices hereunder must be in writing and, unless otherwise provided herein, shall be deemed validly given if sent by certified mail, return receipt requested, addressed as follows (or to any other mailing address which the party to be notified may designate to the other party by such notice). Should BCVWD or Dahlstrom have a change of address, the other party shall immediately be notified as provided in this paragraph of such change.

Dahlstrom:

Knute Dahlstrom
13695 Oak Glen Road
Cherry Valley, CA 92223

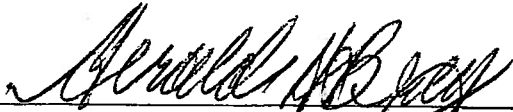
BCVWD:

Beaumont Cherry Valley Water District
PO Box 2037
Beaumont, CA 92223

If the address or phone number where either party may be contacted is changed, such party will immediately notify the other party of such change.

- b) It is agreed and understood that this Agreement contains all agreements, promises and understandings between BCVWD and Dahlstrom, and no verbal or oral agreements, promises or understanding shall or will be binding upon either BCVWD or Dahlstrom, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing and signed by the parties hereto.
- c) Subject to the provisions of this Agreement on assignment and subletting, each and all of the covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns and personal representatives of the respective parties.
- d) In the event that either party becomes involved in litigation arising out of this Agreement or the performance thereof, the Court in such litigation, or in a separate suit, shall award attorneys' fees and costs to the justly entitled party.
- e) Should any part, clause, provision, or condition of this Agreement be held void, invalid, or inoperative, such invalidity shall not affect any other provision hereof, which shall be effective as though such invalid provisions had not been made.
- f) A party hereto, at any time upon reasonable request of the other party, will execute, acknowledge and deliver such additional documents, instruments and other agreements and all such further assurances and will do or cause to be done all further acts and things, in each case, as may be proper or reasonably necessary to carry out the purposes hereof.
- g) This Agreement and performance hereof shall be governed, interpreted, construed and regulated by the laws of the State of California.

- h) No failure by either BCVWD or Dahlstrom to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, condition, agreement and term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach.



Gerald H. Brey, President of the Board of Directors
Beaumont Cherry Valley Water District



Knute Dahlstrom
Beaumont Cherry Valley Water District

HOUSING AGREEMENT

THIS HOUSING AGREEMENT ("Agreement") is made this 1st day of June, 2006, for identification purposes only, by and between BEAUMONT CHERRY VALLEY WATER DISTRICT, a public agency, ("BCVWD") and ANTHONY LARA ("Lara").

RECITALS:

- A. BCVWD owns certain real property located in the City of Beaumont, Riverside County, California which is described and/or depicted on Exhibit "A" attached hereto and by this reference incorporated herein ("Premises").
- B. As a condition of employment pursuant to the Employment Agreement, Lara is required to reside at the Premises during the term of the Employment Agreement. Lara accepted employment with BCVWD under the condition that Lara would reside at the Premises.
- C. The Board of Directors of BCVWD requires Lara to live on the Premises during the term of his employment because it requires Lara to be available for duties at all times, to respond to BCVWD needs, including but not limited to, response to emergency and other problems regarding BCVWD facilities and to be on call twenty-four (24) hours per day, at all times of the day and night to monitor BCVWD facilities located in close proximity to the Premises.
- E. Lara agrees to reside in the Premises during his term of employment with BCVWD pursuant to the Employment Agreement and BCVWD shall make available to Lara the Premises upon the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

- 1. Term. The Agreement shall commence on June 1, 2006 and at midnight one (1) year after the termination of Lara's employment with BCVWD pursuant to the terms of the Employment Agreement.
- 2. No Payment. The parties hereby acknowledge that Lara shall reside in the Premises as a condition of his employment and as a convenience to BCVWD. During the term of this Agreement, Lara shall not be required to pay to BCVWD any amount for the use of the Premises nor shall BCVWD be required to pay Lara any additional income because it requires Lara to reside at the Premises.

3. Utilities. BCVWD shall pay, before delinquency, all charges for electricity, light, power and propane/gas used by Lara in or upon the Premises; provided that, (a) BCVWD shall not be required to pay more than Three Thousand Dollars (\$3,000.00) annually, which amount reflects to Two Hundred Fifty Dollars (\$250.00) pre month annualized; (b) BCVWD shall not be required to pay for any utilities after the termination of Lara's employment. On the date of termination until one (1) year after the termination, or on such date Lara vacates the Premises, Lara hereby agrees to pay for all utilities used in connection with the Premises. For purposes of this paragraph, a year shall begin on June 1st and end on May 31st.
4. Taxes. The parties to this Agreement understand and acknowledge that BCVWD is a public agency and as such is exempt from most real property taxes and assessments. However, the County may require BCVWD to pay a possessor interest tax. The parties hereby agree that Lara shall pay the possessor interest tax. All possessor interest tax payments shall be made directly to the charging authority by Lara before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for the nonpayment. Lara shall promptly furnish BCVWD with satisfactory evidence that the possessor interest taxes have been paid. If Lara fails to pay the possessor interest taxes when due, BCVWD may pay the taxes and Lara shall reimburse BCVWD for the amount of the tax payment. All other property taxes and assessments, if any, shall be paid by BCVWD.
5. Compliance With Laws. BCVWD, at its sole cost and expense, except as provided herein, shall comply with and conform to all laws, ordinances, orders, rules and regulations, municipal, state and federal, and any and all requirements and orders of any municipal, state, or federal board or authority, present and future, in any way relating to the Premises, or the use or manner of use of the Premises throughout the entire term of this Agreement.
6. Maintenance of Premises. Throughout the term, BCVWD shall, at BCVWD's sole cost and expense, maintain the Premises and all improvements, in good condition and repair, ordinary wear and tear excepted. Lara shall not be required to furnish any services or facilities or to make any repairs or alterations or maintain the Premises except for damages caused by the negligence or intentional acts of Lara. BCVWD shall promptly replace, at the expense of BCVWD, any and all damaged portion or portions of the Premises from any cause whatsoever in and about the Premises, except for damages caused by the negligence or intentional acts of Lara.
7. Assignment. Lara shall have no right to assign, or otherwise transfer this Agreement either voluntarily or by operation of law, in whole or in part, nor to sublet or permit occupancy by any party other than Lara of all or any part of the Premises without the prior written consent of BCVWD in each instance, which consent may be withheld in BCVWD's sole and absolute discretion. Any purported assignment or subletting of BCVWD's interest shall be null and void and shall, at the option of BCVWD, terminate this Agreement.
8. Insurance.
 - a) BCVWD shall carry and maintain, at BCVWD's sole cost and expense, at all times during the term of the Agreement, with respect to the Premises, broad from General Public Liability Insurance for Bodily Injury and Property Damage: \$1,000,000 per

person, \$3,000,000 per occurrence. The policy (ies) may contain an aggregate limit not less than the occurrence limit. The required limits may be satisfied by a combination of a primary policy and an excess or umbrella policy.

- b) All insurance required pursuant to the express provisions of this Agreement shall provide that coverage shall not be revised, cancelled or reduced until at least thirty (30) days' written notice of such revision, cancellation or reduction shall have been given to Lara.
 - c) The comprehensive general liability insurance to be maintained by BCVWD pursuant to this section above shall name Lara as an additional insured.
9. Casualty Insurance for BCVWD. BCVWD shall maintain at its sole cost and expense, on the building and other improvements that are a part of the Premises, a policy of standard fire and extended coverage insurance. The insurance policy shall be issued in the name of BCVWD. The insurance policy shall provide that any proceeds shall be made payable to BCVWD.
10. Casualty Insurance for Lara. Lara shall maintain at his sole cost and expense, such fire and extended coverage insurance, as he desires on his personal property, household furniture and furnishings, including without limitation, art, silverware, dishes, antiques, personal clothing, jewelry and items of a similar nature. Lara understands, acknowledges and agrees that neither the foregoing assets nor any other property of Lara shall be covered under any insurance policy held by BCVWD. The insurance policy shall be issued in the name of Lara. The insurance policy shall provide that any proceeds shall be made payable to Lara.
11. Default. A party shall be deemed to be in default under the terms of this Agreement if a party shall fail to promptly perform or observe any covenant, condition or agreement to be performed by such party under this Agreement within thirty (30) days after written notice from the other party describing in reasonable terms the manner in which such party has failed to perform his/its obligation under this Agreement and specifying the action that must be taken to cure the claimed nonperformance.
12. Remedies. In the even of a default by a party, the non-defaulting party without further notice to defaulting party shall have all available remedies provided by law or equity.
13. General Provisions.
- a) All notices hereunder must be in writing and, unless otherwise provided herein, shall be deemed validly given if sent by certified mail, return receipt requested, addressed as follows (or to any other mailing address which the party to be notified may designate to the other party by such notice). Should BCVWD or Lara have a change of address, the other party shall immediately be notified as provided in this paragraph of such change.

Lara:


Anthony Lara
13697 Oak Glen Road
Cherry Valley, CA 92223

BCVWD:

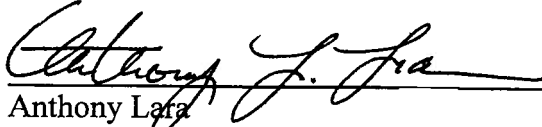
Beaumont Cherry Valley Water District
PO Box 2037
Beaumont, CA 92223

If the address or phone number where either party may be contacted is changed, such party will immediately notify the other party of such change.

- b) It is agreed and understood that this Agreement contains all agreements, promises and understandings between BCVWD and Lara, and no verbal or oral agreements, promises or understanding shall or will be binding upon either BCVWD or Lara, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing and signed by the parties hereto.
- c) Subject to the provisions of this Agreement on assignment and subletting, each and all of the covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns and personal representatives of the respective parties.
- d) In the event that either party becomes involved in litigation arising out of this Agreement or the performance thereof, the Court in such litigation, or in a separate suit, shall award attorneys' fees and costs to the justly entitled party.
- e) Should any part, clause, provision, or condition of this Agreement be held void, invalid, or inoperative, such invalidity shall not affect any other provision hereof, which shall be effective as though such invalid provisions had not been made.
- f) A party hereto, at any time upon reasonable request of the other party, will execute, acknowledge and deliver such additional documents, instruments and other agreements and all such further assurances and will do or cause to be done all further acts and things, in each case, as may be proper or reasonably necessary to carry out the purposes hereof.
- g) This Agreement and performance hereof shall be governed, interpreted, construed and regulated by the laws of the State of California.
- h) No failure by either BCVWD or Lara to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, condition, agreement and term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach.



Gerald H. Brey, President of the Board of Directors
Beaumont Cherry Valley Water District



Anthony Lara
Beaumont Cherry Valley Water District

HOUSING AGREEMENT

THIS HOUSING AGREEMENT ("Agreement") is made this 1st day of June, 2006, for identification purposes only, by and between BEAUMONT CHERRY VALLEY WATER DISTRICT, a public agency, ("BCVWD") and JAY WILFLEY ("Wilfley").

RECITALS:

- A. BCVWD owns certain real property located in the City of Beaumont, Riverside County, California which is described and/or depicted on Exhibit "A" attached hereto and by this reference incorporated herein ("Premises").
- B. As a condition of employment pursuant to the Employment Agreement, Wilfley is required to reside at the Premises during the term of the Employment Agreement. Wilfley accepted employment with BCVWD under the condition that Wilfley would reside at the Premises.
- C. The Board of Directors of BCVWD requires Wilfley to live on the Premises during the term of his employment because it requires Wilfley to be available for duties at all times, to respond to BCVWD needs, including but not limited to, response to emergency and other problems regarding BCVWD facilities and to be on call twenty-four (24) hours per day, at all times of the day and night to monitor BCVWD facilities located in close proximity to the Premises.
- E. Wilfley agrees to reside in the Premises during his term of employment with BCVWD pursuant to the Employment Agreement and BCVWD shall make available to Wilfley the Premises upon the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

- 1. Term. The Agreement shall commence on June 1, 2006 and at midnight one (1) year after the termination of Wilfley's employment with BCVWD pursuant to the terms of the Employment Agreement.
- 2. No Payment. The parties hereby acknowledge that Wilfley shall reside in the Premises as a condition of his employment and as a convenience to BCVWD. During the term of this Agreement, Wilfley shall not be required to pay to BCVWD any amount for the use of the Premises nor shall BCVWD be required to pay Wilfley any additional income because it requires Wilfley to reside at the Premises.

\$4,300.00

3. Utilities. BCVWD shall pay, before delinquency, all charges for electricity, light, power and propane/gas used by Wilfley in or upon the Premises; provided that, (a) BCVWD shall not be required to pay more than Three Thousand Dollars (~~\$3,000.00~~) annually, which amount reflects to Two Hundred Fifty Dollars (\$250.00) pre month annualized; (b) BCVWD shall not be required to pay for any utilities after the termination of Wilfley's employment. On the date of termination until one (1) year after the termination, or on such date Wilfley vacates the Premises, Wilfley hereby agrees to pay for all utilities used in connection with the Premises. For purposes of this paragraph, a year shall begin on June 1st and end on May 31st.
4. Taxes. The parties to this Agreement understand and acknowledge that BCVWD is a public agency and as such is exempt from most real property taxes and assessments. However, the County may require BCVWD to pay a possessor interest tax. The parties hereby agree that Wilfley shall pay the possessor interest tax. All possessor interest tax payments shall be made directly to the charging authority by Wilfley before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for the nonpayment. Wilfley shall promptly furnish BCVWD with satisfactory evidence that the possessor interest taxes have been paid. If Wilfley fails to pay the possessor interest taxes when due, BCVWD may pay the taxes and Wilfley shall reimburse BCVWD for the amount of the tax payment. All other property taxes and assessments, if any, shall be paid by BCVWD.
5. Compliance With Laws. BCVWD, at its sole cost and expense, except as provided herein, shall comply with and conform to all laws, ordinances, orders, rules and regulations, municipal, state and federal, and any and all requirements and orders of any municipal, state, or federal board or authority, present and future, in any way relating to the Premises, or the use or manner of use of the Premises throughout the entire term of this Agreement.
6. Maintenance of Premises. Throughout the term, BCVWD shall, at BCVWD's sole cost and expense, maintain the Premises and all improvements, in good condition and repair, ordinary wear and tear excepted. Wilfley shall not be required to furnish any services or facilities or to make any repairs or alterations or maintain the Premises except for damages caused by the negligence or intentional acts of Wilfley. BCVWD shall promptly replace, at the expense of BCVWD, any and all damaged portion or portions of the Premises from any cause whatsoever in and about the Premises, except for damages caused by the negligence or intentional acts of Wilfley.
7. Assignment. Wilfley shall have no right to assign, or otherwise transfer this Agreement either voluntarily or by operation of law, in whole or in part, nor to sublet or permit occupancy by any party other than Wilfley of all or any part of the Premises without the prior written consent of BCVWD in each instance, which consent may be withheld in BCVWD's sole and absolute discretion. Any purported assignment or subletting of BCVWD's interest shall be null and void and shall, at the option of BCVWD, terminate this Agreement.
8. Insurance.
 - a) BCVWD shall carry and maintain, at BCVWD's sole cost and expense, at all times during the term of the Agreement, with respect to the Premises, broad from General

Public Liability Insurance for Bodily Injury and Property Damage: \$1,000,000 per person, \$3,000,000 per occurrence. The policy (ies) may contain an aggregate limit not less than the occurrence limit. The required limits may be satisfied by a combination of a primary policy and an excess or umbrella policy.

- b) All insurance required pursuant to the express provisions of this Agreement shall provide that coverage shall not be revised, cancelled or reduced until at least thirty (30) days' written notice of such revision, cancellation or reduction shall have been given to Wilfley.
 - c) The comprehensive general liability insurance to be maintained by BCVWD pursuant to this section above shall name Wilfley as an additional insured.
9. Casualty Insurance for BCVWD. BCVWD shall maintain at its sole cost and expense, on the building and other improvements that are a part of the Premises, a policy of standard fire and extended coverage insurance. The insurance policy shall be issued in the name of BCVWD. The insurance policy shall provide that any proceeds shall be made payable to BCVWD.
 10. Casualty Insurance for Wilfley. Wilfley shall maintain at his sole cost and expense, such fire and extended coverage insurance, as he desires on his personal property, household furniture and furnishings, including without limitation, art, silverware, dishes, antiques, personal clothing, jewelry and items of a similar nature. Wilfley understands, acknowledges and agrees that neither the foregoing assets nor any other property of Wilfley shall be covered under any insurance policy held by BCVWD. The insurance policy shall be issued in the name of Wilfley. The insurance policy shall provide that any proceeds shall be made payable to Wilfley.
 11. Default. A party shall be deemed to be in default under the terms of this Agreement if a party shall fail to promptly perform or observe any covenant, condition or agreement to be performed by such party under this Agreement within thirty (30) days after written notice from the other party describing in reasonable terms the manner in which such party has failed to perform his/its obligation under this Agreement and specifying the action that must be taken to cure the claimed nonperformance.
 12. Remedies. In the even of a default by a party, the non-defaulting party without further notice to defaulting party shall have all available remedies provided by law or equity.
 13. General Provisions.
 - a) All notices hereunder must be in writing and, unless otherwise provided herein, shall be deemed validly given if sent by certified mail, return receipt requested, addressed as follows (or to any other mailing address which the party to be notified may designate to the other party by such notice). Should BCVWD or Wilfley have a change of address, the other party shall immediately be notified as provided in this paragraph of such change.

Wilfley:

Jay Wilfley
9781 Avenida Miravilla
Cherry Valley, CA 92223

BCVWD:

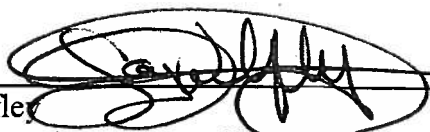
Beaumont Cherry Valley Water District
PO Box 2037
Beaumont, CA 92223

If the address or phone number where either party may be contacted is changed, such party will immediately notify the other party of such change.

- b) It is agreed and understood that this Agreement contains all agreements, promises and understandings between BCVWD and Wilfley, and no verbal or oral agreements, promises or understanding shall or will be binding upon either BCVWD or Wilfley, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing and signed by the parties hereto.
- c) Subject to the provisions of this Agreement on assignment and subletting, each and all of the covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns and personal representatives of the respective parties.
- d) In the event that either party becomes involved in litigation arising out of this Agreement or the performance thereof, the Court in such litigation, or in a separate suit, shall award attorneys' fees and costs to the justly entitled party.
- e) Should any part, clause, provision, or condition of this Agreement be held void, invalid, or inoperative, such invalidity shall not affect any other provision hereof, which shall be effective as though such invalid provisions had not been made.
- f) A party hereto, at any time upon reasonable request of the other party, will execute, acknowledge and deliver such additional documents, instruments and other agreements and all such further assurances and will do or cause to be done all further acts and things, in each case, as may be proper or reasonably necessary to carry out the purposes hereof.
- g) This Agreement and performance hereof shall be governed, interpreted, construed and regulated by the laws of the State of California.
- h) No failure by either BCVWD or Wilfley to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, condition, agreement and term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach.



Gerald H. Brey, President of the Board of Directors
Beaumont Cherry Valley Water District



Jay Wilfley
Beaumont Cherry Valley Water District