

AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AMENDMENT TO THE EMPLOYMENT AGREEMENT (“Amendment”) by and between the LAGUNA BEACH COUNTY WATER DISTRICT, a County Water District duly formed and organized pursuant to California Water Code Section 30000 *et seq.* (“DISTRICT”), and RENAE M. HINCHEY, an individual (“GENERAL MANAGER”), is approved as of the 30th day of October, 2014.

RECITALS

WHEREAS, the DISTRICT and the GENERAL MANAGER entered into an Employment Agreement (“Employment Agreement”);

WHEREAS, the DISTRICT conducted an evaluation of the GENERAL MANAGER’S performance, and following such evaluation, on October 30, 2014 the DISTRICT Board directed DISTRICT Legal Counsel to prepare an amendment to the Employment Agreement awarding a merit increase and bonus to the GENERAL MANAGER as set forth below and extending the Employment Agreement one year from the Employment Agreement’s current date of expiration, which is September 30, 2015; and,

WHEREAS, by this Amendment to the Employment Agreement, the Parties wish only to amend the compensation and expiration of the Employment Agreement, with all other terms of the Employment Agreement to remain as set forth in the Employment Agreement.

NOW, THEREFORE, in consideration of performance by the Parties, the Parties hereto agree as follows:

1. Compensation and Benefits:

Section 4.01 of the Employment Agreement, entitled “Annual Salary,” shall be amended to increase the GENERAL MANAGER’S current compensation by: (i) 2.5% in addition to any cost of living adjustment plus a \$7,500 bonus for the evaluation period from October 2013 to 2014, payable as of October 1, 2014, and, (ii) 3.0% in addition to any cost of living adjustment plus a \$7,500 bonus for the evaluation period from October 2014 to 2015, payable as of October 1, 2015

2. Term of Employment

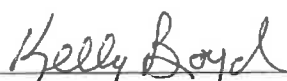
Section 2.01 of the Employment Agreement entitled “term of employment” shall be amended to extend employment with the District through September 30, 2016.

3. Full Force and Effect:

The Parties further agree that, except as specifically provided in this Amendment, the terms of the Employment Agreement shall remain unchanged and in full force and effect.


IN WITNESS THEREOF, the Parties have executed this Amendment as of the date written in the preamble above.

LAGUNA BEACH COUNTY WATER DISTRICT



Kelly Boyd, President of the Board

ATTEST:



DISTRICT Secretary

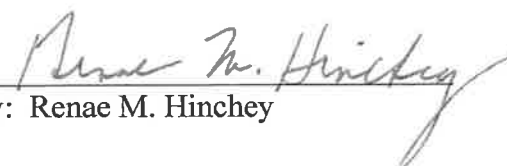
APPROVED AS TO FORM:

Wesley A. Miliband, Esq.
Aleshire & Wynder, LLP



DISTRICT Legal Counsel

GENERAL MANAGER



By: Renae M. Hinchey