

December 22, 1999

P.O. Box 127
2107 Main St.
Oakley, CA 94561-0127
925 • 625 • 3798
Fax 925 • 625 • 0814

Mr. Mike Yeraka
Diablo Water District
Oakley, CA

Dear Mr. Yeraka:

This letter replaces our letter of agreement dated September 8, 1992, and states the terms and conditions under which you are employed at the pleasure of the Board of Directors as General Manager of Diablo Water District

You are subject to, and shall be entitled to all benefits generally available to employees under, the District's regulations now or hereafter adopted. Your salary, without adjustment based on hours worked, shall be established, without reduction, in the budget adopted annually by the Board of Directors.

In computing your vacation entitlement under District Regulation No.106 the time you were employed by Contra Costa Water District will be included in the period of employment.

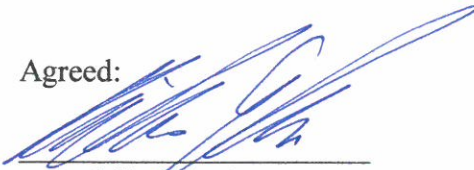
You are permitted to use an automobile owned and maintained by the District for the performance of your duties and for commuting between your residence and the District.

In the event of termination of your employment by the District you shall be paid a severance allowance of four times your highest monthly salary.


Please indicate your agreement to the foregoing by signing and returning the attached copy of this letter.

Yours very truly,

Agreed:



Mike Yeraka



V. Wallace Allen
President