

District Dinged

10:00 PM PDT on Monday, June 30, 2008

CASSIE MACDUFF

From a Riverside County Grand Jury report emerges a picture of a water district general manager who rules by executive fiat, keeps his board of directors in the dark and cuts sweetheart deals for the relatives of favored employees.

Without consulting his board of directors, Beaumont Cherry Valley Water District General Manager Chuck Butcher allowed a local park district to delay paying a \$94,000 water bill, a degree of forgiveness no other customer could extract.

Two park district board members are related to a water district board member and a district employee.

Butcher defended his actions in a written statement the same day that the Grand Jury report became public.

"This was not a special favor for an employee's or director's family member, as implied ..." Butcher said. "It was simply one public agency manager helping another public agency."

The board of directors also didn't know Butcher was withholding payment on \$3 million billed by a local engineering firm, the Grand Jury reported. Nor were the unpaid bills disclosed to auditors reconciling the district's books.

Butcher's explanation: The bills were for extra work not called for in the engineering firm's contract, and are "being discussed by the contractor and the district to resolve the issue."

How is \$3 million worth of "extra work" allowed to proceed without anybody putting a stop to it? And why would a general manager not keep his board apprised of such a big oversight?

District spokesman Tim Smith said no further statements will be issued until the district responds formally to the Grand Jury by Sept. 30.

The Grand Jury also took issue with Butcher for nepotism and failing to put large contracts out to bid.

For example, Butcher issued an open-ended contract with a landscape firm whose owner is the father of a senior manager.

He told his board of directors the firm was the "low bidder." But the Grand Jury found the contract was never put out to bid.

The district paid the firm \$1.6 million from August 2006 to December 2007.

Nor was the contract to build the district's new headquarters put out to bid.

The district had planned to remodel its old building for \$2.7 million. But when the project was changed to a new building, a new contract was not issued.

The Grand Jury said Butcher told his board the new headquarters would cost \$3.8 million to \$4 million. But when invoices were reviewed, the Grand Jury found the cost will be at least \$5.3 million.

Butcher defended his method of contracting, saying the district isn't required to put projects out to bid unless they're funded with bonds or assessments.

That ignores the purpose of bidding: to get the best deal for the public's money. Public agencies should do it whether it's required or not.

The Grand Jury report cited more apparent favoritism. Butcher sent husband and wife employees to a conference in Toronto. The trip's purpose was educational, but the employees didn't attend the education programs, only the exhibits.

Several other examples of nepotism and favoritism were cited by the Grand Jury.

If the board doesn't rein in Butcher after this report, it's not doing its job of oversight.

Cassie MacDuff can be reached at 909-806-3068 or cmacduff@PE.com