

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made and entered into by and between the Calaveras County Water District (the "District "), a county water district organized and operating pursuant to California Water Code sections 30000 et seq., acting by and through its Board of Directors ("Board"), and Michael J. Minkler (the "Employee") an individual, (collectively the "Parties"), on February 14, 2024.

RECITALS

WHEREAS, the District is authorized pursuant to the provisions of California Water Code sections 30540(a) and 30542 to appoint and hire a general manager to serve as the principal administrator of the District's operations and functions; and

WHEREAS, the District desires to retain the services of the Employee as general manager of the District ("General Manager") by way of this Agreement subject to the terms and conditions set forth herein; and

WHEREAS, the Employee desires to accept employment as General Manager by way of this Agreement subject to the terms and conditions set forth herein, and the Employee warrants that he is qualified to perform such duties; and

WHEREAS, the District and the Employee desire to formalize the District's employment of the Employee as General Manager by way of this Agreement subject to the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS AND THE MUTUAL TERMS AND CONDITIONS CONTAINED HEREIN, THE PARTIES HERETO DO AGREE AS FOLLOWS:

Section 1. Recitals

The foregoing Recitals are true and correct and are incorporated herein by this reference.

Section 2. Term of Employment

The term of this Agreement (“Term”) is for four (4) years, commencing February 16, 2024, and ending four years later unless extended during the term of this Agreement by separate action of the Parties or terminated before the expiration of the term in accordance with the provisions of this Agreement.

Section 3. Description of Duties

Employee shall, from and after the commencement date, assume and perform all duties, responsibilities and services, and take all other actions necessary to manage and conduct the business and activities of District as set forth generally in Water Code Sections 30580 and 30581. The authority, duties and responsibilities of the General Manager shall also be subject, at all times, to the adopted policies of, and directives given by, the Board and the District's Employee's Rules and Regulations, which are incorporated herein by this reference. The Employee shall perform his duties principally at the District's offices in San Andreas, California.

Section 4. Devotion to District's Businesses

(a) Employee agrees that during the term of this Agreement, he shall devote his full energies, interests, abilities, and productive time to the performance of the duties and responsibilities as set forth in this Agreement and shall not conduct any business or render services of any kind for compensation, or undertake other business, profession or commercial activity.

(b) When an Employee absence of one or more days is foreseeable, the Employee shall notify the Board at least 72-hours in advance. In addition, the Employee shall delegate in writing the authority of the General Manager for such period to another employee of the District and inform the Board of the delegation of duties to another employee.

(c) The Employee is not prohibited from making passive personal investments or conducting private business affairs if those actions or activities do not constitute a conflict of interest under State law, violate the District's Conflict of Interest Code, or interfere with the duties and services required under this Agreement. Employee shall not take any outside employment or engage in personal business venture(s) without prior approval by the Board. The Employee is not prohibited from serving in a mutual aid capacity or relationship with other public agencies pursuant to policies, directives or agreements of the District.

Section 5. Compensation and Evaluation of Employee

(a) The District shall provide an initial gross annual salary of Two Hundred and Ten Thousand Dollars and No Cents (\$210,000.00) per year as compensation to the Employee for his service as General Manager. Employee's salary will automatically increase 4% each anniversary of this Agreement unless the Board declines the annual increase, which it may do at its sole discretion. The Board may provide a merit increase at any time. Such salary shall be subject to all applicable and appropriate withholding and payroll deductions. Such salary shall be payable through and in accordance with the District's regular payroll procedures as such may be amended from time to time.

(b) The District will also contribute up to Four Thousand Dollars and No Cents (\$4,000.00) per year into a tax deferred compensation plan for the Employee in an amount matching deferred compensation contributed by the Employee per year into the tax deferred compensation plan for the Employee.

(c) The Employee and the Board will mutually develop annual performance goals and objectives for the Employee. The District's Board shall review and evaluate the Employee's performance annually or, in its discretion, more frequently, based on achievement of the mutually defined goals and objectives. Notwithstanding Section 13 hereof, upon such action by the Board, and with Employee's consent, Section 5(a) of this Agreement may be amended by execution of an Employee Action Form in conformance with action by the Board adjusting the Employee's compensation.

Section 6. Benefits and Holidays

The Employee shall be entitled to receive the same medical, dental and disability insurance benefits as the District provides to all management/confidential employees and for which the Employee is eligible under the terms of the applicable benefit plans. The District shall provide the employee with life insurance in the amount of one and one half (1.5) times the Employee's annual salary not to exceed \$250,000. Such benefits shall begin in accordance with the terms of the District's plans and policies. The District shall provide the Employee with the twelve (12) paid holidays per year that the District provides for all District employees, which includes one (1) personal day.

Section 7. Paid Time Off and Management Leave

The Employee shall accrue and be compensated for Paid Time Off and Management Leave under the same terms as the Management and Confidential Unit, except that the Employee is entitled to 15 days per year of management leave. All accrued but unused paid time off and/or paid management leave shall be paid upon termination of employment.

Section 8. Retirement

The District is a member of the California Public Employees' Retirement System (CalPERS). The District shall provide the Employee with CalPERS pension benefits at the 2% at 60, three-year final compensation period formula. Employee shall pay 100% of the CalPERS employee contribution and the District shall pay 100% of the CalPERS employer contribution amount. The District and the Employee shall each contribute into Social Security on behalf of Employee in accordance with applicable federal law and regulations.

Section 9. Reimbursement of Business Expenses

(a) The Employee shall be entitled to reimbursement of business expenses reasonably incurred by the Employee in performance of his duties as General Manager pursuant to the provisions of the District's Employee's Rules and Regulations (as amended from time to time), under the same terms and conditions as the District's other management and confidential employees.

(b) The Employee is expected, to use his own vehicle in the performance of his services as General Manager, including being available twenty-four (24) hours per day when practicable to respond to emergency situations for the District. The Employee shall not use District-owned or leased vehicles in the regular day-to-day performance of his duties; however the Employee may utilize a District-owned or leased vehicle in cases where the Employee's personal vehicle is not suitable for work the Employee needs to perform (i.e., if four wheel drive is needed to gain access to a location and Employee's own vehicle does not have four wheel drive). The District shall pay the Employee five hundred dollars (\$500) per month, payable in monthly installments, as his sole reimbursement for automobile expenses. Automobile expense does not include tolls or parking costs. The Employee shall not be entitled to submit documentation, such as mileage or maintenance records, for any reimbursement for automobile expenses by the District that would be in addition to the five hundred dollars (\$500) per month amount referenced herein. The Employee shall maintain his own vehicle in good working order and condition at his expense. The Employee shall maintain in full force and effect for the Term of this Agreement, at the Employee's expense, automobile liability insurance with limits not less than \$1,000,000 each occurrence combined single limit for bodily injury and property damage. The Employee shall include as additional insured the District and its Board members. The policy of insurance shall provide that no cancellation or non-renewal shall occur without the carrier giving to the District at least 30 days' prior written notice. The Employee shall maintain on file at all times during the Term of this Agreement with the District's Human Resources Department a certificate of insurance evidencing all required insurance coverage.

Section 10. Termination

(a) “At Will” Employment; Termination Without Cause. The Employee shall serve at the pleasure of the Board and is specifically an “at will” employee under the terms of this Agreement. The Board may terminate and discharge the Employee at any time, without prior notice or hearing, and for any reason that does not violate a public policy of the State of California, except that the Board may not terminate Employee within 90 days before or after an election for any Board seat or the appointment of a new Board member. The Employee agrees and acknowledges that he holds his employment with the District at the pleasure of the Board and that he holds no property rights in his employment. The Employee shall have no right of appeal or challenge by any means or in any forum to a Board decision to terminate him without cause. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Board to terminate the services of Employee at any time at the sole discretion of the Board.

(b) Termination For Cause. Notwithstanding the foregoing provisions addressing at-will employment and termination without cause, nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Board to terminate the services of the Employee for good cause. For the purposes of this Agreement, “good cause” is defined as follows:

(1) Any willful, knowing, grossly negligent, or material breach, disregard or habitual neglect of any provision of this Agreement, or any willful, knowing, grossly negligent, or material breach, disregard or habitual neglect of any duty or obligation required to be performed by Employee under this Agreement, or any material violation of rules, regulations or policies of the District, and/or federal or state laws.

(2) Any misconduct of Employee involving an act of moral turpitude, criminal activity (excepting minor traffic violations), whether or not related to his official duties at the District. An administrative determination of such activity shall suffice to actuate a good cause termination.

(3) Any willful, knowing, or grossly negligent misapplication or misuse, direct or indirect, by Employee of public or other funds or other property, real,

personal, or mixed, owned by or entrusted to the District or to Employee in his official capacity with the District.

If the Board determines that there is good cause to warrant termination of this Agreement, it shall give the Employee at least seventy-two (72) hours advance written notice of the cause(s). The Board shall not make its final decision until the Employee has the opportunity to meet with the Board to give reasons why the Agreement should not be terminated. The Employee may be represented at his expense by a representative of his choice at said meeting. The Board shall make the final decision regarding termination of the Agreement and shall provide the decision to the Employee in writing. The Board's written decision shall be final and shall not be subject to further administrative review. In the event the Board terminates the employment of the Employee for good cause as provided herein, the District shall have no obligation to provide severance pay to the Employee.

(c) Severance Pay. If the Board terminates the Employee without good cause during this Agreement, the District shall provide severance pay to the Employee in an amount equal to four (4) months' salary. The District shall be obligated to pay this severance only if the Employee signs a standard severance and release agreement as prepared by the District that releases the District from any and all known and unknown claims the Employee may have against the District. If the Employee refuses to sign this standard severance and release agreement, the Employee shall be deemed to have waived his right to severance. The District shall have no obligation to pay, and the Employee shall not be entitled to receive, any severance pay if the Board terminates and discharges the Employee for good cause or if the Employee's termination of the employment relationship is due to the Employee's resignation or retirement.

(d) Resignation or Retirement by Employee. The Employee may resign or retire from his position as General Manager of District upon at least thirty (30) days prior written notice to the Board. Any such notice provided under this section shall specifically set forth the date that such resignation or retirement becomes effective.

(e) Final Compensation. Upon termination as provided in this section, the District shall provide the Employee with his proportionate compensation to the effective date of such

termination from service, along with his rights to other benefits as governed by the respective plans, programs or policies under which they arise to the date of such termination from service.

Section 11. Confidential Information

The Employee acknowledges and stipulates that in the performance of his duties, the District discloses and entrusts him with certain confidential information of District. Employee agrees not to disclose such information either directly or indirectly. Employee agrees not to use at any time during the Term or thereafter any such information, whether it be in the forms of records, lists, data, personnel information, drawings, reports or otherwise. Notwithstanding, the Employee may disclose such information if the disclosure is authorized by the Board in writing, such disclosure is required by law or is required in the performance of his duties as General Manager.

Section 12. Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between the Parties with respect to the subject matter of this Agreement. No other agreement, statement or promise related to the subject matter of this Agreement, which is not contained in this written Agreement, shall be valid or binding.

Section 13. Notices

With the exception of notice required under Section 4(b) of this Agreement, any notice, request, demand, consent, or approval or other communication required or permitted hereunder by this Agreement or law, shall be validly given and made only if in writing and delivered in person to an officer or duly authorized representative of the party, or deposited in the United States mail, first-class postage prepaid, and addressed to the party for whom intended. Notices to the District shall be delivered to the Board President at his or her address as he or she may specify in writing from time to time. Notices to the Employee shall be delivered to the Employee at his work or home address as he may specify in writing from time to time.

Section 14. Jurisdiction

The parties hereby understand and agree that this Agreement has been negotiated and executed in the State of California and shall be governed by, and construed under, the laws of the State of California. In the event of a dispute, the Parties specifically agree the judicial jurisdiction and venue shall be with and in the County of Calaveras, State of California.

Section 15. Amendments

No addition to, or modification of, any provision contained in this Agreement shall be effective unless fully set forth in writing signed by the authorized representatives of the Parties.

Section 16. Interpretation

The Parties acknowledge and agree that each has been given the opportunity independently to review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions of the Agreement. In the event of a controversy or dispute between the Parties pertaining to any provision in the Agreement, the Agreement shall be interpreted according to its terms and no presumption shall arise concerning the drafter of the Agreement.

Section 17. Severability

If any term, provision, condition or covenant of the Agreement is held invalid or unenforceable, the remainder of the Agreement shall not be affected and each remaining term and provision of this Agreement shall be valid and enforceable to the fullest extent provided by law.

Section 18. Waiver

Any provision of this Agreement may be waived at any time by the party entitled to the benefit thereof, but only by a writing signed by such party. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver.

Section 19. Execution of Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed a duplicate original when all counterparts are executed, but all of which shall constitute a single instrument.

IN WITNESS WHEREOF, the parties have entered into this GENERAL MANAGER EMPLOYMENT AGREEMENT as of the date first written above.

CALAVERAS COUNTY WATER DISTRICT

By: 
Russ Thomas, President

EMPLOYEE

By: 
Michael J. Minkler