

AGREEMENT FOR EMPLOYMENT OF GENERAL MANAGER

This AGREEMENT FOR EMPLOYMENT OF GENERAL MANAGER (“Agreement”) is entered into effective on the 1st day of July, 2013 (“Effective Date”) by and between the SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT, a public agency and water conservation district duly formed and existing under the Water Conservation Act, California Water Code sections 74000 *et seq.* (“District”) and Daniel B. Cozad (“Employee”) on the terms and conditions stated herein.

1. Duties of Employee

A. District hereby agrees to employ Employee, and Employee hereby accepts employment with District, as District’s General Manager. Employee shall perform all of the managerial duties of the District, including, but not limited to, all of those duties set forth in Resolution No. 493, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, and as may be amended. Employee shall perform such other legally permissible and proper duties as may be necessary or beneficial to manage and conduct the District’s business and operations, as the District’s Board of Directors may assign or require. Employee agrees to fulfill and abide by the terms of Resolution No. 493 and by all of the other District’s adopted policies and procedures. Employee specifically will work to implement the Board of Director’s Strategic Plan, Policy and priorities established each January including any additions or changes to the priorities made by the Board from time to time.

B. It is expressly understood that Employee shall be required to devote requisite to the business of the District during the term of this Agreement, but may also continue to pursue existing and future professional consulting clients during his tenure as General Manager of District, provided, however, District consents in advance to such third party retention or employment. Employee shall not, either as an employee, employer, consultant, agent, principal, planner, stockholder, corporate officer, director, or any other individual or representative capacity, engage or participate in any business that is in competition with, or in conflict in any manner whatsoever with, the business, projects, or official positions of the District. During the effective term of this Agreement, Employee shall provide written notice to the Board President of any prospective client or other business for whom Employee proposes to contract or otherwise perform work, at least five (5) business days prior to accepting such contract or employment. The Board President shall determine, in the exercise of reasonable discretion, whether a conflict of interest exists or is likely to arise from the Employee’s prospective third-party contract or employment and the work that Employee is or may reasonably be expected to provide for the District. In the event the Board President determines no such conflict exists, the General Manager may accept such contract or employment. In the event the Board President determines such a conflict exists, the General Manager shall either decline to accept such contract or employment, or defer such acceptance until the question of the existence of a conflict of interest can be referred to the full Board of Directors for determination. The Board’s determination on this matter shall be final, and binding on both parties. This Agreement shall not be interpreted to prohibit Employee from making personal investments, conducting private business affairs, or pursuing personal political activities, so long as such

activities do not materially interfere with the duties and services Employee is required to perform under this Agreement.

2. Term of Agreement and At-Will Status

A. Employee shall serve at the pleasure of the District's Board of Directors and is specifically employed on an "at-will" basis. Employee's employment hereunder may be terminated at any time by a majority vote of the District's Board of Directors, with or without cause.

B. This Agreement shall commence as of July 1, 2013, and shall remain in effect until June 30, 2014, unless terminated earlier in accordance with the provisions of this Agreement.

3. Termination

This Agreement may be terminated by District at any time, with or without cause, consistent with Employee's at will status. This Agreement may be terminated by Employee upon no less than 30 days written notice to the President of the Board of Directors of the intent to resign, retire, or otherwise separate from employment with the District. In the event of such termination by Employee, Employee's employment shall be terminated at the end of the 30-day period, unless District's Board of Directors determines, in its sole discretion, to designate the operative date of the termination at an earlier date. Employee and District may, by mutual agreement, extend Employee's termination date beyond the 30-day notice period.

Upon termination or other separation from employment with the District, Employee shall be paid all accrued salary and benefits, including a pro rata monthly amount for any partial year, and for all accrued, unused vacation and sick leave. Upon termination or separation, Employee shall turn over to the District all District's property, including, but not limited to, any credit cards, computer hardware or software, and all files, reports, or presentation materials.

4. Disability

In the event Employee becomes permanently disabled or is otherwise unable to perform his duties, as determined by a physician designated by the District's Board of Directors, because of sickness, accident, injury, mental incapacity or health issue for a period of six (6) successive weeks, District shall have the option to terminate this Agreement within the provision and limitations of the Family and Medical Leave Act of 1993 29 U.S.C. 2601 *et seq.* In the event of such termination, Employee shall be compensated for all accrued sick leave, vacation, holidays, and any other accrued benefits on the same basis as any other employee of the District pursuant to the District's Employee Handbook.

5. Salary

Employee shall be paid as determined by the Board of Directors, in accordance with District's standard payroll procedures. Employee's salary shall be increased from the formerly applicable salary rate by 2% for COLA as approved in the annual budget, and by a merit increase of 3%, for a total 5% increase, resulting in a new salary applicable through the term of this

Agreement of One Hundred Seventy Nine Thousand, Five Hundred and Three Dollars (\$179,503) annually, effective from the Effective Date. Employee's performance shall be subject to review by the District's Board of Directors, or any committee of the Board to which such responsibility has been delegated, and shall occur at least once before the first anniversary of the Effective Date, Such review shall serve as the basis for any consideration of extension of this Agreement and any adjustments to Employee's salary or other benefits. Employee's annual performance shall be evaluated before the first anniversary of the Effective Date, and a merit bonus of up to 5% of total salary, in addition to the One Hundred Seventy Nine Thousand, Five Hundred and Three Dollars (\$179,503) annually, may be paid to the Employee based on performance toward the District priorities listed in Section 1. A. above. It shall be the responsibility of Employee to work with the Board President to place Employee's reviews and consideration of salary adjustments on a meeting agenda for consideration by the Board of Directors in a timely fashion.

6. Uniqueness of Services

Employee represents and agrees that the services to be performed by this Agreement are special, unique, unusual, extraordinary, and of an intellectual character, that gives him a peculiar value to the District, the loss of which cannot be reasonably or adequately be compensated for in monetary damages.

7. Vacation

As of pay period ending April 12, 2013, Employee has accrued approximately 22 days of unused vacation. Employee shall accrue additional vacation at a rate of 1.67 days per month of completed employment as stipulated in the Personnel Manual for all employees except the Manager may accrue vacation without limitation during the term of employment and may at any time elect to cash out some or all of currently accrued vacation.

8. Sick Leave

Sick leave is a protection to Employee granted by District to assist Employee in times or circumstances of illness, incapacity, or physical adversity, and is intended to serve as a protection for Employee's health and welfare; it is not an earned right to time off of work. Employee shall accrue sick leave at a rate of one (1) day per month of completed employment as stipulated in the Personnel Manual for all employees except the Manager may accrue sick time without limitation during the term of employment and may at any time elect to cash out for compensation some or all of currently accrued sick time.

Any sick leave which has accrued but is unused and not cashed out by Employee at the time of termination of Employee's employment shall be treated in the same manner as sick leave upon termination for District's employees, as provided for in the District's Employee Handbook in effect at the time of Employee's termination of employment.

9. Mileage Reimbursement

Employee shall reimbursed for actual mileage travelled in Employee's own automobile, for such meetings and other events as District reasonably requires Employee to attend. Mileage

for commuting to and from employee's residence to the District offices shall not be eligible for reimbursement. Reimbursement shall be at the IRS forced mileage rate then in effect. Employee shall maintain collision and liability insurance on any automobile Employee uses for any District business, at Employee's own expense, with coverage no less than \$100,000 per occurrence, \$300,000 per incident. Employee shall be responsible for any income tax or other taxes resulting from any personal use of the District's technology.

10. Retirement and Other Benefits

Employee shall be provided medical, dental, and vision benefits under District's medical and health insurance policies in effect as of the Effective Date, at District's expense, and as such medical and health insurance benefits may change through action of the District's Board of Directors, over the course of Employee's employment. In addition, Employee shall be provided with retirement benefit contributions covering both the employer and percentage of the employee cost in accordance with District Policy applicable to District's employees, at District's expense under District's PERS retirement plan participation, at the 2.5% at 55 rate in effect on the Effective Date, and as may be thereafter be amended or further defined by District's Board of Directors.

11. Expense Reimbursements

Employee may receive reimbursement for expenses incurred by Employee in the direct prosecution of the District's business, as may be approved by the District's Board of Directors. Such expenses may be reimbursed regularly as they are incurred, and submitted to the Board monthly for ratification, or otherwise processed in compliance with any policies or procedures the District's Board of Directors has adopted or may adopt, which are applicable to the General Manager. Employee shall be provided with cellular phone reimbursement allowance in accordance with District Policy applicable to District's employees. In all cases, final approval of all such expenses rests with the District's Board of Directors, in its sole and absolute discretion.

12. Integration

This Agreement contains the entire agreement between the District and Employee, and supersedes any and all prior negotiations, representations, or agreements, oral or written or otherwise. This Agreement may only be modified by an instrument in writing signed by both parties, and approved by District's Board of Directors.

13. Waiver

The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by any other party shall not be deemed the waiver of that term, covenant, or condition, nor shall waiver or relinquishment of any right or power at any one time or times be deemed to waiver or relinquishment of that right or power for all or any other times.

14. Governing Law

This Agreement is entered into, and is to be governed by, the laws of the State of California.

15. Severance

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, unconstitutional or unenforceable, the remaining provision shall continue in full force and effect without being impaired or invalidated in any way.

Dated: _____, 2013

SAN BERNARDINO VALLEY WATER
CONSERVATION DISTRICT

By: _____
Richard Corneille, President
"District"

Dated: _____, 2013

Daniel B. Cozad
"Manager"

ATTACHMENT

Exhibit A Resolution 493