

**SAN LORENZO VALLEY WATER DISTRICT  
EMPLOYMENT AGREEMENT  
BRIAN C. LEE**

SAN LORENZO VALLEY WATER DISTRICT ("District") employs BRIAN C. LEE ("Manager") as District Manager, and Manager accepts and undertakes said employment upon the following terms and conditions to which the parties mutually agree.

1. **Term:** District employs Manager for a period of three (3) years beginning January 12, 2015 and ending January 11, 2018. Absent an agreed upon term extension six (6) months prior to the end of this Agreement, Manager shall be employed thereafter on an annual basis, the Agreement renewing annually on January 1<sup>st</sup>, unless sooner terminated as provided herein.

2. **Duties of District Manager:** The Manager shall perform all services and acts necessary or advisable to manage and conduct the District's principal mission as a water producer and retailer and shall carry out the policies and directions of a majority of the Board of Directors as may be given from time to time. The Manager shall comply with all applicable laws, rules and regulations of the State of California and all applicable local and federal government rules and regulations affecting District, and shall manage, supervise and carry out the terms and conditions of any and all agreements with Classified and Management Employees of the District which may exist from time to time. The Manager shall perform such other duties and functions and obligations as may be requested and directed by the District's Board of Directors. The Manager shall devote all of his working time to the District and shall not accept nor engage in outside employment for compensation without prior approval from the Board of Directors of the District.

3. **Compensation:** The Manager shall be compensated for the first year at the rate of One Hundred Sixty-Five Thousand Dollars (\$165,000.00) annually, payable in equal installments biweekly on the same dates that other District employees are paid. Effective January 1, 2016, and each January 1<sup>st</sup> thereafter, the Manager shall be entitled to an annual cost of living adjustment, or its equivalent, given to District employees at the discretion of the Board of Directors based upon a satisfactory performance rating from the Board of Directors. The Manager shall receive a written evaluation which relates to achievement of mutually defined goals and objectives at least once a year from the Board of Directors. At the discretion of the Board, Manager will also be eligible for up to a yearly five percent (5%) merit increase based on performance.

4. **Benefits:** The Manager shall receive other benefits provided to other District employees and the following:

(a) **Annual Leave.** In lieu of sick leave, personal business leaves, bereavement leave, and vacation, the Manager shall be granted forty-five (45) days (360 hours) of annual leave per year accumulated biweekly at 13.85 hours

per biweekly period. Any annual leave in excess of one hundred twenty (120) hours shall be paid directly to the Manager at the Manager's regular hourly rate of pay in effect at that time on the first regularly scheduled payroll date which occurs on or after July 1 of each year. Accrued annual leave shall be paid to Manager in full upon termination or separation.

(b) **Administrative Leave.** The Manager shall earn administrative leave at the rate of 1.54 hours per biweekly period. Administrative leave may be used in conjunction with annual leave.

(c) **Automobile Allowance.** The District shall pay \$350.00 monthly to the Manager as a vehicle or automobile allowance. Automobile allowance shall be paid on the first regularly scheduled payroll date of the month. When the Manager operates his own vehicle on District business, it shall be without additional compensation, except as provided in subsection (d). The Manager shall insure his private vehicle for such vehicle operation.

(d) **Business Expenses.** The District shall reimburse the Manager travel expenses for out of county travel and reasonable business expenses, supported by customary documentation, when incurred in connection with District business.

(e) **Payroll Protection Plan.** The District shall supply, at the District's expense, a payroll protection plan equal to sixty percent (60%) of the Manager's gross salary to commence sixty (60) days after the commencement of any qualifying disability.

(f) **Jury Duty.** The District will compensate the Manager the difference between his then existing compensation and whatever amounts are paid by the county, or the U.S. District Court, as the case may be, for jury duty.

(g) **Retirement Contribution.** Manager shall be responsible for the full 7% PERS member contribution. District recognizes that Manager is considered a 'classic employee', fully vested in CalPERS. Manager's CalPERS Retirement formula is 2% at 60. The formula shall be based upon a three (3) years average salary.

(h) **Membership & Dues.** The District agrees to employer's contribution for Manager's miscellaneous employee professional membership.

(i) **Life/Medical/Dental/Vision/Disability Insurance.** The District agrees to pay the cost of a life insurance policy for Manager with coverage in the amount of Fifty Thousand Dollars (\$50,000.00). The District agrees to pay all the costs of the Manager's enrollment in the California State Disability Insurance Program.

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The District agrees to pay costs of Manager's medical/dental/vision insurance as provided to all management/confidential employees.

(j) **Holiday Leave.** Manager shall be entitled to all District holiday leave.

(k) **Dues and Professional License Fees.** The Manager may request the District to compensate the Manager or reimburse him for professional memberships and professional licenses, which he obtains or renews during the course of his tenure as Manager.

(l) **Conferences, Seminars and Educational Courses.** The Manager shall be eligible for reimbursement for payment of fees or tuition for budgeted conferences, seminars and educational courses related to the business of the District subject to approval by the Board. With prior approval of the Board, the Manager will be reimbursed fifty percent (50%) of the cost of the books and tuition for educational courses leading to certificate, degree or professional licensing, upon successful completion of said courses. The Manager will be reimbursed the remaining fifty percent (50%) of the above costs after one (1) year of employment if the Manager is still employed at the District at that time.

5. **Termination.** This Agreement may be terminated by the Board of Directors at any time with or without cause, Manager being an employee at will. Cause includes, but is not limited to, the occurrence of any one of the following events:

(a) **Loss of Legal Capacity.** The loss by the Manager of legal capacity.

(b) **Breach of Duty.** The willful breach of duty by the Manager in the course of his employment, unless waived by the District.

(c) **Conviction of a Crime.** Conviction of a crime involving moral turpitude, or conviction of a crime which substantially affects the Manager's ability to satisfactorily perform his duties, including particularly, conviction of a crime involving an abuse of the Manager's office or position. In the event the Manager has been placed on paid administrative leave pending an investigation of a crime involving an abuse of his office or position, if the Manager is convicted of that crime, he shall reimburse the District for such payments.

(d) **Inexcusable Neglect.** Inexcusable neglect by the Manager of his employment duties.

(e) **Continued Incapacity.** Continued incapacity on the part of the Manager to perform his duties, unless waived by the District.

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6. **Effect of Termination on Compensation.** The Manager shall be entitled to a lump sum payment equivalent to six (6) months compensation (salary plus cash equivalent of benefits) if without cause. In the event of termination of this Agreement by the Board of Directors for cause prior to the completion of the term of employment specified herein, the Manager shall be entitled to the compensation earned by him prior to the date of termination, including accrued annual leave, and no other compensation as provided in this Agreement.

7. **Separation of Service.** The Manager may leave the services of the District in good standing prior to the termination of employment. The Manager shall file a written resignation with the Board of Directors at least Sixty (60) calendar days in advance of the effective date.

8. **Relocation Expense.** District shall pay expenses of relocation not to exceed a maximum of Five Thousand Dollars (\$5,000.00) upon written proof of such expense reasonably incurred in relocation.

9. **Entire Agreement.** This Agreement supersedes and cancels any prior agreements, whether written or oral unless expressly stated to the contrary herein, and constitutes the complete and entire agreement between the parties.

Executed at Boulder Creek, California on the following date:

**DISTRICT MANAGER:**

Dated: Dec 4, 2014

Brian C. Lee  
**BRIAN C. LEE**

**SAN LORENZO VALLEY WATER DISTRICT:**

Dated: Dec. 4<sup>th</sup> 2014

By: Margaret Bruce  
**President, Board of Directors**