

MONTE VISTA WATER DISTRICT EMPLOYMENT AGREEMENT

This EMPLOYMENT CONTRACT (“Agreement”) is effective as of December 4, 2019 (“Effective Date”) between the Monte Vista Water District (hereinafter “District”), acting by and through its Board of Directors (“Board”), and Justin M. Scott-Coe (hereinafter “Employee”). District and Employee are sometimes individually referred to herein as a “Party” and collectively referred to herein as “Parties.”

RECITALS

WHEREAS, Board and Employee desire to create an agreement for Employee’s employment with the District according to the terms in this Agreement.

AGREEMENT

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. DUTIES

1.1 District hereby employs Employee as General Manager to perform the functions and duties set forth by the Board, as amended from time to time, as well as such additional functions and duties the Board may from time to time assign to him.

1.2 Employee hereby agrees to perform such functions and duties on a full-time basis, to the best of his ability, and in an efficient and competent manner.

SECTION 2. TERM

2.1 The term of this Agreement shall be three (3) years from the Effective Date, with the first year ending June 30, 2020. The end of the term shall automatically extend for an additional one (1) year on July 1 of every year commencing July 1, 2022, unless terminated by the Board or by Employee in accordance with the terms of this Agreement.

2.2 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, subject only to the provisions set forth in Section 3 of this Agreement.

2.3 Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Employee to resign at any time from his position with the District, subject only to the provisions set forth in Section 3 of this Agreement.

SECTION 3. TERMINATION AND SEVERANCE PAY

3.1 In the event Employee is terminated by the Board without cause during the term of this Agreement and during such time that Employee is willing and able to perform his duties

under this Agreement, then in that event, Employee shall be entitled to the following severance in accordance with Section 53260 et seq. of the Government Code: a cash payment equal to six (6) months base salary. In addition, Employee shall be entitled to a monthly cash payment equal to Employee's monthly District-provided Employee Cafeteria Plan Allowance for six (6) months or until Employee finds other employment, whichever occurs first. Board may not terminate this Agreement within one hundred and twenty (120) days after a Board of Directors election or appointment of new Board of Directors members. However, in the event Employee is terminated because of his conviction of any felony, then in that event, District shall have no obligation to pay the severance salary and benefits designated in this Section 3.1.

3.2 For purposes of ascertaining if there is a termination under Section 3.1 hereof, Employee may treat any of the following official actions of the Board as a termination of this Agreement:

- a. The District is dissolved or reorganized by any means, whereby the position of General Manager or its equivalent is changed in any way which results in a significant diminution or devaluation of the position;
- b. A vote by a minimum of three (3) of the five (5) members of the Board to terminate the General Manager's employment;
- c. A vote by a minimum of three (3) of the five (5) members of the Board to request Employee to resign as General Manager of the District;
- d. A reduction in Employee's salary or other benefits described herein by a percentage greater than the percentage across-the-board reduction for all other employees of the District.

3.3 In the event Employee voluntarily resigns his position with District before expiration of the term of his employment as set forth in Section 2, then Employee shall give District ninety (90) days written notice in advance unless the Parties otherwise agree. Upon voluntary resignation, Employee shall not be entitled to severance pay set forth in Section 3.1.

3.4 In the event Employee is terminated for cause, as defined below, the District shall have no obligation to pay the aggregate severance sum designated in Section 3.1. Employee shall be deemed to be terminated "for cause" for such termination as based on one or more of the following:

- a. Misappropriation or theft of District funds or property;
- b. Possession, use, or sale of illegal drugs on District property or under the influence of alcohol or illegal drugs while on duty as the General Manager;
- c. Pleading guilty to or being convicted of a felony;
- d. Willful and malicious violation of the District's investment policies; and
- e. Commingling of District funds with the Employee's personal funds.

3.5 In accordance with Section 53243.2 of the Government Code, if the Agreement is terminated, any cash settlement related to the termination that Employee may receive from the District shall be fully reimbursed to the District if Employee is convicted of a crime involving an abuse of his office or position as those terms are defined in Section 53243.4 of the Government

Code.

SECTION 4. DISABILITY

4.1 If Employee is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity, or health for a period of six (6) successive months and which such sickness, accident, injury, mental incapacity, or health-related issue is not intentionally caused by Employee, Board shall have the option to terminate this Agreement upon the payment of the severance salary and benefits described in Section 3. Employee agrees to submit to a medical or psychological examination by a qualified physician or psychologist selected paid for by the District, in the event a decision must be made under this section. District shall receive a copy of all medical reports related to said examination and Employee shall furnish each medical provider an appropriate release of such medical information and reports to District.

SECTION 5. COMPENSATION

5.1 Effective December 4, 2019, the Employee's base monthly salary shall be \$17,166.93 payable at the same time and in the same manner as other employees.

5.2 District shall make the following monthly deferred compensation and retirement plan contributions to approved District programs for the benefit of and on behalf of the Employee:

- a. Half the normal maximum contribution limit permitted by IRS Code Section 457(b) Deferred Compensation Program; and
- b. 5% of base monthly salary into an IRS Code Section 401(a) Money Purchase Plan.

5.3 Employee's base salary shall automatically increase by an annual cost of living adjustment, if such cost of living adjustment is provided to other District employees.

5.4 Board agrees to undertake an annual performance review of Employee for each year of the term of this Agreement. Pursuant to such review, the Board may make base salary adjustments, in addition to the cost of living adjustment described in Section 5.3.

5.5 Employee shall be eligible for an annual merit performance award. Said award shall be based upon an annual performance review by the Board and shall be offered at the sole discretion of the Board, with one exception: pursuant to a successful initial six-month performance review, Board agrees to a one-time payment of \$2,500 to the Employee. Should a performance award be issued by the Board to the Employee, the Employee may elect to take said performance award in the form of a lump sum cash payment, or in installments at the same time and in the same manner as employees of the District are paid.

SECTION 6. MANAGEMENT PRIORITIES

6.1 During the initial three-year term of this Agreement, the Employee agrees to address management priorities that enhance the District's organizational effectiveness. Such management priorities, which shall be established through the annual performance review process and funded through the annual budgetary process, may include, but not be limited to, the following:

- a. Strategic goals and objectives implementation;
- b. District policies review and development;
- c. Organizational performance assessment; and
- d. Executive and management assessment, training, development, and succession planning.

SECTION 7. AUTOMOBILE

7.1 Employee shall receive a monthly auto allowance of \$750. District shall install a 240-volt Level 2 electric vehicle charging station for use without charge by Employee. Employee shall provide a private vehicle for use on District business during the period he receives the automobile allowance. Employee shall maintain public liability insurance coverage in an amount not less than \$100,000 per individual and \$300,000 per occurrence and property damage in an amount not less than \$50,000. This automobile allowance shall be considered complete reimbursement for the acquisition, insurance, maintenance, repair, and upkeep for the required vehicle.

SECTION 8. VACATION, MANAGEMENT, AND SICK LEAVE

8.1 District shall provide Employee one-hundred thirty six (136) hours of vacation leave annually on July 1 of each fiscal year during the term of this Agreement. Employee shall be eligible for an annual increase in vacation leave, based upon an annual performance review by the Board and at the sole discretion of the Board. District shall provide Employee with forty (40) hours of vacation leave on the Effective Date of this Agreement, in addition to vacation time accrued by Employee during his service as Assistant General Manager. Employee shall be provided with vacation leave accrual, buy-back, and payment at time of separation benefits in the same manner provided to other employees.

8.2 District shall provide Employee with forty (40) hours of management leave annually on July 1 of each fiscal year during the term of this Agreement. Employee shall use management leave to offset work done outside of normal working hours. Management leave cannot be carried over to the following year and is not eligible for payment in lieu of use.

8.3 District shall provide Employee with sick leave in the same manner and in same amount as provided to other employees, to be taken as paid leave. District shall provide Employee with fifty-five (55) hours of sick leave on the Effective Date of this Agreement, in addition to sick leave accrued by Employee during his service as Assistant General Manager. Employee shall be provided with sick leave accrual and reimbursement benefits in the same

manner provided to other employees with ten (10) years of continuous regular employment.

8.4 Employee shall inform the Board President in advance of all leave.

SECTION 9. HEALTH CARE CAFETERIA PLAN ALLOWANCE

9.1 Premiums for medical, dental, vision, and other District-offered insurance programs for Employee and his eligible dependents shall be paid by District in the same amount and same manner provided to other employees. All or a portion of the excess amount of Employee Cafeteria Plan Allowance not used for such premiums shall be paid to Employee monthly, in the same manner provided to other employees.

9.2 Commencing on the month following retirement, whereupon Employee receives a retirement allowance from the California Public Employees Retirement System, District shall provide Employee and his eligible dependents with medical and other District insurance coverage to the extent that it is offered to other employees'.

SECTION 10. LIFE INSURANCE

10.1 District agrees to provide and to pay on behalf of Employee, during the term of this Agreement, the required premium payment on term life insurance in a benefit amount provided to other employees.

SECTION 11. RETIREMENT

11.1 District shall pay on behalf of Employee all employer contributions to the California Public Employees Retirement System in the same manner District contributes to other employees.

SECTION 12. PROFESSIONAL DEVELOPMENT

12.1 District hereby agrees to pay for reasonable travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions adequate to continue the professional development of Employee and which are reasonably necessary to adequately pursue official functions for District, and as approved and/or provided for by the Board annually.

12.2 District also agrees to pay for the expenses of Employee for workshops and seminars that are necessary for his professional development and for the good of the District, and as approved by the Board.

SECTION 13. GENERAL EXPENSES

13.1 District recognizes that certain expenses of a non-personal and job-affiliated nature are incurred by Employee in conjunction with his responsibilities hereunder and shall reimburse or pay said general expenses in accordance with the then existing District policy.

SECTION 14. BONDING

14.1 District shall bear the full cost of a corporate surety bond as required by the District under Section 30545 of the Water Code.

SECTION 15. INDEMNIFICATION

15.1 District shall defend, hold harmless, and indemnify said Employee against any tort, professional liability claim, or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of said Employee's duties, consistent with the provisions of the California Government Code. Board may, in its discretion, compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered therefrom. Provided, however, that, in accordance with Section 53243.1 of the Government Code, if District provides funds for the legal criminal defense of Employee, Employee shall fully reimburse District for payment of said funds if Employee is convicted of a crime involving an abuse of his or her office or position as those terms are defined in Section 53243.4 of the Government Code. The Employee retains the right to select the attorney to represent him in a legal criminal defense case.

SECTION 16. ATTORNEY'S FEES

16.1 In the event legal action is commenced to enforce any of the provisions of this Agreement, the prevailing Party shall be entitled to recover from the other Party its costs and reasonable attorneys' fees incurred therewith in an amount fixed by a court of competent jurisdiction.

SECTION 17. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

17.1 The Board, in consultation with the Employee, may provide other terms and conditions of employment as it may determine to be reasonable and appropriate from time to time relating to Employee's performance as long as such terms and conditions are not inconsistent with or in conflict with either state law or the provisions of this Agreement, and are approved by at least three (3) of the five (5) members of the Board. All other terms and conditions shall be set forth in writing and approved by Board and Employee.

17.2 All provisions, terms, and conditions of the Employees Personnel Manual, as it may be amended from time to time and which are not in conflict with the terms of this Agreement, shall apply.

SECTION 18. GENERAL PROVISIONS

18.1 The text herein shall constitute the entire Agreement between the Parties and shall supersede any/all other previous agreements between the District and Employee related to employment.

18.2 All notices under this Employment Agreement shall be in writing and shall be

delivered by personal service, or by certified or registered mail, postage prepaid, return receipt requested, to the Parties. Any written notice to any of the Parties required or permitted hereunder shall be deemed to have been duly given on the date of service if served personally or seventy-two (72) hours after the mailing thereof. Rejection or other refusal to accept, or the inability to deliver because of changed address of which no notice was given as provided hereunder, shall be deemed to be receipt of the notice, demand, or request sent. Notices to the parties shall be addressed as follows:

District: Monte Vista Water District
10575 Central Avenue
Montclair, California 91763

Employee: Justin M. Scott-Coe
3633 Beechwood Place
Riverside, California 92506

Each Party shall give the other Party written notice of any change of address within forty-eight (48) hours thereof. If such Party fails to give such notice to the other Party hereto the service of notice shall be deemed to be properly given if it is mailed to the last known address of the Party who moved.

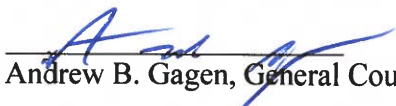
MONTE VISTA WATER DISTRICT

By: 
Sandra S. Rose, President of the Board of Directors

EMPLOYEE

By: 
Justin M. Scott-Coe

APPROVED AS TO FORM:
Kidman Gagen Law LLP

By: 
Andrew B. Gagen, General Counsel