

EMPLOYMENT AGREEMENT

Between Las Gallinas Valley Sanitary District

And

Curtis D. Paxton (General Manager)

This EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into this 7th day of July 2022, by and between the Las Gallinas Valley Sanitary District, a special district, (“District or Employer”) and Curtis D. Paxton, (“Employee”) both of whom understand as follows:

RECITALS

WHEREAS, Employer desires to employ the services of Curtis D. Paxton as General Manager of the Las Gallinas Valley Sanitary District; and

WHEREAS, it is the desire of the District Board, (“Board”) to provide certain benefits, to establish certain conditions of employment, and to set working conditions of said Employee; and

WHEREAS, Employer and Employee now desire to set forth their agreement for employment of Employee on the terms and subject to the conditions set forth herein.

WHEREAS, both Employer and Employee have read this Agreement and understand its contents fully;

NOW, THEREFORE, in consideration of the foregoing and the provisions and promises hereinafter set forth, the parties agree as follows:

TERMS

Section 1: Duties

A. Employer hereby agrees to employ Curtis Paxton as General Manager to perform the functions and duties specified in the job description, attached as Exhibit "A" and to perform other legally permissible and proper duties and functions as the General Manager.

B. The General Manager shall be in charge of and responsible for the operation and management of Employer and the general business and governmental affairs of Employer in accordance with the laws of the United States of America and the State of California governing special districts. The General Manager shall do and perform all services, acts, and functions necessary or advisable to manage and conduct the business and governmental affairs of Employer as determined by the Board of Directors.

C. Employee agrees that during the term of this Agreement, Employee shall devote Employee's 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 other services of any kind for compensation, or undertake other business, professional or commercial activity.

D. Employee shall perform all duties with due diligence and with the best interest of Employer in mind.

E. Due to the nature of his employment which requires close proximity to Employer's facilities, Employee agrees to maintain his permanent residence to a distance within a 60 minute automobile drive of the Employer's office during non-commute hours.

Section 2: Term

A. Employment pursuant to the terms of this Agreement is “at will”. Specifically, Employee serves as General Manager at the pleasure of the Board of Directors, and as an at-will employee, can be terminated at any time, either with or without cause.

B. The term of this Agreement shall commence on August 8, 2022 and end on July 31, 2023, unless terminated earlier as provided in Section 2.A.1 or renewed for one year automatically. Unless Employer notifies Employee in writing by July 1st of any given year, the Agreement shall renew for the next 12 months commencing with August 1st of that given year.

C. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employer to terminate the services of Employee at any time, subject only to the provisions set forth in Section 7 of this Agreement.

D. 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 Employer, subject only to the provisions set forth in Section 7 of this Agreement.

Section 3: Salary

A. Employer agrees to compensate Employee the amount of \$280,000.00 annually effective the first pay period that encompasses August 8, 2022.

B. Longevity Amounts

- i. Employee can receive a longevity step at the beginning of their 7th year of employment with the District. The longevity step shall be 5.0%.

ii. Employees in the “management bargaining unit” are eligible to receive a longevity step equal to five percent of base salary (5%) at the completion of 10 years of continuous employment with the District.

C. Six months after August 8, 2022, the Board of Directors shall review the performance of Employee. Subsequent evaluations shall be conducted annually thereafter. Upon satisfactory or greater than satisfactory performance the Board of Directors may at its sole discretion increase Employee’s salary.

D. Further salary increases during the term of this Agreement shall be based on District Salary Surveys or, in part, on a performance review with the percentage salary increase determined solely by the Board of Directors (see Section 4, below). All future salary increases except for COLA increases are discretionary, determined in the sole discretion of the Board of Directors.

E. Effective August 1, 2023, the Employee will be entitled to a General Wage COLA increase of commensurate with that given to other management employees.

Section 4: Performance Evaluation

The Board of Directors shall at least annually review and evaluate the responsibilities, workload and performance of the Employee. Said review and evaluation shall be in accordance with specific criteria developed by Employer. The District and Employee may develop goals, objectives, and performance standards for Employee for the benefit of the District and in attainment of the District’s policy objectives, and may further establish a priority among those goals, objectives, and performance standards. Additionally, the District may periodically establish goals and objectives regarding the Employee’s performance of the duties of General Manager.

Section 5: Management Benefits

A. Employee shall be entitled any benefits specified for the Unrepresented Bargaining Group in the attached Exhibit “B”. However, a specific description of certain of those benefits follows and the specific description below controls the rights and obligations of Employee and Employer for that specific benefit.

B. If Employee has outside health insurance coverage, the Employee may opt out of the District provided health insurance and receive an in-lieu payment of \$250 per month to offset the cost of the outside health insurance. The Employee must provide proof of health insurance coverage.

C. Employee may purchase a tablet computer or laptop once in a four-year period and be reimbursed based on District policy. Should the Employee terminate employment within two years of receiving the reimbursement, the Employee shall return to the District 50% of the cost so reimbursed.

D. Employee shall be entitled to 4 weeks per year vacation. Upon hiring Employer shall grant Employee a one time, initial 2 week vacation benefit. Cash-Out of Vacation: The maximum amount of vacation time Employee may accrue is 272 hours. Employee shall be eligible to cash out up to 80 hours of vacation time one time a year. All vacation hours cashed out shall be compensated at the Employee’s current rate of pay and will be removed from the Employee’s accumulated vacation balance. In no event shall Employee cash-outs result in a vacation balance of less than 40 hours. Such requests for cash-out of vacation hours shall be submitted in writing by the employee to the Administrative Services Manager, who will verify and approve the request. Vacation requests must be submitted by June 1 and/or December 1 and

will be processed on the following pay period. This cash-out will be subject to applicable Federal and State Payroll Tax Law.

E. Employee shall be entitled to a District vehicle for District purposes and commuting. Employer shall pay for all expenses associated with this vehicle. Employee shall be permitted to use the vehicle for limited personal use only when Employee is either engaged in Employer activities or commuting to and from work. Reasonable personal use is allowable. If Employee ceases to be General Manager this vehicle benefit shall end.

F. On July 1 of each year, the Employee shall be granted a lump sum of 80 hours of Administrative leave. The allotment shall reset to 80 hours on July 1, regardless of unused balance remaining from prior fiscal year.

G. Under the current defined benefit plan, pursuant to the Public Employees' Retirement Law (Government Code § 20000 et seq. ("PERL")), Employee is required to contribute 8% of the Employee's "compensation earnable and reportable" ("PERSable compensation") toward the costs of said benefit plan.

H. Employee can choose either a District supplied smartphone or can be reimbursed the median for a 6 GB plan of the following wireless carriers (AT&T, Sprint and Verizon). Employees can be reimbursed for the phone purchases once every 3 years up to \$273.58. The allowance will be based on General Wage COLA increases of each year. It is the sole responsibility of the employee to maintain their Employee owned phone. Employee shall be on call and maintain their phone in good working condition and in close proximity to respond to District emergencies as necessary. Should the Employee terminate their employment with the District within one year

of receiving a reimbursement for a phone, the Employee shall reimburse the District 50% of the purchase cost.

Section 6: Professional Development

A. Employer agrees to budget for and to pay for publications and subscriptions for Employee necessary for his continuation and full participation in national, regional, state, and local associations and organizations necessary and desirable for his continued professional participation, growth, and advancement, and for the good of the Employer as determined solely by the Board.

B. Employer hereby agrees to budget for and to pay for reasonable travel and subsistence expenses of Employee for professional and office travel, meetings, and occasions necessary to continue the professional development of Employee as determined solely by the Board. Notwithstanding the foregoing, Employee shall be entitled to attend up to six industry related conferences per year, including but not limited to Water Reuse, CASA, WEF, CWEA, CSDA or similar.

C. Employer also agrees to budget for and to pay for reasonable travel and subsistence expenses of Employee for short courses, institutes, conferences, and seminars that are necessary for his professional development and for the good of the Employer as determined solely by the Board.

D. Employee shall obtain the Board's prior approval for any expenses in this Section which are not in the approved budget.

E. Employer shall reimburse Employee up to \$5,000 annually for tuition and fees for any college credit courses Employee may attend related to his position as General Manager or in his efforts to obtain a college degree.

Section 7: Termination of Agreement and Severance Pay

- A. The Agreement may be terminated at any time by either party in writing.
- B. Both sides agree that it is preferable to provide thirty (30) days advance notice of termination, but such advance notice is not required.
- C. “At Will” Employment: The parties to this Agreement expressly acknowledge that Employee is “at will” and serves at the pleasure of the Board. Employee may be terminated by Employer at any time with or without cause, at the sole discretion of the Employer. Employee may terminate his employment at any time with or without reason.
- D. Notwithstanding anything else contained in the Agreement, the terms and provisions of this Agreement shall terminate automatically and immediately upon the death of Employee.
- E. In the event Employer wishes to terminate Employee without reference to cause, then Employee may be entitled to severance pay in a lump sum equal to six months of Employee’s current salary. The Employer shall only be obligated to pay this severance if the Employee agrees to execute a standard release agreement as prepared by the Employer that releases the Employer from any and all claims the Employee may have against the Employer. If the Employee refuses to sign this standard severance and release agreement, the Employee shall not be entitled to the severance pay. Notwithstanding any other provision in this Agreement, in accordance with Government Code § 53260, in the event this Agreement is terminated, the maximum cash settlement that Employee may receive shall be an amount equal to the monthly salary of Employee multiplied by the number of months left on the unexpired term of the Agreement. Furthermore, in accordance with the above denominated Section, if the unexpired term of the Agreement became

greater than 18 months, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 18.

F. In the event Employee is terminated, the Employee shall be paid out for accrued but unused vacation, compensatory time and administrative leave. Accrued sick leave benefits shall be paid in accordance with District personnel policy.

G. If Employee resigns at the request of the Board of Directors, Employee shall be deemed terminated without cause and may be entitled to severance as set forth under Section 7.E.

Section 8: Indemnity

Employer and Employee recognize the broad legal obligation of an employer to defend, indemnify and hold harmless a public employee in connection with that public employee acting within the course and scope of their employment.

Employer will defend, indemnify and hold harmless Employee and pay all costs and fees incurred by him, whether as a party, witness, or otherwise, in connection with any actual or potential suit, claim, demand, investigation, or similar event arising within the course and scope of his employment. This obligation on the part of Employer will continue regardless of if or when the General Manager's employment with Employer terminates. This includes defense in any administrative proceedings or any criminal action involving the operation of Employer's plant and facilities. However, if the public entity pays any claim or judgment or portion thereof on behalf of Employee, the Employer may recover the amount of payment from Employee if Employer establishes that with regard to the act or omission upon which the claim or judgment is based, Employee acted or failed to act because of actual fraud, corruption, or actual malice or

that he willfully failed or refused to reasonably cooperate in good faith in the defense conducted by Employer.

Section 9: Notices

Notices pursuant to this agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

Las Gallinas Valley Sanitary District
100 Lucas Valley Road, Suite 300
San Rafael, CA 94903

Curtis D. Paxton
1085 Shadybrook Lane
Napa, CA 94558

Alternatively, notices required pursuant to the agreement may be personally served. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 10: General Provisions

A. The text herein shall constitute the entire agreement between the parties and supersedes any and all other agreements, either oral or in writing between the Employer and the Employee and contains all of the covenants and agreements between the parties with respect to such employment in any manner whatsoever. Any prior agreements merge into this Agreement and specifically prior employment agreements merge into this agreement.

B. Each party to the Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and no other agreement, statement, or promise

not contained in the Agreement shall be valid or binding. Any modification of the Agreement will be effective only if it is in writing and signed by both the Board of Directors and the Employee.

C. This Agreement shall be binding upon and inure to the benefit of the heirs of Employee.

D. If any provision, or any portion, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

E. This Agreement shall be interpreted under the laws of the State of California. Venue for any action shall be in the Superior Court for the County of Marin.


F. Employee understands that the Board may, from time to time, revise the District's policies. Employee understands that Employee is subject to those policies and procedures when they are not in conflict with the contents of this Agreement.

Employer and Employee approve and accept the terms and provisions of this Agreement and agree to be bound thereby.


THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

IN WITNESS WHEREOF, Las Gallinas Valley Sanitary District has caused this Agreement to be signed and executed on its behalf by its Board President, and duly attested by its


District Secretary, and the Employee has signed and executed this Agreement the day and year first above written.


Board President
Las Gallinas Valley Sanitary District

Date: July 22/2022

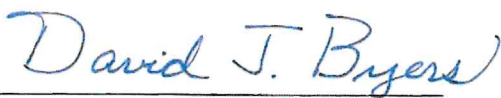

Curtis D. Paxton

Date: 07/15/2022


Teresa Lerch
District Secretary

Seal

APPROVED AS TO FORM:


David J. Byers, District Counsel for
Las Gallinas Valley Sanitary District



Las Gallinas Valley Sanitary District Job Description

POSITION: GENERAL MANAGER

LAST REVISION: DECEMBER 2021

SALARY STEP RANGE: by Employee Contract.

SCOPE: Directs and manages the administrative, financial, engineering, operating, maintenance and construction functions of the District.

MINIMUM QUALIFICATIONS:

Education & License: Bachelor of Science Degree in Engineering from an accredited college or university and Civil Engineering Registration in the State of California or Operator's Certification: A Grade V Wastewater Treatment Plant Operator Certificate issued by the State of California State Water Resources Control Board is desirable.

And in addition to the above:

Ten years of increasing responsible relevant experience including at least five years in a supervisory or management position with a wastewater agency along with a valid California driver's license.

ESSENTIAL JOB FUNCTIONS – BOARD AND GENERAL MANAGER

1. Act as Board representative with District employees.
2. Supervise preparation of Board Meeting agenda and attend all Board meetings.
3. Provide recommendations to Board on all agenda matters.
4. Represent Board and District in discussions with regulatory agencies, other agencies, community representatives, developers, and public.
5. Supervise coordinate of individual Board member participation at various functions requiring Board member attendance.
6. Implement all Board actions as well as Board approved ordinances, resolutions, rules, regulations, policies, and procedures.
7. Advise and consult with the Board on the development of proposed ordinances, resolutions, rules, regulations, policies, and procedures.
8. Conduct special studies and surveys and prepare reports as directed by the Board.
9. Prepare annual budget, annual sewer service report, and quarterly finance reports for Board review/approval.
10. Manage District personnel matters in a manner consistent with District personnel procedures and in a manner to ensure Board's position of Personnel Appeals Board.
11. Perform other responsibilities, assignments, and special projects as needed.

ESSENTIAL JOB FUNCTIONS –GENERAL MANAGER AND DISTRICT STAFF

1. Supervise and coordinate the daily functions of the District and manage and prioritize the daily workload.
2. Manage the District's financial transactions including collection of revenue, payment of expenditures, investment of reserves, and audit of District financial system.
3. Supervise the operation and maintenance of the District's wastewater collection, treatment, disposal, and reclamation facilities.
4. Interpret and implement federal, state, and regional wastewater quality control requirements and programs and ensure compliance with applicable laws and regulations.
5. Manage the District's personnel matters including staffing, employee relations, training, discipline, salary negotiations, and benefits programs.
6. Review and supervise the work of consultants and contractors engaged by District.
7. Maintain up to date recordkeeping systems for the affairs of the District.
8. Perform other responsibilities, assignments, and special projects as needed.

WORK ENVIRONMENT AND CONDITIONS

Performance of job functions may involve extended work days to attend meetings and conferences, or to meet project deadlines.

KNOWLEDGE, SKILLS, ABILITIES

Knowledge of the principles and practices of public administration.

Knowledge of the principles and practices of civil or sanitary engineering as they apply to the planning, design, construction, and operation of wastewater facilities.

Knowledge of federal, state, and local laws and regulations governing the operation and maintenance of a sanitary district's facilities.

Knowledge of and skill in project management contract administration.

Ability to communicate effectively with staff, the Board, community groups or representatives, and regulatory agencies.

Ability to prepare concise written reports.

Ability to apply problem-solving skills to a variety of technical and non-technical situations.

Ability to effectively plan, organize, and direct the work of staff.

Ability to maintain effective employee relations

OTHER REQUIREMENTS

United States citizenship or legal eligibility to work in the United States.

Medical evaluation to determine physical fitness for the job.

Acceptable driving record consistent with the standards established by the District.

Participation in job training or professional development programs.

Las Gallinas Valley Sanitary District Exhibit B
 Summary of Benefit Provisions for the Unrepresented Management and Employee Bargaining Group
 July 1, 2021 to June 30, 2023

In addition to the benefits specifically discussed in the employment contracts, the following benefits offered to the members of the OE3 bargaining unit will apply:

Benefits	Section (in MOU)	Summary	
Holidays	15.1	11 days per year	
Max Vacation Accrual	15.2	272 hours	
Vacation Time Awarded	15.2	Years 1-3	14 days
		Years 4 to 10	19 days
		Years 11 to 15	22 days
		Years 16+	24 days
		A one-time 5-day vacation bonus is given after 20 years of service	
Vacation Cash-Out	Per contract	Cash-out 80 hours twice-yearly, with a minimum balance remaining of 40 hours	
Administrative Leave	Per Contract	Exempt Management Employees Only Lump sum of 80 hours reset each year on July 1st	
Admin Leave – Safety Award		4 hours added to leave bi-annually if No Accidents in the Plant	
Sick Leave	15.4	Accrue (1) 8-hr day a month – No Cap	
		After 3 Years – If you Resign - 50% Cash Out	
		After 3 Years – If you Retire – 50% Cash Out 50% CalPERS Service Credit	
Cell Phone	Per Contract	Reimburse for Cell purchase with Cap	
		Reimburse one personal cell line monthly costs	
Auto Allowance	Per Contract	Allowance Reimbursement or use of District Vehicle	
Technology	Per Contract	Reimbursed for iPad or Laptop – Limit of \$1,347 – Administrative Policy A-03.	
Longevity Pay	Per Contract	Employees Hired prior to 7/1/2016 Only After 6 years – 5% After 10 years – 3% After 15 years – 2%	
Medical Cafeteria Plan	17.1/17.2	PERS Health Plan	
LGVSD Contribution		Kaiser family rate	
EE Contribution		Excess monthly cost for plan over Kaiser plan	
Dental	17.3	Annual cap of \$3,000 per covered individual after applicable co-pay	
Vision	17.4	VSP	
LGVSD Contribution		50% of the cost	
EE Contribution		50% of the cost	

Note: This summary is for administrative convenience only, if there is a discrepancy between the information in the table and contract, the contract will apply.

Summary of Benefit Provisions for the Unrepresented Management and Employee Bargaining Group
July 1, 2021 to June 30, 2023

Waive District Health Insurance	Per Contract	On proof of coverage, a \$250 reimbursement per month.
Life/AD&D Insurance	17.6	1 x Salary up to \$50,000
Long-term Disability	17.10	66.67% of monthly salary up to \$15,000 of salary
Deferred Comp 457	18.1	Voluntary – EE pays
CalPERS Retirement	18.1	Classic Employees – 2.7% at 55, highest year, EE pays 8% pretax PEPRA Employees – 2% at 62, final 3 years of compensation; EE pays 8% pre-tax
Retiree Medical	18.2.2	Hired pre-1/1/03: State one party rate employee only; 5 year vesting Hired post 1/1/03 and pre-7/1/2014: State 100/90 plan EE, EE + sp, EE + dependents; 10 years PERS service 50% vested, 20 years PERS service 100% vested, 5 years with LGVSD
	18.3	Hired after 7/1/2014: 10 years of District service, 50% vested, 100% vested at 20 years of District service. Employee only coverage based on the One Party State Rate.
Boot Allowance	19	Annual \$300, as of 7/1/2021 to eligible employees
Prescription Safety Glasses	19	Every two years \$305, as of 7/1/2021 to eligible employees

Note: Employees of the Unrepresented Bargaining Group do not have rights under the MOU as they pertain to discipline, discharge or employment status. Reference to the MOU sections in this document in terms of defining benefits offered to this group is for convenience only.

Note: This summary is for administrative convenience only, if there is a discrepancy between the information in the table and contract, the contract will apply.