

**EMPLOYMENT AGREEMENT FOR GENERAL MANAGER OF  
VALLEY SANITARY DISTRICT**

This AGREEMENT (hereinafter referred to as "Agreement") is made and entered into between BEVERLI A. MARSHALL (hereinafter referred to as "Employee") and the VALLEY SANITARY DISTRICT (hereinafter referred to as the "District" or "Employer") as of May 15, 2019.

RECITALS

WHEREAS, District wishes to engage the services of Employee as the General Manager of the District;

WHEREAS, Employee is familiar with the position's legal requirements, industry standards, and duties set forth in Exhibit "A" [job description] attached hereto and incorporated herein; and

WHEREAS, Employee represents and warrants that she has the skill and ability to serve in such position.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants herein contained, the parties hereto agree as follows:

1. Employment and Term. The District hereby agrees to employ Employee, and Employee agrees and does accept at will employment upon the terms and conditions set forth herein. The effective date of employment shall be June 17, 2019. The term of this Agreement shall be for three (3) years, unless sooner terminated or extended by the parties as set forth in this Agreement. In the event that the Board determines that the Employee is not to be reemployed upon expiration of this Agreement, she shall be given written notice thereof by the District at least two (2) months in advance of the expiration of the term of this Agreement. Should the District fail to give notice at least two (2) months prior to the end date of this Agreement, the Agreement shall be extended on the same terms for additional one-year periods.

2. Duties and Obligations of Employee.

A. *Functions of Position.* Employee hereby agrees to perform the functions and duties of the Position as set forth in the applicable job description, the District's Resolutions, Rules, Regulations and Policies, and to perform such other duties and functions as the District and specifically the District's Board of Directors may assign. It is expressly understood that the terms of this Agreement, including but not limited to those governing termination of employment, supersede any rights conferred by District Resolution, Rules, Regulations or Policies where in contradiction.

B. *Allocation of Time/ Outside Commitments.* Employee will focus her professional time, ability, and attention to District business during the term of this Agreement. Employee shall not engage in any other business duties or pursuits whatsoever or, directly or indirectly, render any services of a business, commercial, or professional nature to any other person or organization, whether for compensation or otherwise, without the prior consent of the District, except that:

(1) The expenditure of reasonable amounts of time not in conflict with the District's needs and interests, for educational, charitable, community, and professional activities, shall not be deemed a breach of this Agreement and shall not require prior consent.

(2) This Agreement shall not be interpreted to prohibit Employee from making passive personal investments or conducting private business affairs off-duty if those activities do not materially interfere with the services required under this Agreement.

C. *Intellectual Property.* All data, studies, reports and other documents prepared by Employee while performing her duties pursuant to this Agreement shall be furnished to and become the property of the District, without restriction or limitation on their use. All ideas, memoranda, specifications, plans,

procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Employee in connection with the performance of this Agreement shall be held confidential by Employee unless disclosed within the scope of her duties. Such materials shall not, without the prior written consent of the District, be used by Employee for any purposes other than the performance of her duties. Nor shall such materials be disclosed to any person or entity not connected with the performance of services under this Agreement, except as required by law.

D. *Annual Performance Evaluations.* The Board shall review and evaluate the performance of Employee in writing on an annual basis at the second Board meeting of every January. The evaluation will also set forth mutually defined goals to be achieved by the Employee in the subsequent year. The Employee will be provided an adequate opportunity to discuss her evaluation with the Board at the Board meeting. Failure of the Board to conduct a performance evaluation shall not prohibit the Board from terminating this Agreement in accordance with Section 5 of this Agreement

### 3. Salary and Benefits.

A. *Salary.* Employee shall be compensated at the rate of Two Hundred and Twenty Thousand Dollars and No Cents (\$220,000.00) which shall be payable in installments at the same time as other employees of the District are paid, pursuant to the procedures regularly established, and as they may be amended by the District. Additionally, each year during the first term of this Agreement, Employee will be eligible for a three percent (3%) salary increase, contingent on a satisfactory annual review by the Board of Directors. Finally, Employee will receive any Cost of Living Adjustment (COLA) otherwise provided to all employees of the District. Such salary increases must be memorialized by written Amendment to this Agreement. All compensation and comparable payments to be paid to Employee shall be less withholdings required by law.

B. *Health, Dental & Vision.* Health, dental and vision insurance will be provided at the level available to other employees of the District.

C. *Retirement & Deferred Compensation.* The District shall pay costs related to the Employee's membership in CalPERS on the same basis as for other employees. The District participates in CalPERS at a formula of 2.5% at fifty-five (55) years. If Employee elects to participate in the District's deferred compensation plan, the District will match the Employee's annual contribution up to a maximum of Two Thousand and Four Hundred Dollars (\$2,400.00).

D. *Life Insurance.* The District shall provide to Employee a group term policy. The value of the policy is one time the annual salary of Employee with a cap of Two Hundred Thousand Dollars (\$200,000.00).

E. *Vacation.* Employee shall accrue fifteen (15) days (or 120 hours) of vacation for each year of service. The District may, in its discretion, allow Employee a weekly prorated accrual per week in order to total a fifteen (15) day accrual by year end. Such vacation may be carried over, if not used, and may accumulate to a cap of Two Hundred and Forty (240) hours. Once the accrual cap is reached, the Employee will not accrue additional vacation hours until such time as she reduces her accrued hours below the cap. Proposed Employee vacation dates must be approved by the Board of Directors in order to best suit District needs.

F. *Sick Leave.* Upon execution of this Agreement, Employee will be allotted five (5) days (or 40 hours) of sick leave. Sick leave may be used for any and all purposes outlined in District policy or in compliance with the *Healthy Workplaces, Healthy Families Act*. In addition to the initial five (5) day grant, Employee will accrue sick leave at a rate of eight (8) hours of sick leave per month. Employee may carry over such sick leave from year to year any unused sick leave up to a maximum of nine hundred and

sixty (960) hours. Once Employee's accrual reaches nine hundred and sixty (960) hours, she will be ineligible to accrue further sick leave until such time as she reduces her accrued hours below the cap.

G. *Administrative leave.* Upon execution of this Agreement, Employee will be allotted ten (10) days (or 80 hours) of administrative leave away from the office, to be scheduled and used throughout the year to complete administrative tasks and duties without undue office interference. In addition to the initial ten (10) day grant, Employee will be allotted ten (10) days (or 80 hours) of administrative leave away from the office annually. These days off do not accrue, are not subject to carry over, are not subject to any cash-out option, and will not be paid out upon termination of employment.

H. *Mileage Reimbursement.* Employee shall utilize her own vehicle in the furtherance of duties. To the extent she drives in the furtherance of District duties, she shall be reimbursed for the use of her personal vehicle at the applicable IRS rate.

I. *Professional development.* The District shall budget and pay for approved professional dues and association memberships necessary for continued participation in approved organizations necessary for Employee's continued professional growth and advancement. The District shall also pay for travel and subsistence expenses (as set out by applicable District policy) for approved professional or official travel, meetings, training, seminars or similar functions.

J. *Other benefits pursuant to District policy.* In addition, Employee shall be provided all those benefits for which Employee is eligible pursuant to policies and procedures of District personnel, as may be amended by the District.

#### 4. Relocation Expenses.

Employee agrees that she will reside no further than thirty miles from the District's treatment facility. Understanding that a permanent move will take time, the District will provide Employee with Two Thousand Dollars (\$2,000.00) per month for up to six months to provide for temporary housing while Employee's permanent move is pending. The District also agrees to reimburse Employee for customary and reasonable expenses associated with moving Employee's personal belongings to a home within a thirty-mile radius of the District's treatment facility. Such expenses include, but are not limited to, the rental of a moving truck or hiring of a moving company. Reimbursement will be contingent on the District's approval of the scope of expenses prior to expenditure and will be based on the lowest of three (3) bids obtained by Employee for rental or services. Relocation expenses may not be submitted for reimbursement later than six (6) months following Employee's start of employment, unless approved by the Board.

#### 5. At-Will Employment Status, Termination of Agreement and Severance Pay.

A. *Nature of Employment.* The parties hereby expressly agree that the employment relationship created by the Agreement is "at will" and that Employee serves at the will and pleasure of the District's Board of Directors. Nothing in this Agreement, any Resolution, Statute, Ordinance, Rule or Policy shall prevent, limit or otherwise interfere with the right of the District to terminate the services of Employee at any time without cause or right of notice, *Skelly* conference, hearing, appeal or grievance. Accordingly, Employee agrees that this Agreement sets forth the only terms and conditions applicable to the termination of her employment and that she hereby waives any rights she would otherwise have thereunder.

B. *By the Employee.* The Employee may terminate this Agreement upon written notice to the Board of Directors and shall give thirty (30) days prior notice. The District shall have the option, in its complete discretion, to terminate the Employee any time prior to the end of such notice period, provided the District pays the Employee all compensation due and owing through the last day actually worked, plus an amount equal to the base salary the Employee would have earned through the remainder of the notice period. Thereafter, all the District's obligations under this Agreement shall cease.

C. *By the District, Without Cause.* At any time, and without prior notice, the District may terminate the Employee's employment for any reason, with or without cause. In the event the District exercises its right under this provision to terminate employment without cause, the District shall pay Employee all compensation due and owing through the last day actually worked, plus six (6) months of the Employee's salary as of the time of the termination *or* pursuant to the requirements of Government Code § 53260, an amount equivalent to the remainder of the term of this Agreement, whichever is less. The payment of such severance benefit shall be conditioned upon Employee executing a general release agreement containing a general release of all claims Employee may have against the District at the time of any such termination, in such form as may be reasonably required by Employer's attorney. Such severance benefit shall not be payable unless and until Employee executes such a general release and until expiration of all waiver and rescission rights as provided by law at the time of such termination. Failure by the Employee to satisfy her termination obligations pursuant to Section 5(E) shall nullify the District's obligation to provide severance payment pursuant to this Section. If Employee is convicted of a crime involving an abuse of her office or position, whether before or after release from employment, Employee shall fully reimburse the District for any severance pay, paid leave salary disbursed pending an investigation, or legal criminal defense funds relevant to the crime paid for by the District.

D. *By the District, For Cause.* At any time, and without prior notice, the District may terminate Employee for Cause (as defined below). The District shall pay Employee all compensation then due and owing; thereafter, all of the District's obligations under this Agreement shall cease. Termination shall be for "cause" if Employee: (1) acts in bad faith and to the detriment of the District; (2) refuses or fails to act in accordance with any specific direction or order of the District; (3) exhibits in regard to her employment unfitness or unavailability for service, unsatisfactory performance, misconduct, dishonesty, habitual neglect, or incompetence; (4) is convicted of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; or (5) breaches any material term of this Agreement.

Upon any allegation that Employee has engaged in conduct that would result in her termination "for cause" as defined below, Employee is entitled to address and attempt to rebut those allegations before the Board in a closed session prior to the Board making any final determination regarding the veracity of those allegations. In the event the Board, in its discretion, still finds merit to the allegations and terminates, the Employee shall not be entitled to any severance and will be owed no further compensation. However, if this Agreement is terminated "for cause," the Employee shall have the right to appeal the Board's decision upon written notice to the Board of such appeal within ten (10) days of the determination. Failure to provide written notice within the ten (10) day period will result in waiver of the right to appeal. Upon appeal, the parties will select an independent arbitrator, either mutually agreed to or selected from a list of seven (7) arbitrators provided by the State Mediation and Conciliation Service. If the parties are unable to agree upon an arbitrator, they shall alternate striking names from the list until such time as only one arbitrator remains on the list. Any arbitrator selected must be able to hear the matter within thirty (30) days of selection and render a decision within fifteen (15) days of the close of the hearing. The District shall bear the costs of the arbitrator. The issue at the hearing shall be limited solely to whether or not District's "for cause" termination was arbitrary and capricious, entitling Employee to severance pursuant to Section 5(C). Under no circumstances shall the Employee be entitled to reinstatement to the position of General Manager as a result of such hearing.

E. *Termination Obligations.* Employee agrees that all property, including, without limitation, all equipment, tangible proprietary information, documents, records, notes, contracts, and computer-generated materials furnished to or prepared by Employee incident to her employment belongs to the District and shall be returned promptly to the District upon termination of Employee's employment. Further, any and all debts to the District shall be paid upon termination. Employee's obligations under this subsection shall survive the termination of her employment.

6. Amendments. This Agreement may not be amended or modified except by a writing signed by both parties. The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

7. Assignment. Neither this Agreement nor any right, privilege or obligation of Employee hereunder shall be assigned or transferred by him/her without the prior written consent of the District. Any attempt at assignment or transfer in violation of this provision shall, at the option of the District, be null and void and may be considered a material breach of this Agreement.

8. Severability. If a court or arbitrator holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

9. Attorneys' Fees. In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of California. Venue shall be appropriate in the Superior Court of Riverside County, California.

11. Interpretation. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. Furthermore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.

12. Conflict of Interest. The Employee agrees that she will abide with all applicable local State and Federal rules on conflicts of interest and receipt of gifts, including without limitation those rules found in the California Fair Political Practices Act and related regulations and those found in Government Code Sections 1090, *et seq.*

13. Acknowledgment. Employee acknowledges that she has had the opportunity to consult legal counsel in regard to this Agreement, that she has read and understands this Agreement, that she is fully aware of its legal effect, and that she has entered into it freely and voluntarily and based on her own judgment and not on any representations or promises other than those contained in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

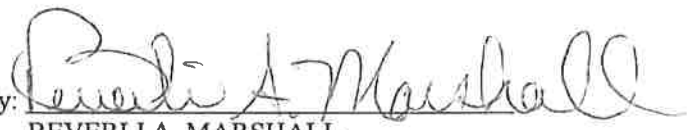
IN WITNESS WHEREOF, the VALLEY SANITARY DISTRICT has caused this Agreement to be signed and duly executed by its Board President, and the Employee has signed and executed this Agreement as of the day and year first above written.

DISTRICT:

VALLEY SANITARY DISTRICT  
DISTRICT

By:   
Mike Duran,  
BOARD PRESIDENT

EMPLOYEE:

By:   
BEVERLI A. MARSHALL  
May 15, 2019