

EMPLOYMENT CONTRACT
FOR GENERAL MANAGER OF
LA PUENTE VALLEY COUNTY WATER DISTRICT

This agreement is made and entered into at La Puente, California, effective November 1, 2020, by and between the LA PUENTE VALLEY COUNTY WATER DISTRICT, a County Water District organized and existing under County Water District Law (hereafter referred to as the "District"), and ROY FRAUSTO (hereafter referred to as "FRAUSTO" or as "General Manager").

RECITALS:

A. At a special meeting of the District's Board of Directors on October 5, 2020, the Board interviewed FRAUSTO and subsequently directed the District's legal counsel to commence negotiations on the terms under which the District would hire FRAUSTO to serve as the District's General Manager.

B. Subsequent to the October 5, 2020 special meeting, the District's legal counsel reached agreement with FRAUSTO on the terms under which he would serve as the District's General Manager, as memorialized in this Agreement.

C. At the regular meeting of the District's Board of Directors on October 12, 2020, the Board stated its desire to engage FRAUSTO as the District's General Manager and considered the terms of his employment in that position, as set forth in this Agreement, which the Board approved at that regular meeting.

AGREEMENTS:

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH BELOW, the parties agree as follows:

1. EMPLOYMENT

Subject to the provisions of Paragraph 5 below, the District employs FRAUSTO as its General Manager beginning November 1, 2020 and continuing for a term of three (3) years and two months until December 31, 2023, unless sooner terminated as provided herein, and FRAUSTO hereby accepts such employment. The Employment Contract shall be automatically renewed and extended on January 1st of each year beginning January 1, 2024 for a succeeding two (2) year period, but only if FRAUSTO receives a satisfactory evaluation as a result of his performance evaluation as set forth in Paragraph 3, below. It is the right of either party to give written notice of his or its intention not to renew the Employment Contract to the other on or before December 31st of each year.

2. DUTIES

The General Manager shall perform those duties expected of a general manager as more clearly defined and set forth in the General Manager's Job Description as adopted by the Board of Directors on December 21, 2017, a copy of which is attached as Exhibit "A" and incorporated by reference to this Employment Contract; provided that FRAUSTO shall not be required to (a) serve as the Chief Operator at the District's 3.6 MGD treatment plant; and (b) possess an AWWA Cross-Connection Control Specialist Certificate, as highlighted on said Exhibit "A."

3. COMPENSATION

The District shall pay the General Manager an annual salary of One Hundred Sixty Thousand Dollars (\$160,000.00), payable in equal installments concurrently with salary payments to other employees of the District. If this Employment Contract is extended as provided in Paragraph 1, above, and the annual salary is adjusted by the Board, such adjustment shall be effective January 1st by written amendment to this Employment Contract signed by the parties and approved by action of

the Board following the annual evaluation of the performance of the General Manager; provided that the Board will also conduct an evaluation of FRAUSTO on or around May 1, 2021 and the Board may, in its discretion, adjust FRAUSTO's compensation at that time. The annual adjustments, if any, will be based upon the review of the performance of the General Manager by the Board, which evaluation shall subsequently be completed prior to December 31st of each year with any salary adjustments effective January 1st of the following year. Evaluations may be performed by the Board or a committee thereof. Salary adjustments shall be within the sole discretion of the Board. Adjustments shall be in addition to any general cost-of-living adjustments which the District may, at any time during this Employment Contract, provide to other employees of the District as provided in Paragraph 4(a) below.

4. BENEFITS AND SPECIAL COMPENSATION

a. The District agrees to provide to the General Manager the same benefits and special compensation, if any, including, but without being limited to, retirement benefits, health and welfare insurance, life insurance and other benefits which the District at any time or from time to time during the continuance of this Employment Contract provides to other employees of the District and upon the same terms and conditions applicable to such employees. The District will provide the General Manager with a cellular phone/smart phone and pay for all expenses incurred in connection with its use for District business.

b. The General Manager shall be entitled to vacation and sick leave time in accordance with the Employee Policies and Procedures Manual of the District, as it exists from time to time, with full pay; provided that the General Manager shall be provided with four (4) weeks of vacation each year. The vacation time hereby authorized to be taken by the General Manager may be taken by him either all at one time or at various times, aggregating in any one year the total vacation

time to which he is entitled in each of the years of his employment hereunder and at such time or times as are convenient to the General Manager. The General Manager agrees to take his vacation at such time or times as in his opinion will cause the least inconvenience to the District, but in no instance will any one vacation exceed twenty (20) working days in length without prior Board approval.

c. The General Manager will provide and maintain a suitable vehicle for use at all times on District business. As the duties of the General Manager require that he travel to meetings and conferences and other locations in connection with District business, and that he be "on-call" during non-office hours and on weekends to be able to respond to emergencies affecting the District, the General Manager shall, at his expense (excluding fuel), maintain such a vehicle at all times in proper operating condition. As compensation to the General Manager for the use of his vehicle for District business, and all costs associated therewith, the District shall provide the General Manager with an automobile allowance of \$500.00 per month. The General Manager will receive a District gasoline credit card for the purchase of gasoline for use related to District business, but aside from the cost of such gasoline and any applicable automobile insurance coverage provided to all District employees driving personal vehicles while conducting District business, the automobile allowance herein is intended to cover all of the operating and maintenance expenses associated with use of the General Manager's vehicle for District business, including registration and license fees, maintenance, repairs, insurance, and normal wear and tear, and the General Manager shall not be entitled to reimbursement for mileage or other expenses incurred for the use of said vehicle. This automobile allowance shall be treated as a non-accountable plan for purposes of tax reporting and the entire amount of said allowance will be reported as taxable compensation on the General Manager's IRS W-2 form, and taxes will be withheld from that amount.

5. TERMINATION

a. This Employment Contract shall terminate on death or disability of the General Manager. For purposes of this subparagraph (a), the term "disability" shall mean that the General Manager is unable to perform the duties of his position by reason of a physical or mental illness or impairment as determined by the Board, and such condition shall have continued for a period of ninety (90) days. If the General Manager is unable to resume and effectively discharge his duties hereunder at the end of such ninety (90) day period to the reasonable satisfaction of the Board, the District may cancel this Employment Contract and be relieved of any obligations hereunder after the date of official action by the Board terminating this Employment Contract.

b. In addition, this Employment Contract may be terminated by the General Manager at any time, without cause, upon no less than three (3) months' prior notice to the District.

c. Upon showing of good cause, the District may terminate the General Manager's employment, and thereby terminate this Employment Contract at any time, upon not less than thirty (30) days prior written notice to the General Manager. Good cause under this subparagraph is defined as a finding by a majority of the Board that the General Manager has, for reasons other than disability, failed to competently discharge his duties and responsibilities. The Board shall state objective findings in connection with any such termination.

d. Absent good cause, the District may terminate the General Manager's employment and thereby terminate this Employment Contract at any time upon a supermajority vote of the Board and upon not less than sixty (60) days prior written notice to the General Manager, but in such event the District shall pay to the General Manager in a lump sum upon the effective date of termination an amount equal to six (6) months of the then current salary of the General Manager. For the purposes of termination by the District absent good cause as stated herein, a supermajority

vote shall mean a vote in favor of termination by at least four (4) of the five (5) directors of the District's Board of Directors.

e. Notwithstanding any other provisions of this Employment Contract, the District shall have the right to terminate the General Manager's employment and thereby terminate this Employment Contract in the event of any willful breach of duty or willful breach of District rules by the General Manager in the course of his employment or for acts of moral turpitude or conviction of a felony. Any termination by the District under this subparagraph must be by action of the Board at a duly convened meeting with at least seventy-two (72) hours advance notice to the General Manager.

f. If the General Manager is convicted of a crime involving an abuse of his office or position, the General Manager shall be obligated to reimburse the District the full amount of any payments described in Government Code Section 53243 et seq. that were provided to the General Manager by the District.

g. Except as otherwise provided in this Paragraph 5, upon the effective date of termination neither party shall have any further responsibility, obligation or liability under this Employment Contract.

6. GENERAL PROVISIONS

a. This Employment Contract constitutes the entire agreement between the parties and supersedes all prior oral or written agreements of any kind. No amendments to this Employment Contract may be made except by a writing signed by both parties.

b. The validity and interpretation, performance and effect of this Employment Contract shall be construed in accordance with the laws of the State of California.

c. Any notice or communication required or permitted to be given under this Employment Contract shall be effective when deposited, postage prepaid, with the United States Mail. Any notice to the District shall be addressed as follows:

La Puente Valley County Water District
112 North First Street
La Puente, California 91744-4710

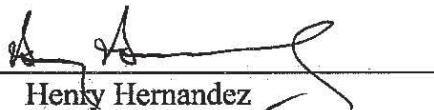
Notice to the General Manager shall be addressed to the General Manager at his last known personal address as reflected in the District's records.

d. If any provision of this Employment Contract is held invalid or unenforceable, the remainder of this Employment Contract shall nevertheless remain in full force and effect.


Executed on October __, 2020 at La Puente, California.

"District"

By: _____


Henry Hernandez
President of the Board of Directors,
La Puente Valley County Water District

"General Manager" or "Frausto"


Roy Frausto