

**EMPLOYMENT AGREEMENT
(DISTRICT MANAGER)
(SCOTT CARROLL)
(RESTATED 2016)**

On this 24th day of March, 2016, the Costa Mesa Sanitary District, a sanitary district established pursuant to Health and Safety Code Section 6400 *et seq.*, ("District") and Scott Carroll ("Manager") mutually agree as follows:

RECITALS

WHEREAS, the District hired Scott Carroll as its General Manager after a competitive search on January 4, 2010; and

WHEREAS, pursuant to General Manager's Employment Agreement the Board reviewed his performance every year and provided increases in compensation and other benefits to General Manager as part of that process; and

WHEREAS, as part of that process General Manger also agreed to increase his own contributions to his P.E.R.S. pension; and

WHEREAS, the parties hereto do now desire to integrate the amendments made to the Employment Agreement into a new integrated document and to increase the General Manager's severance pay if certain conditions are met;

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. DUTIES

A. District agreed on Jan 4, 2010 to employ Scott Carroll as the General Manager of the District to perform the functions and duties of General Manager as specified by District ordinances, rules and regulations, and as the Board of Directors may determine, and to perform such other legally permissible and proper duties and functions as the Board of Directors may from time to time assign.

B. General Manager understands that he is to provide all services required by this Agreement for the compensation set forth and, as the District's chief executive employee, is not entitled to overtime under the Fair Labor Standards Act.

2. TERM AND NATURE OF EMPLOYMENT

A. The term of General Manager's employment began on January 4, 2010, and shall continue until terminated by either party in accordance with the provisions set forth herein or as otherwise permitted by law.

B. General Manager shall serve at the pleasure of, and at the will of, the Board of Directors. General Manager shall have no property right to the job of General Manager and shall be entitled to no due process or hearing rights before termination. Notwithstanding said relationship, General Manager shall have the rights set forth in this Agreement in the event of termination of employment.

C. General Manager agrees to remain in the exclusive, full-time employ of District during the term of this agreement, and neither to accept other employment nor to become employed by any other employer until termination of employment hereunder. The term of employment hereunder shall not be construed to prevent General Manager from occasional teaching, writing or consulting performed on General Manager's time off and not inconsistent with his duties as General Manager hereunder. General Manager shall keep the District's Board and District Counsel informed of any other employment, which may conflict with General Manager's duties hereunder.

3. TERMINATION AND SEVERANCE PAY

A. In the event the Board of Directors determines to terminate General Manager, it agrees to give him (365) days/one year's notice of its intention to do so. The Board of Directors shall then have the option of allowing General Manager to work for said three hundred sixty-five (365) days, or may advise General Manager that he is relieved of all duties.

B. In the event that the Board of Directors determines to discontinue employment of General Manager and to relieve him/her of all duties, and during such time that General Manager is willing and able to perform his duties under this Agreement, District agrees to pay General Manager, in addition to any other amounts that may be due General Manager at the time of separation of employment, payment equal to (365) days aggregate salary and benefits which District may elect to pay in a lump sum or monthly for a period of twelve (12) months, subject to the following conditions.

C. Such severance pay will only be used to compensate General Manager for such time that he is not gainfully employed in a comparable position with another employer.

D. No severance pay will be provided if General Manager's employment is discontinued because of his conviction of a felony or commission of any wrongful act involving personal gain to him, just cause, insubordination or malfeasance.

4. **SALARY**

A. District agrees to pay General Manager for his services rendered hereunder a base salary of One Hundred Eighty-Eight Thousand Five Hundred Forty-Two Dollars and Eighty-Five cents. (\$188,542.85) per year in installments at the same time as other employees of the District are paid.

B. In addition, the District agrees that the Board of Directors, shall annually evaluate General Manager's performance and may consider adjustments to said base salary and/or other benefits of General Manager in such amounts and to such extent as the Board of Directors may determine is desirable and appropriate.

5. **PERFORMANCE EVALUATION**

A. The District shall review and evaluate the Performance of General Manager in advance of the adoption of the annual operating budget, and at least annually thereafter in advance of said adoption, and at such other time or times as the parties deem appropriate. Said review and evaluation may be in accordance with specific criteria developed by the Board of Directors in consultation with General Manager. Said criteria may be added to or deleted from as the Board of Directors may from time to time determine, in consultation with General Manager. Further, the results of said evaluation shall be memorialized in writing and provided to General Manager and all members of the Board of Directors.

B. Annually, the Board of Directors, in consultation with General Manager, shall define such goals and performance objectives, which they determine necessary for the proper operation of the District and in the attainment of the Board's policy objectives and shall further establish a relative priority among those various goals and objectives to be reduced to writing. They shall generally be attainable within the time limitations as specified in the annual operating budget and appropriations provided.

C. In effecting the provisions of this section, the Board of Directors and General Manager mutually agree to abide by the provisions of applicable law.

6. **HOURS OF WORK AND VACATION**

It is recognized that General Manager must devote substantial time in addition to the normal office hours to the business of the District. In recognition of this fact, District does hereby grant General Manager the following vacation benefit:

A. Vacation bank. On January 14, 2010, General Manager was provided with a bank of vacation equating to three (3) work weeks (15 days at 8-hour days). Said

vacation vested and become General Manager's property after Manager has worked three months.

B. Vacation accrual. In addition to said vacation bank, General Manager shall begin accruing regular vacation in accordance with District rules on vacation accrual and shall thereafter earned vacation accordingly. General Manager began accruing on the first day of employment.

7. HEALTH INSURANCE

From the effective date of this agreement, the District agrees to obtain or place in effect and make any required premium payments for health insurance benefits for General Manager, including standard coverage for accidents, sickness, other medical and dependent group insurance coverage, including hospitalization, surgical and comprehensive medical insurance. The coverage provided under this paragraph by the District shall be deemed satisfied if the District provides group medical insurance coverage equal to or as a part of the health insurance coverage provided to other District employees of the District pursuant to policies or other enactments as may be established by the Board of Directors from time to time. The District shall pay the same portion of the premium as is paid for District employees.

8. RETIREMENT

District participates in the Public Employees Retirement System, and General Manager shall be entitled to participate and to have the District pay such share of retirement contribution as is provided for other employees. General Manager shall pay the full employee contribution, 7%, for his P.E.R.S pension.

9. SUBSCRIPTIONS AND PROFESSIONAL FEES AND DEVELOPMENT

It is anticipated that General Manager will participate in such associations and organizations as may be necessary and desirable for his continued professional participation, growth and advancement, and for the good of the District. In that connection, the District shall pay for or reimburse General Manager for all approved expenses and fees incurred in that connection. General Manager shall also be entitled to payment or reimbursement for travel, meetings and subsistence expenses as are reasonably necessary to continue the professional development of General Manager and to adequately pursue necessary official and other functions for the District and other management, national, regional, state and local governmental groups and committees thereof which General Manager serves as a member, with concurrence of the Board of Directors. District also agrees to pay for necessary and related expenses of General Manager for short courses, institutes and seminars necessary for his professional development and the good of the District, with the concurrence of the Board of Directors. The Board of Directors will consider during preparation and

adoption of its budget those expenses reasonably necessary, and as may be reasonably available for the purposes of this section.

10. VEHICLE ALLOWANCE

General Manager shall be provided with a Four Hundred Dollar (\$400.00)-per-month automobile allowance. Manager shall keep his vehicles fully insured.

11. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

A. The Board of Directors, in consultation with General Manager, shall fix any such other terms and conditions of employment as it may determine from time to time, relating to performance of General Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this agreement, District ordinances, or any other law.

B. All provisions of the District's other ordinances and regulations and rules of the District (including, but not limited to, District's Personnel Rules and Administrative Regulations) relating to other fringe benefits and working conditions as they may now exist or hereafter may be amended, shall also apply to General Manager as they would to any other salaried employee of the District to the extent such benefits and conditions are not already provided for in this agreement.

12. NOTICES

All notices pertaining to this Agreement shall be in writing and addressed as follows:

To District: Michael Scheafer, President
Board of Directors
Costa Mesa Sanitary District
628 West 19th Street
Costa Mesa, California 92627

To General Manager: Mr. Scott Carroll
276 North Lazy Meadow Road
Orange, California 92869

13. ASSIGNMENT

This agreement is not assignable by either the District or General Manager, and services of General Manager may not be delegated hereunder.

14. GENERAL PROVISIONS

A. The text herein shall constitute the entire agreement between the parties.

B. This agreement shall be binding upon the parties, and their heirs, executors and successors in interest.

C. This agreement shall become effective March 24, 2016, upon execution of the parties hereto and continues the preexisting contractual arrangements.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

COSTA MESA SANITARY DISTRICT

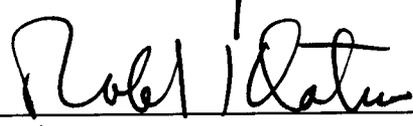
SCOTT CARROLL



President



Signature



Secretary

APPROVED AS TO FORM:



District Counsel