

**THIRD AMENDMENT TO  
EMPLOYMENT AGREEMENT  
(GENERAL MANAGER)  
(SCOTT CARROLL)**

This Third Amendment to Agreement is made this 4th day of January, 2013, by and between the Costa Mesa Sanitary District, a sanitary district established pursuant to Health and Safety Code Section 6400 *et seq.*, ("District") and Scott Carroll ("General Manager") with reference to the following facts:

**RECITALS**

WHEREAS, District hired General Manager after a competitive search and entered into an employment agreement dated January 4, 2010 with General Manager (hereinafter referred to as "Agreement"); and

WHEREAS, in subsequent years thereafter the Board has reviewed the General Manager's agreement and provided increases in his salary and also provided an increase in his severance pay; and

WHEREAS, the Board does hereby desire to again increase the General Manager's salary in recognition of his achievements but to provide that the General Manager is to contribute to his pension plan by paying the percentage hereinafter mentioned; and

WHEREAS, it is also the Board's intent that the General Manager begin paying greater percentages of his retirement in the future until he is paying the full employee share; and

WHEREAS, to accomplish these purposes, the Board does hereby agree to pay General Manager an increase in salary of seven percent (7%), provided General Manager pays two-and-one-half percent (2.5%) of his employee's share of PERS pension costs; and

WHEREAS, it is the Board's intention that for the following two years General Manager will be asked to pay an additional two-and-one-half percent (2.5%) in 2014, and an additional two percent (2%) in 2015, so that the total employee share of retirement is being paid by General Manager in that year; and

WHEREAS, the parties agree that General Manager shall not be entitled to cost of living raises in addition to said increase;

NOW, THEREFORE, in consideration of the above, the parties do now AGREE as follows:

**AGREEMENT**

**Section 1.** That Section 4 of the Agreement is hereby amended to read:

**"4. SALARY**

A. Effective January 4, 2013, District agrees to pay Manager for his services rendered hereunder a base salary of One Hundred Seventy-Seven Thousand Seven Hundred Nineteen Dollars and Seventy-Two Cents (\$177,719.72) per year in installments at the same time as other employees of the District are paid.

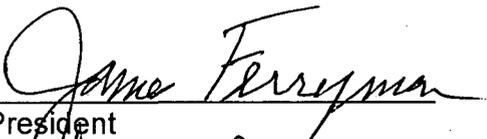
B. In addition, the District agrees that the Board of Directors shall annually evaluate Manager's performance and may consider adjustments to said base salary and/or other benefits of Manager in such amounts and to such extent as the Board of Directors may determine desirable and appropriate."

**Section 2.** That except as expressly modified herein, the terms and conditions of the Agreement, as modified by the First Amendment in so far as increased severance pay is provided, shall remain in effect and govern the rights of the parties.

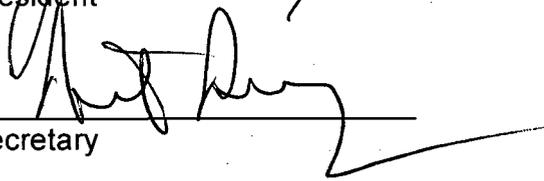
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Agreement to be executed the day and year first above written.

**COSTA MESA SANITARY DISTRICT**

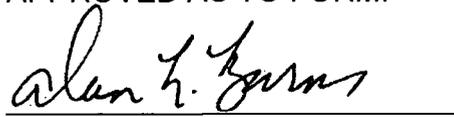
**SCOTT CARROLL**

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
District Counsel