

**SECOND AMENDMENT TO 2017 EMPLOYMENT AGREEMENT
(GENERAL MANAGER SCOTT CARROLL)**

This Second Amendment to Employment Agreement is made and entered into this 28th day of March, 2019, by and between the Costa Mesa Sanitary District ("District") and Scott Carroll (General Manager) with reference to the following facts:

RECITALS

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

WHEREAS, the General Manager has served since then and his employment has been subject to an employment agreement since that date; and

WHEREAS, General Manager's terms of employment are currently set forth in a Restated Employment Agreement for 2017 (hereinafter "Employment Agreement") and was amended on June 28, 2018 to increase the compensation paid; and

WHEREAS, the Board has considered the General Manager's performance and has determined that it warrants an increase in his compensation by a one-time incentive payment and by a contribution towards a health club membership.

NOW, THEREFORE, the parties do hereby agree to provide General Manager with:

Section 1. A one-time incentive payment of 3% of his annual compensation of \$191,380.41 per year, or \$5,741, to be paid forthwith.

Section 2. That the District contribute the sum of up to \$25 per month towards a health club or gym membership of the General Manager's choice.

Section 3. That all other benefits shall remain the same except that benefits shall be based on the previous salary amount.

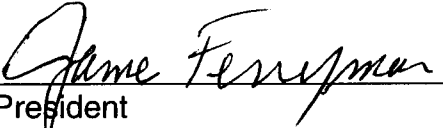
Section 4. That except as expressly modified herein, the terms and conditions of the 2017 Agreement, as amended, shall remain in effect and govern the rights of the parties.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be entered into the date and year first above written.

///

COSTA MESA SANITARY DISTRICT

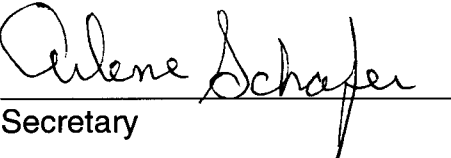
SCOTT CARROLL



President




Signature



Secretary

APPROVED AS TO FORM:

HARPER & BURNS LLP



District Counsel