

**CASTAIC LAKE WATER AGENCY
EMPLOYMENT AGREEMENT – GENERAL MANAGER**

This Employment Agreement (herein “Agreement”) is made and entered into as of the 9th day of December 2015, by and between the CASTAIC LAKE WATER AGENCY (hereinafter the “Agency”) and MATTHEW G. STONE (hereinafter “Employee”).

RECITALS

WHEREAS, Agency wishes to engage the services of Employee as the General Manager of the Agency and to induce the Employee to remain in such position on the terms and conditions set forth in this Agreement;

WHEREAS, Employee is familiar with the position’s legal requirements, industry standards and responsibilities and duties set forth in Exhibit “A” attached hereto and incorporated herein; and

WHEREAS, Employee represents and warrants that he has the skill and ability to serve in such position and wishes to accept such employment on the terms and conditions set forth in this Agreement.

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

SECTION 1. EMPLOYMENT.

A. Agency hereby offers and the Employee hereby accepts the position of General Manager of the Agency. Employee shall perform the duties and responsibilities imposed by law, industry standards, and responsibilities and duties as specified in Exhibit “A,” and such legally permissible further duties and functions as shall, from time to time, be assigned by the Board.

B. Employee shall devote such time, interest, and effort to the performance of his duties as may be reasonably necessary to fulfill the above requirements. Employee agrees to perform such services to the best of his ability, in an efficient and competent manner consistent with the standards of the profession. Without limiting the generality of the foregoing, Employee understands and agrees that this position is an exempt, salaried, full-time position with regular required office hours Monday through Friday and weekend hours when required in the best interest of the Agency.

SECTION 2. TERM AND RENEWAL.

A. This Agreement shall be effective as of December 28, 2015 (the “Anniversary Date”). The term of this Agreement shall be for sixty six (66) months [5 and 1/2 years], through June 28, 2021, unless sooner terminated or extended by the parties as set forth in this Agreement.

B. In the event that the Board determines that the Employee is not to be reemployed upon expiration of this Agreement, he shall be given written notice thereof by the Board at least three (3) months in advance of the expiration of the term of this Agreement. Should the Board fail to provide the three (3) months written notice provided for in this Section 2 of this Agreement, it shall be extended on the same terms for an additional period of one (1) year. The extension provisions of this paragraph shall apply to each subsequent term.

SECTION 3. TERMINATION AND SEVERANCE PAY.

A. It is expressly understood that Employee, in his capacity as General Manager, is a contracted employee serving at the pleasure of the Board, subject to termination pursuant to the terms of this Agreement, and with no right to any hearing or appeal, including any so-called *Skelly* conference, other than the rights expressly provided in this Agreement.

B. This Agreement shall automatically terminate upon Employee's death, retirement, unforeseen extended unavailability (defined as six months), or permanent incapacity from being able to perform the essential functions of the General Manager position with reasonable accommodation.

C. The Employee serves at the will and pleasure of the Board. At any time during the term of this Agreement or any extension thereof, the Board reserves the right to terminate the employment of Employee and determine his last day of employment upon a majority vote of Board members at a duly called and noticed Board meeting.

1. In the event that this Agreement is terminated before the end of the term "for cause" as defined below, no further compensation or benefit shall be made to the Employee. Upon any allegation that Employee has engaged in conduct that would result in his 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 selected from JAMS. 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 Agency shall bear the costs of the arbitrator. The issue at the hearing shall be limited solely to whether Employee is entitled to severance pursuant to Section 3(C)(2). Under no circumstances shall the Employee be entitled to reinstatement to the position of General Manager as a result of such hearing. Following the hearing, the hearing

officer shall submit his/her findings and decision to the Agency, which shall be final and binding.

Employee will not be entitled to severance if his employment is terminated by the Agency at any time for cause. Cause for termination shall be defined for purposes of this Agreement to be: (1) malfeasance; (2) gross negligence; (3) fraud; (4) serious misconduct; (5) conviction of, or plea of guilty or nolo contendere to any felony as defined by California law on the part of Employee (a plea or verdict of guilty or a finding of guilt by a court in a trial without a jury is deemed to be a conviction within the meaning of this clause irrespective of a subsequent order under provisions of section 1203.4 of the Penal Code allowing withdrawal of a plea of guilty and entering a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusations or information); (6) involvement in a crime involving dishonesty, breach of trust, or public conduct reflecting negatively on the Agency (no pending criminal prosecution need be in effect for termination due to fraud, embezzlement or public conduct reflecting on the Agency; rather the Board must only have a good faith belief based on a good faith investigation); or (7) other material violation of Agency policies, rules, or terms of this Agreement.

2. In the event the Agency terminates Employee's employment during the first five and one-half (5 1/2) years of his employment for a reason other than those set forth in Section 3(C)(1), the Employee shall be entitled to the following Severance of six (6) months paid administrative leave at the Employee's then base monthly salary and all benefits attributed to employment, or administrative leave for the remainder of the effective term of the Agreement, whichever is less. (See Cal. Gov. Code §§ 53260, *et seq.*) Contributions to the Public Employees' Retirement System ("PERS") for such Severance Pay shall be made in accordance with the Agency's PERS contract and the PERS law and regulations. Upon notice of termination, unless otherwise directed by the Employee, the Agency shall continue to make such health payments as the Employee previously had elected under the management health and related benefits program for the period of the severance pay, or until he finds other employment, whichever occurs first.

Following the completion of the first three years of employment, it is expected that the parties will re-negotiate severance pay and revise this agreement accordingly. Following completion of five and one half (5 1/2) years of employment, the severance pay in this section shall be set to zero, unless the parties have agreed otherwise.

3. The provisions of California Government Code sections 53243 to 53243.4, as those sections now or hereafter exist are hereby incorporated by reference into this Agreement. Thus, if Employee is convicted of a crime involving an abuse of his office or position, whether before or after release from employment, Employee shall fully reimburse the Agency for any severance pay, paid leave salary disbursed pending an investigation related to the crime, or legal criminal defense funds relevant to the crime.

D. The Employee may terminate this Agreement upon written notice to the Board and shall endeavor to give sixty (60) days prior notice. The Agency shall have the option, in its complete discretion, to place employee on paid administrative leave any time prior to the end of such notice period, provided the Agency 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 Agency's obligations under this Agreement shall cease.

SECTION 4. COMPENSATION.

The Agency agrees to pay Employee for services rendered pursuant hereto at a rate of Two Hundred and Three Thousand Dollars (\$203,000.00) annually, pursuant to the procedures regularly established and as they may be amended by the Agency in its sole discretion. The Employee may receive annual increases in salary as may be determined by the Board in its sole discretion. Any agreed salary increase must be expressly memorialized in a subsequent written and executed Amendment to this Agreement. All compensation and comparable payments to be paid to Employee shall be less withholdings required by law.

SECTION 5. BENEFITS.

In addition to the compensation set forth in Section 4 the Employee shall be entitled to the following benefits:

A. One Time Relocation Reimbursements. The Agency shall reimburse Employee all reasonable relocation related expense up to Fifteen Thousand Dollars (\$15,000). In addition, the Agency shall reimburse Employee all reasonable expense related to temporary housing pending his relocation up to Five Thousand Dollars (\$5,000). Employee shall submit proof of expense and request for reimbursement no later than six month's following incurring of the expense. Absent good cause, failure to submit a request for reimbursement within that timeframe shall constitute waiver of entitlement to such reimbursement.

B. Life Insurance. The Agency shall provide Employee Life Insurance coverage at an amount of Two Hundred Thousand Dollars (\$200,000.00).

C. Retirement & Deferred Compensation. The Agency shall pay costs related to the Employee's membership in PERS on the same basis as for other similarly situated "classic member" PERS employees (e.g., the Agency currently pays the Employee PERS Contribution (EPMC)). Should the Agency reduce its percentage contribution towards EPMC, a corresponding percentage increase in annual compensation shall be concurrently enacted through a written and executed Amendment to this Agreement. Employee shall be eligible to participate in Agency's 457 Deferred Compensation Plan. In addition, the Agency will adopt and establish a qualified pension plan pursuant to Section 401(a) of the Internal Revenue Code for the benefit of the Employee and will annually contribute into the qualified 401(a) account, in the Employee's name, an amount equal to four percent (4%) of the Employee's annual compensation. The

Agency shall be responsible for all expenses associated with the Section 401(a) account during the remaining term of this Agreement, including but not limited to administrative services fees and commissions.

D. Vacation. Employee shall accrue twenty (20) days (160 hours) vacation days for each year of service. In the first year of employment, Employee shall be immediately granted five (5) of his allotted twenty (20) days upon hire, for use as needed. Thereafter, Employee's annual vacation entitlement shall be accrued per pay period on the same basis as the Agency's other employees on a prorated basis in order to total a twenty (20) day accrual by year end. *The Employee's vacations shall be scheduled in coordination with the Board through consultation with the Board Officers.* In addition, Employee shall be entitled to that number of personal leave days (currently two (2) personal leave days per year) each year as allotted to similarly situated management employees. Employee's vacation and personal leave shall accrue and be paid out or capped pursuant to Agency policy, as it may be amended from time to time.

E. Sick Leave. Employee will accrue twelve (12) days of sick leave, to be used during illness or injury, for each year of service. Employee's annual sick entitlement shall be accrued per pay period on the same basis as Agency's other employees on a prorated basis in order to total a twelve (12) day accrual by year end. Such sick leave shall accrue and be paid out or capped pursuant to Agency policy, as it may be amended from time to time.

F. Health, Dental, and Vision Insurance. The Employee shall be provided with the same health, dental, and vision plans as other similarly situated management employees, with Agency contributions at the same level as those set out in the Benefits for unrepresented employees.

G. Job-Related Expense Reimbursement. The Agency will pay the Employee's business expenses incurred in connection with Agency business as provided by Agency policy, as it may be amended from time to time in the Agency's sole discretion.

H. Dues and Subscriptions. The Agency shall budget and pay for Employee's professional dues and subscriptions necessary for his continued full participation in approved national, regional, state and local associations and organizations necessary and desirable for continued professional growth and advancement and for the good of the Agency.

I. Professional Development. The Agency shall budget and pay for travel and subsistence expenses for Employee (as set out by applicable Agency policy, as it may be amended from time to time in the Agency's sole discretion) for Board approved professional and official travel, meetings and similar necessary functions, including, but not limited to, Board approved groups and committees of which Employee is a member, as well as short courses, institutes and seminars necessary for the Employee's professional development and the good of the Agency.

J. Automobile Allowance. The Employee agrees to use his personally owned vehicle for local travel in the performance of his work-related duties. All expenses associated with such use shall be the Employee's responsibility. As consideration for use of his personal vehicle to perform work-related duties, the Agency shall provide the Employee with a Six Hundred and Fifty Three Dollars and Twenty Cents (\$653.20) monthly automobile allowance. An Agency vehicle may be substituted in the future if agreed to by both parties and expressly memorialized in a subsequent written and executed Amendment to this Agreement.

K. Executive Physical. To the extent not covered by insurance, the Agency shall provide funding on an annual basis for the Employee to have an executive physical at a mutually agreeable medical institution. Employee shall submit to a pre-employment physical, at Agency expense, prior to commencing employment.

L. Bonding. The Agency shall bear the full cost of any fidelity or other bonds required under any law or ordinance in order to discharge the duties of Employee's position.

M. Other Benefits. The parties agree that Employee's benefits are intended to be governed by this Agreement. However, to the extent not expressly or impliedly superseded by this Agreement, Employee shall be eligible for other ancillary benefits pursuant to Agency policy as provided to other similarly situated management employees, or required by state or federal law.

SECTION 6. PERFORMANCE EVALUATION.

A. The Board shall review and evaluate the performance of Employee in writing on an annual basis. The Board shall endeavor to complete the annual evaluation prior to Employee's Anniversary Date each year. The Employee will be provided an adequate opportunity to discuss his evaluation with the Board at the Board meeting. The evaluation will set forth mutually defined metrics and performance criteria to be achieved by the Employee in each subsequent year. The evaluation shall indicate Board assessment of performance and provide feedback on any area not indicated as at least satisfactory. Current practice is for the Board to use a professional facilitator for the annual evaluation.

B. The Employee shall be eligible, if warranted in the Board's sole discretion, to receive a salary increase at the conclusion of such evaluation. In making its determination whether salary increase is warranted, the Board shall also consider the results of the annual performance evaluation as well as the change in cost of living and available compensation data for comparable positions. Any agreed salary increase must be expressly memorialized in a subsequent written and executed Amendment to this Agreement. The Employee shall also be eligible, if warranted in the Board's sole discretion, to receive a year-end performance bonus. Should Employee's evaluation occur after his Anniversary Date (the scheduled evaluation deadline as indicated in Section 6(A)), any salary adjustment shall be retroactive to his immediate past Anniversary Date. Failure of the Board to conduct a performance evaluation shall

not prohibit the Board from terminating this Agreement in accordance with Section 3 of this Agreement nor shall it necessitate an upward salary adjustment.

C. The performance review and evaluation process set forth herein is intended to provide review and feedback to Employee so as to facilitate a more effective management of the Agency. Nothing herein shall be deemed to alter or change the employment status of Employee, nor shall this Section be construed as requiring "cause" to terminate this Agreement or the services of Employee hereunder.

SECTION 7. OFFICE HOURS.

Employee shall report to Agency's offices for work during normal business hours in accordance with established work schedules and at such other times as may be necessary to discharge his duties, except when away on approved business for the Agency, as otherwise excused by use of approved leave, or during Agency-granted holidays. However, Employee agrees and understands that he will report to work when necessary to Agency operations, regardless of regularly scheduled hours, scheduled leave, or holiday, to the extent such attendance is reasonably possible.

SECTION 8. OUTSIDE EMPLOYMENT & CONDUCT.

A. Employee shall not, whether directly or indirectly, render any services of a commercial or professional nature to any other person or organization, whether for compensation or otherwise, without the prior written consent of Agency's Board of Directors. However, the expenditure of reasonable amounts of time for educational, charitable, or professional activities shall not be deemed a breach of this provision if those activities do not materially interfere with the services required under this Agreement; in such instance, the activities shall not require the prior written consent of the Agency. Pursuit of hobby activities which may produce nominal income, outside of regular or required working hours, shall not be deemed to breach this Agreement or require express Board approval.

B. Employee shall comply with all local and state requirements regarding conflicts of interest and shall avoid personal involvement in situations which are inconsistent or incompatible with the position of General Manager or give rise to the appearance of impropriety.

C. Employee further covenants and agrees that he will not, during the term of this Agreement and thereafter directly or indirectly use, communicate, disclose, or disseminate to anyone (except to the extent reasonably necessary for Employee to perform the duties of General Manager or as required by law) any Confidential Information (as hereinafter defined) concerning the business affairs of Agency or any of its affiliates or subsidiaries which Employee may have acquired in the course of or as incident to his employment or dealings with the Agency or any of Agency's affiliates or subsidiaries.

"Confidential Information" shall mean (a) all knowledge, information and material concerning the Agency or its business or the business of any of its affiliates or subsidiaries that

shall become known to Employee as a consequence of his relationship with the Agency; (b) all information that has been disclosed to Agency by any third party under an agreement or circumstances requiring such information to be kept confidential; and/or (c) all knowledge, information, or material concerning inventions that are owned by Agency or assigned by Employee to Agency; provided that Confidential Information shall not include knowledge, information or material that is or becomes generally known or available to others in business engaged in by Agency or to the public (other than through an unauthorized disclosure). Confidential Information shall include without limitation: (a) information of a technical nature, such as information regarding past, present, and future research, financial data, product information, marketing plans, computer programs, logic, flow charts, specifications, documentation and ideas relating to the activities of Agency; (b) information of a business nature, such as information regarding past, present, and future client development, strategies, procurement specifications, cost and financial data, contracts, quotations and names of actual prospective clients or customers; and (c) all documents, drawings, reports, lists, and/or other physical embodiments of all such information.

SECTION 9. GENERAL PROVISIONS.

A. **Integration.** This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and this Agreement supersedes all negotiations and previous agreements between the parties with respect to all or any part of the subject matter hereof. This Agreement wholly supersedes and replaces the terms of any prior agreements, and any rights contained in such agreement.

B. **Governing Law.** This Agreement shall be governed by the laws of the State of California. The parties agree that venue for any dispute is appropriate in the Superior Court of Los Angeles County, California.

C. **Waiver.** A waiver of any term or condition of this Agreement shall not be construed as a general waiver by either party to this Agreement, and either party shall be free to reinstate any such term or condition, with or without notice, to the other.

D. **Amendment.** This Agreement may be amended from time to time, as mutually agreed by the parties in writing. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the Employee and approved by the Board.

E. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee, but nothing herein shall be construed as an authorization or right of any party to assign his/its rights or obligations hereunder. Any assignment of the rights or obligations of Employee hereunder without the express written approval of Agency shall be void.

F. Partial Invalidity. If any provision or any portion thereof, contained in this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement or portion thereof, shall not be affected, and shall remain in full force and effect.

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

IN WITNESS WHEREOF, the CASTAIC LAKE WATER AGENCY has caused this Agreement to be signed and duly executed by its President, and the Employee has signed and executed this Agreement, both in duplicate, as of the day and year first above written.

EMPLOYER:

CASTAIC LAKE WATER
AGENCY

By: 
President of the Board of Directors

EMPLOYEE:

MATTHEW G. STONE

By: 

APPROVED AS TO FORM:

By: 
Joseph Byrne, Esq.,
Agency Counsel

EXHIBIT "A"

CASTAIC LAKE WATER AGENCY

GENERAL MANAGER

DEFINITION

To plan, organize, coordinate, and administer all Agency functions and activities. The General Manager has overall responsibility for policy development, water resources planning, fiscal management, administration and operation of all Agency functions, programs, and activities, and for accomplishing the goals and objectives of the Agency and implementing the policies of the Board of Directors.

SUPERVISION RECEIVED AND EXERCISED

Receives policy direction from the Board of Directors.

Exercises supervision over assigned staff.

EXAMPLES OF DUTIES

Depending upon assignment, duties may include, but are not limited to, the following:

- Plans, organizes, coordinates, and directs, through staff, all activities of the Agency.
- Develops and directs the implementation of the strategic plan, goals, objectives, policies, procedures, and work standard for the Agency; develops and implements long and short range water resource plans to ensure an appropriate supply for contracting organizations.
- Works closely with the Board of Directors, contracting organizations, and appropriate federal and state agencies regarding the viability of water supplies; advises Board on issues and programs; prepares and recommends specific long-range plans and action proposals to the Board.
- Makes final interpretations of regulations, ordinances, codes, and applicable laws.
- Directs the preparation and administration of the annual budget for the Agency; coordinates the preparation and presentation of reports, contracts, and informational material.
- Represents the Board and the Agency in contacts with governmental agencies, community groups, and other business and professional organizations.
- Ensures that the Agency is in compliance with all contractual and legal requirements regarding the quantity and quality of water provided to purveyors.
- Performs related duties as assigned.

MINIMUM QUALIFICATIONS

Knowledge of:

- Principles and practices of long- and short-range goal setting.
- Principles and practices of program and budget development and implementation.
- Principles and practices of water resource management.
- Applicable laws and regulations affecting Agency administration.

- Principles and practices of supervision.
- Engineering principles.
- Principles and practices of project management.

Ability to:

- Exercise sound, independent judgment within general policy guidelines.
- Plan, organize, administer, and coordinate a variety of services and programs.
- Develop and implement goals, objectives, policies, procedures, work standards, and internal controls.
- Communicate effectively, both orally and in writing.
- Effectively operate a personal computer and software.
- Establish and maintain effective working relationships Agency staff, Board of Directors, members of local, state, and federal organizations, and representatives of the community.

Experience and Training:

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain the required knowledge and abilities would be:

Experience:

Seven years of experience, at the management level, in the production, treatment, and distribution of potable water. Direct experience working with an elected board or commission is highly desirable.

Training:

Equivalent to a bachelor's degree from an accredited college or university with major course work in business administration, public administration, engineering, or a related field. A master's degree is highly desirable.

License or Certificate:

Possession of a valid California driver's license may be required at the time of appointment. Individuals who do not meet this requirement due to a physical disability will be considered on a case-by-case basis.

**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN CLWA AND MATT STONE**

This First Amendment ("First Amendment") to the Employment Agreement of December 9, 2015 is by and between CASTAIC LAKE WATER AGENCY ("Agency") and Matthew G. Stone ("Employee").

RECITALS

A. Employee entered into an Employment Agreement with Agency dated December 9, 2016 for the position of General Manager ("Agreement").

B. The Agency and Employee wish to amend the Agreement to adjust the compensation as provided below effective June 25, 2016, which is the first pay period following six months of Employee's Employment as the General Manager.

TERMS

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Agreement as follows:

1. The first sentence of Section 4 is amended to read as follows:

"The Agency agrees to pay Employee for services rendered pursuant hereto at a rate of Two Hundred and Thirty Three Thousand Four Hundred and Fifty Dollars (\$233,450.00) annually effective June 25, 2016, pursuant to the procedures regularly established and as they may be amended by the Agency in its sole discretion."

2. Continuing Effect of Agreement. Except as amended by this First Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this First Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this First Amendment.


The parties have duly executed this First Amendment as of the date first written above.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the CASTAIC LAKE WATER AGENCY has caused this First Amendment to be signed and duly executed by its President, and the Employee has signed and executed this First Amendment, both in duplicate, as of the day and year first above written.

AGENCY:

CASTAIC LAKE WATER AGENCY

By: 
THOMAS P. CAMPBELL
President of the Board of Directors

EMPLOYEE:

MATTHEW G. STONE

By: 

ATTEST:

By: 
Agency Secretary

**SECOND AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN CASTAIC LAKE WATER AGENCY AND MATTHEW G. STONE**

This Second Amendment to Employment Agreement between the Castaic Lake Water Agency (the "EMPLOYER") and Matthew G. Stone (the "EMPLOYEE") is entered into this 22nd day of February 2017 ("Second Amendment").

RECITALS

A. EMPLOYEE entered into an Employment Agreement with EMPLOYER dated December 9, 2015 for the position of General Manager and a First Amendment to the Employment Agreement dated June 25, 2016 (collectively, the "Agreement").

B. The EMPLOYER and EMPLOYEE wish to amend the Agreement to adjust the severance terms as provided below effective February 22, 2017.

TERMS

Except as modified in the prior First Amendment and this Second Amendment, the terms of the Employment Agreement between the EMPLOYER and the EMPLOYEE shall remain in full force and effect.

1. Section 3(C)(2), regarding "TERMINATION AND SEVERANCE PAY," is amended to increase the potential severance to up to a twelve month payout and to read as follows:

"2. In the event the Agency terminates Employee's employment for a reason other than those set forth in Section 3(C)(1), the Employee shall be entitled to severance of twelve (12) months paid administrative leave at the Employee's then base monthly salary and all benefits attributed to employment, or administrative leave for the remainder of the effective term of the Agreement, whichever is less. (See Cal. Gov. Code §§ 53260, *et seq.*) Contributions to the Public Employees' Retirement System ("PERS") for such Severance Pay shall be made in accordance with the Agency's PERS contract and the PERS law and regulations. Upon notice of termination, unless otherwise directed by the Employee, the Agency shall continue to make such health payments as the Employee previously had elected under the management health and related benefits program for the period of the severance pay, or until he finds other employment, whichever occurs first."

2. Continuing Effect of Agreement. Except as amended by this Second Amendment and the preceding First Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this Second Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by the First and Second Amendments.

IN WITNESS WHEREOF, the CASTAIC LAKE WATER AGENCY has caused this Second Amendment to be signed and duly executed by its President, and the Employee has signed and executed this Second Amendment, both in duplicate, as of the day and year first above written.


AGENCY:

CASTAIC LAKE WATER AGENCY

By: 
ROBERT DIPRIMIO
President of the Board of Directors

EMPLOYEE:

MATTHEW G. STONE

By: 

ATTEST:

By: 
Agency Secretary

**THIRD AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN CASTAIC LAKE WATER AGENCY AND MATTHEW G. STONE**

This Third Amendment to Employment Agreement between the Castaic Lake Water Agency (the "EMPLOYER") and Matthew G. Stone (the "EMPLOYEE") is entered into this 28th day of December 2017 ("Second Amendment").

RECITALS

A. EMPLOYEE entered into an Employment Agreement with EMPLOYER dated December 9, 2015, and effective December 28, 2015, for the position of General Manager and a First Amendment to the Employment Agreement effective June 25, 2016, and a Second Amendment to Employment Agreement dated February 22, 2017 (collectively, the "Agreement").

B. The Agency and Employee wish to amend the Agreement to adjust the compensation as provided below effective December 28, 2017, which is the anniversary date of the Employee's Employment as the General Manager.

TERMS

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Agreement as follows:

1. The first sentence of Section 4 is amended to read as follows:

"The Agency agrees to pay Employee for services rendered pursuant hereto at a rate of Two Hundred and Fifty Four Thousand and Four Dollars (\$254,004.00) annually effective December 28, 2017, pursuant to the procedures regularly established and as they may be amended by the Agency in its sole discretion."

2. Continuing Effect of Agreement. Except as amended by this Third Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this Third Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by the First, Second and Third Amendments.


The parties have duly executed this Third Amendment as of the date first written above.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the CASTAIC LAKE WATER AGENCY has caused this Third Amendment to be signed and duly executed by its President, and the Employee has signed and executed this Third Amendment, both in duplicate, as of the day and year first above written.

AGENCY:

CASTAIC LAKE WATER AGENCY

By: 
ROBERT J. DIPRIMIO
President of the Board of Directors

EMPLOYEE:

MATTHEW G. STONE

By: 

ATTEST:

By: 
Agency Secretary

**FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN SANTA CLARITA VALLEY WATER AGENCY
AND MATTHEW G. STONE**

This Fourth Amendment to the Employment Agreement between the Santa Clarita Valley Water Agency (the "EMPLOYER") and Matthew G. Stone (the "EMPLOYEE") is entered into this ___ day of December 2018 ("Fourth Amendment"). The term "EMPLOYER" includes the Castaic Lake Water Agency, which was a predecessor entity to EMPLOYER.

RECITALS

A. EMPLOYEE entered into an Employment Agreement with EMPLOYER dated December 9, 2015, and effective December 28, 2015, for the position of General Manager.

B. EMPLOYEE and EMPLOYER entered into a First Amendment to the Employment Agreement effective June 25, 2016, a Second Amendment to Employment Agreement dated February 22, 2017, and a Third Amendment to Employment Agreement dated December 28, 2017 (collectively, the "Agreement").

B. The EMPLOYEE and EMPLOYER wish to amend the Agreement to adjust the compensation as provided below effective December 28, 2018, which is the anniversary date of the Employee's Employment as the General Manager.

TERMS

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Agreement as follows:

1. The first sentence of Section 4 is amended to read as follows:

"The Agency agrees to pay Employee for services rendered pursuant hereto at a rate of Two Hundred and Seventy One Thousand Seven Hundred and Eighty Four Dollars and Twenty Eight Cents (\$271,784.28) annually effective December 28, 2018, pursuant to the procedures regularly established and as they may be amended by the Agency in its sole discretion."

2. Continuing Effect of Agreement. Except as amended by this Fourth Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this Fourth Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by the First, Second, Third, and Fourth Amendments.

The parties have duly executed this Fourth Amendment as of the date first written above.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the SANTA CLARITA VALLEY WATER AGENCY has caused this Fourth Amendment to be signed and duly executed by its President, and the Employee has signed and executed this Fourth Amendment as of the day and year first above written.

AGENCY:

SANTA CLARITA VALLEY WATER AGENCY

By: 
WILLIAM COOPER
President of the Board of Directors

EMPLOYEE:

MATTHEW G. STONE

By: 

ATTEST:

By: 
Agency Secretary

**FIFTH AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN SANTA CLARITA VALLEY WATER AGENCY
AND MATTHEW G. STONE**

This Fifth Amendment to the Employment Agreement between the Santa Clarita Valley Water Agency (the "EMPLOYER") and Matthew G. Stone (the "EMPLOYEE") is entered into this 17 day of December 2019 ("Fifth Amendment"). The term EMPLOYER includes the Castaic Lake Water Agency, which was a predecessor entity to EMPLOYER.

RECITALS

A. EMPLOYEE entered into an Employment Agreement with EMPLOYER dated December 9, 2015, and effective December 28, 2015, for the position of General Manager.

B. EMPLOYEE and EMPLOYER entered into a First Amendment to the Employment Agreement effective June 25, 2016, a Second Amendment to Employment Agreement dated February 22, 2017, a Third Amendment to Employment Agreement dated December 28, 2017; and a Fourth Amendment to Employment Agreement dated December 18, 2018 (collectively, the "Agreement").

B. The EMPLOYEE and EMPLOYER wish to amend the Agreement to increase the compensation, extend the term of the Agreement, reword the section on Executive Leave, and provide for Executive Leave as provided below effective December 28, 2019, which is the anniversary date of the Employee's Employment as the General Manager.

TERMS

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Agreement as follows:

1. Section 2 of the Agreement is amended to read as follows:

"This Agreement shall be effective as of December 28, 2015 (the "Anniversary Date"). The term of this Agreement shall be through July 31, 2023, unless sooner terminated or extended by the parties as set forth in this Agreement."

2. The first sentence of Section 4 is amended to read as follows:

"The Agency agrees to pay Employee for services rendered pursuant hereto at a rate of Two Hundred and Eighty-Five Thousand, Three Hundred and Seventy-Three Dollars and Forty-Nine Cents (\$285,373.49) annually effective December 28, 2018, pursuant to the procedures regularly established and as they may be amended by the Agency in its sole discretion."

3. Section 5(K) is amended to read as follows:

'K. Executive Physical. To the extent not covered by insurance, the Agency shall pay up to \$4,500 towards the cost of an executive physical for the Employee in each calendar year.

4. Section 5(N) is added to read as follows:

“N. Executive Leave. In addition to leave described above, Employee shall be entitled to three (3) days per calendar year of executive leave. This executive leave must be used before the end of each calendar year and may not be carried over to subsequent years.”

5. Continuing Effect of Agreement. Except as amended by this Fifth Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this Fifth Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement as amended by the First, Second, Third, Fourth, and Fifth Amendments.

The parties have duly executed this Fifth Amendment as of the date first written above.

IN WITNESS WHEREOF, the SANTA CLARITA VALLEY WATER AGENCY has caused this Fifth Amendment to be signed and duly executed by its President, and the Employee has signed and executed this Fifth Amendment as of the day and year first above written.

AGENCY:

SANTA CLARITA VALLEY WATER AGENCY

By: 
WILLIAM COOPER
President of the Board of Directors

EMPLOYEE:

MATTHEW G. STONE

By: 

ATTEST:

By: 
Agency Secretary