

**AGREEMENT FOR EMPLOYMENT
OF
GENERAL MANAGER
MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY**

THIS AGREEMENT is made and entered into on May 28, 2015, by and between the MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY, a California public agency, hereinafter referred to as "Agency," and PAUL A. SCIUTO, hereinafter referred to as "Employee," as follows:

Recitals

1. Employee has the requisite skill, training and experience to properly perform the services specified herein.
2. The Board of Directors of the Agency now wishes to secure the services of Employee as General Manager and to establish and incorporate certain benefits, conditions of employment and working conditions of said Employee into a written contract.

In consideration of the mutual promises, conditions and covenants herein contained, the parties hereto hereby agree to the following:

Terms and Conditions

1. **Employment Duties.** Agency hereby agrees to employ said Employee as General Manager of the Agency to perform the usual administrative duties of that position, as described in the current job description attached as Exhibit "A" hereto, and such other legally permissible and proper duties and functions as the Board of Directors may from time to time assign. The Employee agrees that he will at all times faithfully, industriously, and to the best of his skill, ability, experience and talents, perform all of the duties required of his position, regardless of the amount of time involved. In carrying out these duties and responsibilities, the Employee shall comply with all Agency policies, procedures, rules and regulations, both written and oral, as are announced by the Agency from time to time. It is also understood and agreed to by the Employee that his assignment, duties and responsibilities and reporting arrangements may be changed by the Agency, in its sole discretion, without causing termination of this Agreement. Employee shall not be employed by any other person or entity while employed in the position, except as permitted by a majority vote of the Board of Directors.
2. **Commencement of Services.** Employee will commence work on the services to be provided hereunder on June 20, 2015.

3. Term. This Agreement shall continue and remain in effect until terminated by either party in the manner hereinafter provided in paragraph 5 below. Nothing in this Agreement shall prevent, limit or otherwise interfere with a) Employee's at-will status, b) the right of the Board of Directors to terminate the service of Employee at any time, or c) the right of Employee to resign from his position at any time, subject only to the provisions set forth in paragraph 5 below and applicable provisions of law.

4. Compensation.

a) Agency agrees to pay Employee for his services rendered pursuant hereto an annual base salary of \$ 215,000.00, payable in installments at the same time as other employees of the Agency are paid.

b) The Board of Directors shall complete a written performance review of Employee six months after the date of this Agreement and thereafter, annually, on or before the date of execution of this Agreement. At the time of said performance review, the Board of Directors shall determine whether an increase in base salary is warranted and the Board may make any such increase effective the beginning of the then-current fiscal year.

c) Employee shall be classified as exempt under the Fair Labor Standards Act, shall be a confidential employee for all purposes, and shall not be a member of any bargaining unit.

d) Agency will pay Employee's membership in professional associations and his travel, conference and meeting expenses, as approved by the Board of Directors during the budget process.

e) Agency will provide the General Manager the following additional fringe benefits:

(i) Agency Vehicle. Agency shall provide a vehicle for use by Employee and pay for all attendant operating and maintenance expenses and insurance. Said vehicle is to be used by the Employee in connection with the performance of his duties as General Manager, and also for legal and responsible personal use. If the Board of Directors determines by a majority vote that there has been misuse of the vehicle, it may discontinue the Employee's use of the vehicle, without providing additional compensation to the Employee

(ii) Administrative Leave. Employee will accrue seven working days of leave annually. All accrued leave will accumulate bi-weekly on a pro rata annual basis. Any unused Administrative Leave will not be payable to employee as vacation leave or as any kind of compensable leave, upon termination of this Agreement.

(iii) Vacation and Sick Leave. Employee is, and shall remain during the term of this Agreement, entitled to all vacation and sick leave accumulated as of the date of this Agreement. In addition, Employee shall, during the term of this Agreement, receive and accumulate vacation leave of twenty days per year. At the end of each fiscal year, Employee shall be entitled to have the Agency purchase one-half of the vacation leave accrued for that year.

(iv) Management Benefits. Excepting administrative leave and vacation days, Employee shall receive all benefits provided to other management employees of the Agency.

(v) Defined Contribution. The Agency maintains an eligible defined contribution plan qualified under Section 401(a) and tax-exempt under Section 501(a) of the Internal Revenue Code of 1986, PARS (Public Agency Retirement System). Employer shall contribute an amount equal to seven and one-half percent (7.5%) of Employee's reportable gross salary each pay period to PARS, to the extent it is legally permitted by the Internal Revenue Code.

(vi) Equipment. Employee shall be provided with such equipment as may be required to perform his duties remotely, in compliance with Agency policy.

5. Termination, Resignation, and Severance Pay

a) This Agreement may be terminated by either party without cause upon sixty days' prior written notice.

b) In the event this Agreement is terminated by the Agency without cause within one year from the date of commencement of services under this Agreement, Agency shall pay Employee a lump sum severance payment equal to eight months of salary, to the extent permitted by law. In the event this Agreement is terminated by Agency without cause after more than one year, Agency shall pay Employee a lump sum cash payment severance equal to six months of Employee's salary. If applicable, in no event shall the amount paid the Employee for severance be more than his monthly salary multiplied by the number of months left in an unexpired term of this Agreement. Employee concurs that this severance shall be the full and sole resolution of termination of employment by this Agency.

c) Employee agrees that in the event Employee's employment is terminated, under no circumstances will Employee be able to contest the nature of Employee's at-will employment status, nor will Employee be entitled to raise the remedy of reinstatement in any administrative or legal forum. Employee agrees that the sole issue for resolution upon termination of Employee's employment agreement will be the amount of severance pay and/or other payments which are due Employee. Employee shall have no other right of action against the Agency as it relates to termination and severance. Employee

knowingly and voluntarily waives his right to pursue in state or federal court any such dispute or claim.

d) Pending the outcome of any dispute over the amount of severance pay, Agency may withhold any severance sums due Employee.

e) In the event Employee voluntarily and without the official request of the Agency resigns Employee's position, Employee shall give written notice to the Agency at least sixty days in advance of the final date of employment, unless the parties otherwise agree. In the event Employee resigns or is terminated for cause, the severance pay provisions of paragraph 5.b. shall not apply. For purposes of this Agreement, the following will justify termination for cause: willful breach of duty; habitual neglect of duty; gross insubordination; abuse of position or office; conviction of a crime involving moral turpitude; conduct that makes it impossible or impracticable to perform the duties under this Agreement, or that seriously impeded Agency operations; conduct that tends to bring discredit to the Agency, or conduct unbecoming an employee in public service; mishandling of Agency funds; any intentional misrepresentation or fraud in connection with the performance of his duties; theft of Agency property; violation of law; or, violation of the Personnel Rules. If the Employee is convicted of a crime involving abuse of office or position related to his employment with the Agency, the Employee must reimburse the Agency for any of Employee's paid leave pending an investigation, legal criminal defense and any cash settlement related to termination.

5. Other Terms and Conditions of Employment. Agency, in consultation with Employee, may from time to time fix any other terms and conditions of employment, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement or any law.

6. No Reduction of Benefits. Agency shall not at any time during the term of this Agreement reduce the salary, compensation or other financial benefits of Employee, except to the degree of such reduction for all management employees of the Agency.

7. Personnel Rules. Except as modified by this Agreement, Employee shall be subject to and comply with the Agency Personnel Policy. The current Personnel Policy is attached as Exhibit "B" hereto, however, it is expressly understood and agreed that said Personnel Policy is subject to change through the normal Agency review and approval process.

8. Attorney's Fees. In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

9. Modification. This Agreement is not subject to amendment or modification except by a writing signed by the parties hereto.

10. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the matters covered by this Agreement, and no other agreement, statement or promise made by or to any party or by or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.

11. Employee's Examination of Agreement. Employee acknowledges that Employee has had the right to examine this Agreement, has been advised that Employee may wish to consult with an attorney prior to entering into this Agreement and has read and understands all of the provision of this Agreement.

12. Severability. 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 be deemed to be severable, shall not be affected, and shall remain in full force and effect.

13. Waiver. The waiver at any time by either party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

14. Construction and Interpretation. The parties agree and acknowledge that this Agreement has been arrived at through negotiations and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Agreement.

IN WITNESS WHEREOF, the Agency has caused this Agreement to be signed and executed on its behalf by the Chairman of the Board of Directors, and duly attested to by the Secretary, and the Employee has signed and executed this Agreement, as of the date first hereinabove set forth.

**MONTEREY REGIONAL WATER
POLLUTION CONTROL AGENCY**

EMPLOYEE

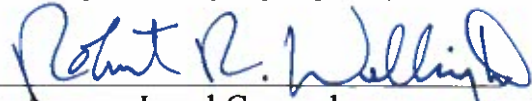
By 
Chair of the Board of Directors


Paul A. Sciuto

ATTEST:

By 
Secretary of the Board of Directors

APPROVED AS TO FORM:


Agency Legal Counsel