

EMPLOYMENT AGREEMENT

Agreement made this 1st day of February, 1999, between the Yucaipa Valley Water District, hereinafter referred to as "District" or "Employer", and Joseph B. Zoba, hereinafter referred to as the "Employee".

WITNESSETH

Whereas, the Board of Directors of Yucaipa Valley Water District, a California special district wish to engage Employee's services as General Manager of the Yucaipa Valley Water District for the term specified herein; and

Whereas, the Employee has exceptional qualifications in the operation and management of governmental agencies; and

Whereas, it is the desire of the Employer to provide certain benefits, establish certain conditions of employment as discussed herein; and

Whereas, Employee desires to accept employment as General Manager of Yucaipa Valley Water District;

Now therefore, in consideration of the foregoing, and of the mutual promises hereon set forth, the parties agree as follows:

1. EMPLOYMENT

The District hereby employs the Employee for the position of General Manager and the Employee accepts employment upon the terms and conditions set forth herein,

2. TERM

- A. This Agreement shall commence on February 1, 1999 and shall remain in effect until February 1, 2004, unless earlier terminated pursuant to the provision of Section 7 below.
- B. Beginning on February 1, 2004, and on this day each year thereafter, this Agreement shall automatically be renewed upon the same terms and conditions for successive one-year terms unless terminated as discussed in Section 7.
- C. The Personnel Committee of the Board will conduct and complete a performance review of Employee during the month of February for each year this Agreement is in effect.

3. DUTIES

The Employee shall perform such duties in keeping with the Employer's job description (a true copy of which is attached), and other duties that may be assigned to him by the Employer from time to time. The Employee shall be held accountable for meeting the reasonable goals, objectives, and other expectancies established by the Employer. The Employee shall devote his entire time, attention, and energies during normal regular hours or scheduled overtime to the business of the Employer for the duration of this Agreement.

Employee agrees to follow and be bound by Employer policies that are consistent with this Agreement, provided that no policy or promise shall be construed as a guarantee of employment by the Employer which alters the term expressly set forth herein.

4. COMPENSATION

A. As of February 1, 1999, the Employee shall receive as base salary compensation for all services rendered pursuant to this Agreement, an annual salary of \$89,200, which shall be paid to the Employee at the interval scheduled in which all other employees of the District receive their compensation during the year from Employer.

5. EXPENSES

A. Consistent with existing District policies, all of the Employee's actual expenses reasonably incurred in connection with his duties and responsibilities pursuant to this Agreement shall be paid for by the Employer upon presentment of vouchers covering such expenses,

B. Automobile. Employee's duties require that he shall have the exclusive use, at all times during his employment with the District, an automobile provided to him by the District. The District shall be responsible for paying liability, property damage, and comprehensive insurance and for the purchase, operation, and maintenance of said automobile.

C. Dues and Subscriptions. The District agrees to budget and to pay the professional dues and subscriptions of Employee necessary for his continuation and full participation in national, regional, state, and local associations and organizations necessary and desirable for his continued professional participation, growth, and advancement and for the good of the District.

- D. Travel Related Expenses. The District agrees to budget and to pay the travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other functions of the District.

- E. Professional Development. The District agrees to budget and pay expenses of Employee for university curriculum, short courses, institutes, seminars, and materials that are necessary for his professional development and for the good of the District.

6. BENEFITS

- A. General. During the term of this Agreement, the Employee shall be covered by the provisions of the ordinances, resolutions, regulations and rules of the District relating to disability, retirement, pension contributions, medical and vision insurance, and other benefits, as they are available to other employees of the District, in addition to said benefits enumerated specifically for the benefit of the Employee.

- B. The Employee shall be credited with his years of service at the District in determining the number of weeks paid vacations and sick leave accrual he is entitled to in accordance with existing policy. Employee is entitled to other leaves in keeping with District policy.

- C. Paid holidays will be granted consistent with District policy. The holidays shall be observed as to maintain the efficiency of District operations, including, but not limited to, the coordination of services with other local governmental agencies. The Employee shall receive twelve (12) paid holidays per calendar year during the term of this Agreement. The twelve paid holidays are as follows:

New Year's Day
Martin Luther King's Birthday
Presidents Day
Memorial Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Day After Thanksgiving
Christmas Day
Birthday
Floating (to be used within the calendar year)

- D. Administrative Leave. It is recognized that the Employee must devote a great deal of time outside normal office hours to carry out the business of the District and as compensation therefore, Employee will be allowed eight (8) working days per year administrative leave. Administrative leave must be used during the year it is accrued and unused administrative leave cannot accrue from year-to-year.
- E. Deferred Compensation. Commencing with the effective date of this agreement, the District shall contribute an amount of \$667.00 per month, up to \$8,000 per year, to the Employee's deferred compensation account. The Employee's deferred compensation plan shall be consistent with existing District practices and policies. In the event that the Employee is eligible to receive other deferred compensation amounts in excess of the maximum contribution for a 457 deferred compensation plan, the Employee may elect to receive the excess deferred compensation amount in cash for distribution to a Roth IRA or insurance plan of the Employee's choice. The Employee must provide the Employer with adequate proof that said cash disbursement is being applied to a retirement account or insurance upon request.¹

7. TERMINATION

The General Manager understands and consents that, except for the limits that may be prescribed by this Agreement, he is serving at the pleasure of the Board of Directors and that should a majority of the Board of Directors so concur, the Employer may terminate this Agreement at any time upon thirty (30) calendar days written notice.

Such notice shall include, but not be limited to: 1) a statement of the action to be taken against the Employee and the reasons therefore; 2) a summary of the facts upon which the action is based; 3) a statement providing the Employee with an opportunity to meet with a designated official or representative of the District to discuss the termination of this Agreement.

If District terminates Employee prior to the expiration of any term of this Agreement, the District agrees to pay Employee a lump sum cash payment equal to four (4) months salary. In addition, District shall pay Employee's health insurance benefits for the same period of time.

¹ This provision is intended to address the issue of existing District deferred compensation benefits available at this time. This includes existing policies such as (1) applying unused sick leave above 500 hours to deferred compensation and/or (2) applying unused District paid medical benefits to deferred compensation.

Termination for the reasons of (A) the Employee deliberately and willfully performing an act of misconduct which inflicts damage upon the Employer or impedes the Employee's standing in the community; or (B) the Employee is convicted of any misdemeanor or felony which is significantly related to the performance of his activities on behalf of the Employer; shall disqualify Employee from severance or unemployment benefits except as provided by law.

In the event of the death of the Employee during the term of this Agreement, the Agreement shall terminate automatically at the end of the month in which his death occurs and benefits shall be administered consistent with District policies.

The Employee may terminate this Agreement at any time upon thirty (30) calendar days written notice to Employer. Employee is not entitled to further pay, benefits or other consideration as of the effective date of this notice.

8. NOTICES

Any notice or communication required or permitted to be given under this Agreement shall be sufficient if it is in writing and sent by either "Proof of Service" or certified U.S. Mail Service to his residence in the case of Employee, or to the Employer at:

**Yucaipa Valley Water District
Post Office Box 730
Yucaipa, California 92399-0730**

9. WAIVER OR BREACH

The waiver by either party of a breach of any provision of this Agreement by the other party shall not operate to be construed as a waiver of any subsequent breach.

10. ASSIGNMENT

The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assignees of Employer.

11. WAIVER

In entering the Agreement, the Employee expressly waives and relinquishes any rights he may have pursuant to written policy or oral assurances to employment other than those provided expressly by and in terms of this Agreement.

12. SAVINGS

Should any portion of this Agreement or any provision herein contained by rendered invalid by reason of existing or subsequently enacted legislation or the decree of a court of competent jurisdiction, such invalidation of such portion shall not invalidate the remaining portions of this Agreement, and they shall remain in full force and effect.

13. COMPLETE AGREEMENT

This Agreement shall be interpreted in accordance with and under the laws of the State of California, and this Agreement represents the entire Agreement among and between parties hereto related to the services of the Employee. There are no understandings, representations, or warranties of any kind except as expressly set forth herein. No modification of any of the provisions herein shall be binding on any party unless in writing and signed by the parties for whom the modification is sought.

14. TITLES

Titles of each section of the Agreement are for reference only and are not to be construed as contract interpretation.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

Amendment No. 1 to Employment Agreement

This Amendment made this 16th day of May 2001, shall serve to modify the existing Agreement between Yucaipa Valley Water District ("Employer") and Joseph B. Zoba ("Employee") dated February 1, 1999.

The parties agree to amend said Agreement as follows:

1. **Effective Date:** The effective date of this Amendment shall be June 1, 2001.
2. **Term:** The term of the Agreement between the District and the Employee shall be extended to June 1, 2006, unless earlier terminated pursuant to the terms of the Agreement. Beginning on June 1, 2006, and on this day each year thereafter, the Agreement shall automatically be renewed upon the same terms and conditions for successive one-year terms unless terminated pursuant to the terms of the Agreement.
3. **Compensation:** As of June 1, 2001, the Employee shall receive an annual base salary of \$106,300, which does not include the deferred compensation contribution as provided in Section 6.E. of the Agreement.
4. **Benefits:** The benefits provided to the Employee shall generally consist of the same benefits provided to exempt employees unless specifically provided for in the Agreement.

In witness whereof, the parties have executed this Amendment No. 1 as of the date and year first written above.

Amendment No. 2 to Employment Agreement

This Amendment No. 2 made this 15th day of May 2002, shall serve to modify the existing Agreement between Yucaipa Valley Water District ("Employer") and Joseph B. Zoba ("Employee") dated February 1, 1999 and the prior Amendment No. 1 dated April 2, 2001.

The parties agree to amend said Agreement as follows:

1. **Effective Date:** The effective date of this Amendment No. 2 shall be June 1, 2002.
2. **Term:** The term of the Agreement between the Employer and Employee shall be extended to July 1, 2008
3. **Compensation:** As of June 1, 2002, the Employee shall receive an annual base salary of 118,500, of which Employee shall be entitled to defer any amount of the annual base salary consistent with the Employer's 457(b) deferred compensation program. This increase reflects the standard merit adjustment consistent with merit performance adjustments for other employees of the District.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 as of the date and year first written above.

**Amendment No. 3 to Employment Agreement
between Yucaipa Valley Water District and Joseph B. Zoba**

This Amendment No. 3 entered into this 4th day of June 2003, shall serve to amend and revise the Agreement between Yucaipa Valley Water District ("Employer") and Joseph B. Zoba ("Employee") dated February 1, 1999 and the prior two Amendments¹ as specifically set forth hereinbelow, and except as specifically provided herein, the Agreement and Amendments shall remain in full force and effect as originally stated.

The Employer and Employee agree as follows:

1. Compensation: Effective June 1, 2003, the Employee shall receive an annual base salary of \$123,750, which does not include the deferred compensation contribution as provided in Section 6.E. of the Agreement.

In witness whereof, the parties have executed this Amendment No. 3 as of the date and year first written above.

¹ The prior amendments to the original Agreement are Amendment No. 1 dated April 2, 2001 and Amendment No. 2 dated May 15, 2002.

**Contract Amendment No. 4 to the
Employment Agreement between
Yucaipa Valley Water District & Joseph B. Zoba**

This Amendment No. 4 is entered into this 18th day of August 2004, shall serve to amend and revise the Agreement between Yucaipa Valley Water District ("Employer") and Joseph B. Zoba ("Employee") dated February 1, 1999 and the prior three contract Amendments as specifically set forth herein below, and except as specifically provided herein, the Agreement and Amendments shall remain in full force and effect as originally stated.

The Employer and Employee agree as follows:

Compensation: The annual base compensation of the Employee shall be adjusted per the following schedule:

<u>Effective Date</u>	<u>Base Salary Annual</u>	<u>Base Salary Monthly</u>	<u>Monthly Difference</u>	<u>Percentage Change</u>
Amendment 3	\$123,750	\$10,312.50	--	--
June 1, 2004	\$128,760	\$10,730	\$417.50	4.05%
June 1, 2005	\$133,860	\$11,155	\$425.00	3.96%

In witness whereof, the parties have executed this Amendment No. 4 as of the date and year first written above.

The Amendments referenced above include:

- Amendment No. 1 dated April 2, 2001;
- Amendment No. 2 dated May 15, 2002; and
- Amendment No. 3 dated June 4, 2003.

Amendment No. 5 to Employment Agreement

This Amendment No. 5 effective this 15th day of March 2006, shall serve to modify the existing Employment Agreement ("Agreement") between Yucaipa Valley Water District ("YVWD") and Joseph B. Zoba ("ZOBA") dated February 1, 1999 and all prior contract Amendments as specifically set forth herein below, and except as specifically provided herein, the Agreement and Amendments shall remain in full force and effect as originally stated.

The parties agree to this Amendment to said Agreement as follows:

1. **Compensation:** Effective April 1, 2006, the base compensation for ZOBA, exclusive of retirement contributions made by or on behalf of Zoba and the cost of any other benefits made available to ZOBA, shall be adjusted to be equal to the calculated *Average General Manager Salary* minus \$10,000. The calculated *Average General Manager Salary* shall be computed from the base compensation as of February 15th of the current calendar year for each executive manager from the twenty-one (21) agencies listed below. Prior to determining the average base salary, the following data will be excluded from the calculation: (1) any individual generally classified as an interim or part-time manager; (2) the highest base salary; and (3) the lowest base salary. Therefore, the calculated *Average General Manager Salary* shall reflect at least nineteen comparable executive manager salaries within the region.

Beaumont Cherry Valley Water District
City of Calimesa (City Manager)
City of Yucaipa (City Manager)
Cucamonga County Water District
Desert Water Agency
East Valley Water District
Elsinore Valley Municipal Water District
Fallbrook Public Utilities District
Helix Water District
Olivenhain Municipal Water District
Otay Water District

Padre Dam Municipal Water District
Ramona Municipal Water District
Rancho California Water District
Santa Ana Watershed Project Authority
Santa Fe Irrigation District
Sweetwater Authority
Vallecitos Water District
Valley Center Municipal Water District
Vista Irrigation District
Western Municipal Water District

Based on the results of this calculation, the base compensation shall be adjusted to \$154,747 [\$164,747 - \$10,000 = \$154,747].

In witness whereof, the parties have executed this Amendment No. 5 as of the date and year first written above.

^{*} The Amendments to the original Agreement include: Amendment No. 1 dated April 2, 2001; Amendment No. 2 dated May 15, 2002; Amendment No. 3 dated June 4, 2003; and Amendment No. 4 dated August 18, 2004.

Amendment No. 6 to Employment Agreement

This Amendment No. 6 effective this 16th day of May 2007, shall serve to modify the existing Employment Agreement ("Agreement") between Yucaipa Valley Water District ("YVWD") and Joseph B. Zoba ("ZOBA") dated February 1, 1999 and all prior contract Amendments* as specifically set forth herein below, and except as specifically provided herein, the Agreement and Amendments shall remain in full force and effect as originally stated.

The parties agree to this Amendment to said Agreement as follows:

1. **Compensation.** Effective June 1, 2007, the base compensation for ZOBA, exclusive of retirement contributions made by or on behalf of ZOBA and the cost of any other benefits made available to ZOBA, shall be adjusted to \$161,246.
2. **Deferred Compensation.** Upon the effective date of this Agreement, the contractual contribution to deferred compensation by the YVWD shall be adjusted from \$667.00 per month to 75% of the total allowable contribution by the Internal Revenue Code, exclusive of other contributions from other sources. In the event that other contribution amounts are in excess of the maximum contribution for a deferred compensation plan, the employee may elect to receive the excess deferred compensation amount in cash to be applied to other retirement based investments.
3. **Severance Pay.** In the event YVWD should terminate ZOBA without cause prior to the expiration of any term of this Agreement subject to the provisions in Section 7 of the Employment Agreement dated February 1, 1999, YVWD agrees to pay ZOBA a lump sum cash payment equal to 100 hours at the current rate of pay multiplied by the total years of service up to 2,080 hours, or any fraction thereof, during which ZOBA was employed by YVWD. In the event YVWD should terminate ZOBA without cause within 180 days prior to or following a regularly election date of the Board, ZOBA shall also receive a lump sum cash payment equal to 25 hours at the current rate of pay multiplied by the total years of service, or fraction thereof, during which ZOBA was employed by YVWD.
4. **Term.** The term of this Agreement between YVWD and ZOBA shall be extended to July 1, 2012.

In witness whereof, the parties have executed this Amendment No. 6 as of the date and year first written above.

* The Amendments to the original Agreement include: Amendment No. 1 dated April 2, 2001; Amendment No. 2 dated May 15, 2002; Amendment No. 3 dated June 4, 2003; Amendment No. 4 dated August 18, 2004; and Amendment No. 5 dated March 15, 2006.

Amendment No. 7 to Employment Agreement

This Amendment No. 7, effective this 19th day of November 2008, shall serve to modify the existing Employment Agreement ("Agreement") between Yucaipa Valley Water District ("YVWD") and Joseph B. Zoba ("ZOBA") dated February 1, 1999 and all prior contract Amendments as specifically set forth herein below, and except as specifically provided herein, the Agreement and Amendments shall remain in full force and effect as originally stated.

The parties agree to this Amendment to said Agreement as follows:

1. Compensation. Effective November 1, 2008, the base compensation for ZOBA, exclusive of retirement contributions made by or on behalf of ZOBA and the cost of any other benefits made available to ZOBA, shall be adjusted to \$172,250.
4. Term. The term of this Agreement between YVWD and ZOBA shall be extended to July 1, 2013.

In witness whereof, the parties have executed this Amendment No. 7 as of the date and year first written above.

* The Amendments to the original Agreement include: Amendment No. 1 dated April 2, 2001; Amendment No. 2 dated May 15, 2002; Amendment No. 3 dated June 4, 2003; Amendment No. 4 dated August 18, 2004; Amendment No. 5 dated March 15, 2006, and Amendment No. 8 dated May 16, 2007.

Amendment No. 8 to Employment Agreement

This Amendment No. 8, effective this 6th day of May 2009, shall serve to modify the existing Employment Agreement ("Agreement") between Yucaipa Valley Water District ("YVWD") and Joseph B. Zoba ("ZOBA") dated February 1, 1999 and all prior contract Amendments as specifically set forth herein below, and except as specifically provided herein, the Agreement and Amendments shall remain in full force and effect as originally stated.

The parties agree to this Amendment to said Agreement as follows:

1. Term. The term of this Agreement between YVWD and ZOBA shall be extended to July 1, 2015.

In witness whereof, the parties have executed this Amendment No. 8 as of the date and year first written above.

* The Amendments to the original Agreement include: Amendment No. 1 dated April 2, 2001; Amendment No. 2 dated May 15, 2002; Amendment No. 3 dated June 4, 2003; Amendment No. 4 dated August 18, 2004; Amendment No. 5 dated March 15, 2006; Amendment No. 6 dated May 16, 2007; and Amendment No. 7 dated November 19, 2008.

Amendment No. 9 to Employment Agreement

This Amendment No. 9, effective this 3rd day of March 2010, shall serve to modify the existing Employment Agreement ("AGREEMENT") between Yucaipa Valley Water District ("YVWD") and Joseph B. Zoba ("EMPLOYEE") dated February 1, 1999 and all other contract Amendments* as specifically set forth herein below, and except as specifically provided herein, the Agreement and Amendments shall remain in full force and effect as originally stated.

The parties agree to this Amendment to said AGREEMENT as follows:

1. Term. The term of this Agreement between YVWD and EMPLOYEE shall be extended one additional year to July 1, 2016.

In witness whereof, the parties have executed this Amendment No. 9 as of the date and year first written above.

Jay Bogh, Board President
Yucaipa Valley Water District

Joseph B. Zoba

* The Amendments to the original Agreement include: Amendment No. 1 dated April 2, 2001; Amendment No. 2 dated May 15, 2002; Amendment No. 3 dated June 4, 2003; Amendment No. 4 dated August 18, 2004; Amendment No. 5 dated March 15, 2006, Amendment No. 6 dated May 16, 2007; Amendment No. 7 dated November 19, 2008, and Amendment No. 8 dated May 6, 2009.

Amendment No. 10 to Employment Agreement

This Amendment No. 10, effective this 20th day of July 2011, shall serve to modify the existing Employment Agreement ("AGREEMENT") between Yucaipa Valley Water District ("YVWD") and Joseph B. Zoba ("EMPLOYEE") dated February 1, 1999 and all other contract Amendments* as specifically set forth herein below, and except as specifically provided herein, the Agreement and Amendments shall remain in full force and effect as originally stated.

The parties agree to this Amendment to said AGREEMENT as follows:

1. Term. The term of this Agreement between YVWD and EMPLOYEE shall be extended one additional year to July 1, 2017.

In witness whereof, the parties have executed this Amendment No. 10 as of the date and year first written above.

Jay Bogh, Board President
Yucaipa Valley Water District

Joseph B. Zoba

* The Amendments to the original Agreement include: Amendment No. 1 dated April 2, 2001; Amendment No. 2 dated May 15, 2002; Amendment No. 3 dated June 4, 2003; Amendment No. 4 dated August 18, 2004; Amendment No. 5 dated March 15, 2006, Amendment No. 6 dated May 16, 2007; Amendment No. 7 dated November 19, 2008, Amendment No. 8 dated May 6, 2009; and Amendment No. 9 dated March 3, 2010.

Amendment No. 11 to Employment Agreement

This Amendment No. 11, effective this 17th day of June 2015, shall serve to modify the existing Employment Agreement ("AGREEMENT") between Yucaipa Valley Water District ("YVWD") and Joseph B. Zoba ("EMPLOYEE") dated February 1, 1999 and all other contract Amendments. Except as specifically provided herein, the Agreement and Amendments shall remain in full force and effect as originally stated.

The parties agree to this Amendment to said AGREEMENT as follows:

1. Term. The term of this Agreement between YVWD and EMPLOYEE shall be extended to July 1, 2020.

In witness whereof, the parties have executed this Amendment No. 11 as of the date and year first written above.

Lonni Granlund, Board President
Yucaipa Valley Water District

Joseph B. Zoba

Amendment No. 12 to Employment Agreement

This Amendment No. 12, effective this 21st day of March 2017, shall serve to modify the existing Employment Agreement (“AGREEMENT”) between Yucaipa Valley Water District (“YVWD”) and Joseph B. Zoba (“EMPLOYEE”) dated February 1, 1999 and all other contract Amendments.

Except as specifically provided herein, the Agreement and Amendments shall remain in full force and effect as originally stated.

The Parties agree to Amend said Agreement as follows:

1. Term. The term of this Agreement between YVWD and EMPLOYEE shall be extended to December 31, 2023.
2. Compensation. The Parties recognize that the last adjustment to compensation for EMPLOYEE was provided in Amendment No. 7 effective of November 1, 2008. As such, the Parties agree to adjust the base compensation of EMPLOYEE, exclusive of retirement contributions made by or on behalf of EMPLOYEE and the cost of any other benefits made available to EMPLOYEE, as follows:
 - a) Effective March 31, 2017 EMPLOYEE compensation shall be adjusted to \$182,585
 - b) Effective January 1, 2018 EMPLOYEE compensation shall be adjusted to \$193,540.
 - c) Effective January 1, 2019 EMPLOYEE compensation shall be adjusted to \$205,153.

In witness whereof, the parties have executed this Amendment No. 12 as of the date and year first written above.

/s/ Jay Bogh

Jay Bogh, Board President
Yucaipa Valley Water District

/s/ Joseph Zoba

Joseph B. Zoba