AT-WILL EMPLOYMENT AGREEMENT OF SHAUN HORNE AS GENERAL MANAGER OF THE MARIN MUNICIPAL WATER DISTRICT

This at-will employment agreement ("Agreement") is made and entered into by and between the MARIN MUNICIPAL WATER DISTRICT ("District") and Shaun Horne ("General Manager") and is effective as of August 19, 2026 ("Effective Date").

For good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

Section 1: Recitals.

A. The District requires the services of a General Manager.

B. The District's Board of Directors ("Board") desires to employ Shaun Horne to serve as the District's General Manager commencing October 1, 2026 ("Commencement Date").

C. Shaun Horne desires to assume the position of General Manager as of the Commencement Date.

D. This Agreement sets forth in full the terms and conditions of employment of the General Manager.

Section 2: Terms.

A. General. The District hereby engages and employs the General Manager to perform the functions and duties of General Manager as set forth in the District's Enabling Act, California Water Code Section 71364, District Code Section 2.60.010, and the attached job description for the general manager position (attached hereto as Exhibit A and incorporated herein as if fully set forth) and any amendments thereto. Employment is to begin on the Commencement Date.

B. Knowledge, Skills and Abilities. It is understood and agreed that the General Manager has the professional knowledge, skills and abilities necessary to perform the duties of this position; and the Board relies upon the General Manager's professional skills to perform the duties in a professional manner in accordance with the standards of the profession and to the Board's satisfaction.

C. At-Will Employee. In accordance with California Water Code Section 71340, the General Manager serves solely at the pleasure of the Board. The General Manager is, and shall be at all times, an "at-will" employee of the District.

D. Base Salary. Effective October 1, 2026, the District agrees to pay the General Manager an annual base salary of THREE HUNDRED AND FIFTY THOUSAND DOLLARS ($350,000.00) for fulfillment of the job duties as described in Exhibit A (attached hereto and incorporated as though fully set forth) during the term of this Agreement, accruing neither overtime nor compensatory time, prorated and payable in accordance with the District's standard payroll procedures, and subject to the following adjustments:

1. Provided that a performance evaluation occurred in the immediate preceding fiscal year and the General Manager's performance was thereby deemed satisfactory, the General Manager's base salary as defined in section 2(D), shall be increased annually on July 1st of each fiscal year (starting July 1, 2028) by a percentage change equivalent to the positive change in California Consumer Price Index for all urban consumers ("CPI-U") as reported by the United States Department of Labor, Bureau of Labor Statistics for the annual calendar period (December to December), for each calendar year preceding the adjustment, for the San Francisco-Oakland-Hayward metropolitan area. The total annual salary as calculated herein shall be paid as compensation for services rendered, payable in accordance with the District's regular payroll procedures. The term "base salary" as used in this Agreement means the annual compensation specified in this Section 2(D) for services rendered.

E. Salary Changes. The Board in its discretion may modify the General Manager's base salary based on its evaluation and/or assessment of the General Manager's performance. Any such modifications in the General Manager's base salary will be subject to a written amendment to this Agreement.

F. Business and Travel Expenses. The District shall pay the General Manager's reasonable and necessary expenses for travel on District business, for professional memberships, conferences and seminars related to District business and professional training and development. All such expenses, including those incurred on the General Manager's District issued credit card, shall be documented by the General Manager on District expense reimbursement forms submitted to the District Finance Director, with annual reports of General Manager expenses submitted to the Board.

G. CalPERS Retirement. The General Manager is a local member of the California Public Employees Retirement System ("CalPERS"). The retirement benefit formula to be received by the General Manager shall be in accordance with the provisions of CalPERS and District policy consistent with CalPERS. The District will pay the employer contribution portion of General Manager's CalPERS benefits as applicable to District Division Directors as set forth in the Board of Director's Resolution No. 8760 adopted on November 7, 2023 ("Benefits Resolution"), and any successor resolutions as may be adopted by the Board for purposes of establishing terms and conditions of employment for unrepresented employees.

H. Benefits. In addition to Base Salary and inclusion in CalPERS, and except as explicitly set forth below, the General Manager shall receive the same benefits as those provided to the District Division Directors in the Benefits Resolution, as they may be amended from time to time. For ease of reference, the current Benefits Resolution, Resolution No. 8760, is attached hereto as Exhibit B.

1. Vacation. The General Manager shall receive four weeks of vacation per year. Accrual shall be in equal measure per pay period, annually totaling 160 hours. Vacation time cannot be accrued in excess of 500 hours. Annually, in November, the General Manager may irrevocably elect to cash-in up to eighty (80) hours of unused vacation time accrued during the following calendar year, as long as the General Manger maintains a minimum accrued vacation balance of at least eighty (80) hours. The Board prefers that the General Manager take no more than two consecutive weeks of vacation at a time. Vacations of more than two consecutive weeks shall be subject to advance approval by the Board.
2. Administrative Leave. The General Manager shall receive forty (40) hours of administrative leave per calendar year beginning January 1, 2027.
3. Vehicle. In lieu of mileage, the General Manager shall receive a vehicle allowance of $500 per month during employment with the District. The General Manager shall be solely responsible for payment of automobile and liability insurance, maintenance, repair, replacement costs, all taxes applicable to the vehicle allowance, and for any other expenses associated therewith.
4. Professional Coaching. The General Manager shall be entitled to executive coaching paid for by the District during the first year of employment in an amount not to exceed twelve thousand dollars ($12,000), provided that the coach is appropriate to the position of District General Manager as mutually agreed upon by the General Manger and the current President of the District Board of Directors.
5. Relocation Assistance. If within the first year of his position, the General Manager decides to move to a location within the District's jurisdiction, he will be entitled to receive reimbursement from the District for up to fifteen thousand dollars ($15,000) of moving expenses.

I. Term. The term of this Agreement shall begin October 1, 2026, and end October 2, 2029, unless subject to earlier termination hereunder or extended by a written amendment.

J. Termination of Agreement.

   1. Termination by the District. The Board may terminate this Agreement at any time, with or without cause. Nothing in this Agreement shall be construed to prevent the District, in its sole discretion, from terminating this Agreement and the services of the General Manager. The date the Board terminates this Agreement without cause shall be the "Termination Date." The date the Board terminates this Agreement with cause shall be the "For Cause Termination Date."

   2. Termination Without Cause. If the Board terminates this Agreement without cause, the General Manager shall receive a severance payment ("Severance") as provided for below:

a) If during the first year of employment, the General Manager shall receive a single lump sum Severance equal to: three (3) months of Base Salary and three (3) months of the District's monthly contribution towards the General Manager's medical insurance.
b) If at any time after the first year of employment, the number of months left on the unexpired term of the General Manager's contract is six (6) months or more, the Geneal Manager shall receive a single lump sum Severance equal to: six (6) months of Base Salary and six (6) months of the District's monthly contribution towards the General Manager's medical insurance.
c) If the number of months left on the unexpired term of the General Manager's contract is less than six (6) months, the General Manager shall receive a single lump sum Severance equal to: the General Manager's monthly salary (Base Salary divided by 12), multiplied by the number of months left on the unexpired term of the contract; plus an amount equal to the District's monthly contribution towards the General Manager's medical insurance, multiplied by the number of months left on the unexpired term of the contract.
d) The General Manager's Severance shall be the maximum and exclusive payment the General Manager shall receive; the sole exception being any payout for vacation time the General Manager has accrued up to the Termination Date.
e) As a condition precedent to receiving Severance, the General Manager hereby agrees to execute the General Release and Waiver of Claims ("Release and Waiver") contained in Exhibit C (attached hereto and incorporated herein as though fully set forth) to this Agreement within twenty-one (21) calendar days of receiving written notice that the Board is terminating this Agreement without cause. Exhibit C may need to be updated in order to comply with applicable law in effect at the date of signing, and, if so, General Manager agrees to sign an updated version of the Release and Waiver so long as it does not change its substantive terms. The General Manager's failure to execute the Release and Waiver and deliver it to the Board within the twenty-one (21) calendar day time frame will eliminate the District's obligation to pay Severance to the General Manager.
f) The District shall pay Severance to the General Manager on the eighth day after the General Manager executes the Release and Waiver and delivers it to the Board, provided that the General Manager does not revoke the Release and Waiver within the seven day revocation period contained in the **Older Worker's Benefit Protection Act.** If such revocation occurs, the District's obligation to pay Severance will be eliminated.

3. Termination for Cause. The Board may terminate the General Manager with cause ("for cause"). In the event of a for cause termination, the General Manager shall not be entitled to Severance. However, the General Manager is entitled to receive a lump sum payment for any vacation time the General Manager has accrued up to the For Cause Termination Date. If the Board determines that termination for cause is appropriate, it shall so notify the General Manager, and before making any final decision regarding termination, the Board shall provide the General Manager an opportunity to respond to the allegations. Granting the General Manager the opportunity to respond to allegations of misconduct in no way alters the "at-will" nature of the employment. The Board may place the General Manager on leave without pay during the pendency of an investigation into alleged misconduct and/or after issuance of a notice of intended termination. The determination of the Board with respect to for cause termination shall be final and conclusive and shall not be subject to administrative or judicial review. Causes for termination shall include, but not be limited to:

   a) Fraud in securing appointment to the position;
   b) A material breach of this Agreement;
   c) Any willful breach of the job duties as outlined in this Agreement;
   d) Habitual neglect of, or failure to perform, the duties as outlined in this Agreement;
   e) Official misconduct;
   f) Dishonesty;
   g) Conviction of a felony or crime involving moral turpitude. A plea or verdict of guilty, or a conviction following a plea of nolo contendre, to a charge of a felony or crime of moral turpitude is deemed to be a conviction within the meaning of this section;
   h) Misuse of District or public property;
   i) Unlawful discrimination against, or harassment of, a District employee or official, or any member of the public;
   j) Sale, possession or use of illegal drugs;
   k) Willful disregard of a lawful directive issued by the Board; or
   l) Abuse of office or position, as defined in Government Code Section 53243.4. If the General Manager is convicted of a crime involving abuse of office or position pursuant to Government Code Section 53243.4, the General Manager shall reimburse the District for any administrative leave salary provided to General Manager, and any cash settlement related to the termination of General Manager, during the period of investigation of that abuse.

4. Termination of Agreement by Resignation, Retirement, or Death of General Manager.

   a) The General Manager may terminate this Agreement by delivering written notice of resignation to the Board. The effective date of the

General Manager's resignation shall not be earlier than thirty (30) calendar days following delivery of notice of resignation to the Board, unless the Board agrees otherwise in writing.

b) The General Manager may terminate this Agreement by delivering written notice of retirement to the Board. The effective date of the General Manager's retirement shall not be earlier than six (6) months following delivery of notice of retirement to the Board, unless the Board agrees otherwise in writing.

c) This Agreement shall immediately terminate in the event of the death of the General Manager.

d) The General Manager shall not receive Severance in the event of resignation or retirement.

5. Non-Disparagement. Upon termination of this Agreement for any reason, the District and the General Manager agree that neither party shall make any written or oral statements to members of the public or the news media concerning the termination, except in the form of a written joint press release that is mutually agreeable to both parties. Either party may repeat the substance of any such press release in response to inquiries by members of the press or the public. Neither party shall disparage the other; except that nothing in this paragraph shall be construed to prevent the parties from cooperating in any investigation conducted by a governmental entity within the scope of its authority, and provided that both the General Manager and the District will respond accurately and fully to any question, inquiry or request for information when required by legal process.

K. Performance Evaluations.

1. At least once each calendar year, the Board shall review the General Manager's performance.

2. The Board and General Manager agree that additional performance evaluations may occur quarterly, or as needed, for purposes of ensuring effective communication about expectations and performance.

3. The Board and General Manager shall annually, or more frequently as needed, create mutually agreed-upon goals or other objectives that provide the basis for the next performance evaluation.

4. Neither the performance evaluation process, nor the content or results of any such evaluation of the General Manager shall be deemed to modify the "at-will" nature of the General Manager's employment or the provisions of this Agreement.

L. Outside Activities. The General Manager shall devote his full time, energy and efforts to the District, and shall accept no outside employment. The General Manager is not precluded from occasional writing and lecturing with prior approval of the Board, but only to the extent that such activities do not interfere with his District duties.

M. Modifications. This Agreement may be amended or modified only by a written, fully-executed agreement between the parties formally approved by the Board.

N. Waiver. Any waiver by either party hereto of its rights with respect to a breach of any provision of this Agreement shall not be deemed a waiver with respect to any other breach thereof.

O. Assignment. This Agreement is personal to the General Manager and shall not be assigned to any other person.

P. Conflicts of Interest. The General Manager shall not engage in any business or transaction or have a financial or other personal interest or association, direct or indirect, that conflicts with the duties of the position or which may tend to impair the General Manager's independence of judgment or action in the performance of the duties of the position. The General Manager shall also be subject to California conflict of interest law and any applicable conflict of interest code. The General Manager is responsible for submitting to the Board Secretary the appropriate Conflict of Interest Statements as required by law.

Q. Applicable Law, Severability and Venue. This Agreement shall be construed in accordance with the laws of the State of California. Should any provision of this Agreement be determined by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions contained in this Agreement shall be fully binding and enforceable. The parties agree that venue for any administrative or legal proceedings relative to this Agreement shall be Marin County, California.

R. Entire Agreement. This Agreement constitutes the entire agreement between the District and the General Manager. No representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not set forth herein; and any agreement, statement, or promise not contained in this Agreement shall not be valid or binding on any party.

S. Ambiguity. The parties acknowledge that this is a negotiated agreement, that they have had an opportunity for their respective legal counsel to review this Agreement, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

T. Headings. Section and paragraph headings, and titles of attachments contained in this Agreement are utilized for convenience only and shall not be deemed to alter or modify the meaning or interpretation of this Agreement in any way.

U. Notice. Any notices, amendments, or additions to this Agreement, including any change of address of the parties during the term of this Agreement, shall be in writing and delivered in person or by certified registered mail, to the respective parties as follows:

To District: President of the Board of Directors
Marin Municipal Water District
220 Nellen Avenue
Corte Madera, CA 94925

To General Manager: Shaun Horne
Mailing address on file with District's Human Resources Department

V. Counterparts; Facsimile and Electronic Signatures. This Agreement may executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties; it being understood that all parties need not sign the same counterparts. The exchange of copies of this Agreement and of signature pages by facsimile transmission, by electronic mail in "portable document format (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Agreement for all purposes. Signatures of the parties transmitted by these means shall be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF, the District and General Manager hereto have entered into this Agreement as of the Effective Date.

MARIN MUNICIPAL WATER DISTRICT

By:________________________________ ________________________
Jed Smith, President Date
Board of Directors

___________________________________ ________________________
Shaun Horne Date
General Manager

ATTACHMENTS:
Exhibit A – District General Manager Job Description
Exhibit B – Benefits Resolution
Exhibit C – Release and Waiver

Exhibit A

General Manager

DEFINITION

The General Manager is appointed by the Board of Directors and serves as the District's chief executive officer. Under policy guidance from the Board, the General Manager is responsible for providing leadership, management and supervision of the overall activities and operations of the Marin Municipal Water District to ensure that the customers/rate payers are provided high quality water in an efficient, economical, responsive and courteous manner, and that Marin Water is a responsible steward of the watershed, sustaining it for future generations.

The General Manager is accountable for developing, implementing and executing short and long term plans, policies, budgets and strategies to accomplish the District's mission, the outcomes of the Strategic Plan and other Board of Director priorities. The General Manager supervises the preparation of a strategic plan, other plans, policy items, budgets, and operational, organizational and fiscal reports for the Board's consideration and approval.

EXAMPLES OF DUTIES

Typical duties may include but are not limited to the following:

- Direct the development and implementation of initiatives, goals and objectives set forth to support the District's mission and vision.
- Advise the Board on policy and administration and execute the implementation and timely completion of Board approved policies and priorities.
- Oversee programs and plans designed to maintain a stable water supply and high-quality water.
- Oversee watershed resources, preservation, maintenance and protection and maintain watershed stewardship partnerships with community organizations.
- Establish and promote an environment of respect, civility, integrity and excellence in the District.
- Maintain and monitor the budgets; direct the development and implementation of the capital improvement programs and major engineering and construction projects.
- Ensure the selection and retention of highly competent and effective management staff.
- Oversee the establishment of an executive staff performance and accountability program.
- Monitor the District's labor negotiations and labor-management efforts.
- Communicate effectively with District employees, citizen groups, and advisory bodies; establish and maintain positive relationships with external agencies; ensure appropriate outreach and communications with the local community, including customers, citizen groups, thought leaders and advisory bodies.

- Coordinate District activities with federal, state and local public agencies and represent the District as required.

QUALIFICATIONS FOR EMPLOYMENT

Knowledge and Abilities

The selected candidate should have knowledge of:

- Principles and practices of leading, administering and directing the activities of personnel in a complex organization.
- Day-to-day maintenance, operations, structure and function of water distribution systems.
- Budget development, analysis and financial strategies.
- Long-range planning.
- Regulatory and legal requirements of a water district.
- Interrelationship between water and land use decisions.
- Technology related to water resource and business management.

In addition, the candidate should be able to:

- Plan, organize and direct the operation of a large complex water distribution system; in accordance with policies of the Board of Directors and in compliance with all applicable laws and regulations.
- Establish and maintain effective working relationships with Board members, District executives, managers, employees and other elected and appointed governmental officials, industry and business executives, professional and community groups, consultants, developers, media representatives and members of the public.
- Understand applicable water quality, public health, water rights laws and other federal, state and local laws, regulations, and policies applicable to a water distribution supply system.
- Analyze and make sound recommendations on complex management and administrative issues.
- Direct the development of operating and capital improvement budgets, rate setting proposals and other fiscal reports.
- Provide leadership in developing a culture in the District that promotes respect, integrity, innovation and excellence among all employees and with the public.
- Direct the development and implementation of the goals and objectives required to achieve the District's mission, the priorities contained in the Strategic Plan and the execution of Board priorities.
- Maintain a positive working environment that builds trust and increases the level of morale among all District employees.
- Communicate effectively with the Board of Directors in a timely manner regarding critical and developing issues that pertain to the organization and operations of the District.
- Oversee the development of a District Strategic Plan and other business plans and policy documents.

Training and Experience: Any combination equivalent to experience and education that could likely provide the required knowledge and abilities would be qualifying. A typical way to obtain the knowledge and abilities would be:

- Bachelor of Science degree in Engineering, Public Administration, Business Administration or a related field. A Masters degree is highly desirable.
- Minimum of 10 years of experience as a senior manager, leading, directing and managing strategic initiatives for a complex organization providing essential utility services to the public.
- Experience is desirable in the management of a municipal water agency, or a closely related public utility, plus familiarity with water quality, project management, engineering, human environmental compliance, watershed and natural resource management.
- Significant expertise and competence with public financing, financial management, long-range planning relevant to a large complex public water utility.
- Desirable knowledge of water resources, including water conservation concepts and tools, and experience with watershed, natural resource and fishery management.

OTHER REQUIREMENTS

- Per California Government Code, Title 1, Division 4, Chapter 8, Section 3100 "all public employees are hereby declared to be disaster service workers subject to such disaster service activities as may be assigned to them by their superiors or by law."

LICENSES AND/OR CERTIFICATIONS

- Possession of an appropriate California driver's license issued by the State Department of Motor Vehicles and satisfactory driving record.

PHYSICAL DEMANDS AND WORKING CONDITIONS

During the course of performing job duties the employee will need the mobility to work in a standard office setting, use standard office equipment such as a personal computer, word processing and data base software, calculator, a copy and/or fax machine; enter and retrieve data from personal computers and terminals via keyboards which is often performed while sitting for extended periods of time; operate office equipment requiring repetitive arm/hand movement and/or the coordinated movement of more than one limb simultaneously.

The employee frequently stands, walks, bends at neck and waists, twists at neck and waist, uses repetitive hand movement, uses simple and power grasping with both hands, uses fine manipulation of both hands and fingers, and may require use of the arms above the shoulder, climb or balance; stoop, kneel or crouch. This position requires that the employee demonstrate adequate hearing and speech to converse in person and over the telephone, and vision to read printed materials and use a computer screen. The employee is occasionally required to lift and carry short distances objects such as reams of copier paper, office supplies, files, books, printed materials and other packages weighing up to 10 to 25 pounds.

The noise level in the work environment is quiet to moderate noise. Position may require the ability to work overtime and weekends as needed.

Employees who drive on District business to carry out job-related duties must posses a California driver's license for the class of vehicle driven and meet automobile insurability requirements of the District including review of a recent DMV history. In order to drive, individuals must be physically capable of operating the vehicles and equipment safely.

To be successful in this job, an individual must be able to satisfactorily perform each of the listed duties. These duties are representative of the knowledge, skill and/or ability required for the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the duties and functions of the position. Requests for reasonable accommodation should be directed to the Human Resources Manager.

Established: September 2004
Revised: October 2008 Approved; April 2021; October 2023; revised March 2026
by: Human Resources Manager

Exhibit B

MARIN MUNICIPAL WATER DISTRICT

RESOLUTION NO. 8760

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MARIN MUNICIPAL WATER DISTRICT ESTABLISHING THE TERMS AND CONDITIONS OF EMPLOYMENT FOR UNREPRESENTED EMPLOYEES

WHEREAS, on June 18, 2013, the Board of Directors of the Marin Municipal Water District (District) adopted Resolution No. 8214 and subsequent amendments thereto establishing salaries, benefits and other conditions of employment for employees who are employed by the District but who are not members of SEIU Local 1021; and

WHEREAS, the unrepresented employees consist of the following groups: Division Directors, Mid-Managers, and Confidential Employees (collectively referred to as "Unrepresented Employees"); and

WHEREAS, on August 15, 2023, the Board of Directors adopted Resolution No. 8756 approving a 5.4% cost of living increase for the Unrepresented Employees; and

WHEREAS, it is in the interest of the District and the Unrepresented Employees to further modify the terms and conditions of employment to reflect current market conditions and industry trends as well as to align certain benefits with those adopted in the most recent Memorandum of Understanding for union represented employees.

NOW, THEREFORE, THE BOARD OF DIRECTORS DOES HEREBY RESOLVE, AS FOLLOWS:

1. Division Managers include: Director of Engineering; Finance Director/Treasurer; Operations Director; and Director of Water Resources; and

2. Mid-Managers include the following classifications which are salaried positions and exempt from the overtime and hourly provisions of the Fair Labor Standards Act (FLSA): Assistant Superintendent of Operations, Assistant Superintendent Water Treatment, Communications & Public Affairs Manager, Customer Service Manager, Engineering Manager I/II, Engineering Support Services Manager, Finance Manager, Financial Management Analyst, Grant Program Coordinator, Human Resources Manager, Information Technology Manager, Natural Resources Program Manager, Principal Human Resources Analyst, Safety & Emergency Response Manager, Senior Human Resources Analyst, Staff Attorney I/II/III, Superintendent of Operations, Superintendent of System Maintenance & Support Services, Water Efficiency

Manager, Water Quality Laboratory Manager, Water Quality Manager, Watershed Protection Manager-Chief Ranger, Watershed Resources Manager; and

3. For the purposes of this resolution, Division Managers and Mid-Managers shall collectively be referred to as the "Unrepresented Classes"; and

4. Confidential Employees include: Administrative Assistant-Confidential, Administrative/Legal Support Specialist, Board Secretary, Business Systems Analyst Confidential I/II, Executive Assistant to the General Manager, Finance Analyst, Human Resources Analyst, Human Resources Technician, Payroll Technician; and

   All terms and conditions of employment that are contained in the Memorandum of Understanding between SEIU Local 1021 and the District as approved by the Board of Directors on November 7, 2023 shall apply to Confidential Employees excepting the 5.4% salary increase for fiscal year 2024, which was approved with the adoption of Resolution No. 8756 and already implemented for all Unrepresented Employees; and

5. That sitting members of the Board of Directors are eligible to receive medical and dental benefits pursuant to this resolution; and

6. That the following provisions are applicable to the Unrepresented Classes.

<u>6. Salaries</u>

<u>6.1 Salaries</u>

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<u>General Salary Increase</u>

1. Effective the first full pay period following July 1, 2024, the District shall provide all Unrepresented Classes an increase equivalent to the change in the Consumer Price Index U (CPI-U) as reported by the United States Department of Labor Bureau of Labor Statistics for the annual calendar period (December to December) for each calendar year preceding the adjustment, for the San Francisco-Oakland-Hayward metropolitan area, plus three-quarters of one percent (0.75%). The general wage increase on July 1, 2024, shall not be less than two percent (2.0%) nor greater than five percent (5.0%).

2. Effective the first full pay period following July 1, 2025, the District shall provide all Unrepresented Classes an increase equivalent to the change in the Consumer Price Index U (CPI-U) as reported by the United States Department of Labor Bureau of Labor Statistics for the annual calendar period (December to December) for each calendar year preceding the adjustment, for the San Francisco-Oakland-Hayward metropolitan area, plus three-quarters of one percent (0.75%). The general wage increase on July 1, 2025, shall not be less than two percent (2.0%) nor greater than five percent (5.0%).

3. Effective the first full pay period following July 1, 2026, the District shall provide all Unrepresented Classes an increase equivalent to the change in the Consumer Price Index U (CPI-U) as reported by the United States Department of Labor Bureau of Labor Statistics for the annual calendar period (December to December) for each calendar year preceding the adjustment, for the San Francisco-Oakland-Hayward metropolitan area. The general wage increase on July 1, 2026, shall not be less than two percent (2.0%) nor greater than five percent (5.0%).

6.2 One-Time Appreciation Payment

Eligible employees who were required to work in-person without any option to telework during the COVID-19 public health emergency (March 2020 through March 2022) shall receive a one-time payment of three thousand dollars ($3,000). Eligible employees are those employees who were actively employed and in paid status by the District from March 1, 2020, through March 31, 2022, and are actively employed at time of payment. This provision shall not apply to newly hired employees who did not work for the District for the entire aforementioned period or former employees who retired or separated from District employment prior to the effective date of this resolution. Payment is subject to all applicable withholdings and is non-pensionable.

6.3 Acting Assignment Pay

Acting assignment work authorized in advance by the Division Director or the General Manager in a higher classification shall be paid at a rate 8% above the employee's regular pay. Such pay shall occur after one hundred sixty (160) consecutive hours of acting assignment work and shall continue until the employee is relieved of the acting assignment. Vacation or sick leave taken during the appointment will be paid at the employee's regular pay.

6.4 Incentive Pay for Higher Level Certifications

The District will provide incentive pay for employees who are required to hold a Distribution System Operator or Water Treatment Operator certification, in their classification, when the employee obtains a valid Distribution Systems Operator's or Water Treatment Plant Operator's certificate that is:

- One level above their job classification minimum qualification a $25 per month stipend; or

- Two or more levels above their job classification minimum qualification a $40 per month stipend.

For the following cross-classification certifications, the District will provide incentive pay as follows:

- Treatment Plant Operator Managers holding a: D3 certification are eligible for a $10 per month stipend; or a D4 certification are eligible for a $20 per month stipend; or a D5 certification are eligible for a $30 per month stipend.

- Distribution System Operator Managers holding a: T3 certification are eligible for a $10 per month stipend; or a T4 certification are eligible for a $20 per month stipend; or a T5 certification are eligible for a $30 per month stipend.

- For example, a Treatment Plant Operator Manager holding a D5 certification will receive $10 monthly for the D3, $10 monthly for the D4 and $10 monthly for the D5 certifications, totaling $30.

Employees on unpaid status for two consecutive pay periods due to illness or injury will have their license/certificate premium payments discontinued until they return to work. Employees who request leave without pay for reasons other than illness or injury will have their license/certificate premium payments discontinued effective the first full pay period after their leave begins, and the payments will be resumed once they return to work.

7. Step Increases

No increase in salary shall be automatic merely upon completion of a specified period of service. All increases shall be based on merit as established by record of the employee's performance and shall require recommendation of the Division Director and approval of the District General Manager.

New employees who enter a classification at Step One (1) will be eligible for increase to Step Two (2) upon successful completion of their one (1) year probationary period, and such employees will be eligible to receive additional step increases annually thereafter, up to and including Step Five (5).

Employees promoted into a classification at Step One (1) will be eligible for increase to Step Two (2) after successful completion of their three (3) month probationary period and such employees will be eligible to receive additional step increases annually thereafter, up to and including Step Five (5). Employees who enter a classification at Step Two (2) or higher will be eligible for increase to the next higher step after completion of one (1) year in the classification, and such employees will be eligible to receive additional step increases annually thereafter, up to Step Five (5).

8. Health and Welfare

8.1 Medical Insurance

Active Employees

An employee becomes eligible to participate in the District's health plan on the first day of the month following the receipt of the employee's application for coverage by Human Resources. Employees may elect coverage with any of the health insurance plans authorized under the PERS medical insurance coverage program. For active employees, the District pays up to the premium amount based upon the CalPERS middle priced plan as described below for the employee and one (1) eligible dependent, with any additional premium amounts to be paid by the employee.

The medical insurance contribution of the District shall be set at the rate of the plan that falls in the middle of the list of available medical plans (sequentially, i.e., if the number of plans offered is odd the rate shall be set at the plan in the middle, for example, if eleven (11) plans are offered, the rate will be set at the plan sixth from the bottom. If the number of plans offered is even the rate shall be set at the lower of the two middle plans, for example if twelve (12) plans are offered the rate would be set at the plan sixth from the bottom.) Any additional costs for the PERS medical insurance coverage chosen by the active employees shall be their responsibility.

Any premiums paid by the employee eligible for Section 125 will be deducted from the employee’s pay on a pre-tax basis.

The District will continue to offer Domestic Partner coverage for health insurance based on the PERS requirements and following the required PERS process.

Retirees

The District will contribute toward covered retired employees' medical insurance premiums, as defined by CalPERS regulations for the CalPERS covered retiree. The District's contribution amount shall be based on the following formulas. Any additional costs for the CalPERS medical insurance coverage chosen by the retired employees shall be their responsibility.

Retiree Healthcare- Employees hired before January 1, 2024

Employees hired prior to January 1, 2024, shall be eligible for retiree health insurance after they have completed five (5) years of continuous full time District service. The District's contribution for the retiree and (1) one eligible dependent will be the same as that for active employees as set forth above in this section.

Retiree Healthcare- Employees hired on or after January 1, 2024

Employees hired on or after January 1, 2024, who retire from the District and enroll in the District's retiree healthcare plan (CalPERS Health Benefit Program- Public Employees' Medical and Hospital Care Act (PEMHCA)) shall receive a District paid contribution towards their retiree healthcare and their spouse's healthcare based on the employee's completed years of credited service with the District subject to the criteria set forth in this section.

For purposes of determining the District's contribution toward the retiree's and the retiree's spouse's healthcare cost, years of credited service shall mean the employee's continuous full-time years of service with the District as follows:

Years of Credited Service with the District	District's Payment Percentage of Premium Cost for Retired Employee	District's Payment Percentage of Premium Cost for Retired Employee's Spouse
0-9 years of District service	Minimum Employer Contribution Amount set forth in Government Code Section 22892	0%
10-14 years of District service	50%	0%

15-19 years of District service	75%	50%
20+ years of District service	100%	75%

Notwithstanding the provision above, for employees hired on or after January 1, 2024, the maximum amount of the District's contribution toward the retiree's and the retiree's spouse's healthcare costs shall not exceed the District's contribution for active employees' healthcare at the time of the employee's retirement from the District. For example, if the District contributes $1,035 monthly for an active employees' healthcare at the time of the employee's retirement, both the retiree and the retiree's spouse, if applicable, would receive a contribution towards their healthcare based upon a percentage, as set forth in the table above, of the $1,035 monthly maximum paid for active employees. Continuing the example, a retiree with 15 years of District service would receive 75% of the $1,035 monthly maximum ($776.25), and their spouse, if applicable, would receive 50% of the $1,035 monthly maximum ($517.50) until age 65.

For those retirees, hired on or after January 1, 2024, with less than 20 years of District service, the District's contribution toward the retiree's and spouse's healthcare premium shall terminate at age 65. For those retirees, hired on or after January 1, 2024, with 20 years of District service or more, the District's contribution toward the retiree's and spouse's healthcare premium shall be capped at the age of 65, at $300 per month for the retiree and the retiree's spouse's coverage, if applicable, shall be capped at $150 per month.

All medical insurance provided in this section is governed by PEMHCA. Any benefit amounts set forth in this section shall be based on either the amount herein or the PEMHCA minimum employer contribution (Government Code section 22892), as may be amended from time to time, whichever is greater. Retirement health benefits are also based on the CalPERS vesting requirement of five years and applicable retirement ages. California Public Employees' Retirement Law governs vesting requirements for public agencies and is subject to change at the State level.

8.2 Medical Plan Exemption

An employee who is eligible for coverage under the District's medical plan specified in Section 8.1, but who is covered by another qualifying medical plan, may elect not to be covered by the District's medical plan by furnishing the District with proof of such qualifying medical coverage and by signing a waiver of benefits. In return for not contributing on said employee's behalf for qualifying medical coverage, the District shall pay the employee one hundred ($100) per pay period until such time as said employee is reinstated under the District's medical plan. The employee's election to not be covered by the District's medical plan shall be made for one (1) year and may be renewed on a year to year basis upon submission of evidence of continued coverage under another qualifying medical plan. As an exception to the above, an employee, who elects not to be covered by the District's medical plan and who prior to the one (1) year period for making such election loses alternate qualifying medical coverage because of a change in marital status, will be eligible to participate in the District's medical plan on the first of the month following official notification to Human Resources of loss of coverage subject to the rules and regulations of the respective medical plan.

8.3 Section 125 of the IRS Code

The District will continue to have employee deductions for medical plan premiums and dependent care calculated on a pre-tax basis, consistent with current IRS regulations and requirements.

8.4 Dental Insurance

After three (3) months of employment, eligible employees may participate in the District's dental insurance program through the Delta Dental Plan. The District pays the full premium for employees and their eligible dependents, including domestic partners as eligible dependents. The maximum calendar year benefits shall be two thousand dollars ($2,000).

Beginning January 1, 2024, Orthodontia coverage for dependent children of employees will be covered up to a lifetime maximum of $3,000 per child.

8.5 Retirees

For those employees hired prior to January 1, 2024, the District shall pay for dental coverage, in accordance with Section 8.4, for a retiree plus one dependent for those retirees with ten (10) or more full years of continuous service with the District, until the retiree attains age 65.

For those employees hired on or after January 1, 2024, the District shall not pay any portion of the retiree’s dental coverage.

8.6 Eligibility

In order to be eligible for Medical, Dental, Life, and Long Term Disability Insurance an employee must have eighty (80) hours of pay credit during the two previous pay periods.

It is the employee's or retiree's sole responsibility to notify Human Resources of any change in status (e.g., marital or dependent change) which may affect the employee's benefit coverage or that of the employee's family within thirty (30) calendar days of the qualifying event. For the dental benefit described in Section 8.4, changes in status will be allowed to begin at the next open enrollment period when reported timely and in accordance with District procedures.

8.7 Life Insurance

Division Directors:

After one (1) month of employment, the District will provide each Division Director with a life insurance policy equal to one and one half the employee's annual salary (rounded to the nearest thousand) but no greater than one hundred and fifty thousand dollars ($150,000). Eligible employees may elect additional life insurance coverage of an amount equal to the employee's annual salary (rounded to the nearest thousand) with the premium to be paid by the employee on a voluntary basis by payroll deduction. The District shall also provide for the Division Director's Accidental Death and Dismemberment Insurance (AD&D) in the amount of one hundred and twenty thousand dollars ($120,000).

Mid-Managers:

After one (1) month of employment, the District will provide each eligible employee with a life insurance policy equal to the employee's annual salary (rounded to the nearest thousand) but no greater than one hundred thousand dollars ($100,000). Eligible employees may elect additional life insurance coverage of an amount equal to the employee's annual salary (rounded to the nearest thousand) with the premium to be paid by the employee on a voluntary basis by payroll deduction. This additional life insurance coverage purchase may be made in whole or part at minimum increments of $10,000, subject to agreement of the insurance provider.

8.8 Long Term Disability

The District will provide each eligible employee with long term disability insurance.

8.9 Vision Care

The District will reimburse employees for vision care expenses of the employee not covered by existing District health plans or any other insurance plan. The amount of said reimbursement shall not exceed three hundred and fifty dollars ($350.00) in a fiscal year. An employee may carry over any remaining monies for an accumulated total of seven hundred dollars ($700).

8.10 Retirement Plan

8.10.1 The following provision applies only to those employees hired prior to January 1, 2013 or those new employees who qualify as 'classic' members of CalPERS.

The present Retirement Plan contract between the District and the Public Employees Retirement System (PERS) shall continue at the current benefit level.

Reduction of Employer Paid Member Contribution for Division Directors

The District currently pays 5.0% of the Division Directors' share of the retirement cost. Effective November 20, 2023, the District shall pay 3.75% of the Division Directors' share of the retirement cost. Effective July 1, 2024, the District shall pay 2.5% of the Division Directors' share of the retirement cost. Effective July 1, 2025, the District shall pay 1.25% of the Division Directors' share of the retirement cost. Effective July 1, 2026, the District shall no longer pay any portion of the Division Directors' share of the retirement cost.

The employer paid employee's share shall be used in the calculation of the retirement annuity per Government Code Sections 20691 (which allows the District pay a portion of the member contribution) and 20636(c)(4) (which allows the District to pay and report the value of the employer paid member contribution).

There will be no employer payment of any part of the mandatory employee contribution for any other Unrepresented Employees.

Division Directors shall receive a 1.25% salary increase to offset the reductions to the Employer Paid Member Contributions set forth herein. Such salary adjustments shall occur on each of the following dates: (1) November 20, 2023 (2) July 1, 2024, (3) July 1, 2025, and (4) July 1, 2026. These adjustments shall be additive to any salary increases provided pursuant to Section 6.1. For example, if the salary increase provided pursuant to Section 6.1 is 2% during this time period, the Division Director would receive a 3.25% increase.

Participation in the PERS plan and Social Security is mandatory.

8.10.2. The provisions below apply to all employees hired beginning January 1, 2013, and who do not qualify as 'classic' members of CalPERS.

There will be no employer payment of any part of the mandatory employee contribution. All other provisions shall be as required by the Public Employees' Pension Reform Act (PEPRA). Participation in the PERS plan and Social Security is mandatory.

8.11 Amendment to Medical Coverage

In the event any Federal or State legislation which provides health care coverage for employees covered by this resolution is enacted into law during the term of this resolution and such legislation has an adverse impact on either party, the parties will meet to discuss the impact of such legislation.

In the event that the level of financial contribution by the District, on the effective date of such legislation is greater than required to satisfy the terms of the medical insurance contribution rate as set by this resolution, the District agrees to make the amount in excess of what is required available for the benefit of employees covered by this resolution.

8.12 Deferred Compensation

The District will offer to employees deferred compensation plans pursuant to the "Deferred Compensation Plan" approved by the District Board of Directors on May 22, 1985 consistent with current IRS regulations and requirements.

9. Non Discrimination

The District and employees agree that no person employed or applying for employment shall in any way be discriminated against because of race, color, creed, religion, sex, national origin, physical or mental disability, age, political affiliation or opinion, sexual orientation, gender identity, marital status, or other legally protected characteristic, nor shall a person be the subject of sexual harassment as prohibited by District policy and applicable law.

Complaints under this section shall be filed and processed in accordance with the

District's Anti-Harassment and Discrimination Policy. If the District policy does not resolve the issue, the complaint may proceed in accordance with applicable law.

10. Holidays

Recognized Holidays

The District recognizes the following days as holidays to be taken off with pay by full-time employees:

(1) New Year's Day
(2) M. Luther King Jr.'s Birthday
(3) President's Day
(4) Memorial Day
(5) Juneteenth
(6) Independence Day
(7) Labor Day
(8) Veteran's Day
(9) Thanksgiving Day
(10) Day after Thanksgiving
(11) Day before Christmas Day
(12) Christmas Day

If Christmas Day falls on a Saturday, Sunday or Monday, the Day before Christmas Day shall be observed on the last working day before the day on which Christmas is observed by the District.

10.1 Floating Holidays

Effective January 1, 2024, employees shall receive one (1) floating holiday. Effective July 1, 2024, and each July 1st thereafter, employees shall accrue two (2) floating holidays per fiscal year.

New employees hired during the period of July 1st to December 31st in the calendar year will be credited with two (2) floating holidays for that fiscal year. New employees hired during the period of January 1st to June 30th in the calendar year will be credited with one (1) floating holiday in the first full pay period following active employment.

Employees who receive floating holidays may use one of their accrued floating holidays on Cesar Chavez Holiday (March 31) as long as minimum staffing levels as determined by the employee's Division Director or General Manager are maintained.

An employee's accrued floating holiday(s) received pursuant to this section shall be exchanged for the first day(s) of vacation taken by the employee, but shall not be counted against the employee's total accrual of vacation days for the fiscal year.

Floating holidays not used by the employee prior to the end of the fiscal year will be forfeited without pay.

10.2 Holidays Falling on Saturday or Sunday

If and whenever any holiday provided for in Section 10 above, other than Christmas, falls on a Saturday, it shall be observed on the preceding Friday**.** If and whenever a holiday provided for in Section 10 above falls on a Sunday, it shall be observed on the following Monday.

11. Vacation

11.1 Vacation With Pay

Full-time employees shall earn vacation with pay at the following rates for each complete paid year of service with the District:

Division Directors

For the first fifteen (15) years of service	6.16 hours/pay period
Sixteen (16) years of service	6.47 hours/pay period
Seventeen (17) years of service	6.77 hours/pay period
Eighteen (18) years of service	7.08 hours/pay period
Nineteen (19) years of service	7.39 hours/pay period
For Twenty (20) or more years of service	7.70 hours/pay period

Mid-Managers

For the first nine (9) years of service	4.62 hours/pay period
For the next six (6) years of service	6.16 hours/pay period
Sixteen (16) years of service	6.47 hours/pay period
Seventeen (17) years of service	6.77 hours/pay period
Eighteen (18) years of service	7.08 hours/pay period
Nineteen (19) years of service	7.39 hours/pay period
For twenty (20) or more years of service	7.70 hours/pay period

11.2 Vacation Scheduling

Vacations will be scheduled by the Division Director or General Manager in accordance with work load and District seniority. Seniority is defined as the total continuous time of service with the District, as defined in the paragraph entitled "Seniority Defined." The most senior person in each work unit, based on overall District seniority, will have first choice in selecting a single block of vacation, with the scheduling then proceeding to the next senior person until all vacation has been scheduled. If at all possible, the selected time will be assigned. If there is a conflict, employees may be asked to select another time. Once vacation time is assigned, it will not be changed except with advance approval of the Division Director or General Manager. If scheduled vacation time is not taken, the employee may not invoke seniority when rescheduling vacation.

11.3 Lump Sum Vacation Pay

An employee whose service with the District terminates for any reason or who is granted a leave of absence shall be paid a lump sum for all accrued vacation earned prior to termination date or last day worked. The District shall be reimbursed for any unearned vacation, either by debiting the final check or by direct payment to the District. Upon separation, the employee shall reimburse the District for any used but unearned vacation.

11.4 Vacation Carry Over

Unrepresented Classes may carry over accrued, unused vacation from calendar year to year, to a maximum of five hundred (500) hours. When an employee's vacation balance reaches five hundred (500) hours, the employee shall no longer accrue vacation hours. Vacation hours shall again begin to accrue when the employee's accrued hours drop below the five hundred (500) maximum.

11.5 Vacation Cash-In

Annually, in November, Unrepresented Classes may irrevocably elect to cash-in up to eighty (80) hours of accrued vacation during the following calendar year, as long as they maintain a minimum accrued vacation balance of at least eighty (80) hours after the cash-in. No CalPERS service credit shall accrue from a vacation cash-in.

12. Administrative Leave

In recognition of the extended hours worked by Unrepresented Classes and since they are exempt from overtime under the FLSA, effective January 1, 2024, Unrepresented Classes employees managing twenty- four (24) hour operations (Director of Operations and Superintendents) will be entitled to 100 hours of administrative leave per calendar year; all other employees will be entitled to 80 hours of administrative leave per calendar year.

Within six (6) months of the approval of this resolution, the District and Unrepresented Classes will meet to discuss the development of objective, merit based criteria that may be used to allocate administrative leave to the Unrepresented Classes in the future.

13. Sick Leave

Sick Leave Accumulation

Full-time employees shall earn and accumulate paid sick leave without limit at the rate of 4.62 hours per pay period hours for each complete pay period of service with the District. The District Board of Directors may, in its discretion, grant additional sick leave not to exceed seven hundred twenty (720) hours to any employee who has used all of their accumulated sick leave and is unable to work due to illness or injury if the employee's work record and years of service so warrant.

13.1 Sick Leave Use

All employees shall be entitled to use accumulated sick leave under the following circumstances:

1) The employee is incapable of performing the job duties due to illness or injury;

2) To attend a medical examination or treatment in a doctor's office, dentist's office, hospital or other medical facility for the employee’s own health condition; provided that the amount of sick leave used for such visits is the amount of time reasonably necessary to travel to and from and attend the medical appointment;

3) To attend to an illness of the employee's “immediate family” member or “designated person” as defined in Section 13.2 below. An employee may use up to one-half of the District’s annual sick leave accrual (60 hours /calendar year) for this purpose. Employees may use sick leave under this provision to attend routine medical and dental appointments that the family member or designated person could not keep on their own. Employees may use a day of sick leave under this provision to be with their spouse or registered domestic partner at the time of birth of a child;

   In the case of a serious health condition, after use of sixty (60) hours for "immediate family" members or “designated person” (as defined in Section 13.2 below) leave in any calendar year, employees may use other forms of paid time off, including but not limited to vacation and compensatory time off. Once all other forms of paid leave have been exhausted employees may use any remaining sick leave, the total amount of paid time used may not exceed the total of time allowed under the Family Medical Leave Act (FMLA) or California Family Rights Act (CFRA); or

4) The employee is pregnant and may take up to six (6) months of leave per pregnancy based on certified medical needs and subject to related Federal and State provisions.

13.2 Immediate Family/Designated Person Defined

An employee's immediate family, as it applies for sick leave and Funeral/Bereavement Leave is defined as the employee's spouse, registered domestic partner, children, foster children, parents, foster parents, grandparents, brothers, sisters, and the parents, foster parents or children, or grandparents of the employee's spouse or registered domestic partner or for a family member for whom the employee is standing in loco parentis.

"Designated person" is defined by CFRA. Pursuant to CFRA, an employee may elect a "designated person" at the time the employee requests leave pursuant to Section 13.1. The employee's election of a "designated person" shall be limited to one person per twelve (12) month period.

13.3 Sick Leave Approval

The District may require a doctor's certificate stating the necessity for sick leave and may make such other investigation as to the necessity for sick leave as it deems appropriate. In the event an employee fails to provide satisfactory evidence of the necessity for sick leave within five (5) working days after being instructed to provide such evidence claiming or applying for sick leave, the employee's sick leave rights for the period applied for shall be deemed to have been voluntarily waived and released.

An employee who is absent from work due to their own or a family member's or designated person's illness, injury or other medical condition must notify their supervisor of their absence within a reasonable time prior to the start of their scheduled shift. If an employee is unable to place a call, a friend or relative should be asked to contact the supervisor on behalf of the employee. An employee who requires sick leave to attend a medical appointment must notify their Division Director or the General Manager of the planned absence within a reasonable amount of time following the time the appointment is made.

13.4 Sick Leave Incentive Program

Employees accruing sick leave hours in excess of eight hundred (800) hours, may annually elect one of the following options with respect to such excess hours accrued on or after November 1st of each year:

(1) Accumulation option: continue to accumulate sick leave hours in accordance with this resolution;

(2) Compensation option: In November of each year, employees may irrevocably elect to be compensated in the following calendar year for all accumulated hours in excess of eight hundred (800) hours at fifty percent (50%) of their regular salary rate; or

(3) Combination option: combine the accumulation option and compensation option with fifty percent (50%) allotted to each.

No CalPERS service credit shall accrue from the sick leave compensation provided under this Section.

13.5 Sick Leave Payout

(1) Every employee upon retirement shall be paid a lump sum equal to seventy five percent (75%) of the number of hours of the employee's accumulated sick leave, based upon the employee's salary at the time of retirement. The maximum payout shall not exceed 750 hours.

(2) Every employee having five (5) or more years of continuous service with the District upon discharge or lack of work or lack of funds within the employee's classification shall be paid a lump sum equal to fifty percent (50%) of the number of hours of the employee's accumulated sick leave, based upon the employee's salary at the time of their discharge.

(3) The estate of every employee upon death of the employee shall be paid a lump sum equal to fifty percent (50%) of the number of hours of the employee's accumulated sick leave, based upon the employee's salary at the time of death.

No CalPERS service credit shall accrue from the sick leave compensation provided under this Section.

13.6 Special Sick Leave

Employees disabled from their regular work by injury received in the course of employment shall be granted special sick leave, not exceeding sixty (60) working days except with special approval of the District Board of Directors. Such special sick leave shall not be charged against an employee's earned sick leave. An employee may be requested to perform temporary limited duties during such period of disability if the attending physician finds the employee able to perform such duties.

Every employee entitled to special sick leave shall, for each day of such special sick leave taken, be paid the differential between the employee's regular salary or wage and the amount of workers' Compensation disability payments to which such employee is entitled for such day; provided, that such differential shall not be paid for any day on which the employee declines to perform temporary limited duties requested of them.

14. Attendance Policy

Regular attendance by ever employee is important and necessary to the successful operation of the District.

15. Funeral/Bereavement Leave

An employee may use up to forty (40) hours, with twenty-four (24) hours paid by the District, of Funeral /Bereavement leave in the case of a death in an employee's "immediate family" or the death of the individual who is currently predesignated as the employee's "designated person".

16. Leaves of Absence

16.1 Leave Without Pay

The District General Manager may grant regular full-time employees leave without pay for a bona fide reason for up to six (6) months. Any such leave without pay may be extended for additional periods not to exceed thirty (30) calendar days each. Seniority and longevity shall continue to accrue only during the first thirty calendar (30) calendar days of any leave without pay. The granting or not granting of such leave without pay is at the sole discretion of the District General Manager.

In instances where an employee has exhausted all paid leave accruals and there is a bona-fide reason for an absence, requests for two weeks (80 hours) or less of leave without pay may be authorized by the Division Manager or their designee.

16.2 Family and Medical Leave Act

Family and medical leave shall be granted in accordance with the Federal Family and Medical Leave Act and the California Family Rights Act.

16.3 Jury Duty and Work Related Subpoenaed Court Appearance

Whenever an employee is summoned for jury duty as a state or federal trial juror or grand juror, or is subpoenaed to appear as a witness before a grand jury or at a preliminary hearing, trial, or deposition, in a case in which the employee is not a party but which is related to the employee's official District duties, such employee's regular pay shall continue and time spent in jury service or in giving testimony shall not be charged to the employee's sick leave or vacation time, but employee shall reimburse District for compensation received for any service or witness fees received, not including mileage.

16.4 Military Leave

Employees shall be granted military leave in accordance with the provisions of California Military and Veterans Code Section 395, et. seq. and the Uniformed Services Employment and Reemployment Rights Act shall be entitled to the salary continuation rights and status and any reinstatement rights specified therein.

16.5 Disability Absence

A disabled employee may be provided an unpaid leave of absence of a specific duration as a reasonable accommodation where it is likely the employee will be able to return to their job at the conclusion of the leave. If, during the course of such leave, the District reasonably determines that it is unlikely that the employee will be able to return to their position because of a disability, the District may terminate the employment, provided that there is no available alternative position for which the employee is qualified to perform.

The District may deny a request for leave under this section where the length of the leave imposes an undue hardship on the District.

When an employee becomes disabled due to a work related injury, the maximum duration of an occupational injury leave is as required by law.

This section is not intended to abridge rights involving disability leave where said rights are otherwise established by local, state or federal statute.

16.6 Pregnancy Leave

A pregnant employee may take a pregnancy leave of up to six (6) consecutive months, with approval by their Division Director. The employee may use their paid leave time, in the form of accrued sick time, as per section 13.1 (4), and/or any accrued vacation and compensatory time during the period of the pregnancy leave.

16.7 Parental or Adoptive Leave

A prospective parent or adoptive parent may take a parental leave of up to six (6) consecutive months, with approval by their Division Director. The employee may use their paid leave time, in the form of accrued sick time, as per section 13.1 (3), and/or any accrued vacation and compensatory time during the period of the parental leave.

17. Layoff

Need For Layoff

In determining the necessity for a layoff, the factors to be included will include, but may not be limited to, the following:

1) The need and funding for the position;

2) Whether the job experience, skills and educational training of an employee being considered for layoff qualify the employee for another position;

3) Overall level of performance with the District of an employee being considered for layoff; and

4) Seniority.

17.1 Seniority Defined

Seniority is defined as the total continuous time of service with the District, excluding any service time during which the employee was classified as part-time. Seniority will accrue for each two preceding consecutive 80 hours of pay credit.

17.2 Notice of Layoff

The District will make every effort to give as much advance notice of layoff as possible. Regular full-time employees will receive a minimum of ninety (90) calendar days written notice; full-time temporary employees will receive a minimum of sixty (60) calendar days written notice, except that when the position is scheduled for six (6) months or less, the employee will receive a minimum of thirty (30) calendar days written notice; part-time hourly employees may be laid off without advance notice.

18. Automobile Use

18.1 Employee Vehicle

The District will reimburse employees at the rate currently approved by the I.R.S. for authorized use of their private vehicle for District use, for miles traveled on paid time. Private vehicles may be used only when no appropriate District vehicle is available and with the advanced approval of the employee's Division Director or General Manager.

18.2 District Vehicles

To facilitate the District's operation, the District General Manager may assign a District vehicle to certain employees who are required to be on call for and respond to operational problems or emergencies after normal work hours. In compliance with the District's "Vehicle Use Policy", District vehicles are not to be used for personal business and are to be operated only by District employees.

19. Management Professional Allowance

19.1 Education and Training

The District will reimburse tuition, books, laboratory fees and examination fees in the amount of up to $3,500 per employee per fiscal year in connection with educational courses taken by regular full-time or regular part-time non-probationary employees. The educational course must be related to the employee's current position or to a position within the District to which the employee may aspire. The written request for cost reimbursement must be completed by the employee and approved by the Division Director and District General Manager before the course begins. In order to be reimbursed for educational costs, the employee must attain a grade of at least "C" or its equivalent, and class and study time must be outside the employee's normal work hours. To qualify, courses must be given by an accredited school or college, or a recognized professional or training organization acceptable to the District. Transportation or other costs are not reimbursable.

Unrepresented Classes may also use the $3,500 annual educational and training allotment for other professional development such as the purchase of books, computers and attendance at professional conferences not covered by the District. Unrepresented Classes may also choose to use this allowance to offset the cost of their medical coverage, to offset the costs not covered by their insurance for medical, dental or vision procedures for the employee or eligible family members, or to place part or all of these funds into a deferred compensation plan.

<u>19.2</u> <u>Training and Conference Expenditures</u>

All requests for attendance at training courses, seminars and conferences shall be approved in advance by the employee's Division Director or General Manager.

<u>20.</u> <u>Flexible Work Hours</u>

An individual employee's request for an alternate work schedule (9/80 or 4/10) shall be considered on an individual or departmental basis and may be approved on an individual or departmental basis provided there is no adverse effect on District operations, and shall be at District's sole discretion. It is understood that such alternate work schedule may not be permanent. Alternate work schedules may be revoked upon ten (10) working days' notice to the employee or group of employees affected by the revocation. The District will endeavor to respond to the request within ten (10) business days.

<u>21.</u> <u>Probationary Period</u>

<u>21.1</u> <u>New Hire Probationary Period and Promotions</u>

The probationary period for newly hired employees covered by this resolution shall be one (1) year of paid service. Newly hired employees who are reclassified or promoted during their initial probationary period will be required to complete an additional year of probation in their new classification.

At the discretion of the District General Manager, the probationary period for a newly hired employee may be extended for up to six (6) months, if circumstances warrant, by giving notice to the employee fifteen (15) working days before the scheduled completion date of the normal probationary period. During the probationary period or any extension thereof, an employee may be dismissed or disciplinary action taken against the employee and the employee shall not have the right to a hearing with respect thereto.

<u>21.2</u> <u>Promotion of Current Employees</u>

The probationary period for newly promoted employees, excluding newly hired employees covered by Section 21.1, shall be three (3) months of paid service in the new classification. During this period of time the employee may return or be returned to his/her original position without the right to appeal.

At the discretion of the District General Manager, the probationary period of a promoted employee may be extended for up to three (3) additional months, if circumstances warrant, by giving notice to the employee fifteen (15) working days before the scheduled completion date of the normal probationary period. During this period of time the employee may be returned to his/her original position without the right to appeal.

21.3 Employment Status

Upon completion of the probationary periods in Section 21.1 and 21.2, an employee shall be designated as a non-probationary employee who shall be subject to disciplinary action only for cause.

22. Discipline and Discharge

Upon completion of the designated probationary period an employee shall be designated as a non-probationary employee who shall be subject to disciplinary action only for cause. The District shall use progressive disciplinary steps (i.e., reprimand, suspension, demotion, termination) unless the violations are extremely serious.

22.1 Preliminary Notice

A non-probationary employee shall receive, in accordance with the law, a preliminary written notice of any proposed disciplinary action that involves the loss of pay. The notice must contain a specific statement of charges or grounds upon which the proposed disciplinary action is based and the date the disciplinary action will be effective.

Any known written materials, reports or documentation upon which the disciplinary action is based must be attached to the notice. Adverse documents that did not result in a loss of pay and which are more than three (3) years old shall not be utilized in subsequent disciplinary action.

In cases of discipline which involves no loss of pay, the employee shall have ten (10) working days to appeal to the District General Manager, who shall schedule a meeting with the employee to review the proposed discipline within ten (10) working days of receipt of an appeal. After hearing the response of the employee the District General Manager may order that the proposed disciplinary action or modification thereof be imposed.

Upon the receipt of the notice involving a loss of pay, the employee shall have ten (10) working days to appeal the matter in writing to the District General Manager. If a written appeal is filed, no disciplinary action shall be imposed until the District General Manager has conducted a hearing with the employee (and employee's representative, if the employee so designates a representative) present and having heard the response of the employee. The District General Manager shall schedule the hearing within ten (10) working days of receipt of an appeal.

22.2 Disciplinary Action and Appeal

After hearing the response of the employee the District General Manager may order that the proposed disciplinary action or modification thereof be imposed.

Thereafter, the employee shall notify the District within ten (10) working days that the matter is appealed.

23. Dispute Resolution

23.1 Definitions

(1) A dispute which involves the interpretation or application of any provision of this Resolution.

(2) A day shall mean any that the District Office is open for business, excluding Saturdays, Sundays and the holidays recognized by the District.

(3) A dispute may be filed by an individual employee or a group of employees on matters involving the District and the employee/group relationship.

(4) Time limits begin with the day following the event causing the dispute or the day following receipt of a decision.

23.2 Procedure

Step 1.

Within seven (7) working days of when the employee knew or should have known of the act or omission causing the dispute the employee shall present either in writing or verbally a clear and concise statement of the dispute to the immediate supervisor.

Within five (5) working days thereafter the immediate supervisor shall investigate and respond to the allegations of the employee.

Step 2.

If the employee is not satisfied with the resolution at Step 1, they must reduce the dispute to writing and present it to the Division Manager within ten (10) days.

The written statement shall contain a statement of facts about the nature of the dispute, and shall identify the specific provisions of this Resolution alleged to be violated, applicable times, places and names of those involved, the remedy or relief requested, and shall be signed by the employee.

The Division Manager shall confer with the employee and within ten (10) working days respond to the allegations in writing.

Step 3.

If the employee is not satisfied with the resolution at Step 2, the employee shall within five (5) working days appeal the matter to the District General Manager.

The District General Manager shall investigate the matter, conduct a hearing if he deems it appropriate and within ten (10) days, thereafter, respond to the allegations in writing.

Step 4.

If the dispute remains unresolved after Step 3, the employee may, by written notice to the District Personnel Office within ten (10) working days after the receipt of the response in Step 3, notify the District that the employee wishes to appeal the dispute to advisory arbitration. The parties shall attempt to agree upon an arbitrator. If no agreement is reached, they shall request a list from the State Conciliation Service of nine (9) names.

Each party shall then alternately strike a name until only one (1) name remains, said person to be the arbitrator. The order of striking shall be determined by the flip of a coin.

23.3 Arbitration

The arbitrator shall be empowered to conduct a hearing and to hear and receive evidence presented by the parties. The hearing shall be informal and need not be conducted according to technical rules of evidence. Repetitious evidence may be excluded and oral evidence shall be taken only under oath. The arbitrator shall determine what evidence is relevant and pertinent, as well as any procedural matters limited to the conduct of the proceeding, and may call, recall and examine witnesses as the arbitrator deems proper.

The burden of proof shall be upon the employee in dispute matters and upon the District in disciplinary matters.

After the conclusion of any hearing and the submission of any post hearing evidence or briefs agreed upon by the parties, the arbitrator shall render a written decision which shall be advisory upon the District, and any employee(s) involved in the dispute or disciplinary matter.

The arbitrator shall not be empowered to add to, subtract from, or in any way modify or alter any provision of this Resolution. The arbitrator shall only determine whether a dispute exists in the manner alleged by the employee, and what the proper remedy, if any, shall be, or in the case of a disciplinary matter whether the District's allegations are accurate and the appropriateness of the disciplinary penalty.

23.4 General Provisions

(1) Unrepresented Classifications who participate in the Dispute Resolution process by filing a complaint or acting as a witness on the behalf of either party shall be free from discrimination by the District.

(2) An employee has the right to be represented at each stage of the procedure, to cross examine witnesses, and have access to all information regarding the basis of the dispute upon which the District relies in making its determinations. The right to cross examine witnesses applies only at hearings held under this section and not to the Skelly (pre-discipline) process.

(3) If the District management fails to respond within the specified time limits, the dispute shall, at the request of the employee, automatically be moved to the next step of the procedure. If the employee fails to process or appeal a dispute within the specified time limits, the matter shall be deemed settled. The parties may by mutual agreement waive the steps in the procedure.

(4) If a hearing is held during the work hours of employee witnesses, such employees shall be released from duties without loss of pay or benefits to appear at the hearing. Witnesses requested by the parties shall be compelled to attend said hearings.

(5) The Human Resources Department shall act as the central repository for all dispute documentation.

(6) Time limits contained herein may be extended by mutual agreement of the parties. Absence for bona fide reasons by an employee, any management official involved in responding to the complaint shall automatically extend the time limits by the same number of days of absence.

24. Uniforms

Uniforms are furnished to employees to provide a means of identification for District employees contacting the public and to present the best image possible of the

District. Where applicable, the District will reimburse employees for the purchase of uniforms. The District shall designate those classifications for which uniforms and/or boots shall be required. Employees furnished uniforms are expected to keep themselves neat and clean and the uniform in good repair.

25. Board of Directors

25.1 Medical Insurance

A member of the Board of Directors is eligible to participate in the District's health plan. A Director becomes eligible to participate in the District's health plan on the first day of the month following the receipt of the Director's application for coverage by the Human Resources Department. An eligible Director may elect coverage with any of the health plans authorized under the PERS Medical Insurance Coverage Program. The District's contribution towards a Director's healthcare cost shall be the same as that for active District employees as set forth in Section 8.1.

25.2 Dental Insurance

After three (3) months in office, a Director may participate in the District's dental insurance program through the Delta Dental Plan. The District pays the full premium for Directors and their eligible dependents. The maximum yearly benefits shall be two thousand dollars ($2,000).

Orthodontia coverage for dependent children of the Directors will be covered up to a lifetime maximum of $3,000 per child.

PASSED AND ADOPTED this day 7th of November, 2023, by the following vote of the Board of Directors.

AYES: Directors Ranjiv Khush, Larry Russell, Matt Samson, Jed Smith, and Monty Schmitt

NOES: None

ABSENT: None

Monty Schmitt

Monty Schmitt
President, Board of Directors

ATTEST:

____
Terrie Gillen
Board Secretary

EXHIBIT C

GENERAL RELEASE AND WAIVER OF CLAIMS AGREEMENT

1. Release of Claims. In exchange for the valuable consideration and compromises set forth in this agreement ("Agreement") and that certain agreement entitled "At-Will Employment Agreement of Shaun Horne as General Manager of the Marin Municipal Water District" ("At-Will Employment Agreement") Shaun Horne on behalf of himself, his heirs, estate, executor, administrator, successors and assigns, does fully release and forever discharge the Marin Municipal Water District and each of its officers, Board Members, employees, consultants, attorneys, successors and/or assigns, both past and present (collectively the "District") and both officially and individually from any and all actions, claims, judgments, obligations, damages and liabilities of whatsoever kind and character which Shaun Horne may now have or has ever had arising in any way from or during her employment, including any and all actions up to the Effective Date of this Agreement.

In exchange for the valuable consideration and compromises set forth in this Agreement and the At-Will Employment Agreement, the District on behalf of itself, officers, Board members, employees and assigns, both past and present, does fully release and forever discharge Shaun Horne an and each of his heirs, estate, executor, administrator, attorneys, successors and/or assigns, both past and present and both officially and individually from any and all actions, claims, judgments, obligations, damages and liabilities of whatsoever kind and character which the District may now have or has ever had arising in any way from or during Shaun Horne's employment up to the Effective Date of this Agreement.

The releases by the parties made herein cover all statutory, common law, constitutional and other claims including but not limited to:

(a) Any and all claims for wages, salary, paid leave, and/or benefits;
(b) Any grievance or other administrative remedy deriving from District policy;
(c) Any and all claims for wrongful or constructive discharge and/or reinstatement;
(d) Any and all claims relating to any contracts, express or implied, or breach of the covenant of good faith and fair dealing, express or implied;
(e) Any and all tort claims of any nature and including but not limited to claims for defamation, invasion of privacy, misrepresentation, fraud or negligent or intentional infliction of emotional distress;
(f) any CLAIMS or causes of action arising out of, in connection with or relating to Shaun Horne's employment including, but not limited to, any claims of employment, race, sex, age or disability discrimination, retaliation and harassment arising under Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. Section 2000, *et seq.*); the Civil Rights Act of 1991, ;the Age Discrimination in Employment Act of 1967 (29 U.S.C. Section 621, *et seq.*); the California Fair Employment and Housing Act (California Government Code Section 12900, *et seq.*); the Federal Americans With Disabilities Act of 1990 (42 U.S.C. Section 12101, *et seq.*); the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. Section 651, *et seq.*); the

California Occupational Safety and Health Act of 1973 (California Labor Code Section 6300, *et seq.*); the Racketeer Influenced and Corrupt Organizations Act ("RICO") (18 U.S.C. Section 1961); qui tam claims under Federal False Claim Act (31 U.S.C. Section 3730); the California Constitution; and any claims arising under the California Labor Code (specially including any claims for workers' compensation benefits or for disputed wages and vacation pay); the federal Fair Labor Standards Act; the Federal Equal Pay Act of 1963 (29 U.S.C. Section 201, *et seq.*); any claim for retirement benefits under the Employee Retirement Income Security Act (Title 29 U.S.C.A. Section 1000, *et seq.*); 42 U.S.C. Section 1981, 42 U.S.C. Section 1983 ; the Older Workers' Benefit Protection Act; or any federal, state or municipal, constitution, statute, ordinance regulation and/or ordinance affecting or relating to the claims and rights of employees;

(g) Any and all claims for attorneys' fees or costs;

(h) Any and all claims against Shaun Horne or the District for conduct occurring up to the Effective Date of this Agreement;

(i) Any and all claims for breach of fiduciary duty or loyalty;

(j) Any and all claims for malicious prosecution or abuse of process;

(k) any claims alleged or referred to, directly or indirectly, or in any way connected with, or arising out of, or which may hereafter be claimed to arise out of, the subject matters, facts, events or occurrences alleged or referred to in this Agreement or the At-Will Employment Agreement; and

(l) any claim (i) sounding in tort, specifically including, but not limited to, any torts related to constructive and/or wrongful discharge in violation of public policy, defamation, invasion of privacy, intentional and negligent interference with contract and/or prospective economic advantage, fraud and any misrepresentation, and intentional and negligent infliction of emotional distress; (ii) any breach of contract of employment or collective bargaining agreement (expressed or implied); and (iii) any covenant of good faith and fair dealing (express or implied).

Shaun Horne agrees that he will not institute, prosecute or pursue any complaints, claims, charges, claims for relief, demands, suits, actions and causes of action, whether in law or in equity, which he asserts or could assert against the District, at common law or under any statute, rule, regulation, order or law, whether federal, state or local on any ground whatsoever, known or unknown, based on conduct occurring up to the Effective Date of this Agreement other than to enforce the terms of the At-Will Employment Agreement and its Exhibits.

The District agrees that it will not institute, prosecute or pursue any complaints, claims, charges, claims for relief, demands, suits, actions and causes of action, whether in law or in equity, which it asserts or could assert against Shaun Horne, at common law or under any statute, rule, regulation, order or law, whether federal, state or local on any ground whatsoever, known or unknown, based on conduct occurring prior to the Effective Date of this Agreement, other than to enforce the terms of the At-Will Employment Agreement and its Exhibits.

Shaun Horne understands that this Agreement shall operate as a complete bar against any and all litigation, charges, complaints, or grievances now pending or contemplated by her or which might at any time be filed, including, but without limiting the foregoing, any and all matters arising out of or in any manner whatsoever connected with Shaun Horne's employment by and termination and/or separation of employment from the District through the Effective Date of this Agreement. Each and all of the aforesaid claims are hereby fully and finally settled, comprised and released by Shaun Horne.

Shaun Horne's Initials: _____

The District understands that this Agreement shall operate as a complete bar against any and all litigation, charges, complaints, or grievances now pending or contemplated by District or which might at any time be filed, including, but without limiting the foregoing, any and all matters arising out of or in any manner whatsoever connected with Shaun Horne's conduct up to the Effective Date of this Agreement. Each and all of the aforesaid claims are hereby fully and finally settled, comprised and released by the District.

Employer's (District's) Initials by authorized signatory: _____

Shaun Horne further agrees that if any such claim is prosecuted in her name, on her behalf or for her benefit before any court or administrative agency, she waives any right to and agrees not to take any award of money or other damages from such action. District further agrees that if any such claim is prosecuted in its name, on its behalf or for its benefit before any court or administrative agency, it waives any right to and agrees not to take any award of money or other damages from such action.

2. Waiver of Rights under Civil Code § 1542. As further consideration and inducement for this Agreement, Shaun Horne and the District hereby waive and release any and all rights under Section 1542 of the California Civil Code which they have or may have with respect to Shaun Horne's employment with the District, up to the Effective Date of this Agreement.

California Civil Code Section 1542 provides as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Shaun Horne and the District understand that Section 1542 gives them the right not to release existing claims of which they are not now aware, unless the parties voluntarily choose to waive this right. Having been so apprised, the parties nevertheless hereby voluntarily elect to, and do, waive the rights described in Section 1542, and elect to assume all risks for claims that exist in their favor, known or unknown, which arise from the subject of this Agreement and/or the At-Will Employment Agreement.

Shaun Horne's Initials: ____ **Employer's Initials: ____**

3. Older Worker's Benefit Protection Act. Shaun Horne acknowledges that this Agreement is subject to and includes a waiver and release of any rights she may have under the Age

Discrimination in Employment Act ("ADEA") and that such waiver and release is knowing and voluntary. Shaun Horne further acknowledges that he has been advised by this writing as required by the Older Worker's Benefit Protection Act that: (a) his waiver and release of ADEA rights hereunder does not apply to any such rights that may arise after this Agreement is executed or any challenge by Shaun Horne to the validity of his waiver and release of the ADEA rights; (b) he should consult with an attorney prior to executing this Agreement; (c) he has at least twenty-one (21) days within which to consider the waiver and release of all rights under this Agreement, although he may by his own choice execute this Agreement earlier; (d) any changes that may be negotiated during the review period shall not restart the 21-day review period; (e) he has seven (7) days following the execution of this Agreement to revoke his waiver and release of any and all rights under covered by this Agreement, including but not limited to ADEA rights; and (e) the waiver and release of rights including ADEA rights shall not be effective until the date upon which the revocation period has expired, which shall be the eighth (8^{th}) day after the Agreement is executed by Shaun Horne. To be effective the revocation must be in writing and be received by the District, attention General Counsel, within the seven-day period stated herein.

Shaun Horne confirms that, after deliberation and receiving advice of counsel, he has decided to waive the 21-day period to consider the waiver and release provided in the foregoing paragraph 3. Accordingly, the Effective Date of this Agreement is the eighth (8^{th}) day after execution of this Agreement by Shaun Horne.

4. Confidentiality. Shaun Horne and the District hereby each agree to keep the terms and amount of this Agreement completely confidential, and the District will not disclose any information concerning this Agreement to anyone, unless required by law or ordered by a court to disclose the terms of said Agreement. The District's executed original of this Agreement shall not be placed in Shaun Horne's personnel file but shall instead be placed in a separate file maintained by the District's General Counsel's Office.

5. Attorneys' Fees and Costs. The parties to this Agreement acknowledge and agree that each is to bear their own costs and attorneys' fees incurred in connection with the handling of Shaun Horne's resignation and employment termination. The parties further expressly acknowledge and agree that no party is a "prevailing party" or "successful party" for purposes of any claim for statutory or contractual attorneys' fees or costs.

6. The parties represent, acknowledge and warrant that:

(a) They have carefully read this Mutual Release and Waiver of Claims Agreement which contains a general release of claims;

(b) They have made such investigation of the facts pertaining to the Agreement as they deem necessary;

(c) They understand all of the terms of this Agreement;

(d) They execute this Agreement freely, voluntarily and without coercion, with full knowledge of its significance and the legal consequences thereof following opportunity for consultation with their legal counsel;

(e) They have had adequate opportunity to review and consider the terms of this Mutual Release and Waiver of Claims Agreement which contains a general release of claims;

(f) They intend to release each other from any liability for the matters covered by this Agreement; and

(g) The only promises made to them to sign this Agreement are those stated in this Agreement.

PLEASE READ CAREFULLY. THIS MUTUAL RELEASE AND WAIVER OF CLAIMS AGREEMENT WHICH CONTAINS A GENERAL RELEASE OF CLAIMS INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

SIGNATURES OF PARTIES

Dated: __________________, 20__	Dated: __________________, 20__
____________________________________	______________________________
Shaun Horne	______________________________
	President, Board of Directors