

**AMENDMENT NO. 1 TO THE AGREEMENT FOR PERSONAL SERVICES
BETWEEN JEFF R. CARSON AND THE DUBLIN SAN RAMON SERVICES
DISTRICT**

THIS AMENDMENT NO. 1 to the Agreement for Personal Services between Jeff R. Carson (“Operations Manager”) (also referred to as “Manager”) and the Dublin San Ramon Services District, a public agency of the State of California in the Counties of Alameda and Contra Costa (“District”), is made and entered into this 7th day of November 2017.

WITNESSETH :

WHEREAS, the parties heretofore entered into that certain Agreement for Personal Services (Operations Manager) dated December 5, 2016 (the “Agreement”) under which Operations Manager has provided services for District; and

WHEREAS, the District (by and through its General Manager) has determined that it is in the best interest of District to modify the Agreement with this Amendment No. 1.

NOW, THEREFORE, the parties hereto agree as follows:

Article 1: Subsection 4.2 under Section 4 titled “AVAILABILITY AND COMMUNICATIONS” of the Agreement is hereby superseded and revised in its entirety and shall read as follows:

“AVAILABILITY AND COMMUNICATIONS

4.2 District Furnished Communication Device The District shall provide Operations Manager with use of a mobile device (e.g. smart phone) with cell phone, text, e-mail, and VPN functionality. Email and VPN functionality will also be provided through use of the District-provided notebook or tablet computer.”

Article 2: Section 12 titled “AMENDMENT” of the Agreement is hereby

superseded and revised in its entirety and shall read as follows:

“**Section 12. AMENDMENT** This Agreement may be amended only by a written document executed by each party hereto. Approximately three months prior to the end of any calendar year, either party may request an amendment to any part of this Agreement. The other party is under no obligation to accept such proposed amendment.”

Article 3: Section 1 and Section 2.2 of Exhibit A titled “COMPENSATION” to the

Agreement are hereby superseded and revised in their entirety and shall read as follows:

“COMPENSATION

1. BASE SALARY

1.1 Initial Base Salary Commencing on the first day of the first pay period of calendar year 2018, District shall compensate Manager a base salary of \$17,693.66 per month (\$212,323.91 annually), payable in bi-weekly installments in accordance with District’s standard payroll procedures.

1.2. Annual Cost of Living Base Salary Adjustments Subject to satisfactory performance as determined by the General Manager, Manager’s base salary shall be adjusted effective on the first day of the first pay period of Calendar Years 2019, 2020, and 2021 by 2.75%.

1.3 Annual Merit Increase Adjustment Subject to satisfactory performance and accomplishment of goals as assigned by the General Manager, and at the discretion of the General Manager and upon Board approval, Operations Manager shall be eligible to receive a merit increase in base salary (after cost of living adjustment has been applied), in the amount of five percent (5.0%) on the first day of the first pay period of Calendar Year 2019. Operations Manager is not automatically entitled to an annual merit increase adjustment. The General Manager, within his discretion, may still determine no merit increase is warranted.

2. DEFERRED COMPENSATION

2.2 District Matching Contribution Beginning in Calendar Year 2018 and continuing through the end of Calendar Year 2021, the District will match Manager’s voluntary deferrals to the Plan up to an amount equal to two thousand five hundred dollars (\$2,500) per calendar year.

Article 4: Subsections 2.1.1, 2.1.2, and 2.1.5 under Subsection 2.1 (“Medical Insurance”) of Section 2 titled “HEALTH & WELFARE/INSURANCE” of Exhibit B to the Agreement are hereby superseded and revised in their entirety and shall read as follows:

2 HEALTH & WELFARE/INSURANCE

2.1 Medical Insurance

2.1.1 Availability The District is committed to providing medical insurance to Manager. The District currently obtains its medical insurance through CalPERS and shall endeavor to continue that coverage through 2021. If it is unable to do so, the District will endeavor to obtain coverage that is comparable to the CalPERS program coverage. The District shall endeavor to provide a medical insurance program that has at least two choices for coverage for Health Maintenance Organizations (HMO) and two choices for Preferred Provider Organizations (PPO) Plans.

2.1.2 Premiums District shall pay Manager’s medical insurance premiums up to a maximum amount not to exceed the District “Maximum Contribution” for each level (employee only, employee plus one dependent, and employee plus two or more dependents).

Payment by District shall be for employee or employee plus eligible dependents, whichever represents the employee’s situation. Manager shall pay the balance of the cost incurred in excess of the medical insurance premium Maximum Contribution. If the medical insurance premium of the plan Manager selects is less than the District Maximum Contribution, the District shall only pay the amount of the premium cost of the selected plan.

The District medical insurance premium Maximum Contribution for calendar year 2018 is as follows:

	Employee Only	Employee + 1 Dependent	Employee + 2 or more Dependents
District Maximum Contribution	\$780.00	\$1,560.00	\$2,028.00

Effective January 1, 2019, Manager will share in the cost of future medical insurance premium increases above the Kaiser rate as described in the example below.

Each year, cost increases in the Kaiser medical insurance premium rates will be shared 50% by the District and 50% by Manager. For calendar year 2019, the Kaiser premium rates for 2019 will be compared to the District Maximum Contribution for 2018; if the Kaiser rate is higher than the 2018 District Maximum Contribution, then the new District Maximum Contribution will be calculated by adding 50% of the

increase to the Kaiser 2018 premium rate to establish the Maximum Contribution for calendar year 2019.

If the Kaiser premium rate for 2019 is less than the District Maximum Contribution for 2018, then the District Maximum Contribution rate for calendar year 2019 will be:

	Employee Only	Employee + 1 Dependent	Employee + 2 or more Dependents
District Maximum Contribution	\$780.00	\$1,560.00	\$2,028.00

For calendar year 2020, the Kaiser premium rates for 2020 will be compared to the District Maximum Contribution for 2019; if the Kaiser rate is higher than the 2019 District Maximum Contribution, then the new District Maximum Contribution will be calculated by taking 50% of the increase in the Kaiser 2020 premium rate over the 2019 District Maximum Contribution, then adding it to the 2019 District Maximum Contribution, to establish the new Maximum Contribution for calendar year 2020.

If the Kaiser premium rate for 2020 is less than the District Maximum Contribution for 2019, then the District Maximum Contribution rate for calendar year 2020 will remain the same as the Maximum Contribution amount for 2019.

For calendar year 2021, the Kaiser premium rates for 2021 will be compared to the District Maximum Contribution rates for 2020; if the Kaiser rate is higher than the 2020 District Maximum Contribution, then the new District Maximum Contribution will be calculated by taking 50% of the increase in the Kaiser 2021 premium rate over the 2020 District Maximum Contribution, then adding it to the 2020 District Maximum Contribution, to establish the Maximum Contribution for calendar year 2021.

If the Kaiser premium rate for 2021 is less than the District Maximum Contribution for 2020, then the District Maximum Contribution rate for calendar year 2021 will remain the same as the Maximum Contribution amount for 2020.

EXAMPLE

	Premium	Increase from Maximum Contribution	DSRSD Share of Increase	Manager Share of Increase	District Max Contribution
Max. Contribution 2019	\$ 2,028	(example assumes Kaiser rate decreased in 2019)			
Kaiser Rate 2020	\$ 2,195	\$ 167	\$ 83.50	\$ 83.50	\$ 2,112

Manager will pay those amounts in excess of the District medical insurance premium Maximum Contribution and the premium of the plan he or she selects. District Maximum Contribution amounts will be rounded up to the nearest dollar.

2.1.5 Waiver of Coverage Consistent with District’s Share the Savings Program, and subject to any limitations of the law, Manager may elect Affordable

Care Act (ACA) compliant group health insurance coverage elsewhere and elect in writing to forgo medical coverage through the District and receive a contribution to Manager’s deferred compensation 457 plan in the amount of three hundred and fifty dollars (\$350) per month (payable bi-monthly). Manager must make the election for himself and Manager’s dependents. This contribution amount to Manager’s deferred compensation 457 plan shall not count toward the District’s deferred compensation match per Exhibit A, Section 2.2 to this Agreement (see Article 2 of this Amendment No. 1).

Article 5: Subsection 4.1 and Subsection 4.2 of Section 4 titled “LEAVE

BENEFITS” of Exhibit B to the Agreement are hereby superseded and revised in their entirety and shall read as follows:

4.1 Employee Leave Bank (“ELB”)

4.1.1 Definition Employee Leave Bank (“ELB”) is paid leave provided to Manager on an accrual basis to be used for personal time away from work and in accordance with the District’s Personnel Rule for Vacation/ELB.

4.1.2 Employee Leave Bank Accrual Rate As of the Effective date of this Agreement, Manager shall accrue time in the Employee Leave Bank at the rate of 9.23 hours each biweekly pay period (30 days per year based on eight hour work days, 5 work days per week) which rate of accrual shall increase one (1) day per year on the anniversary of the Manager’s original hire date up to a maximum accrual rate of 12.31 hours each biweekly pay period (40 days per year based on eight (8) hour work days, 5 work days per week), in accordance with the table below:

Year	Vac	FH	Admin	Total Days	Total Hours	Hours Per PP
1-26 (1st year)	15	5	10	30	240	9.23
27-52 (2nd year)	16	5	10	31	248	9.54
53-78 (3rd year)	17	5	10	32	256	9.85
79-104 (4th year)	18	5	10	33	264	10.15
105-130 (5th year)	19	5	10	34	272	10.46
131-156 (6th year)	20	5	10	35	280	10.77
157-182 (7th year)	21	5	10	36	288	11.08
183-209 (8th year)	22	5	10	37	296	11.38
210-235 (9th year)	23	5	10	38	304	11.69
236-261 (10th year)	24	5	10	39	312	12.00
262-287 (11 th year)	25	5	10	40	320	12.31

4.1.3 Maximum Leave Bank Accrual The maximum amount of leave in the Employee Leave Bank shall be no greater than an amount representing two years of leave accrual at any given time, and will be based upon the then-existing annual accrual rate.

4.1.4 Employee Leave Bank Sell Back Manager shall have an option to annually sell back up to 80 hours of leave from Manager's Employee Leave Bank; said option shall be exercised no more than two times in a calendar year provided that there are at least eighty (80) hours remaining after such sell back.

4.1.5 Use of Employee Leave Bank All Employee Leave Bank Leave shall be scheduled at the discretion of the General Manager; approval will not be unreasonably withheld.

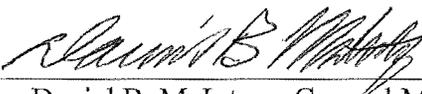
4.2 Holidays Manager shall be entitled to nine days' holiday leave (based on eight hour work days) in accordance with District's personnel rules and regulations pertaining to holidays, as may be amended from time to time.

Article 6: After execution, and subject to Board approval, this Amendment No. 1 shall become effective on November 8, 2017 ("Effective Date").

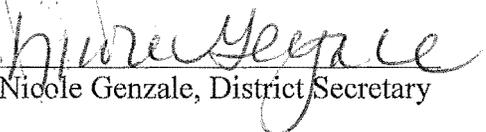
Article 7: In all other respects the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 to the Agreement as of the day and date first hereinabove set forth.

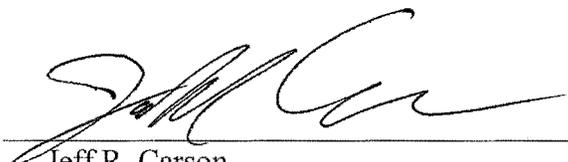
DUBLIN SAN RAMON SERVICES DISTRICT,
a public agency in the State of California

By: 
Daniel B. McIntyre, General Manager

ATTEST:


Nicole Genzale, District Secretary

OPERATIONS MANAGER

By: 
Jeff R. Carson

AGREEMENT FOR PERSONAL SERVICES

JEFF R. CARSON

THIS AGREEMENT FOR PERSONAL SERVICES (“Agreement”), is made and entered into this 5th day of December, 2016 (the “Effective Date”) by and between the Dublin San Ramon Services District, a public agency of the State of California in the Counties of Alameda and Contra Costa (“District”), and Jeff R. Carson (“Manager”).

WITNESSETH:

WHEREAS, District is a community services district established under the Community Services District Law (Govt. C. § 61000 et seq.) governed by District’s Board of Directors (the “Board”); and

WHEREAS, pursuant to Government Code Section 61240 (a) the Board is required and empowered to appoint a General Manager for District; and

WHEREAS, Board has authorized General Manager to organize staff at all levels of the organization consistent with Board adopted budgets and staffing limitations; and

WHEREAS, the Community Services District Law grants the General Manager the power and duty to appoint, supervise, discipline and dismiss District employees consistent with the employee relations system established by the Board; and

WHEREAS, the District Code exempts persons engaged under contract to supply expert, professional, technical or other services from the District’s classified service as that service is defined in District Code Section 6.10.010; and

WHEREAS, with the approval and execution of this Agreement, Manager and District agree that Manager is a person engaged under contract to supply expert, professional or other services and as such is exempt from the District’s classified service upon the Effective Date of this Agreement; and

WHEREAS, the General Manager desires to appoint and employ Manager to the below referenced job classification and Manager desires to accept said appointment and employment subject to the terms and conditions of this Agreement.

NOW, THEREFORE, the District and Manager hereto agree as follows:

1. SERVICES From and after the Effective Date, Manager shall perform all duties, assume all obligations and constantly meet all qualifications of the Operations Manager job classification as that job classification exists as of the Effective Date and as it may, from time to time, be amended by the District. Manager shall be subject to all pertinent provisions of the ordinances, resolutions, rules, regulations and all other lawful orders and directives of the General Manager, the District, and the Board. Said duties and obligations shall be performed in an efficient and professional manner and in conformance with the standards generally prevailing for the performance of the duties and obligations pertaining to the position of similar managerial positions of public or private entities, including, but not limited to, community services districts.

2. **COMPENSATION** The District shall provide compensation to Manager in the form of Base Salary and Deferred Compensation as specified in “Exhibit A” attached hereto and by this reference made a part hereof.

3. **BENEFITS** The District shall provide a benefits package to Manager consisting of a retirement program, various types of insurance and various types of leave as respectively specified in “Exhibit B” and in “Exhibit C,” both attached hereto and by this reference made a part hereof.

4. **AVAILABILITY AND COMMUNICATIONS**

4.1 **Continuous Availability** Manager shall maintain a continuous presence or means of communication with District staff at all times, either in person or via telephone, cell phone, e-mail, and/or VPN. Allowance during off duty hours shall be made for social events or personal enjoyment. At such times Manager shall ensure that duties have been properly and appropriately delegated to qualified District staff. If District is unable to contact Manager in a reasonable time for reasons beyond the Manager’s control such as on-duty or off-duty air travel, Manager’s presence in areas without cellular, phone service, email access, international travel or other similar circumstances, Manager’s inability to maintain continuous availability shall not be considered a breach of this agreement or grounds for termination for cause.

4.2 **Manager Furnished Communication Device** As of Effective Date, Manager shall have obtained and shall continue to maintain, at Manager’s personal expense, a mobile device (e.g. smart phone) with cell phone, e-mail, and VPN functionality. Email and VPN functionality can be provided by use of the District- provided notebook or tablet computer. The District shall provide the Manager with information technology support to ensure connection of Manager’s mobile device to the District’s server and internal e-mail system.

4.3 **Notebook or Tablet Computer** The District shall provide Operations Manager with use of a notebook or tablet computer (such as a Surface Pro or equivalent) for District business-use in accordance with District technology use policy. The equipment so provided is the property of the District and the District shall have the right to control the access to, and use of, equipment through its personnel policies, risk management policies or any other policies, and shall also provide Information Technology support as needed to facilitate performance of Operations Manager duties and obligations as an employee of the District.

5. **TERMINATION**

5.1 **Service at Pleasure of the District** It is understood and agreed that as of Effective Date Manager shall, and does, hold position of employment as such at the will and pleasure of the District and shall not have nor acquire a property interest or right to continuing employment, except as described below. Manager further agrees that Manager’s employment as a person engaged under contract to supply expert, professional, technical or other services exempts Manager from the District’s classified service as that service is defined in District Code Section 6.10.010.

5.2 **Termination by District for Cause** Nothing herein provided shall be deemed to affect or limit the right of District to terminate Manager’s employment for cause, or otherwise to exercise District’s rights, whether in law or in equity, by reason of breach hereof by Manager or for any other cause. “Cause” as used herein shall include, but not necessarily be limited to: below standard performance; refusal or failure to act in accordance with a specific written directive or order of the General Manager provided that such directive or order is legal; malfeasance or misfeasance in office; conviction of any

felony or any crime involving moral turpitude; unauthorized absence; incompetence or inefficiency; insubordination; performance of duties or obligations as Manager while intoxicated or under the influence of drugs, narcotics, other substances, the use, dispensing, or sale of which is prohibited or controlled by the State of California; neglect of duty; breach of this Agreement or any similar or like act or omission. Notwithstanding the use of the term “cause” herein, nothing herein contained shall be deemed to create or establish a property right or a right to continuing employment in the position of employment of Manager or affect District’s right to terminate the employment of Manager with or without cause.

In the event of termination for cause, District shall not be obligated to compensate Manager in any amount except for services already rendered, including paid leave accrued in Manager’s Employee Leave Bank, prior to the date of termination; provided that payment of such compensation shall not bar District’s recovery of such damages as may accrue to District under the circumstances, nor shall termination for cause preclude District from exercising any other right or remedy it may have, whether in law or equity, which may accrue to District under the circumstances giving rise to such termination, or otherwise.

5.3 Termination at Discretion of District

5.3.1 Process At District’s sole discretion, District may terminate this Agreement and Manager’s employment without cause and in accordance with this paragraph by giving written notice of its intent thereof to Manager which notice shall specify the effective date on which Manager shall no longer act in said capacity. Any notice provided in accordance with this section shall be deemed given on the date it is given by District. No minimum amount of notice is required. Upon notice, District shall place Manager in paid administrative leave status from the date of said notice to the effective date specified in that notice. Nothing herein provided in this paragraph or this agreement constitutes an appeal procedure for the Manager of termination in accordance with this provision.

5.3.2 Severance Upon the effective date of termination by the District, District shall compensate Manager in a lump sum amount equal to four (4) months’ base salary. Manager’s benefits shall continue after termination for the period of time for which premiums have been paid before the effective date of termination. In addition, District will pay the same amount as it was paying on behalf of the Manager prior to termination towards the Manager’s first four (4) months of COBRA premiums for health, dental and vision insurance benefits as described in Exhibit B for a period of four (4) months after District benefits lapse unless Manager chooses to retire from District Service within 120 calendar days of termination in which case these benefits, including COBRA premiums being paid by District shall cease upon retirement or revert to benefits to be provided in retirement in accordance with “Exhibit B.”

This section is intended to comply with Section 53260 et seq. of the California Government Code. This severance payment shall be made within thirty (30) days of the effective date of the termination, and is subject to applicable withholdings.

5.4 Termination by Manager At Manager’s sole discretion, Manager may terminate this Agreement at any time upon minimum thirty (30) calendar days’ prior written notice to District in accordance with Section 8. Any notice provided in accordance with this section shall be deemed given on the date it is given by Manager. Such termination shall be effective on the date specified in the notice unless the date is less than thirty (30) calendar days from receipt of the notice by the District in which case the date of termination shall be thirty (30) calendar days from receipt of notice by the District. In the event Manager terminates the Agreement in accordance with this provision, Manager shall not be entitled

to severance or other benefits or COBRA payments beyond the date of termination, but the District shall, consistent with its rules and regulations, pay Manager for salary earned and accrued "Employee Leave Bank (ELB)" and accrued benefits through the effective date of termination. In the event during the period covered by the notice, the District terminates the Agreement in accordance with Section 5.3, severance shall be reduced to a lump sum amount equal to one-half of one month's salary.

5.5 Mutual Termination This Agreement may be terminated at any time by mutual written consent of the District's General Manager and Manager. In the event of mutual termination in accordance with this provision, Manager shall not be entitled to severance or other benefits beyond the date or termination but the District shall, consistent with its rules and regulations, pay Manager for salary earned and accrued employee leave and accrued benefits through the effective date of termination.

5.6 Termination is Final This Agreement, the Manager's employment and the District's obligations to compensate the Manager excepting benefits which are specifically identified to continue into retirement shall cease on the effective date of Manager's termination.

Pursuant to California Government Code Section 53260, in no event shall Manager receive a settlement that exceeds an amount equal to Manager's monthly salary multiplied by the number of months remaining on the unexpired term of this Agreement or Manager's monthly salary multiplied by eighteen (18), whichever is less.

Pursuant to California Government Code Section 53243.2, any lump sum severance payment or other non-contractual payments related to termination paid to Manager under Section 5 of this Agreement shall be fully reimbursed by Manager to the District if Manager is convicted of a crime involving an abuse of office or position. For purposes of this Agreement, the phrase "abuse of office or position" shall have the meaning set forth in Government Code Section 53243.4.

6. STATUS Manager shall have the status of an employee of District, subject to all terms and conditions of employment pertaining to the job classification and position under the ordinances, resolutions, rules, regulations, or other lawful directives or orders of District or the Board; provided, however, that in the event of any conflict between such ordinances, resolutions, rules, regulations, directives or orders, and the provisions of this Agreement, the provisions of this Agreement shall prevail. To the extent not modified or otherwise provided in this Agreement, the District and Manager hereto agree that the provisions of said ordinances, resolutions, rules, regulations, or other lawful directives or orders pertaining to the relationship of employment between the District and its employees, shall also pertain to Manager. Notwithstanding any other provision, Manager shall serve at the pleasure of the District and may be discharged at any time with or without cause.

7. APPEALS Manager may appeal any action of the General Manager under Section 5.2 Termination for Cause to the District Board of Directors which may refer, but is not obligated to refer, the matter for investigation to a Board Committee. Said appeal shall be in writing and shall be timely filed within ten (10) calendar days of the General Manager's action that is being appealed. An untimely filing shall be deemed denied with no further right of appeal. Any appeal meeting may be in closed session, unless the Manager asks that it be in open session. Decisions by the Board of Directors shall be binding and final.

8. NOTICES All written notices required to be given hereunder shall be delivered personally or by depositing the same with the United States Postal Service, first class (or equivalent) postage prepaid, addressed, in the case of General Manager, to:

General Manager
Dublin San Ramon Services District
7051 Dublin Blvd.
Dublin, CA 94568

and, in the case of Manager to the most recent address on record in the District's records. Notices delivered personally shall be deemed received as of actual receipt; mailed notices shall be deemed received as of one business day following the date of mailing of the notice.

Any party may change its address for the purpose of this section by giving written notice of such change to the other party in the manner herein provided.

9. **ORIGINAL COUNTERPARTS** This Agreement shall be executed in duplicate original counterparts, each of which, when executed, shall be deemed an original agreement.

10. **PARAGRAPH HEADINGS** Paragraph headings and titles of attachments as used herein are for convenience only and shall not be deemed to alter or modify the provisions of the paragraph headed thereby.

11. **TERM** The term of this Agreement shall be indefinite subject to the provisions of the Termination Section.

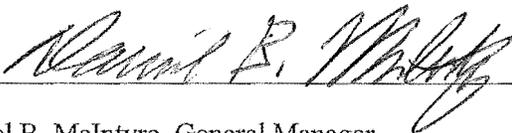
12. **AMENDMENT** This Agreement may be amended only by a written document executed by each party hereto. Approximately three months prior to the annual anniversary of the Effective Date of this Agreement, either party may request an amendment to any part of this Agreement. The other party is under no obligation to accept such proposed amendment.

13. **ENTIRE AGREEMENT** This Agreement integrates, includes, and supersedes all prior agreements, understandings, whether written or oral, whether mutual or unilateral on the part of either party. This Agreement constitutes the only and entire agreement between District and Manager. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not embodied herein, and that no agreement, statement, or promise not contained in this Agreement shall be valid or binding on either party.

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

DUBLIN SAN RAMON SERVICES DISTRICT,

A public agency of the State of California

By: 
Daniel B. McIntyre, General Manager

Attest: Nicole Genzale
Nicole Genzale, District Secretary

By: Jeff R. Carson 11/15/16
Jeff R. Carson, "Manager"

EXHIBIT A
COMPENSATION

1. BASE SALARY

1.1 Initial Base Salary Commencing on the Effective Date of this Agreement District shall compensate Manager a base salary of \$15,743.00 per month (\$188,916.00 annually), payable in bi-weekly installments in accordance with District's standard payroll procedures.

1.2. Annual Cost of Living Base Salary Adjustments Subject to satisfactory performance as determined by General Manager, Manager's base salary shall be adjusted effective on the first day of the first pay period of Calendar Years 2017, 2018 and 2019 by the percent change in the CPI Index (Consumer Price Index – All Urban Wage Earners, Not Seasonally Adjusted, San Francisco-Oakland-San Jose, CA, All Items 1982-84=100, series ID CWURA422SAO) for the twelve (12) month period ending October with a zero percent floor.

1.3 Annual Merit Increase Adjustment Subject to satisfactory performance as Operations Manager and accomplishment of goals as assigned by the General Manager, at the discretion of the General Manager and upon Board approval, Manager shall be eligible to receive a merit increase in base salary (after CPI Index has been applied), in the amount of three percent (3.0%) on the first day of the first pay period of calendar year 2018, and (after CPI Index has been applied) four percent (4.0%) on the first day of the first pay period of calendar year 2019, and (after CPI Index has been applied) four percent (4.0%) on the first day of the first pay period of calendar year 2020. The General Manager, within his discretion, may still determine no merit increase is warranted.

2. DEFERRED COMPENSATION

2.1. Plan Existence and Participation The District and Manager acknowledge that as of the Effective Date the District provides a Deferred Compensation Plan pursuant to an agreement or agreements with financial institution(s) qualified to provide such plans under the statutes of the United States Internal Revenue Code. Subject to the terms and conditions of such agreement(s) and the Deferred Compensation Plan collectively thereby established, the District and Manager acknowledge that Manager shall be eligible to participate in said Plan as Manager shall determine. Nothing herein contained shall be deemed to limit the Board's discretion to revise, amend, or terminate said Plan, nor shall District be deemed obligated to replace said Plan in the event of its termination.

2.2. District Matching Contribution Beginning in 2016 and continuing through 2017, the District will match Manager's voluntary deferrals to the Plan up to an amount equal to \$2,500 per calendar year.

EXHIBIT B

RETIREMENT, HEALTH & WELFARE PLANS/INSURANCE AND LEAVE BENEFITS

1. RETIREMENT

1.1 Program District shall furnish Manager with retirement benefits through the California Public Employees Retirement System (“PERS”) under contract with PERS entered into pursuant to Government Code Sections 20450 et seq. Manager has been identified as a “classic” member. District shall provide a retirement plan with the following benefits: 2.7% at 55 benefit formula with modified social security coverage, 12 month final average compensation period, sick leave credit, standard non-industrial disability coverage, Optional Settlement 2W pre-retirement death benefits, \$500 lump sum post-retirement death benefits, and 2% COLA option.

1.2 Manager’s Share Manager shall pay the Manager’s seven (7.0) percent employee share plus the one (1.0) percent statutory employee contribution for the enhanced retirement formula plus an additional two (2.0) percent (total of 10.0%) from the Effective Date through the first pay period ending in 2025. After that date, Manager shall no longer pay the additional two (2.0) percent which percent shall be paid by the District. Manager and District acknowledge that substantially similar provisions are included in memoranda of understanding and contracts with all other District employees. If the District agrees to modify those provisions for any employee or employee group, Manager agrees that the District will similarly amend this Agreement and Manager will agree to those amendments.

1.3 Program Revisions In the event that the retirement program described in Section 1.1 of this Exhibit B is (a) modified or terminated by the District or (b) modified, terminated or no longer offered by the State, Manager and District shall negotiate in good faith an amendment to this Agreement.

1.4 IRS 414(h)(2) Program The District shall maintain an IRS 414(h)(2) Plan during the term of this Agreement.

2. HEALTH & WELFARE/INSURANCE

2.1 **Medical Insurance**

2.1.1 Availability The District is committed to provide medical insurance to Manager. The District currently obtains its medical insurance through CalPERS and shall endeavor to continue that coverage through 2017. If it is unable to do so, the District will endeavor to obtain coverage that is comparable to the CalPERS program coverage. The District shall endeavor to provide a medical insurance program that has at least two choices for coverage for Health Maintenance Organizations (HMO) and two choices for Preferred Provider Organizations (PPO) Plans. The lowest cost HMO and lowest cost PPO shall be the “Base Plans.”

2.1.2 Premiums District shall pay Manager’s Medical Insurance premiums up to a maximum amount not to exceed the District “Maximum Contribution” for each level (employee only, employee plus one dependent, and employee plus two or more dependents) .

Payment by District shall be for employee or employee plus eligible dependents, whichever represents the employee’s situation. Manager shall pay the balance of the cost incurred in excess of the Medical Insurance Premium Maximum Contribution, including any administrative fees or service charges.

The District Medical Insurance Maximum Contribution baselines are as follows:

Employee	\$473
Employee + one	\$946
Employee+2 (Family)	\$1,230

Each year, upon notification of new premiums by the District’s medical insurance provider, the District will identify the lowest cost HMO and PPO plans that are offered under the Bay Area Region plan or a successor provider and are available in Alameda County. The higher cost plan of the two (Base Plan) will form the basis for the calculation to determine the new District Medical Insurance Premium Maximum Contribution for that plan year.

January 1st of each calendar year through the last month of 2017, Manager will share in the cost of future medical insurance premium increases above the baseline as described in the example below. Cost increases will be shared 60% by the District and 40% by Manager, with Manager’s maximum share of the cost of the Base Plan limited to a 20% share. Each year’s Base Plan premium will be compared to the baselines established above. The new Maximum Contribution will be calculated by adding 60% of the increase to the baseline to establish the Maximum Contribution for that year. If at any time the calculated Maximum Contribution is less than 80% of the Base Plan cost, the Maximum Contribution will be 80% of the Base Plan for that year. This example is illustrated below in table form:

Example EE+2	Premium	Increase from Base	DSRSD Share of Increase	Manager Share of Increase	District Maximum Contribution	District % of Premium
Base amount	\$1230					
2017	\$1,914	\$684	\$410	\$274	\$1,640	86%
2018	To be determined per this Section 2.1.2 for CY 2018 after PERS establishes premiums					

Manager will pay those amounts in excess of the District Medical Insurance Premium Maximum Contribution, and the premium of the plan which the Manager selects. The District’s Base Plan premium will always be greater than or equal to the baseline. Manager may select other medical insurance plans as they are made available and pay the additional amount between the Base Plan contribution and the premium for the selected alternative plan.

Base plan amounts will be rounded to the nearest dollar.

2.1.3 Employer Contribution for Retiree Medical Insurance Benefits District shall contract with CalPERS to provide Manager with retiree medical insurance benefits. The benefit that shall be provided is the CalPERS Vesting Program for Retiree Health Care (CA Government Code Section 22893), and in accordance with Resolution 65-05. In addition to other requirements of that Vesting Program, Manager acknowledges Manager’s understanding that, in addition to other requirements for Manager’s qualification as determined by CalPERS, Manager must retire from the District and must have at least five (5) years of service with the District.

2.1.4 Changes to the Law In the event Federal or State legislation that provides health care coverage for Manager is enacted into law prior to 2017, or any subsequent year thereafter, and such

legislation has an adverse impact on either party, the District and Manager shall negotiate in good faith an amendment to Agreement related to the impact of such legislation on the Agreement.

2.1.5 Waiver of Coverage Consistent with District’s Share the Savings Program, and subject to any limitations of the law, Manager may elect Affordable Care Act (ACA) compliant group health insurance coverage elsewhere and elect in writing to forgo medical coverage through the District and receive in cash via the payroll system the amount listed in the table below for the coverage Manager is eligible to receive from the District and in accordance with the Public Employees’ Medical and Hospice Care Act Program. Said election must be made for the Manager as well as for Manager’s dependents.

Monthly Amount	Calendar Year 2016 and subsequent years
Employee	\$144.15
Employee + 1	\$288.29
Employee +2	\$375.00

2.2 Dental The District shall provide dental care benefits covering Manager, spouse, and eligible dependents. Dental care benefits will not be provided to Manager after retirement from the District. Dental benefits become effective the first day of the month following three (3) full months of service.

2.3 Vision The District shall provide Manager with vision care benefits covering Manager, spouse, and eligible dependents. Vision care benefits will not be provided to Manager after retirement from the District. Vision benefits become effective the first day of the month following three (3) full months of service.

2.4 Basic Term Life Insurance

2.4.1 Amount The District shall provide Manager with Life Insurance. The amount of the life insurance to be provided shall be equal to two (2) times Manager’s annual salary, rounded up to the nearest \$1,000 to a maximum of \$400,000. The imputed cost of coverage in excess of \$50,000 will be included in Employee’s income, using the IRS Premium Table, and are subject to applicable Federal and State taxes.

2.4.2 Additional Coverage In addition to the life insurance provided at District expense, the District shall make arrangements for Manager to purchase additional life insurance for his/herself, his/her spouse, or his/her eligible dependents at Manager’s cost.

2.4.3 Life Insurance During Retirement Life Insurance will not be provided to Manager in retirement.

2.5 Short Term Disability The District shall provide Manager with Short-Term Disability Insurance. The Short-Term Disability Insurance shall provide for sixty percent (60%) of regular weekly salary, to a maximum of \$1,667 weekly benefit, after a 29-day waiting period. Benefits continue for a maximum of one year, if totally disabled. Integration of short-term insurance benefits and sick leave is to be automatic; the District may not waive integration. Short Term Disability Insurance benefits cease the day the termination of Manager occurs.

2.6 Long Term Disability The District shall provide Manager with Long -Term Disability Insurance. Long Term Disability Insurance shall provide 70% of regular monthly base salary (i.e., excluding any other compensation, including deferred compensation and matching contributions), to a maximum of \$10,000 monthly benefit, after 365 calendar days of short term disability coverage. Long Term Disability Insurance benefits cease the day the termination of employment occurs.

2.7 Changes to Providers of Health and Welfare Benefit Plans The District intends to periodically evaluate the Health and Welfare plans currently available to employees to determine if similar or better coverage may be available at lower cost to the District. While District will endeavor to obtain similar or better coverage, Manager agrees that the District may, within its discretion, substitute new insurance carriers, provide different levels of coverages, or arrange for self-insurance.

3. FLEXIBLE BENEFITS/IRS SECTION 125 PLAN

District shall provide a Flexible Benefits Plan in accordance with IRS Section 125. The District shall allow employee contributions by the Manager to the maximum extent permitted by law as well as allowable pre-tax deductions for employee-paid premiums associated with eligible health care costs.

4. LEAVE BENEFITS

4.1 Employee Leave Bank (“ELB”)

4.1.1 Definition Employee Leave Bank (“ELB”) is paid leave provided to Manager on an accrual basis to be used for personal time away from work and in accordance with Personnel Rule for Vacation/ELB.

4.1.2 Employee Leave Bank Accrual Rate Manager shall accrue time in the Employee Leave Bank at the rate of 9.23 hours each biweekly pay period (30 days per year based on eight hour work days) which rate of accrual shall increase one (1) day per year on the anniversary of the Manager’s original hire date up to a maximum accrual rate of 12.31 hours each biweekly pay period (40 days per year based on eight (8) hour work days), in accordance with the table below:

Year	Vac	FH	Admin	Total Days	Total Hours	Per PP
1-26 (1st year)	20	5	5	30	240	9.23
27-52 (2nd year)	21	5	5	31	248	9.54
53-78 (3rd year)	22	5	5	32	256	9.85
79-104 (4th year)	23	5	5	33	264	10.15
105-130 (5th year)	24	5	5	34	272	10.46
131-156 (6th year)	25	5	5	35	280	10.77
157-182 (7th year)	26	5	5	36	288	11.08
183-209 (8th year)	27	5	5	37	296	11.38
210-235 (9th year)	28	5	5	38	304	11.69
236-261 (10th year)	29	5	5	39	312	12.00
262-287 (11 th year)	30	5	5	40	320	12.31

4.1.3 Maximum Leave Bank Accrual The maximum amount of leave in the Employee Leave Bank shall no greater than an amount representing two years of leave accrual at any given time.

4.1.4 Employee Leave Bank Sell Back Manager shall have an option to annually sell back up to 80 hours of leave from Manager's Employee Leave Bank; said option shall be exercised no more than one time in a calendar year provided that there are at least eighty (80) hours remaining after such sell back.

4.1.5 Use of Employee Leave Bank All Employee Leave Bank Leave shall be scheduled at the discretion of the General Manager; approval will not be unreasonably withheld.

4.2 Holidays Manager shall be entitled to eight days' holiday leave (based on eight hour work days) in accordance with District's personnel rules and regulations pertaining to holidays, as may be amended from time to time.

4.3 Sick Leave

4.3.1 Benefits Manager shall carry forward under this Agreement all accrued sick leave that accrued prior to the Effective Date. Manager shall accrue sick leave at the rate of eight (8) hours per month credited in hours per pay period. Sick leave usage shall not be considered as a privilege which Manager may use at his discretion, but shall be allowed only in case of necessity of sickness or disability in accordance with state law and the District Personnel Rules, or for Manager's dental, eye, or other physical or medical examination or treatment by a licensed practitioner.

4.3.2 Use of Sick Leave Manager may use sick leave on an hour for hour basis (or fraction thereof) in any pay period that Manager has not worked his scheduled hours. Sick leave may not be used before it is credited.

4.3.3 Health Care Provider's Certificate When the Manager is absent due to his own illness or health condition for more than five (5) consecutive workdays, Manager shall submit to General Manager and/or Human Resources a certification from a health care provider stating that the Manager is unable to work due to illness or health condition and the anticipated date of Manager's return to work.

4.3.4 Illness of Family Member Manager shall be entitled to use sick leave consistent with the Paid Sick Leave law, Labor Code sections 245-249, and Kin Care law, Labor Code section 233.

4.3.5 Family and Medical Care Leave Family and Medical Care leave shall be administered in accordance with State and Federal Law.

4.4 Jury Duty Leave If Manager is summoned to jury duty, Manager shall notify General Manager and Human Resources and if required to report and/or serve, may be absent from duty with full pay only for those hours required to report and/or serve.

4.5 Bereavement Leave In the event of a death in the immediate family of Manager, Manager shall, upon request, be granted such time off with pay as is necessary to make arrangements for the funeral and attend same, not to exceed three (3) regularly scheduled workdays. The immediate family shall be restricted to father, mother, brother, sister, spouse, child, mother-in-law, father-in-law, grandparents, grandchildren, and stepchild in those cases where a direct child-rearing-parental relationship may be demonstrated. At the request of the General Manager, Manager shall furnish a death certificate and proof of relationship. Sick leave shall not be used in lieu of Bereavement Leave.

EXHIBIT C

SUPPLEMENTAL BENEFITS AND SPECIAL CONDITIONS OF EMPLOYMENT

1. **CERTIFICATE REIMBURSEMENT – STATE WATER RESOURCES CONTROL BOARD (SWRCB) – WASTEWATER TREATMENT PLANT OPERATOR GRADE V CERTIFICATION**

Per pre-employment negotiation, and during the term of this Agreement and Manager's employment with the District, Manager will be reimbursed for the bi-annual license renewal fee only for maintenance of Manager's SWRCB Wastewater Treatment Plant Operator Grade V Certification. Reimbursement procedures are in accordance with the District Personnel Rule for Certificate Reimbursement Program.