

**EMPLOYMENT CONTRACT FOR SERVICES AS
ASSISTANT GENERAL MANAGER OF
MOULTON NIGUEL WATER DISTRICT
(MATT COLLINGS)**

This Employment Contract (herein "Contract") is made and entered into as of the 11th day of April 2024, by and between MOULTON NIGUEL WATER DISTRICT (hereinafter the "District"), a California special district, and MATT COLLINGS (hereinafter "Employee").

RECITALS

WHEREAS, Employee has been an employee of the District since June 6, 2006 and has served as the District's Assistant General Manager since October 19, 2013 per the terms of the District's Personnel and Salary Policy since beginning employment; and

WHEREAS, the Board wishes to continue the services of Employee as the District's Assistant General Manager; and

WHEREAS, Employee represents and warrants that he desires to continue serving as the District's Assistant General Manager; and

WHEREAS, the parties desire to enter into this Contract in order to establish the updated terms and conditions of employment.

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

SECTION 1. DUTIES.

A. District hereby agrees to employ Employee as District's Assistant General Manager reporting directly to the District's General Manager. Employee shall continue to perform the functions and duties of Assistant General Manager and such other legally permissible and further duties and functions as shall, from time to time, be assigned by the General Manager. Employee shall serve as the acting General Manager in the absence of the General Manager.

B. Employee shall devote such time, interest, and effort to the performance of his duties as may be reasonably necessary to fulfill the above requirements. Without limiting the generality of the foregoing, Employee agrees to a work schedule as provided in Section 7 hereinafter, except as otherwise provided herein.

C. Employee's duties require that he be available to address time-sensitive matters of District business, and Employee agrees to reside within a distance from the District administrative offices that enables him to be on District premises within thirty (30) minutes during his employment as Assistant General Manager.

SECTION 2. TERM.

A. This Contract shall be effective upon approval by the Board of Directors and execution by the General Manager and shall remain in effect through June 30, 2028 unless and until terminated as provided in this Section.

B. It is expressly understood that Employee, in his capacity as the District's Assistant General Manager, is an at-will employee serving at the pleasure of the General Manager, subject to termination at any time, with or without cause, and with no right to any hearing, including any so-called Skelly hearing.

C. Nothing in this Contract shall prevent, limit, or otherwise interfere with the right of Employee or District to voluntarily terminate this Contract. Due to the sensitive nature of Employee's position and the difficulty of replacing Employee, Employee shall give thirty (30) days written notice prior to such termination to the Board.

D. In the event District terminates Employee's employment without cause, Employee shall be entitled to the following severance in accordance with the terms of California Government Code sections 53260, *et seq.*: (1) six (6) months' salary at the rate in effect at the date of termination; (2) full medical benefits for the term of severance or until such time as Employee finds other employment, whichever occurs first; and (3) compensation for unused vacation and unused but accrued sick leave pay at the salary rate effective at the date of termination (such accrual and compensation to be consistent with the terms of Section 7.A and 7.B of this Contract). If Employee is convicted of a crime involving an abuse of his office or position (as defined in Government Code Section 5324.3.4, or its successor), Employee shall be obligated to reimburse District the full amount of the cash settlement listed hereinbefore under (1). Payment of any severance is expressly contingent on Employee releasing District, District staff, and its Board from any all claims relating to Employee's employment and the termination thereof, excluding any claims for workers' compensation or unemployment insurance.

Upon any allegation that Employee has engaged in conduct that would result in his termination "for cause" as defined below, Employee is entitled to address and attempt to rebut those allegations before the Board in a closed session prior to the Board making any final determination regarding the veracity of those allegations. In the event the Board, in its discretion, finds merit to the allegations and terminates for cause, the Employee shall not be entitled to any severance pay. Such determination shall be made by the Board in its sole discretion, subject to review in an evidentiary hearing, if requested by the Employee. The hearing shall be before a neutral hearing officer selected from a list supplied by the State Mediation and Conciliation Service, and the issue at the hearing shall be limited solely to whether or not there is sufficient evidence to support a finding of termination for cause such that the Employee would not be entitled to any severance pay. Under no circumstances shall the Employee be entitled to reinstatement to the position of Assistant General Manager as a result of such hearing. Following the hearing, the hearing officer shall submit his/her findings and decision to the District, which shall be final and binding. Termination shall be 'for cause' if the Employee: (1) acts in bad faith and to the detriment of the District; (2) refuses or fails to act in

accordance with any specific direction or order of the District; (3) exhibits in regard to his employment unfitness or unavailability for service, unsatisfactory performance, misconduct, dishonesty, habitual neglect, or incompetence; (4) is convicted of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; or (5) breaches any material term of this Contract.

SECTION 3. COMPENSATION

Effective the first payroll period after the execution date of this contract, District agrees to pay Employee for services rendered pursuant hereto at a rate of Three Hundred and Twenty Thousand Dollars (\$320,000.00) annually, payable in bi-weekly installments, minus appropriate withholding and payable deductions, payable through and in accordance with the District's regular payroll procedures. As additional compensation, Employee shall receive a one time bonus in the amount of Ten Thousand Dollars (\$10,000.00) to be paid prior to May 1, 2024, minus appropriate withholding and payable deductions. Such amount shall not be calculated or included for any CalPERS or deferred compensation purposes.

Effective at the beginning of the first pay period of July 2025, and the first pay period of every July thereafter through the term of this contract, the District shall increase the compensation rate by five percent (5%).

SECTION 4. PERFORMANCE EVALUATION.

Performance evaluations shall be conducted by the General Manager annually in accordance with the District's policy and practice for performance reviews, but no later than May 1st of each year during the term of this contract. In conjunction with each performance evaluation, and only upon receipt of an Exceeds Standards rating, the General Manager shall provide a lump sum non-base building merit incentive payment, which shall not be considered as reportable compensation to CalPERS. For the 2023-2024 performance review period, the merit incentive payment shall be 3% of annual base earnings. For the 2024-2025, 2025-2026, and 2026-2027 performance review periods, the merit incentive payment shall be 5% of annual base earnings.

SECTION 5. HEALTH & WELLNESS.

District shall provide to Employee the same group medical, dental, vision, life, short and long-term disability insurance programs, as well as any retirement benefits or a Flexible Spending Account, if any, as are afforded to other management employees of District in accordance with current policies or as such policies are revised or amended from time to time in the future. This section is interpreted consistently with those policies, as amended if applicable.

SECTION 6. PROFESSIONAL DEVELOPMENT AND BUSINESS EXPENSES.

A. If consistent with annual budgetary proceedings and when approved in advance by the General Manager, or in his/her absence the Board President, District agrees to pay reasonable: (i) travel and subsistence expenses of Employee for professional and official travel to and from attendance at conferences, seminars, and meetings; and (ii) professional dues, books, and

subscription expenses necessary and desirable to continue the professional development of Employee and to adequately pursue necessary official and other functions for District, including international, national, regional, state, and local governmental groups and committees thereof which Employee and/or District serves as a member.

B. If consistent with annual budgetary proceedings, District agrees to pay such other reasonable expenses related to Employee's performance of the duties stated herein.

Employee's professional development and business expenses are governed in accordance with existing District policies, or as such policies are revised from time to time in the future and are more fully set forth therein. This section is interpreted consistently with those policies, as amended if applicable.

SECTION 7. HOURS AND BENEFITS.

A. Employee shall be entitled to four (4) weeks (160 hours) of vacation time per year. Employee shall accrue paid vacation time according to the same schedule as is accorded division head employees of District as set forth in District policies, as such policies may be amended from time to time in the future. Employee has discretion to schedule his vacation so long as that vacation is scheduled in such a way as to avoid unnecessary detriment to District's operations and is previously approved by the General Manager. Employee will provide reasonable notice to the General Manager, of scheduled vacation dates and will identify employees who will perform the Employee's duties during his absence. This section is interpreted consistently with those policies, including but not by way of limitation, SECTION 4.01 of the Personnel & Salary Policy, as amended if applicable.

B. Employee shall accrue paid sick leave at the same rate and on the same terms as are afforded to other management employees of District, as set forth in District policies, as such policies may be amended from time to time in the future. This section is interpreted consistently with those policies, as amended if applicable.

C. Employee shall be entitled to paid holidays according to the same schedule as is afforded management employees of District, as set forth in District policies, as such policies may be amended from time to time in the future. This section is interpreted consistently with those policies, as amended if applicable.

D. Employee shall receive a monthly vehicle allowance in the amount of Seven Hundred Fifty Dollars (\$750), as employee is required to respond to District emergencies 24 hours per day, 7 days per week. Employee agrees the vehicle allowance covers all vehicle costs and expenses that may be incurred by Employee in connection with the use of his private vehicle for District business, including but not limited to insurance, maintenance, and fuel costs. The monthly vehicle allowance shall be paid on a pro-rata share over the District's 26 pay periods each year. Employee's use of his private vehicle while conducting District business is governed by District policies, including District's *Vehicle and Equipment Policy, Article X, of the District's Administrative Policies*.

E. Employee shall be provided, at District's expense, a District cell phone or smart phone, and laptop computer or tablet to be used for District business. The provision of a District phone and laptop computer or tablet and related expenses are governed in accordance with existing District policies, and as such policies may be amended from time to time in the future and are more fully set forth therein. This section is interpreted consistently with those policies, as amended if applicable.

F. Employee shall report to District's offices for work five (5) days per week during normal business hours and at such other times as may be necessary to discharge his duties, except when away on business for District or as otherwise excused by the General Manager.

G. District shall pay for all official bonds, if any, required for the office of the Assistant General Manager.

H. Provided Employee otherwise qualifies, District shall annually contribute two percent (2%) of Employee's annual salary on Employee's account to District's 401(a) Plan. The 401(a) Plan contribution shall be made in equal monthly installments in conformance with District's regular payroll procedures. Assuming eligibility, Employee may at his option participate in the District's 457 Deferred Compensation Plan. Employee's participation in these plans shall be in accordance with official plan documents and related District policies, if any, as such plans or policies may be amended from time to time in the future. This section is interpreted consistently with those plans and those policies, as amended if applicable.

I. Employee shall be a member of District's retirement plan adopted and existing pursuant to contract with the State of California Public Employees' Retirement System ("CalPERS") in accordance with official plan documents and related District policies, as such plan or policies may be amended from time to time in the future. This section is interpreted consistently with that plan and those policies, as amended if applicable.

J. Subject to amendment from time to time at the discretion of the District, the Employee will also be provided with the following additional benefits:

- (1) Paid bereavement leave for a maximum of forty (40) hours, as described in the District's Personnel and Salary Policy at SECTION 4.10.
- (2) Paid jury duty for a maximum of fifteen (15) days, as described in the District's Personnel and Salary Policy at SECTION 4.11.
- (3) Medical retirement benefits as described in the District's Personnel and Salary Policy at SECTION 4.18.A.1.
- (4) Wellness benefit as described in the District's Personnel and Salary Policy at SECTION 4.22.

Except as specifically provided herein, Employee shall not receive any other compensation or benefits for performance of the services described hereunder.

SECTION 8. GENERAL PROVISIONS.

- A. This Contract shall constitute the entire agreement between the parties hereto.
- B. This Contract shall be governed by the laws of the State of California.
- C. This Contract shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.
- D. Any assignment of the rights or obligations of Employee hereunder without the express approval of District shall be void.
- E. No waiver, alteration, or modification of any of the provisions of this Contract shall be valid and binding unless in a writing executed by the parties hereto.
- F. This Contract integrates all the terms and conditions mentioned herein, or incidental hereto, and this Contract supersedes all negotiations and previous agreements between the parties with respect to all or any part of the subject matter hereof. This Contract also incorporates by reference the District policies, as currently enacted and as amended in the future. Where in conflict, the provisions of this Contract supersede the District policies, including any revisions or amendments thereto.
- G. If any provision or any portion thereof, contained in this Contract is held to be unconstitutional, invalid, or unenforceable, the remainder of this Contract or portion thereof, shall not be affected, and shall remain in full force and effect.
- H. Employee acknowledges that he has had the opportunity to consult legal counsel regarding this Contract, that he has read and understands this Contract, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on his own judgment and not on any representations or promises other than those contained in this Contract.
- I. Any notice to be given by any of the parties hereto may be delivered (i) by personal delivery in writing, (ii) by delivery by any nationally recognized overnight carrier, or (iii) by mail, certified or registered and postage prepaid, with return receipt requested, and addressed to such party as described below, or if Employee has moved to the last known address.

If to the District:

Attention: General Manager Joone K. Lopez
Moulton Niguel Water District
26161 Gordon Rd.
Laguna Hills, CA 92653

With a copy to:

Attention: Sam Penrod
Director of Human Resources
At the same address as above.

If to Employee:

Attn: Matt Collings

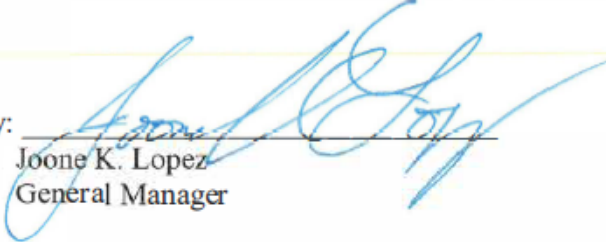


J. This Contract may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

K. The parties agree that this Contract is not binding or enforceable unless and until it is duly approved or ratified by the Board of Directors.

IN WITNESS WHEREOF, the Moulton Niguel Water District has caused this Contract to be signed and duly executed by its General Manager, and the Employee has signed and executed this Contract, both in duplicate, as of the day and year first above written.

MOULTON NIGUEL WATER DISTRICT

By: 
Joone K. Lopez
General Manager

EMPLOYEE:


Matt Collings