

**EMPLOYMENT AGREEMENT BETWEEN
BEAUMONT-CHERRY VALLEY WATER DISTRICT AND
DANIEL K. JAGGERS**

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of October 11, 2017 ("Effective Date"), by and between **BEAUMONT-CHERRY VALLEY WATER DISTRICT** (hereinafter referred to as "District") and Daniel K. Jagers (hereinafter referred to as "Jagers" or "Employee").

RECITALS

- A. **WHEREAS**, the District is a local public agency organized and operating pursuant to Division 11 of the California Water Code; and
- B. **WHEREAS**, on or about October 11, 2017, the District's Board of Directors appointed Jagers as the District's General Manager; and
- C. **WHEREAS**, the Employee is familiar with the position's legal requirements, industry standards, and responsibilities; and
- D. **WHEREAS**, the Employee represents and warrants that he has the skills and ability to serve in such position and wishes to accept such employment; and
- E. **WHEREAS**, the District's Board of Directors wishes to engage the services of Employee as the General Manager of the District and to induce Employee to remain in such a position and to enter into an Employment Agreement with Jagers on the terms and conditions provided herein;

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1.0 Incorporation of Recitals. The Recitals set forth above are hereby made a part of this Agreement and are incorporated herein as though set forth in full by this reference.

2.0 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement and this Agreement shall supersede all prior agreements between the parties on this subject matter.

3.0 Employment. The District hereby employs Jagers who accepts such employment, to serve as its General Manager. Employee shall perform the duties and responsibilities imposed by law, industry standards, and responsibilities and duties and such legally permissible further duties and functions as shall from time to time be assigned by the Board of Directors. Employee shall devote such time, interest, and effort to the performance of his duties as may be reasonably necessary to fulfill the above requirement. Employee agrees to perform such services to the best of his ability, in an efficient and competent manner consistent with industry standards of the profession. Employee shall also comply with

District Policy and Procedures manual (including any future updates as approved by Board), which also includes conflict of interest policy, ethics provisions, and shall attend ethics classes every other year or as required by law. Without limiting the generality of the foregoing, Employee understands and agrees that this position is an exempt, salaried, full time position (40 hours per week minimum) with regular required office hours as provided for in this Agreement, including time outside normal business office hours such as attending Board and other agency meetings. Employee shall not be entitled to additional compensation for such time. Employee shall begin his employment as General Manager on October 11, 2017 and shall continue until said employment is terminated as provided herein. Employee agrees and understands that he will report for work as necessary regardless of regularly scheduled hours, scheduled leave, or holidays.

4.0 Term and Renewal. This Agreement shall be effective as of October 11, 2017. The term of this Agreement shall be for three (3) years through October 10, 2020, unless sooner terminated or extended by the parties as set forth in this Agreement.

4.1 Extensions. Effective on the anniversary date of this Agreement, it shall be automatically renewed upon the same terms and conditions for successive three (3) year terms unless otherwise terminated pursuant to Section 14.0

5.0 At-Will. It is expressly understood that Employee in his capacity as General Manager is a contracted employee serving at the pleasure of the Board, subject to termination pursuant to the terms of this Agreement, and with no right to any hearing or appeal, including any so called *Skelly* conference, other than the rights expressly provided in this Agreement. Jagers' employment with District is "at-will", which means that either Jagers or District may terminate this Agreement, and Jagers' employment, at any time, with or without cause. Any modification of the "at-will" nature of the employment relationship must be in writing and executed by both Jagers and the District's Board of Directors.

6.0 Compensation. Initial Annual Compensation. Jagers shall be paid an annual base salary of \$196,356.00. Said compensation shall be paid in equal bi-weekly payments.

6.1 Performance Evaluation - Merit Adjustment. On or about January of each year, commencing January 2019, the District's Board of Directors shall evaluate the performance of Employee and other relevant factors and shall consider making reasonable adjustments to the annual salary of Employee as the Board may deem appropriate, in accordance with such evaluation. The District Board of Directors shall meet and confer with Employee in regard to such evaluation and the conclusions to be reached therefrom. Salary adjustments, if any, shall be effective the following February. However, it is understood that the District makes no commitment to increase or otherwise adjust Employee salary at any particular time on any regular basis. Failure of the Board to conduct regularly scheduled performance evaluations shall not prohibit the Board from terminating this Agreement in accordance with Section 14.2.

6.2 Performance Objectives. On or about January of each year, commencing January 2018, the Board of Directors and Employee shall define goals and performance objectives that they determine necessary for the proper operation of the District and for the attainment of the Board of Director's policy objectives, and shall establish a relative priority among those various goals and objectives which shall be reduced to writing. Such goals and objectives shall reasonably be attainable within the time limitations, as specified, and the annual capital budgets and operating appropriations approved by the Board of Directors.

6.3 Overtime Pay. As an exempt managerial employee, under no circumstances will Employee be entitled to any overtime pay regardless of the number of hours he may work in any work week.

6.4 Incentive Pay. Following Employee's annual performance evaluation, Employee may be eligible for a discretionary bonus between zero (0%) and ten (10%) of Employees base salary. The factors or criteria considered for the bonus will be developed by the Board of Directors following discussions and input from the General Manager on an annual basis. The District shall endeavor to provide the factors well in advance before the scheduled annual performance review.

6.5 Benefits. Employee will be entitled to and receive the following fringe benefits: The District shall provide Employee with a District cell phone, computer and/or other electronic devices as shall be authorized by the Board. All reasonable expenses concerning such electronic devices will be the responsibility of the District. All electronic communications and files or documents stored on all District devices are the sole property of District and said materials shall be conveyed to the District upon termination of this agreement. The District reserves the rights to examine, monitor, or review any electronic material. The District shall reimburse Employee for any use of his personal vehicle in conjunction with conducting the business of the District at standard IRS mileage rates when District vehicle is not available. The District shall furnish Employee with a moderately equipped vehicle for all related District business, including travel to and from Employee's residence. The District shall supply all fuel and maintenance as required under normal vehicle operations. Other than deminimis use while commuting to or from work or during work hours, the Employee shall not use said District vehicle for any personal business and shall not transport anyone not conducting District business.

6.6 Holidays, Vacation, and Sick Leave. Employee shall be entitled to eleven (11) District observed Holidays per year. Employee shall accrue Sick Leave based on 1 day per month, and vacation pay at 15 days per year. After five years of employment, employee shall accrue vacation pay at the rate of 20 days per year. Employee's presently accrued leave and tenure as a District employee shall apply to the computation of allowed leave and vacation pay pursuant to this section 6.6.

6.7 Other Leave. Employee will be allotted Management Leave at Forty (40) hours per year on the anniversary date of the Agreement to be scheduled and used throughout the year. These days do not accrue, and are not subject to carry over, however, they can be cashed out upon notice from Employee. Bereavement leave will be given of up to four days upon the death of any immediate family member as defined in District's policies. Employee shall have the option to convert his accrued leave to cash (with the exception of sick leave, to be paid at the time of retirement only at 50% cash value) at any time during the term of this Agreement. All unused accrued leave balances other than for sick leave shall be paid off upon voluntary or involuntary termination of employment at Employee then existing salary.

6.8 California Public Employees Retirement System. Employee will be entitled to and participate in the California Public Employees Retirement System (PERS). Benefits provided shall include (1) 2.7% at age 55 formula with all prior years of service recognized (California Government Code Section 21354.5), (2) One-year final compensation (California Government Code Section 20042), and (3) Post Retirement Survivor Allowance (California Government Code Sections 21624, 21626, & 21628). Employee shall pay the employee portion for retirement benefits as amended from time to time. The District has an established 457 plan pursuant to the Internal Revenue Code and the regulations promulgated thereunder. Employee may participate in such 457 Plan with his own funds, as he may determine from time to time. The District will contribute one dollar (\$1) for every one dollar that Employees contributes up to a total of \$5,000 per year.

6.9 Life Insurance. The District shall pay all applicable premiums and provide term life insurance equivalent to the total annual salary as described in this Agreement. The District shall also provide accidental death and dismemberment insurance and long-term disability insurance in coverage amounts equivalent to that afforded to any other District employee.

6.10 Health Insurance. The District shall pay the entire monthly health insurance premium for Employee and his eligible dependents as determined by the District. A choice of plans provided by PERS shall be available to Employee.

7.0 State Disability Insurance. Employee shall pay the entire State Disability Insurance premium.

8.0 Business Expenses. The District shall reimburse Employee for all reasonable business expenses incurred in connection with District business. Such expenses include but are not limited to expenses incurred in the attendance of regional, state and national conferences, seminars, hearings, and/or meetings that are devoted to matters that relate to the duties of the General Manager as approved by the Board of Directors. A monthly expense claim shall be submitted to the Board for review and subsequent approval. Such expenses also include Employee dues for membership in professional organizations, professional certification, and the associated educational requirements for obtaining and/or maintaining those certifications as approved by Board.

9.0 Medical Examination. If an annual or pre-employment medical examination is required, said examination shall be made by a licensed physician mutually approved by the District and Employee. Prior to such examination, the Board shall provide a list of the physical requirements and essential functions of the General Manager position for presentation to the examining physician. The physician shall provide to the District a written statement setting forth whether or not Employee meets such physical requirements and/or any limitations on Employee's ability to perform the physical requirements and/or essential functions of the position, but shall otherwise keep confidential and shall not provide to the District any other information concerning Employee. The cost of said medical examination and report shall be paid for by the District.

10.0 Bonding. The District shall bear the full cost of any fidelity or other bonds required of Employee, in the performance of his duties as General Manager.

11.0 Indemnification. To the full extent of the law, including, but not limited to the California Torts Claims Act (California Government Code Section, 810 et seq.), the District shall defend and indemnify Employee against any and all losses sustained by Employee in direct consequence of the discharge of the General Manager's duties within the scope of his employment; provided that no indemnification shall be made for the gross negligence or willful misconduct of Employee. These provisions shall survive the termination of this Agreement.

12.0 General Manager and Board of Directors Responsibilities. The General Manager shall be the Chief Executive Officer of the District. As such, the General Manager shall have the responsibility for implementing Board of Directors' policy, whereas the Board of Directors shall retain the responsibility for formulating and adopting said policies.

13.0 Duties.

13.1 Business Duties. The General Manager shall perform such duties as prescribed in the District's Job Description for the position of General Manager and as may be required of him by the District's Board of Directors. The General Manager is the chief executive officer of the District, responsible directly to the District's Board of Directors. The General Manager shall be responsible to the District's Board of Directors for the operation of the District's functions and facilities; plan and carry out all construction work when authorized by the District's Board of Directors necessary or proper to carry out the purposes of the District; make such recommendations to the District's Board of Directors concerning the affairs of the District as may seem desirable to him; prepare and submit to the District's Board of Directors an annual budget and such reports as may be required by the District's Board of Directors.

13.2 Personnel Matters. The General Manager shall have the additional responsibility of organizing, reorganizing and arranging the staff of the District in such a way that in his judgment best serves the District. The General Manager shall have such responsibility in all personnel matters, including selection, assignment, transfer and termination of employees in accordance with the District's personnel rules and regulations. Members of the Board of Directors, individually and collectively, will promptly refer all

criticisms, complaints and suggestions called to their attention to the General Manager for review and action as the General Manager deems appropriate.

13.3 Board Review Period. In order to allow for a fair and objective assessment of the performance of the General Manager, the District agrees not to initiate termination of Jagers' employment within sixty (60) days following any District general or special election, or change in membership of the Board of Directors. If additional Board membership change occurs within the original 60 day period, there will be no time extension to the termination process.

13.4 Other Duties. The General Manager (or his designee) shall: (1) review all policies proposed to the Board of Directors and make appropriate recommendations to the Board; (2) advise the Board of Directors of possible source of funds that might be available to implement present or contemplated District programs or services; (3) maintain and improve his professional competence by available means, including subscription to and reading of appropriate periodicals, and joining and participating in appropriate professional associations and their activities; (4) establish and maintain an appropriate community relations program; and (5) serve as liaison between the Board of Directors and as its designated representative with respect to all labor negotiations, and make recommendations to the Board of Directors concerning those matters. Notwithstanding that a designee of the General Manager may perform such duties, the General Manager shall be the person ultimately responsible to the Board of Directors for the proper implementation of the duties and responsibilities described herein.

13.5 District Business Commitment. The General Manager will devote his full time and best efforts to performing his duties and to the District's business affairs. No personal or private business shall be conducted on District time or in the capacity of General Manager.

13.6 Community and Professional Commitment. The expenditure of reasonable amounts of time not in conflict with the District's needs and interests, for educational, charitable, community and professional activities, shall not be deemed a breach of this Agreement and shall not require prior consent. This agreement shall not be interpreted to prohibit Employee from making passive personal investments or conducting private business affairs outside of the required work hours as defined in this Agreement for those activities that do not materially interfere with the services required under this Agreement or create conflicts of interest.

14.0 Termination of Employment

14.1 By Jagers. Jagers may terminate this Agreement upon giving thirty (30) days written notice to the District's Board of Directors.

14.2 By District. As noted in Section 5.0, Jagers' employment herein is "at-will". Accordingly, the Board of Directors by three-fifths (3/5) vote may terminate this Agreement, and Jagers' employment at any time with or without cause. Employee shall be granted 3 months of base salary and 3 months of the continuance of health benefits upon a vote

of the Board of Directors terminating this Agreement. The payment under this subsection is subject to, and in accordance with, the provisions of California Government Code Sections 53260 and 53261. In exchange for the severance pay provided herein, Jagers hereby expressly waives any and all rights he may have under any applicable law, District policy or other, to challenge or appeal his termination in any way.

15.0 Notices. Any notice to be given hereunder by either party to the other party shall be in writing and may be transmitted by personal delivery or mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the following respective addresses:

District:
Board of Directors
Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223-2258

General Manager
Mr. Daniel Jagers
Current Address (as on File in Employees
Personnel File)

16.0 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The parties agree that any action or proceeding to enforce or relating to this Agreement shall be brought exclusively in the federal or state courts located in Riverside County, California and the parties hereto consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding.

17.0 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the District's successor agency or entity as the case may be.

18.0 Severability. If any term, provision, or part of this Agreement is found by a court to be invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other terms, provisions, and parts of this Agreement shall nevertheless remain in full force and effect as long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. On such determination that any term, provision, or part of this Agreement is invalid, illegal, or incapable of being enforced, this Agreement shall be deemed to be modified so as to effect the parties' original intent as closely as possible to the end that the transactions contemplated by this Agreement and the terms and provisions of this Agreement are fulfilled to the greatest extent possible.

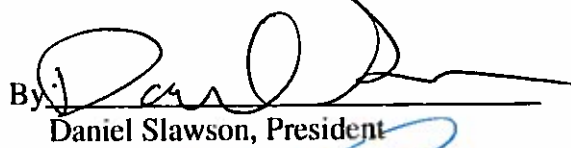
IN WITNESS WHEREOF, the parties have executed this Agreement effective October, 11, 2017.

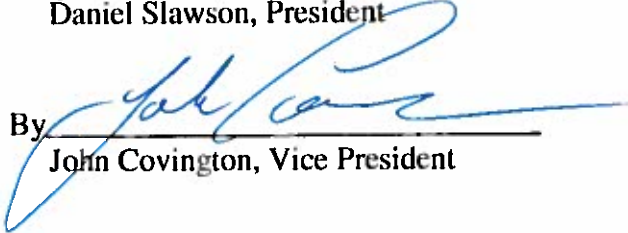
JAGGERS


Daniel K. Jagers

DISTRICT

BEAUMONT-CHERRY VALLEY WATER DISTRICT

By 
Daniel Slawson, President

By 
John Covington, Vice President