

FIRST AMENDMENT TO
EMPLOYMENT CONTRACT FOR SERVICE AS GENERAL MANAGER
OF SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Betty Burnett

This First Amendment to EMPLOYMENT CONTRACT FOR SERVICES AS GENERAL MANAGER OF SOUTH ORANGE COUNTY WASTEWATER AUTHORITY Betty Burnett, dated June 5, 2015 ("First Amendment"), is deemed effective as of the 30th day of June, 2015, by and between **SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)**, a joint powers agency operating and existing pursuant to Section 6500 *et seq.* of the Government Code of the State of California and that certain joint powers agreement entitled "*JOINT EXERCISE OF POWERS AGREEMENT CREATING SOUTH ORANGE COUNTY WASTEWATER AUTHORITY AND TERMINATING ALISO WATER MANAGEMENT AGENCY, SOUTH EAST REGIONAL RECLAMATION AUTHORITY, SOUTH ORANGE COUNTY RECLAMATION AUTHORITY,*" dated July 1, 2001, and Betty Burnett ("Employee"). SOCWA and Employee are sometimes referred to in this First Amendment together as "parties."

RECITALS

A. SOCWA entered into that certain Employment Contract for Services as General Manager of South Orange County Wastewater Authority with Employee effective June 5, 2014 ("Employment Agreement").

B. The Board of Directors of SOCWA and Employee now desire to amend the Employment Agreement to provide for a salary change and amendment of certain other terms of employment.

Now, therefore, the parties agree as follows:

1. SECTION 3. COMPENSATION is amended as follows (revised terms underlined):

"3.1 SOCWA agrees to pay Employee for services rendered hereto at a rate of \$198,000.00 annually, minus appropriate withholding and payroll deductions, commencing as of June 30, 2014, payable through and in accordance with SOCWA's regular payroll procedures payable in bi-weekly installments. Beginning June 30, 2015, the salary rate shall increase by 3% to \$203,940 annually, minus appropriate withholding and payroll deductions. Commencing June 30, 2015, Employee will receive

the same annual Cost of Living increase afforded to other non-represented SOCWA employees."

2. SECTION 7. HOURS AND BENEFITS is amended as follows (revised terms underlined):

"7.8 Employee shall be a member of SOCWA's retirement plan adopted and existing pursuant to contract with the State of California Public Employee's Retirement System ("PERS") (2.5@55) in accordance with the official plan documents and related SOCWA 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. Employee must pay the full employee contribution to PERS (currently 8%) or the same as other SOCWA employees on the 2.5% @ 55 plan if that amount is less than 8%. In the event that PERS limits or restricts Employee's ability to participate in the 2.5@55 plan, Employee shall be entitled to additional compensation under Section 3.1 calculated as the difference between the PERS benefit funding contributed by SOCWA under the 2@55 plan and what would otherwise have been contributed by SOCWA under the 2.5@55 plan for Employee at Employee's then current salary rate pursuant to Section 3.1 (utilizing the same formula for contribution applied to other SOCWA "classic employees" receiving the 2.5@55 contributions toward PERS retirement). This additional compensation shall apply for Employee's first year of employment, from June 30, 2014, through and including June 30, 2015, and continue thereafter. At Employee's election this additional compensation shall be paid in a lump sum, annually, on or after June 30 in any given year, minus appropriate withholding and payroll deductions."

3. The foregoing amended terms shall apply under this Employment Agreement unless or until otherwise revised by the Board of Directors. Other than as set forth in this First Amendment, all other terms and conditions set forth in the Employment Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this First Amendment to the Employment Agreement is deemed effective as of June 30, 2015, and is signed and duly executed by the Chairperson of the Board of Directors and Employee.

SOCWA

By: Michael P. Dunbar
Chairman Mike Dunbar

Employee

By: B. Burnett
Betty Burnett, General Manager

**EMPLOYMENT CONTRACT FOR SERVICES AS GENERAL MANAGER
OF SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

Betty Burnett

This Employment Contract ("Contract") is made and entered into as of the 5th day of June, 2014, by and between **SOUTH ORANGE COUNTY WASTEWATER AUTHORITY** a joint powers agency operating and existing pursuant to Section 6500 *et seq.* of the Government Code of the State of California and that certain joint powers agreement entitled "JOINT EXERCISE OF POWERS AGREEMENT CREATING SOUTH ORANGE COUNTY WASTEWATER AUTHORITY AND TERMINATING ALISO WATER MANAGEMENT AGENCY, SOUTH EAST REGIONAL RECLAMATION AUTHORITY, SOUTH ORANGE COUNTY RECLAMATION AUTHORITY", dated July 1, 2001, ("SOCWA" or "Authority"), and Betty Burnett ("Employee"). SOCWA and Employee are referred to in this Contract from time to time individually as "party" and jointly as "parties."

RECITALS

- A. SOCWA's Board of Directors ("Board") wishes to engage the services of Employee as the SOCWA General Manager.
- B. Employee represents and warrants that she is qualified to perform such services.
- C. Employee represents that she has read the functions, responsibilities and duties set forth in Exhibit A attached hereto and incorporated herein.

AGREEMENT

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

SECTION 1. DUTIES.

- 1.1 SOCWA hereby agrees to employ Employee as the SOCWA General Manager, to serve at the will and pleasure of the Board. Employee shall perform the functions and duties specified in Exhibit A, and such other legally permissible and further duties and functions as shall, from time to time, be assigned by the Board, or as required by law.
- 1.2 Employee shall devote such time, interest, and effort to the performance of her 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.

- 1.3 Employee's duties require that she be available to address time-sensitive matters of the SOCWA business, and Employee agrees to reside within a distance from the SOCWA administrative offices that enables her to be on the SOCWA premises within one hour during her employment as General Manager.
- 1.4 Employee shall devote Employee's entire productive time, ability, and attention to the business of SOCWA during the term of this Contract.
- 1.5 Employee shall not engage in any other business, duties or pursuits whatsoever, or directly or indirectly render any service of a business, commercial, or professional nature to any other person or organization, whether for compensation or otherwise, without the prior approval of the SOCWA Executive Committee.
- 1.6 This Contract shall not be interpreted to prohibit Employee from making passive personal investments or conducting private business affairs if those activities are not deemed to be a conflict of interest by State law and do not interfere with or provide a conflict of interest to the services required under this Contract.

SECTION 2. TERM.

- 2.1 This Contract shall be effective as of June 30, 2014 (the "Anniversary Date") and shall remain in effect unless and until terminated as provided in this Section.
- 2.2 It is expressly understood that Employee, in her capacity as the SOCWA General Manager, is an at-will employee serving at the pleasure of the Board, subject to termination at any time, with or without cause, and with no right to any hearing, including any so-called Skelly hearing.
- 2.3 Nothing in this Contract shall prevent, limit, or otherwise interfere with the right of the Employee or SOCWA to voluntarily terminate this Contract. Due to the sensitive nature of Employee's position and the difficulty of replacing Employee, Employee shall give sixty (60) days written notice prior to such termination to the Board.
- 2.4 In the event SOCWA terminates Employee's employment without cause, the Employee shall be entitled to the following severance in accordance with the terms of California Government Code sections 53260, *et seq.*: (1) three (3) 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 administrative leave, 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 7.1 and 7.2 of this Contract); provided, if SOCWA terminates Employee's employment without cause during the first

twelve (12) months of Employee's employment, then Employee shall be entitled to four (4) month's salary at the rate in effect at the date of termination, plus those items listed hereinbefore under (2) and (3). If the Employee is convicted of a crime involving an abuse of her office or position (as defined in Government Code Section 53243.4, or its successor), the Employee shall be obligated to reimburse SOCWA the full amount of the cash settlement listed hereinbefore under (1). Payment of any severance is expressly contingent on Employee releasing SOCWA and the 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 her 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 SOCWA 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 or benefits (except for unused vacation). Under no circumstances shall the Employee be entitled to reinstatement to the position of General Manager as a result of such hearing. Following the hearing, the hearing officer shall submit her findings and decision to SOCWA, which shall be final and binding. Termination shall be 'for cause' if the Employee: (1) acts in bad faith and to the detriment of SOCWA; (2) refuses or fails to act in accordance with any specific direction or order of the SOCWA Board or Executive Committee (provided that the full SOCWA Board has been informed of the direction of the Executive Committee); (3) exhibits in regard to her 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

3.1 SOCWA agrees to pay Employee for services rendered pursuant hereto at a rate of \$198,000.00 annually, minus appropriate withholding and payroll deductions, commencing as of June 30, 2014, payable through and in accordance with SOCWA's regular payroll procedures payable in bi-weekly installments. Commencing June 30, 2015, Employee will receive the same annual Cost of Living increase afforded to other non-represented SOCWA employees.

SECTION 4. PERFORMANCE EVALUATION.

- 4.1 The performance review and evaluation process set forth herein is intended to provide review and feedback to Employee so as to facilitate a more effective management of SOCWA. Nothing herein shall be deemed to alter or change the employment status of Employee, nor shall this Section be construed as requiring "cause" to terminate this "Contract" or the services of Employee hereunder.
- 4.2 The Board will conduct the first performance evaluation of Employee no later than six (6) months from the Anniversary Date of this Contract (June 30, 2014), and thereafter performance evaluations shall be conducted annually on or about January 1. In conjunction with each performance evaluation, SOCWA may consider any appropriate merit pay adjustments.
- 4.3 SOCWA agrees to prepare a written summary of each performance evaluation of Employee, and to include the same in her personnel file within two (2) weeks following conclusion of the review and evaluation process and shall schedule at least one (1) closed personnel session with Employee to deliver and discuss the performance evaluation.

SECTION 5. HEALTH & WELLNESS.

SOCWA shall provide to Employee the same group medical, dental, vision, life and long-term disability insurance programs, as well as any retirement benefits, if any, as are afforded to other employees of SOCWA 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.

- 6.1 If consistent with annual budgetary proceedings SOCWA 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 certifications and licenses (engineering registration, State BAR, etc), dues, books, and subscription expenses necessary and desirable to continue the professional development of Employee and (iii) expenses incurred to adequately pursue necessary official and other functions for SOCWA, including national, regional, state, and local governmental groups and committees thereof which Employee and/or SOCWA serves as a member.
- 6.2 Consistent with annual budgetary proceedings, SOCWA agrees to pay such other reasonable business expenses related to Employee's performance of the duties stated herein.

Employee's professional development and business expenses are governed in accordance with existing SOCWA 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.

- 7.1 Employee shall be entitled to 160 hours of vacation time per year. Employee has discretion to schedule her vacation so long as that vacation is scheduled in such a way as to avoid unnecessary detriment to SOCWA's operations. Employee will provide reasonable notice to the Board Chairperson of scheduled vacation dates and will identify employees who will perform the Employee's duties during her absence. In addition to the 160 hours (above) Employee is entitled to an additional 36 hours of Administrative Leave time per year. The Administrative Leave may not be carried over from year to year, and if not used prior to June 30 of each year, the cash value of unused Administrative Leave will be paid to Employee on the first pay check following July 1 of each year.
- 7.2 Employee shall accrue paid sick/personal leave at the same rate and on the same terms as are afforded to division head employees of SOCWA, as set forth in SOCWA's 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.
- 7.3 Employee shall be entitled to paid holidays according to the same schedule as is afforded division head employees of SOCWA, as set forth in SOCWA's 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.
- 7.4 Employee shall receive a monthly vehicle allowance of six hundred and fifty Dollars (\$650) per month, payable in lieu of mileage and any other vehicle-related costs and expenses. Employee agrees the vehicle allowance covers all vehicle costs and expenses that may be incurred by Employee in connection with the use of her private vehicle for SOCWA business, including but not limited to insurance, maintenance and fuel costs. Employee's use of her private vehicle while conducting SOCWA business is governed by SOCWA's policies, including SOCWA's *Vehicle Policy*.
- 7.5 Employee shall be provided, at SOCWA's expense, Employee may select a SOCWA cell phone or smart phone, and laptop computer and tablet to be used for SOCWA business. The provision of a SOCWA phone and laptop computer and tablet and related expenses are governed in accordance with existing SOCWA 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.
- 7.6 Employee shall maintain a work schedule similar to other SOCWA Department Head employees, and shall work at such other times as may be necessary to discharge her duties, except when away on business for SOCWA

or as otherwise excused by the Chairperson, or in his absence any other Board Officer, in writing (including an email communication).

7.7 Assuming eligibility, Employee may at her option participate in SOCWA's 457 Deferred Compensation Plan. Employee's participation in these plans shall be in accordance with official plan documents and related SOCWA 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. If Employee chooses to participate in the 457 Deferred Compensation Plan SOCWA will contribute and Employee shall have the option to match five percent (5%) of Employee's annual base salary to the 457 Plan.

7.8 Employee shall be a member of SOCWA's retirement plan adopted and existing pursuant to contract with the State of California Public Employees' Retirement System ("PERS") (2.5@55) in accordance with official plan documents and related SOCWA 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. Employee must pay the full employee contribution to PERS (currently 8%) or the same as other SOCWA employees on the 2.5%@55 plan if that amount is less than 8%)

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

- (1) Paid jury duty for a maximum of fifteen (15) days, as described in SOCWA's *Personnel and Salary Policy*.
- (2) An annual paid, comprehensive medical exam, as described in SOCWA's *Personnel and Salary Policy*.

7.10 SOCWA shall pay for all official bonds required for the office of the General Manager.

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.

8.1 This Contract shall constitute the entire agreement between the parties hereto.

8.2 This Contract shall be governed by the laws of the State of California.

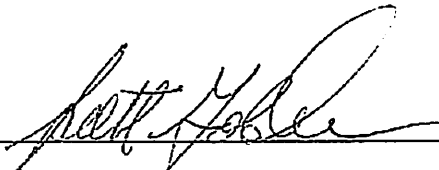
8.3 This Contract shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.

- 8.4 Any assignment of the rights or obligations of Employee hereunder without the express approval of SOCWA shall be void.
- 8.5 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.
- 8.6 This Contract integrates all of 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 wholly supersedes and replaces the terms of any prior agreements, and any rights contained in such agreement. This Contract also incorporates by reference SOCWA policies, as currently enacted and as amended in the future. All references to the SOCWA policies, including any sections, parts, articles, titles and other references thereto, shall be deemed to include any related successor and/or revised terms previously included in such policies, as well as any amendments, supplements, or revisions in the future. Where in conflict, the provisions of this Contract supersede SOCWA policies, including any revisions or amendments thereto.
- 8.7 All of the employee benefit plans referred to by this Contract shall be governed solely by the terms of the underlying plan documents and by applicable law. This Contract is for the sole benefit of Employee and SOCWA, and is not intended to create an employee benefit plan or to modify the terms of such existing plans.
- 8.8 The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Contract by the other party shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.
- 8.9 Any notice to be given hereunder by either party to the other 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 Employee at the address(es) maintained in the SOCWA personnel records. Notices to SOCWA shall be addressed to the Chairperson of the Board at the address(es) maintained by such persons for delivery of official SOCWA communications. Notices delivered personally shall be deemed communicated as of the date of actual receipt; mailed notices shall be deemed communicated as of the date of actual receipt.
- 8.10 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.
- 8.11 Employee acknowledges that she has had the opportunity to consult legal counsel in regard to this Contract, that she has read and understands this Contract, that she is fully aware of its legal effect, and that she has entered into it freely

and voluntarily and based on her own judgment and not on any representations or promises other than those contained in this Contract.

IN WITNESS WHEREOF, South Orange County Wastewater Authority has caused this Contract to be signed and duly executed by its Chairperson, and the Employee has signed and executed this Contract, both in duplicate, as of the day and year first above written.

SOCWA:

By: 
Scott Goldman, Chairperson

EMPLOYEE:

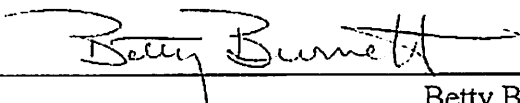
By: 
Betty Burnett

EXHIBIT A

TITLE: General Manager

DIVISION: Executive Management

SALARY RANGE: Set by the Board of Directors

DEFINITION:

This position acts as the Chief Executive Officer of SOCWA and reports directly to the Board of Directors.

The General Manager is responsible for the overall administration, management, planning, engineering, construction, maintenance and operation of complex secondary and tertiary wastewater treatment plants and related facilities. Additionally, the General Manager implements public outreach programs to promote issues relating to SOCWA's activities and those of its member agencies.

EXAMPLE OF DUTIES:

- Acts as an agent for the Board of Directors to ensure that all policies and programs of the Board are carried out.
- Works with the Board of Directors to identify significant issues relating to SOCWA and assists in the formulation of policies relating to same.
- Provides feedback to the Board to make sure all aspects of issues are evaluated.
- Directs and supervises all employees of the Authority. Ensures the proper application of all rules and policies of the Authority. All employees work under the direction and control of the General Manager.
- Develop/mentor management and administrative staff
- Encourage increased participation by executive staff
- Utilize key staff members in outreach programs
- Organizes, directs and administers the operation and maintenance of wastewater treatment plants and other joint facilities to meet applicable state and federal wastewater quality standards.
- Serves as Secretary to the Board of Directors.
- Develops and implements cost control measurements and cost control systems as required by the Authority.

- Represents the Authority in wastewater related organizations such as SCAP, CASA, CSRMA, etc.
- Directs the continuous review of expenditures throughout the fiscal year to determine if such expenditures are necessary and in accordance with Board policy.
- Fosters strong working relationships with Regional Boards and Non-governmental organizations
- Represent the Authority in all negotiations, transactions and discussions with county, state and federal agencies. Acts as liaison to these organizations.
- Recommends new or modified policies and programs to the Board of Directors. Supervises the reorganization of staff as appropriate.
- Cultivates and maintains contacts with the media, community leaders, public officials and other wastewater and water agencies
- Prepares and submits annual operating and capital improvement budgets related to the operation and maintenance of the wastewater treatment plants and facilities as required by the Authority. Supervises production and implementation of long-range capital improvement programs.
- Ensure that all service contracts are properly administered. Provides such services to member agencies as appropriate.
- Consults with all facility users regarding unusual or difficult wastewater problems, to include notification of violations and initiation of action to obtain compliance; notifies appropriate agencies of any violations and initiates action to obtain compliance with existing regulations.
- Prepares studies, surveys, reports and economic appraisals as required by the Authority.
- Insures the safe operation of the wastewater treatment plants, joint facilities and the safe practices of Personnel employed by the Authority.
- Responds to requests from member agencies to report on the operation of the wastewater treatment plants and joint facilities. Makes reports to member agency Boards, as requested.
- Provide outreach for member agency staff on SOCWA related issues
- Strong leader for SOCWA and in the community
- Be regarded as an advocate for SOCWA and SOCWA member agencies
- Provides expert opinions, advice and counsel in matters relating to the wastewater system.
- Acts as the Authority's principal representative in all personal matters and employee negotiations, disputes and grievances.

- Participates actively in organizations, committees, task forces and meetings for the benefit of the Authority. Represents the Authority in all matters directly related to its wastewater facilities.
- Represents the Authority during declared states of emergency associated with flood, earthquake and other natural and man-made disasters. Directs the emergency response by Authority personnel.
- Performs other related duties as required.

Minimum Training and Experience Required to Perform Essential Functions:

Sufficient experience in wastewater treatment and disposal to provide incumbent with the resources necessary to effectively oversee and lead a complex wastewater agency and to participate in public relations/outreach programs advocating issues pertinent to the mission of SOCWA and its member agencies.

- Graduation from a college or university with a baccalaureate degree in engineering, public administration, finance, or related field or an acceptable equivalent.
- A Master's degree is highly desirable in an appropriate field.
- Must possess a valid California, Class C, driver's license in good standing.

Other Special Requirements:

- Principles and techniques of organization, management, personnel administration, governmental budgeting and staff organization; advertising and public relations techniques, analysis of public relations problems, and development of communications, public and community relations programs; sanitary, civil and related engineering fields as applied to planning, design, construction, and operation of wastewater treatment and disposal facilities; principles and development of treatment and disposal of sewage, sludge and industrial wastes; state and regional water quality and water pollution control programs.
- Must possess the ability to plan, organize, direct and manage a qualified professional staff; develop and present projects to the governing board; analyze situations accurately and take effective action; work cooperatively with others.
- Ability to work effectively with elected and appointed Board of Directors, including willingness to initiate and participate in policy discussions and to provide candid feedback to Board.
- Understanding of pertinent regulatory issues and desire to work closely with regulatory agencies to develop and/or update regulations related to SOCWA.

Environmental Adaptability

Tasks are regularly performed without exposure to adverse environmental conditions.