

**— RUBIDOUX COMMUNITY SERVICES DISTRICT
EMPLOYMENT AGREEMENT – GENERAL MANAGER**

This Employment Agreement (herein “Agreement”) is made and entered into as of the 6th day of October 2022, by and between RUBIDOUX COMMUNITY SERVICES DISTRICT (hereinafter the “District”) and BRIAN LADDUSAW (hereinafter “Employee”). This agreement shall become fully effective December 30, 2022.

RECITALS

WHEREAS, Employee was originally employed as the Director of Finance and Administration of the District on March 26, 2019, and remains currently employed; and

WHEREAS, Employee is familiar with the positions legal requirements, industry standards and responsibilities and duties; and

WHEREAS, Employee represents and warrants that he has the skill and ability to serve in such position and wished to accept such employment on the terms and conditions set forth in this Agreement; and

WHEREAS, District desires to continue employment of Employee and to engage the service of Employee as the District’s General Manager on the terms and conditions set forth in this Agreement; and

WHEREAS, the official retirement date of the current District General Manager, Jeffrey D. Sims, is December 30, 2022, with his last day in the office December 29, 2022. Employee will assume duties associated with the District’s General Manager position starting December 30, 2022.

NOW THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties hereto, and upon the express terms and conditions hereinafter set forth, it is agreed by and between the parties as follows:

SECTION 1. EMPLOYMENT

A. District hereby offers and the Employee hereby accepts the position of General Manager of the District. Employee shall perform the duties and responsibilities imposed by law, industry standards, and responsibilities and duties as specified in the job description, and such legally permissible further duties and functions as shall, from time to time, be assigned by the Board.

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. Employee agrees to

perform such services to the best of his ability, in an efficient and competent manner consistent with the standards of the profession. Without limiting the generality of the foregoing, Employee understands and agrees that this position is an exempt, salaried, full-time position with regular required office hours and weekend hours when required in the best interests of the District.

SECTION 2. TERM AND RENEWAL

A. This agreement shall be effective as of December 30, 2022 (the "Anniversary Date"). The term of this Agreement shall be for three (3) years, through December 30, 2025, unless sooner terminated or extended by the parties as set forth in this agreement.

B. In the event that the Board determines that the Employee is not to be re-employed upon expiration of this Agreement, he shall be given written notice thereof by the Board at least four (4) months in advance of the expiration of the term of this Agreement. Should the Board fail to re-employ the Employee and the written notice provided for in this Section 2 has not been given at least four (4) months prior to the initial term of this Agreement, it shall be extended on the same terms for additional periods of one (1) year on each renewal.

SECTION 3. TERMINATION AND SEVERANCE PAY

A. 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.

B. This Agreement shall automatically terminate upon Employee's death, retirement, or permanent incapacity.

C. The Employee serves at the will and pleasure of the Board. At any time during the term of this Agreement or any extension thereof, the Board reserves the right to terminate the employment of Employee and determine his last day of employment upon the vote of three or more Board members at a duly called and noticed Board meeting. The District agrees, however, to refrain from voting on the issue of Employee's termination in any sixty (60) day period immediately following a new Board member's installation so that said new Board member may have sufficient time to apprise his or herself with Employee's performance prior to vote.

1. In the event that this Agreement is terminated before the end of its term "for cause" as defined below, no further compensation or benefit shall be made to the Employee. 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, still finds

merit to the allegations and terminates, the Employee shall not be entitled to any severance and will be owed no further compensation. However, if this Agreement is terminated "for cause," the Employee shall have the right to appeal the Board's decision upon written notice to the Board of such appeal within ten (10) days of the determination. Failure to provide written notice within the ten (10) day period will result in waiver of the right to appeal. Upon appeal, the parties will select an independent arbitrator, either mutually agreed to or selected from a list of seven (7) arbitrators provided by the State Mediation and Conciliation Service. If the parties are unable to agree upon an arbitrator, they shall alternate striking names from the list until such time as only one arbitrator remains on the list. Any arbitrator selected must be able to hear the matter within thirty (30) days of selection and render a decision within fifteen (15) days of the close of the hearing. The District shall bear the costs of the arbitrator. The issue at the hearing shall be limited solely to whether or not District's "for cause" termination was arbitrary and capricious, entitling Employee to severance pursuant to Section 3(C)(2). Under no circumstance shall the Employee be entitled to reinstatement to the position of General Manager as a result of such hearing. Following the hearing, the hearing office 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 legal requirement or specific direction or order of the Board of Directors 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 involved in crime involving dishonesty, breach of trust, or public conduct reflecting negatively on the District (no pending criminal prosecution need be in effect for termination due to fraud, embezzlement, or public conduct reflecting on the District; rather the Board must only have a good faith belief based on a good faith investigation); (5) Creates physical or emotional harm to any person; or (6) Breaches any material term of this Agreement.

2. In the event the District terminates Employee's employment for a reason other than those set forth in Section 3(C)(1), the Employee shall be entitled to the following severance in accordance with the terms of California Government Code sections 53260, *et seq.*: An amount equal to six (6) months of the Employee's then base salary or the remainder of the term of this Agreement, whichever is less. Contributions to the Public Employees' Retirement System ("PERS") for such Severance Pay shall be made in accordance with the District's PERS contract and the PERS law and regulations. The Employee shall be entitled to this severance pay either in a lump sum or, if he so elects, in a reasonable number of installments. Upon notice of termination, unless otherwise directed by the Employee, the District shall continue to make such

health payments as the Employee previously had elected under the management health and related benefits program for the period of the severance pay, or until he finds other employment, whichever occurs first.

D. The Employee may terminate this Agreement upon written notice to the Board and shall endeavor to give sixty (60) days prior notice. The District shall have the option, in its complete discretion, to terminate the Employee any time prior to the end of such notice period, provided the District pays the Employee all compensation due and owing through the last day actually worked, plus an amount equal to the base salary the Employee would have earned through the remainder of the notice period. Thereafter, all the District's obligations under this Agreement shall cease.

SECTION 4. COMPENSATION

A. Base Salary. The District agrees to pay Employee for services rendered pursuant hereto at a rate of Two Hundred Twenty-Six Thousand Six Hundred Thirty-Three Dollars and Sixty-Eight Cents (\$226,633.68) annually, pursuant to the procedures regularly established and as they may be amended by the District in its sole discretion. All compensation and comparable payments to be paid to Employee shall be less withholdings required by law.

B. Increase to Base Salary. During the term of this Agreement, Employee will receive no increases in base salary based on merit. Employee shall be entitled to an annual Cost of Living Adjustment ("COLA"). The annual COLA shall be determined and calculated in the same manner as all other District employees which is indexed to the Consumer Price Index ("CPI") for the Riverside-San Bernardino-Ontario area for urban wage earners and clerical workers ("CPI-W"). The COLA shall be a minimum of one percent (1%) and maximum of three percent (3%). If the CPI exceeds 4.25% for the stated area, and the District and staff mutually agree to a rate above three percent (3%), Employee will be entitled to the same increase. The annual COLA to the Employee's base salary shall have an effective date of July 1 of each fiscal year beginning July 1, 2023.

SECTION 5. BENEFITS

In addition to the compensation set forth in Section 4 the Employee shall be entitled to the following benefits:

A. Health and Dental Insurance. The Employee shall be provided with the same health and dental insurance options as other District employees, with District monthly contributions at the same level as all other full-time District employees which may be adjusted annually by the Board of Directors.

B. Vision Insurance. The Employee shall be provided with the same vision plan as other District employees. The premiums will continue to be fully covered by the District.

C. Life and AD&D Insurance. The Employee shall retain his benefit of participation in the District's Group Term Life Insurance ("GTLI") and Accidental Death & Dismemberment ("AD&D") Insurances at the same coverage amounts currently attained. The premiums will continue to be fully covered by the District.

D. FICA and CASDI Benefit. The Employee shall retain his benefit of District paid Employee portion of FICA and CASDI payroll taxes. Benefit shall be adjusted annually consistent with adjustments made by Federal and State taxing authorities.

E. PERS Retirement. Employee shall retain his qualification for retirement under the PERS plan formula of two percent (2%) at the age of sixty-two (62). District will contribute the Employer portion and the Employee will pay the Employee portion of PERS Retirement.

F. Deferred Compensation. Employee shall be entitled to participate in the District's 401(a) Retirement Plan and the District shall contribute into the Plan, in the Employee's name, an amount equal to five percent (5%) of the Employee's annual base compensation. The District shall be responsible for all expenses associated with the Section 401(a) account during the remaining term of this Agreement, including but not limited to administrative services fees and commissions. The Employee shall retain his right to participate in the District's 457(b) Deferred Compensation Plan. Participation in the plan is voluntary and all contributions into the plan will be made at the discretion of the Employee.

G. Vacation. Employee shall accrue one hundred sixty (160) hours, or four (4) weeks, of vacation time annually. Employee shall accrue his vacation hours on a per-paycheck proration consistent with current District staff. Any unused vacation hours may be carried over into the following year and may accumulate to an amount in excess of six hundred (600) hours. During the first paycheck of August each year, vacation hours in excess of 600 hours will be sold back to the District at Employee's then current hourly rate. The Employee's vacations shall be scheduled in coordination with the Board. Both parties hereto agree that Employee shall be entitled to receive full payment for any unused vacation time at Employee's then current hourly rate upon expiration of the Agreement or termination of employment with the District.

H. Sick. Employee shall accrue one hundred four (104) hours of sick time annually and Employee shall accrue his sick hours on a per-paycheck proration consistent with current District staff. Any unused sick hours may be carried over into the following year and may accumulate to an amount in excess of six hundred (600) hours. Consistent with current District practice, during the first paycheck of February each year, sick hours in excess of 600 hours will be sold back to the District at Employee's then current hourly rate. Both parties hereto agree that Employee shall be entitled to receive full payment for any unused sick time at Employee's then current hourly rate upon expiration of the Agreement or termination of employment with the District.

I. Administrative Leave. Employee shall retain his benefit of thirty-two (32) hours of Administrative Leave annually, consistent with current District practice for management level employees. The total amount of Administrative Leave become available each January. This Administrative Leave does not accrue, is not subject to carry over, is not subject to any cash-out option, and will not be paid out upon expiration of the Agreement or termination of employment with the District.

J. Vehicle. The District shall furnish Employee with a District vehicle and shall provide for fueling, insurance and maintenance thereof. The District agrees to replace the vehicle consistent with current District practice to minimize maintenance costs and optimize trade-in value which may or may not occur during the term of this Agreement. Employee shall operate the vehicle in a safe manner and shall maintain a valid California driver's license during the term of this Agreement. The District vehicle shall be used for District business and limited discretionary personal use.

K. Cell Phone. District shall provide a \$100 per month allowance to Employee for the cost of a smart phone recognizing the phone will be used for both personal and business use.

L. Job-Related Expense Reimbursement. The District will pay the Employee's business expenses incurred in connection with District business as provided by District policy, as it may be amended from time to time in the District's sole discretion.

M. Technical Equipment. The District shall provide the Employee with the technical equipment necessary for the performance of his duties.

N. Dues and Subscriptions. The District shall budget and pay for Employee's professional dues and subscriptions necessary for his continued full participation in approved national, regional, state, and local associations and organizations necessary and desirable for continued professional growth and advancement and for the good of the District.

O. Professional Development. The District shall budget and pay for travel and subsistence expenses for Employee (as set out by applicable District policy, as it may be amended from time to time in the District's sole discretion) for Board approved professional and official travel, meetings and similar necessary functions, but not limited to, Board approved groups and committees of which Employee is a member, as well as short courses, institutes and seminars necessary for the Employee's professional development and the good of the District.

SECTION 6. PERFORMANCE EVALUATION

A. The Board shall review and evaluate the performance of Employee in writing on an annual basis at the second Board meeting of every December (Employee's anniversary month). The evaluation will also set forth mutually defined goals to be achieved by the Employee in the subsequent year. The Employee will be provided adequate opportunity to discuss his evaluation

with the Board at the Board meeting. Failure of the Board to conduct a performance evaluation shall not prohibit the Board from terminating this Agreement in accordance with Section 3 of this Agreement.

B. 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 the District. 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 Agreement or the services of Employee hereunder.

SECTION 7. OFFICE HOURS

Employee shall report to the District office consistent with Employee's current District schedule which consists of four (4) ten (10) hour days, Monday – Thursday and overlapping with the District's normal business hours and at such other times as may be necessary to discharge his duties, except when away on approved business for the District, as otherwise excused by use of approved leave, or during District-granted holidays. However, Employee agrees and understands that he will report to work when necessary to District operations, regardless of regularly scheduled hours, scheduled leave, or holiday, to the extent such attendance is reasonably possible.

SECTION 8. GENERAL PROVISIONS

A. Integration. This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and this Agreement supersedes all negotiations and previous agreements between the parties with respect to all or any part of the subject matter hereof. This Agreement wholly supersedes and replaces the terms of any prior agreements, and any rights contained in such agreement.

B. Governing Law. This Agreement shall be governed by the laws of the State of California. The parties agree that venue for any dispute is appropriate in the Superior Court of Riverside County, California.

C. Waiver. A waiver of any term or condition of this Agreement shall not be construed as a general waiver by either party to this Agreement, and either party shall be free to reinstate any such term or condition, with or without notice, to the other.

D. Amendment. This Agreement may be amended from time to time, as mutually agreed by the parties in writing. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the Employee, and approved by the Board.

E. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee, but nothing herein shall be construed as an authorization or right of any party to assign his/its rights or obligations hereunder. Any assignment

of the rights or obligations of Employee hereunder without the express written approval of District shall be void.

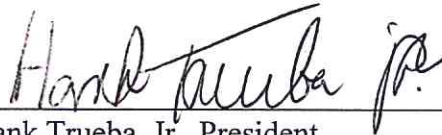
F. Partial Invalidity. If any provisions or any portion thereof, contained in this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement or portion thereof, shall not be affected, and shall remain in full force and effect.

G. Legal Consultation. Employee acknowledges that he has had the opportunity to consult legal counsel in regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into freely and voluntarily and based on his own judgment and not on any representations or promises other than those contained in this Agreement.

IN WITNESS WHEREOF, THE RUBIDOUX COMMUNITY SERVICES DISTRICT has caused this Agreement to be signed and duly executed by its President, and the Employee has signed and executed this Agreement, both in duplicate, as of the day and year first written above.

DISTRICT:

RUBIDOUX COMMUNITY SERVICES
DISTRICT


By: 
Hank Trueba, Jr., President

EMPLOYEE:

BRIAN LADDUSAW

By: 

APPROVED AS TO FORM:

By: 
John Harper, District Counsel

**RUBIDOUX COMMUNITY SERVICES DISTRICT
FIRST AMENDMENT TO EMPLOYMENT AGREEMENT**

This First Amendment to Employment Agreement (this “First Amendment”) between the RUBIDOUX COMMUNITY SERVICES DISTRICT (the “District”) and BRIAN LADDUSAW (the “Employee”) is entered into this 16th day of November 2023.

Except as modified in this First Amendment, the Employment Agreement originally dated October 6, 2022 (“Agreement”) between the District and the Employee shall remain in full force and effect.

The parties to this First Amendment agree to the following changes:

Section 4, entitled “Compensation”, Subsection A entitled “Base Salary”, is hereby amended to reflect a five percent (5.00%) increase in base salary, and is provided as follows:

SECTION 4. COMPENSATION

- A. Base Salary. The District agrees to pay Employee for services rendered pursuant hereto at a rate of Two Hundred Forty-Five Thousand One Hundred Seven Dollars and Twenty Cents (\$245,107.20) annually, pursuant to the procedures regularly established and as they may be amended by the District in its sole discretion. All compensation and comparable payments to be paid to Employee shall be less withholdings required by law.

Further under Section 4, Subsection B entitled “Increase to Base Salary”, is hereby amended to adjust the first sentence and is provided as follows:


- B. Increase to Base Salary. The Employee may receive annual increases in salary as may be determined by the Board in its sole discretion and any agreed upon salary increase must be expressly memorialized in a subsequent written and executed Amendment to this Agreement.

These adjustments shall be effective December 30, 2023, consistent with the Employee’s position anniversary date.

IN WITNESS WHEREOF, THE RUBIDOUX COMMUNITY SERVICES DISTRICT has caused this First Amendment to be signed and duly executed by its President, and the Employee has signed and executed this First Amendment, both in duplicate, as of the day and year first written above.


DISTRICT:

RUBIDOUX COMMUNITY SERVICES DISTRICT

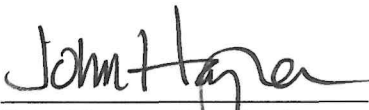
By: 
Bernard Murphy, President

EMPLOYEE:

BRIAN LADDUSAW

By: 

APPROVED AS TO FORM:

By: 
John Harper, District Counsel

**RUBIDOUX COMMUNITY SERVICES DISTRICT
SECOND AMENDMENT TO EMPLOYMENT AGREEMENT**

This Second Amendment to Employment Agreement (this “Second Amendment”) between the RUBIDOUX COMMUNITY SERVICES DISTRICT (the “District”) and BRIAN LADDUSAW (the “Employee”) is entered into this 19th day of December 2024.

Except as modified in this Second Amendment, in the previous First Amendment dated November 16, 2023, the Employment Agreement originally dated October 6, 2022 (“Agreement”) between the District and the Employee shall remain in full force and effect.

The parties to this Second Amendment agree to the following changes:

Section 4, entitled “Compensation”, Subsection A entitled “Base Salary”, is hereby amended to reflect a three percent (3.00%) increase in base salary, and is provided as follows:

SECTION 4. COMPENSATION

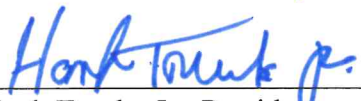
- A. Base Salary. The District agrees to pay Employee for services rendered pursuant hereto at a rate of Two Hundred Sixty Thousand Forty-One Dollars and Sixty Cents (\$260,041.60) annually, pursuant to the procedures regularly established and as they may be amended by the District in its sole discretion. All compensation and comparable payments to be paid to Employee shall be less withholdings required by law.

These adjustments shall be effective December 30, 2024, consistent with the Employee’s position anniversary date.

IN WITNESS WHEREOF, THE RUBIDOUX COMMUNITY SERVICES DISTRICT has caused this Second Amendment to be signed and duly executed by its President, and the Employee has signed and executed this Second Amendment, both in duplicate, as of the day and year first written above.

DISTRICT:

RUBIDOUX COMMUNITY SERVICES
DISTRICT

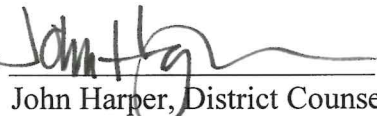
By: 
Hank Trueba Jr., President

EMPLOYEE:

BRIAN LADDUSAW

By: 

APPROVED AS TO FORM:

By: 
John Harper, District Counsel