

EMPLOYMENT AGREEMENT

This Agreement made and entered into the 23rd day of September 2010, by and between the **Cambria Community Services District** (hereinafter referred to as "**Employer**") and **Jerome D. Gruber** (hereinafter referred to as "**Employee**"), who understand as follows:

WITNESSETH:

WHEREAS, Employer desires to employ the services of Employee as Utilities Manager; and

WHEREAS, it is the desire of Employer to provide certain benefits, establish certain conditions of employment and to set working conditions of Employee; and

WHEREAS, it is the desire of Employer to receive and retain the services of Employee and to provide for Employee to remain in such employment; to make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security; to act as a deterrent against malfeasance, misfeasance or substandard performance on Employee's part; and to provide for terminating Employee's services at such time as Employee may be unable to fully discharge Employee's duties or when Employer may otherwise desire to terminate Employee's employ; and

WHEREAS, Employee desires to accept employment as Utilities Manager.

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

1. DUTIES OF UTILITIES MANAGER

Employee agrees to perform the functions and duties of the position of Utilities Manager, and any additional duties as may be assigned from time to time. A general description of the duties and responsibilities of the Utilities Manager is attached and incorporated by reference.

2. TERM OF AGREEMENT

The agreement commences with an effective date of November 1, 2010, and shall remain in effect indefinitely until terminated as provided for in the following provisions:

- A. Nothing shall prevent, limit or otherwise interfere with the right of Employer to terminate the services of Employee at any time, subject only to the provisions set forth in Section 3.
- B. Nothing shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from Employee's position with Employer, subject only to the provisions set forth in Section 3.

3. TERMINATION AND SEVERANCE PAY

- A. Employer may terminate this agreement without cause, for any reason or for no reason, on six (6) months' notice to Employee. If this agreement is terminated by Employer or by operation of law, Employee shall continue to work and receive Employee's salary and other compensation during the notice period. In the alternative and at its sole discretion, Employer may terminate Employee at any time during the notice period and in that event Employer agrees to pay Employee a lump sum cash payment equal to the remaining salary for the notice period, and pay Employee's COBRA benefits equal to the notice period; provided, however, Employer shall have no obligation to provide such notice, severance pay and benefits in the event Employee is terminated for good cause. For the purpose of this agreement, "good cause" shall include, but not necessarily be limited to, any of the following:
1. A material breach of the terms of this agreement;
 2. A failure to perform duties in a professional and responsible manner consistent with generally accepted standards of the profession;
 3. Conduct unbecoming the position of Utilities Manager or likely to bring discredit or embarrassment to the CCSD.

"Good cause" shall not mean a mere loss of support or confidence by the General Manager.

- B. In the event Employee voluntarily resigns Employee's position with Employer, Employee shall give Employer 90 days' written notice in advance, unless the parties agree otherwise.

4. SALARY

Employer agrees to pay Employee for Employee's services a monthly base salary in the amount of \$9,488 per month, or \$113,856 annually, payable in the same manner and at the same time as other employees of Employer are paid. Subsequent increases in salary may be considered annually at performance evaluation time.

5. OTHER COMPENSATION

Employer agrees to provide Employee additional compensation and benefits as provided to other management employees of the CCSD, with the exception that per CCSD Resolution 24-2010 and related side letter, all new MCE (Management Confidential Employees), hired after May 27, 2010, which includes Employee, shall pay the entire designated employee share of PERS retirement contributions. Employee shall additionally receive the following benefits:

- A. An automobile allowance of \$350 per month for business travel within San Luis Obispo County. If using a personal automobile, Employee shall be reimbursed at the standard CCSD mileage rate for all business travel miles outside of San Luis Obispo County.

- B. Employer agrees to match Employee contributions to Employer sponsored supplemental retirement fund ("457 Plan") up to \$100 per payroll period.
- C. Employee shall accrue 80 hours administrative leave per year.

6. PROFESSIONAL DEVELOPMENT

As part of its normal budget process and reserving the right to establish appropriate priorities and funding amounts, Employer may consider requests for funds for certain items, activities and materials deemed necessary and desirable for Employee's continued professional development, participation, growth and advancement. Those items, activities and materials may include:

- A. Professional dues and subscriptions necessary for full participation in appropriate and relevant associations and organizations;
- B. Travel and subsistence expenses for professional meetings and similar functions (e.g. conferences, workshops, seminars, meetings, etc.) to foster professional development or represent the CCSD;
- C. Other items, activities and materials as may be agreed upon from time to time between Employee and Employer.

Expenditures for items within this section shall be within the CCSD's budgeted amounts for the appropriate category.

7. PERFORMANCE REVIEW

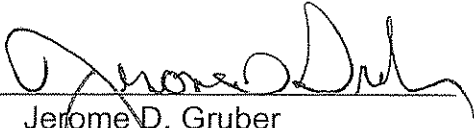
Employee shall receive a performance review within one year from Employee's hire date, and annually thereafter. As part of the annual performance review, the General Manager may consider adjustment in compensation within the position's salary range.

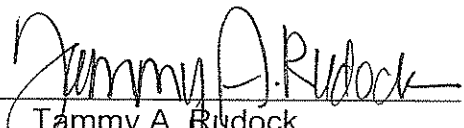
8. GENERAL PROVISIONS

The text herein shall constitute the entire agreement between the parties. Any amendments must be in writing and executed by both parties. This agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.

If any provision, or any portion thereof, contained herein is held unconstitutional, invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect. The laws of the State of California shall govern this agreement.

IN WITNESS WHEREOF, Employer and Employee have signed and executed this agreement, both in duplicate, the day and year first above written.

Employee: 
Jerome D. Gruber
Utilities Manager

Employer: 
Tammy A. Rudock
General Manager

CAMBRIA COMMUNITY SERVICES DISTRICT

UTILITIES MANAGER

DEFINITION:

Under general direction of the General Manager, the Utilities Manager shall perform highly responsible and professional work in managing, planning, organizing, developing, directing and reviewing programs related to CCSD water supply, production, treatment, storage, control, distribution, conservation, metering and customer service programs; wastewater collection, treatment, and reclamation programs; solid waste and recycling program and franchise management; and utilities administration; facilities and resources operations; exercise supervision over professional, technical and administrative staff as assigned. May serve as General Manager during their absence.

This is a management exempt position.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

Exercises supervision of the Water and Wastewater systems as follows:

- Plans, organizes and directs utility programs which include; water supply, production, treatment, storage, conservation, distribution, and customer service operations; wastewater collection, treatment, and reclamation operations, solid waste and recycling services, planning and franchise administration.
- Plans, organizes and directs facilities and resources programs, including coordination of the management of properties and open space owned by the CCSD, and grant procurement and administration.
- Plans and recommends improvements to the water and wastewater system facilities; participates in the development of standards and specifications for recommended improvements.
- Plans and participates in the development of water supply procurement projects, regional water management planning and supply, solid waste and recycling programs and services, wastewater service programs.
- Ensures that the CCSD is in compliance with water rights permit requirements, water supply treatment and distribution requirements, wastewater discharge permit requirements established by regional, state and federal regulatory agencies, interprets policies and procedures established by regulatory agencies, interprets laws relative to water rights and regulatory compliance requirements associated with utilities program activities.

- Monitors, evaluates and provides input to regulatory agencies and legislative bodies relative to the development of new regulations affecting the utilities industry.
- Monitors and manages outside service, construction and consulting contracts and represents the CCSD in contract negotiations as necessary. Evaluates contract requirements and compliance of contractors.
- Participates in the preparation of the CCSD's budget and financial planning as it relates to utilities operating and capital improvement programs.
- Reviews Water and Sewer Fund revenue and expenditures and recommends appropriate adjustment to rates and fees based on established CCSD policies.
- Reviews solid waste rate requests submitted by the CCSD's solid and recycling franchisee and recommends appropriate adjustments to rates based on established CCSD policy and program goals and services.
- Supervises and participates in the preparation of monthly and annual reports for the Department to the CCSD Board of Directors and various regulatory agencies.
- Receives, investigates, and resolves difficult and complex complaints and requests within the framework of accepted CCSD policy and procedures.
- Coordinates the activities of the Utilities Department with other CCSD departments, divisions, and outside agencies.
- Represents the CCSD in work with other agencies and organization in participating in regional program development and interagency agreements.

KNOWLEDGE/SKILLS/ABILITIES:

KNOWLEDGE OF: Solid waste programs and franchise management; general principles and procedures involved in utility rate analysis and financing; principles, practices, methods, and procedures of civil or sanitary engineering as they relate to municipal water and wastewater systems; laws, codes, and regulations applicable to municipal utility operations; occupational hazards and safety precautions necessary in the work; organization, administration, budget, and personnel management.

ABILITY TO: Establish and implement goals; objectives, procedures, and priorities; administer the multiple work functions of the utilities operations organization; prepare and present statistical and descriptive reports; plan and schedule the various activities to which assigned; identify utility system needs and develop a cost-effective plan to meet needs identified; monitor contractual performance and oversee intergovernmental agreements; select, supervise, train, and evaluate subordinate professional and technical staff; develop and monitor complex capital and operating budgets; assess expenditure needs and determine revenue requirements to meet them.

REQUIRED QUALIFICATIONS:

EXPERIENCE: Five (5) years of increasingly responsible experience in utilities systems operations and administration, including at least three years of supervisor experience.

EDUCATION: Bachelor's degree from an accredited college or university with major course work in civil engineering, sanitary engineering, environmental studies, public administration, or related field. Master's degree is preferred.

- LICENSES:**
1. A valid California Class "C" driver's license; must maintain satisfactory DMV record and ability to maintain insurability.
 2. Within twelve (12) months from the hire date, a Grade III Wastewater Treatment plant Operator's Certification issued by the California State Water Resources Control Board, or approved equivalent.
 3. Within twenty-four (24) months from the hire date, a Grade III Water Treatment Operator's license from the State of California Department of Health Services, or approved equivalent.