

**OCEANO COMMUNITY SERVICES DISTRICT
GENERAL MANAGER
EMPLOYMENT AGREEMENT**

This Agreement was made and entered into on the 22nd day of May 2024 by and between the Oceano Community Services District, a California Special District (“DISTRICT”), and Peter J. Brown (“MANAGER”).

RECITALS

A. The Board of the Oceano Community Services District desires to appoint Peter J. Brown to the position of General Manager of the Oceano Community Services District on May 22, 2024.

B. The Board of the Oceano Community Services District desires to establish the terms and conditions of employment of Peter J. Brown as General Manager of the Oceano Community Services District, including the duties, salary, and benefits of employment.

C. Peter J. Brown desires to accept employment as General Manager of the Oceano Community Services District under the terms set forth herein.

NOW, THEREFORE, in consideration of the respective and mutual covenants hereinafter contained and made, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, and subject to all the terms and conditions hereby, the parties agree as follows:

SECTION 1. DUTIES AND RESPONSIBILITIES:

A. **Appointment as DISTRICT Manager.** DISTRICT hereby agrees to employ MANAGER as the DISTRICT’s General Manager and Secretary to the Board of Directors (collectively “MANAGER”). MANAGER shall devote such time, interest, and effort to the performance of his duties as may be reasonably necessary to fulfill the duties described in Exhibit A and perform such other legally permissible and proper duties and functions as the DISTRICT Board may from time to time assign or delegate.

B. **Exclusive Employment.** During the term of this Agreement, MANAGER shall be in the exclusive employ of DISTRICT; provided, however, that the term “exclusive employ” shall not prohibit future part-time employment which the Employee may desire to accept with appropriate prior knowledge and approval of the DISTRICT Board. “Appropriate prior knowledge and approval of the DISTRICT Board” shall mean that MANAGER shall give four (4) weeks written notice to the DISTRICT Board before accepting part-time employment, and approval of the DISTRICT Board shall be deemed given unless any DISTRICT Board member states in writing that they desire a closed session to discuss the part-time employment. Such part-time employment shall not in any way conflict in time or interest with MANAGER’s responsibilities to the DISTRICT. DISTRICT Board shall have uncontrolled discretion in granting part-time outside employment, and its determination to grant or deny part-time outside employment shall be final.

SECTION 2. TERM

A. **Length.** This Agreement shall commence on June 10, 2024. The DISTRICT Board and MANAGER shall review the terms and conditions of this Agreement during performance reviews (Section 3.C.). This Agreement shall continue indefinitely subject to termination as set forth in this Agreement.

B. **At Will.** It is expressly understood that MANAGER is an at-will employee serving at the pleasure of the DISTRICT Board, subject to termination at any time, with or without cause, and with no right to any hearing, including any so-called Skelly hearing.

C. **Voluntary Termination.** Nothing in this Contract shall prevent, limit, or otherwise interfere with the right of MANAGER or DISTRICT to voluntarily terminate this Contract.

SECTION 3. SALARY:

A. **Initial Salary.** DISTRICT agrees to pay MANAGER for his services rendered in the amount of \$196,867 annually, payable in installments at the same time as other employees of DISTRICT are paid. The annual salary shall be subject to normal withholdings for amounts paid.

B. **Cost of Living Increases.** DISTRICT shall consider a cost-of-living increase for MANAGER at the December 11, 2024, and conduct a six-month initial performance review set forth in Section 3.C. Thereafter, MANAGER shall be entitled to a cost-of-living increase beginning July 1, 2025, at a rate consistent with that provided to district-represented employees.

C. **Performance Increases.** The DISTRICT Board shall evaluate Manager performance in Closed Session on December 11, 2024, and annually beginning in May 2025. The Board President and Vice President, after each performance review, shall meet with the General Manager with a summary written statement of the Board's findings and provide the General Manager with an adequate opportunity to schedule a closed session to discuss his evaluation with the Board. Should the DISTRICT Board, upon completion of its review of MANAGER's performance pursuant to this Agreement, determine that MANAGER has met its performance expectations, the DISTRICT Board shall consider an increase in MANAGER's compensation or provide a one-time lump sum payment, or a combination of both at the sole discretion of Board.

As outlined in Exhibit A, the DISTRICT and MANAGER shall jointly annually define such goals and performance objectives that they determine necessary for the DISTRICT's proper operation and for attaining the Board's policy objectives and shall further establish a relative priority among those various goals and objectives, said goals and objectives to be reduced to writing.

The DISTRICT's Board reserves the right, in its discretion, to review MANAGER's performance at any time.

SECTION 4. BENEFITS:

All provisions of the DISTRICT Code and regulations and rules of DISTRICT relating to vacation and sick leave, medical, dental, vision, retirement, and pension system contributions, holidays, cash-out provisions, and other fringe benefits and working conditions pertaining to as they now exist or hereafter may be amended, except as otherwise set forth herein, also shall apply to MANAGER.

SECTION 5. HOURS OF WORK AND ADDITIONAL BENEFITS:

A. Regular Hours. MANAGER understands and acknowledges that the management of the District is a full-time job, and MANAGER's duties may involve expenditures of time in excess of (8) hours per day and/or forty (40) hours per week and may also include time outside normal office hours such as attendance at DISTRICT Board and other meetings. The DISTRICT also understands and acknowledges the importance of allowing for flexible hours and telework for MANAGER to improve District service delivery. MANAGER shall not be entitled to additional compensation for any work performed anywhere in excess of the DISTRICT's regular workweek.

B. Pension. DISTRICT agrees to enroll MANAGER in the California Public Employees Retirement System (CalPERS) at the Classic rate of 2% at 55 and pay both the Employer and Employee's contribution to the Public Employees Retirement System.

C. Administrative Leave. It is recognized that MANAGER must devote a great deal of his time outside normal office hours without the benefit of paid overtime in the conduct of DISTRICT business, and, to that end, MANAGER shall be entitled and credited with, as of the commencement of employment, ten (10) days of administrative leave, and shall thereafter be entitled to accrue and use administrative leave at the same rate of ten (10) days per year beginning January 1, 2025, and each calendar year thereafter. Administrative leave days may be taken at the MANAGER's discretion. Administrative leave cannot be carried forward from year to year and cannot be cashed out.

D. Vacation Leave. As of the MANAGER's commencement of employment, MANAGER shall be credited with twenty (20) days of vacation leave and shall thereafter be entitled to accrue and use vacation leave at the same rate of twenty (20) days per year, beginning January 1, 2025. Unused vacation benefits can be carried forward from year to year up to a maximum of 320 hours. MANAGER shall have the option to cash out accrued vacation at 100% value once per year, prior to the end of the calendar year. Cash out of vacation time would be subject to normal withholdings.

E. Sick Leave. As of the MANAGER's commencement of employment, MANAGER shall be credited with twelve (12) days of sick leave and shall thereafter be entitled to sick leave in the amount of twelve (12) days per year. Upon termination of this agreement, MANAGER shall have the option of converting his accrued sick leave hours into retirement credit with CalPERS.

F. Health Insurance. MANAGER is entitled to inclusion in, and contribution from DISTRICT's to, DISTRICT's available group health insurance plan in the same manner accorded

to DISTRICT's other employees. If the cost of this available group health insurance has an increase or reduction, this amount of additional compensation will be adjusted to reflect the new cost. If the MANAGER opts out of the DISTRICT health insurance plan and has proof of alternative coverage, the MANAGER shall have the option of having the DISTRICT pay the maximum amount allowed by law to be paid into the DISTRICT's Health Savings Plan (currently \$4150) or receive a cash-out amount of \$545 per month. The cash-out amount shall be subject to normal withholdings.

G. Cell Phone Allowance. MANAGER shall have the option of having a DISTRICT-issued cell phone or receive a monthly allowance of \$125.00 for maintaining a working cell phone, provided that said cell phone provides "24-7" access to MANAGER for district employees and board members. The Cell Phone Allowance shall be subject to normal withholdings.

SECTION 6. ADDITIONAL EXPENSES:

A. Dues and Subscriptions. DISTRICT agrees to pay the professional dues and subscriptions of MANAGER necessary for his continuation and full participation in such national, regional, state, and local associations and organizations as are necessary and desirable for his continued professional participation, growth, and advancement and the good of DISTRICT in accordance with approved budgetary limitations.

B. Professional Development. DISTRICT agrees that attending professional meetings and similar functions (e.g., short courses, conferences, seminars) fosters professional development and is beneficial and expected. DISTRICT Hereby agrees to pay the travel, lodging, and subsistence expenses of MANAGER for professional and official travel, lodging, conferences, and meetings in accordance with approved budgetary limitations.

C. Executive Expenses. DISTRICT recognizes that certain expenses of a non-personal and job-affiliated nature are incurred by MANAGER and hereby agrees to reimburse such expenses upon presentation of a receipt and submission of the appropriate confining purchase requisition to the President of the Board and Finance Department, in accordance with approved budgetary limitations and subject to any policies and guidelines the DISTRICT Board may impose.

D. Automobile/Travel Expenses. MANAGER's duties require that he have at all times during his employment with DISTRICT the use of a personal automobile. For travel within the course and scope of employment, other than directly to and from home and the DISTRICT office, DISTRICT agrees to pay mileage reimbursement at the then-current IRS rate for district-related automobile travel. In addition, to promote the use of public transportation, the DISTRICT agrees to reimburse the MANAGER up to \$500 per year for public transportation passes to and from home and the DISTRICT office.

E. Moving Expenses. District agrees to pay MANAGER moving expenses to relocate to the Central Coast incurred in 2024, up to a maximum of \$3,500. Expenses will be paid to MANAGER on a reimbursement basis for receipts, invoices, credit card statements, etc., related to rental trucks, storage, and labor related to relocation. Any reimbursement shall be subject to repayment in full by MANAGER to the DISTRICT if he resigns before June 10, 2026.

SECTION 7. AUTO INSURANCE ON PERSONAL VEHICLES USED FOR DISTRICT BUSINESS.

A. Insurance. MANAGER shall procure and maintain motor vehicle liability insurance coverage on an “occurrence basis” with companies authorized to do business in the State of California, with coverage of no less than five hundred thousand dollars (\$500,000) per accident for personal vehicles used for District business.

B. Additional Insured. The automobile insurance policy shall be endorsed to include the District as Additional Insureds.

C. Certificate. Before commencing work under this Contract, MANAGER shall provide DISTRICT with a Certificate of Insurance evidencing compliance with the foregoing requirements, accompanied by copies of the required endorsements. Certificates of Insurance shall specify that the insurer shall give DISTRICT thirty (30) days’ advance written notice by the insurer before cancellation of the policy except ten (10) days for non-payment of premium.

SECTION 8. TERMINATION:

A. At-Will Employment. MANAGER’s employment with the DISTRICT is “at-will” and MANAGER serves at the pleasure of the DISTRICT Board. As such, a majority of the DISTRICT Board may terminate MANAGER’s employment at any time, with or without cause, with or without advance notice, subject only to the provisions of this Section. Termination shall require a majority vote of the then existing Board. Likewise, nothing in this Agreement shall prevent, limit, or otherwise interfere with MANAGER’s right to resign at any time subject only to the provisions of this Section.

C. Termination Without Cause. In the event that DISTRICT terminates MANAGER’s employment for reasons other than those outlined in subsection D below, including without limitation, for no reason stated, before January 1, 2026, DISTRICT agrees to pay MANAGER a cash payment equal to twelve (12) months of the MANAGER’s then current salary. In the event that DISTRICT terminates MANAGER’s employment for reasons other than those outlined in subsection D below, including without limitation, for no reason stated, between January 1, 2026, and December 31, 2028, DISTRICT agrees to pay MANAGER a cash payment equal to six months (6) months of the MANAGER’s then current salary. In the event that DISTRICT terminates MANAGER’s employment for reasons other than those outlined in subsection D below, including without limitation, for no reason stated, after January 1, 2029, DISTRICT agrees to pay MANAGER a cash payment equal to four months (4) months of the MANAGER’s then current salary.

In addition to the cash payment, DISTRICT agrees to reimburse MANAGER any benefits that are lawfully required to be continued pursuant to COBRA and other statutes for six (6) months after the Manager’s “without cause” termination, regardless of when such a termination occurs.

Following such six (6) six-month periods, MANAGER retains the right to participate in DISTRICT health and related benefit programs, should such programs be instituted during the term of this Agreement, at MANAGER's own and sole expense pursuant to the terms of COBRA.

MANAGER, upon separation from the DISTRICT, shall be compensated for any unused vacation leave, holidays, and other benefits accrued consistent with DISTRICT policies and/or pursuant to this Agreement.

The payment schedule pursuant to this section shall be at the sole discretion of the MANAGER.

D. Termination With Cause. The DISTRICT may terminate MANAGER's employment at any time for cause. No lump sum cash payment or other severance pay shall be due MANAGER upon any termination for cause. For purposes of this Agreement, "cause" shall mean any of the following:

- (1) a gross or habitual failure to perform the functions and duties of the DISTRICT MANAGER or any other obligations as required by the terms of this Agreement; or
- (2) Malfeasance or misfeasance; or
- (3) Any other intentional or grossly negligent action or inaction by MANAGER that materially and substantially:
 - (A) impedes or disrupts the operations of the DISTRICT; or
 - (B) is detrimental to employee or public safety; or
 - (C) violates properly established rules or procedures of the DISTRICT, causing a material and substantial adverse effect on the DISTRICT's interests as clearly defined and delineated by properly established DISTRICT Board action;
- (4) Conduct unbecoming the position of District General Manager; or
- (5) Insobriety while representing the District; or
- (6) Engaging in illegal business practices in connection with the District's business; or
- (7) Misappropriation of the District's assets; or
- (8) That MANAGER has been willfully and intentionally absent without leave, or has willfully and intentionally failed to report after leave of absence has expired; or
- (9) That Manager has willfully failed or refused to appear in obedience to lawful process or order of the DISTRICT Board or to answer questions under oath, before the DISTRICT Board or before a duly authorized committee of Congress of the United States or of the Legislature of the State of California, or a committee or subcommittee of said Congress or Legislature, or before any authorized court, office or tribunal, or before a Grand Jury, on any subject relating to (1) matters connected with the conduct of official business of the DISTRICT, or (2) any of the matters set forth in sections 1028 and 1028.1 of the Government Code of the State of California; or
- (10) MANAGER has been convicted or entered a plea of nolo contendere for a misdemeanor involving a crime of moral turpitude, or MANAGER has been convicted or entered a plea of nolo contendere of a felony.

E. Voluntary Resignation. MANAGER may voluntarily resign his position with DISTRICT by giving DISTRICT sixty (60) days prior written notice, unless the parties otherwise agree in writing. In the event MANAGER voluntarily resigns his position with DISTRICT,

MANAGER shall be entitled only to all salary earned, but not paid as of the date of resignation, and payment for any accrued benefits allowed by DISTRICT policy or this Agreement.

F. Termination Based on Disability or Death. In the event MANAGER is permanently disabled, as determined by MANAGER's duly licensed physician, or is otherwise unable to perform His duties because of sickness, accident, injury, mental incapacity or health reasons for a period of three (3) consecutive months beyond any accrued sick leave, DISTRICT may terminate this Agreement. MANAGER shall be entitled only to all salary earned but not paid as of the date of Termination and payment for any accrued benefits allowed by DISTRICT policy or this Agreement. The six (6) month of DISTRICT paid healthcare/COBRA provision applies to this section.

G. Limitation on Obligation. Notwithstanding anything to the contrary otherwise, DISTRICT shall not be obligated to pay, and shall not pay, any amounts or continue any benefits under this agreement if MANAGER is terminated in the event MANAGER is convicted of a crime involving an abuse of His office or position. Any paid leave salary offered by DISTRICT to MANAGER pending an investigation shall be fully reimbursed by MANAGER if MANAGER is convicted of a crime involving an abuse of His office or position. For the purposes of this section, "abuse of office or position" means and is limited to the definition under Government Code section 53243.4 either of the following: (a) an abuse of public authority including but not limited to waste, fraud, and violation of the law under color of authority; or (b) a crime against public justice, including but not limited to, a crime described in Title 7 (commencing with Section 92) of Part 1 of the California Penal Code.

SECTION 9. GENERAL PROVISIONS:

A. Entire Agreement. This Agreement shall constitute the full, complete, and exclusive agreement between the parties hereto and shall supersede all prior and contemporaneous agreements, understandings, and representations regarding the subject matter hereof, whether oral or written.

B. Indemnification. DISTRICT agrees to defend, hold harmless, and indemnify MANAGER against any tort, professional liability claim or demand, or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of MANAGER's duties. DISTRICT, at its direction, is not required to indemnify MANAGER for any illegal or criminal acts for which a court of competent jurisdiction has determined, without the possibility of appeal, was committed by MANAGER.

C. Bonding Requirements. DISTRICT shall bear full cost of the Fidelity Bond required of MANAGER under any law or ordinance.

D. Assignment. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by DISTRICT and MANAGER and their respective successors, assigns, heirs and executors, except that MANAGER may not assign this Agreement or delegate any of his obligations hereunder and may only assign his rights hereunder with the prior written consent of DISTRICT.

E. Severability. If any provision, or any portion hereof, contained in this Agreement is held to be 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.

F. Notices. Any notice required under this Agreement shall be in writing, shall be sent by personal delivery, first class mail, and shall be deemed effective upon receipt. Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as applies to civil judicial process.

G. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California, without regard to its conflicts of laws principles.

H. Attorney's Fees. In the event of any dispute between the parties hereto relating to or arising out of this Agreement, the prevailing party shall be entitled to receive its reasonable attorneys' fees and costs, in addition to any other relief it may receive.

IN WITNESS THEREOF, the Oceano Community Services District has caused this Agreement to be signed and executed on its behalf by its President and duly attested to by its Business and Accounting Manager, and Peter Brown has signed and executed this Agreement on or near the day and year first above written.

OCEANO COMMUNITY SERVICES DISTRICT

President, Charles Varni

GENERAL MANAGER

Peter J. Brown

ATTEST:

Carey Casciola
Business and Accounting Manager

APPROVED AS TO FORM:

Robert W. Schultz, District Counsel

EXHIBIT A

GENERAL MANAGER

1. DEFINITION

The General Manager, under policy direction of the Board of Directors, plans, organizes, coordinates, and supervises all District functions and activities related to the production and distribution of potable water and the collection and disposal of wastewater and other functions of the District; provides policy guidance and program evaluation to staff and elected officials; encourages and facilitates improvement in the provision of services to customers by District staff; fosters cooperative working relationships with intergovernmental and regulatory agencies, various public and private organizations and District staff; acts as Secretary to the Board of Directors; performs related work as assigned. This position has management status and is Fair Labor Standards Act (FLSA) exempt.

2. CLASSIFICATION CHARACTERISTICS

The employee in this classification is the Chief Administrative Officer of the District, serves at the pleasure of and is accountable to the Board of Directors for all staff, functions and activities within policy guidance and applicable state and federal laws and regulations.

3. DUTIES

- A. Plans, organizes, coordinates, and administers, either directly or through subordinate supervisors, the work of the District in accordance with the adopted goals and objectives of the Board of Directors and applicable laws and regulations.
- B. Directs and coordinates the development and implementation of goals, objectives, policies, procedures, and programs for the District; administrative policies, procedures, and work standards to assure that goals and objectives are met and that programs provide mandated services in an effective and efficient manner.
- C. Prepares and administers the annual budget and quarterly budget reviews for the District; reviews all District expenditures; provides financial management for the District.
- D. Acts as Secretary for the Board of Directors and is authorized to delegate any duties of the Secretary to employees of the District.; advises the Board on issues and programs; prepares and recommends long-range plans for District funding and service provisions; and directs the development of specific proposals for action regarding current and future District needs.
- E. Assures that appropriate notice of Board meetings is posted and that other legal notification requirements are met, pursuant to the Brown Act and all applicable laws.
- F. Represents the Board and the District in contact with governmental, administrative, and regulatory agencies, community groups and various businesses, professional and legislative organizations, and District customers, and acts as a District liaison with the media.
- G. Directs and reviews special studies; provides for contract services as required and administers various service, construction, and equipment contracts; coordinates the review and approval of development plans and specifications with the District's engineer(s) and/or operator(s) for conformance with District standards on behalf of the District.

H. Provides for the recruitment, selection, and retention of District staff; administers discipline as required; provides guidance and direction to staff regarding policies, procedures, and State and Federal law.

I. Prepares a variety of timely correspondence, policies, procedures, reports, minutes, and other written materials, including staff reports, in accordance with the Brown Act and applicable deadlines.

J. Maintains and directs the maintenance of working and official District files.

K. Assures that the Board is kept informed of District program and financial status and of legal, social, and economic issues affecting District activities.

L. In concert with the District Counsel, monitors changes in the law and operational process changes that may affect District operations; implements operational and procedural modification as required.

M. Other duties as required.

4. EMPLOYMENT STANDARDS

Knowledge of:

A. Administrative and leadership principles and practices, including goal setting, program development, implementation and evaluation, the management of employees, and team building experience.

B. Principles, practices, and procedures of public administration in a special district setting.

C. Functions, authority, responsibilities, and limitations of an elected Board of Directors.

D. Principles and practices of potable water production, treatment, and distribution.

E. Applicable legal guidelines and standards affecting District operations, confidentiality, and transparency to the public.

F. Techniques for dealing with a variety of individuals from various socioeconomic, ethnic, and cultural backgrounds, in person and over the telephone, occasionally when relations may be confrontational or strained.

G. Spanish language is desirable.

H. Knowledge of Public Information Officer duties and social media outlets.

Skill in:

A. Planning, organizing, administering, coordinating, reviewing, and evaluating a variety of District programs and activities.

B. Working cooperatively with and accomplishing implementation of the policies of an elected Board of Directors.

C. Developing and implementing goals, objectives, policies, procedures, work standards, and internal controls.

D. Developing and administering an annual budget and quarterly budget reviews.

E. Cooperating and coordinating with external auditors in preparing and complying with annual audit requirements.

F. Interpreting, applying, and explaining, in coordination with District legal counsel, complex laws, codes, and regulations.

G. Preparing clear and concise reports, correspondence, and other written materials, including timely staff reports for the Board meetings.

- H. Reviewing, understanding, and explaining, in coordination with the District's engineer(s) and/or operator(s) infrastructure reports, plans, specifications, and engineering documents.
- I. Using initiative and independent judgment within general policy guidelines.
- J. Making public presentations and conducting public hearings.
- K. Using tact, discretion, and prudence in dealing with those contacted in the course of the work.

Physical Characteristics:

The job may require limited physical exertion, including bending, stooping, lifting up to 50 pounds, and walking up to two miles. Reasonable accommodation will be made as necessary.

Working Conditions:

- A. Attend meetings outside of normal working hours.
- B. Liaison with other Special Districts, County Government, and Municipal Authorities.

Licensing and Certification:

- A. Must possess a valid California Class C driver's license and have a satisfactory driving record.
- B. Must be bondable by the District's fidelity bond insurer.

REVISED DRAFT
AGREEMENT