

EMPLOYMENT AGREEMENT

This **Employment Agreement** ("Agreement") made and entered into this 24th day of October 2013, by and between the **Cambria Community Services District** (hereinafter referred to as "**Employer**" or "**CCSD**") and **Jerry Gruber** (hereinafter referred to as "**Employee**"), who understand as follows:

WITNESSETH:

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

WHEREAS, Employee desires to continue in employment as General Manager; and

WHEREAS, this Agreement shall supersede and replace the previous Employment Agreement between the parties dated June 23, 2011, as amended.

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

1. Duties of General Manager

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

2. Term of Agreement

This Agreement commences with an effective date of June 28, 2013, and shall remain in effect for an indefinite term.

- A. Nothing in this Agreement 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 of this Agreement.

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

3. Termination and Severance Pay

Employer may terminate this Agreement without cause, for any reason or for no reason, on six (6) months' notice to Employee, provided however, that Employee shall not be terminated during or within a period of three months (3) prior to or three (3) months after an election at which election a member of the Board of Directors is elected. If this Agreement is terminated by Employer or by operation of law, Employee shall continue to work and receive his 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 Employees 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 his duties in a professional and responsible manner consistent with generally accepted standards of the profession;
3. Conduct unbecoming the position of General Manager or likely to bring discredit or embarrassment to the CCSD.

"Good cause" shall not mean a mere loss of support or confidence by a majority of the Board of Directors of the CCSD.

4. Salary

Employer agrees to pay Employee for his services a monthly base salary in the amount of \$13,125 per month, or \$157,500 annually. Subsequent increases in salary will 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. Employee agrees to pay one-hundred percent (100%) of the Employee designated share of the contribution to the Public Employees Retirement System in accordance with Section 2.08.150 of the CCSD Municipal Code. In addition, Employee shall receive the following benefits:

- A. Automobile allowance of \$450 per month for business travel within San Luis Obispo County. 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. In addition, Employer shall deposit an additional amount equal to five percent (5%) of Employees salary into the 457 Plan.
- C. Employee shall accrue 20 days vacation leave per year.
- D. Employee shall accrue 10 days 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 shall 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 shall 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.

7. Performance Review

Employee shall receive annual performance reviews. Based on the outcome of said performance reviews, Employee shall receive adjustments in compensation, as determined by the Board of Directors.

8. General Provisions

The text herein shall constitute the entire Agreement between the parties. Any amendments to this Agreement 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 in this Agreement 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.

9. Effective Date

This Agreement shall be effective retroactive to June 28, 2013.

[SIGNATURES ON NEXT PAGE]

In Witness Whereof, Employer and Employee have signed and executed this Agreement, both in duplicate, the day and year first above written.

Employee: 
Jerry Gruber
General Manager

Employer: 
Michael Thompson
CCSD Board President