

EMPLOYMENT AGREEMENT

IRVINE RANCH WATER DISTRICT
WITH PAUL A. COOK

As of October 17, 2011, the Irvine Ranch Water District, herein "District", and Paul A. Cook, herein "Employee", agree as follows:

Section 1. Purpose

The District desires to retain the services of Employee as General Manager and to provide certain benefits, establish certain conditions of employment, and to set working conditions of the Employee. The District desires to secure the services of Employee to meet present and anticipated future management and administrative needs of the District. Employee desires to accept employment as General Manager of the District.

Section 2. Duties

District hereby employs Employee and Employee agrees to be employed as General Manager of the District to perform statutory functions and duties, and to perform such other duties and functions as the Board of Directors of the District shall from time to time assign in its discretion.

Section 3. Term

Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the District or its Board of Directors to terminate the services of Employee at any time, subject only to the provisions set forth below in Section 4.

Section 4. Resignation and Termination

- A. Employee may resign at any time with or without cause and agrees to give the District at least 60 days advance written notice of the effective date of his resignation.
- B. District may terminate Employee at any time with or without cause and agrees to give Employee 60 days advance written notice of the effective date of his termination. However, nothing herein shall prevent the District from relieving Employee of his duties during any such notice period, while continuing to receive pay and benefits.
- C. The parties recognize and affirm that:

1. Employee is an "at will" employee whose employment may be terminated by the District without cause;
 2. There is no express or implied promise made to Employee for any length of employment. This Agreement is the sole and exclusive basis for the employment relationship between Employee and the District; and
 3. This Section 4 and the "at will" status described herein is the final expression of the agreement between the District and Employee regarding the conditions under which either party may terminate the employment relationship, and it may not be modified other than by a writing signed by Employee and the President of the Board of Directors.
- D. A District decision to terminate shall be made in accordance with laws including Brown Act provisions regarding personnel actions. In recognition of Employee's professional status and integrity, the District, and Employee shall prepare a joint public statement, approved by both parties, to be made by the Board of Directors at the first public disclosure of termination by the District. Approval of the joint public statement by either party will not be unreasonably withheld.
- E. The Employee may choose to resign his office instead of being terminated if an action by the District to terminate has been made in a closed session of the Board of Directors. In such an event, the public announcement as provided for in paragraph 4D above will note Employee has resigned, and other terms set forth in paragraph 4D remain applicable.

Section 5. Severance Pay

If Employee is terminated by the District without cause while Employee is still willing and able to perform the duties of General Manager, District agrees to pay Employee a cash payment equal to 3 months of his then base salary or one week pay for every year of service to the District, whichever is greater, and aggregate benefits as described in Section 6, below, provided, however, that the maximum cash payment shall not exceed the amount allowed by Government Code section 53260. Said cash payment may be paid, at the option of the Employee, in:

1. A lump sum upon date of termination;
2. Four (4) equal monthly installments as agreed upon by both parties.

In exchange for such cash payment, Employee agrees that he will execute a full and complete release of all claims, known and unknown, in such reasonable form as presented by the District and such payment will also release District from any further obligation under this Agreement. If Employee is terminated for cause, then District shall have no obligation to continue the employment of Employee or to pay the severance set forth in this paragraph. For purposes of this Section, "cause" for termination shall include: (a) a conviction of any criminal offense involving moral turpitude; (b) falsification, dishonesty or misrepresentation regarding any item of District operations or business; or (c) any breach of any District policy, work rule, or standard as set forth in the District's Employee Handbook or other policy materials, provided, however, that termination under this subdivision 5(c) shall not be deemed for "cause" unless (i) Employee is provided with written notice by the Board of Directors or its designee specifying the nature of the violation, the specific policy or rule being violated, the minimum standard necessary to cure the violation, and the date upon which such notice is given, and (ii) Employee fails to cure such violation in compliance with the notice within 30 days of the date of the notice or, in the case of a violation which is incapable of cure, Employee commits the same violation again after receipt of notice.

Section 6. Salary and Benefits

A. Effective October 1, 2011, or on a mutually agreeable earlier start date, the District shall pay Employee for services an annual base salary of \$232,180 payable in equal installments at the same time as other employees of the District are paid. District shall provide Employee the same fringe benefits, health and welfare insurance, disability insurance, and other benefits the District provides to employees consistent with the District's Personnel Policies and Procedures and applicable actions by the Board of Directors.

Employee will be entitled to vacation and sick pay in accordance with the District's vacation policy as well as the maximum accruals for vacation and sick leave as stated in the District's Personnel Policies and Procedures.

B. Beginning October 1, 2012, and on each October 1 thereafter, the annual base salary shall increase by an amount mutually agreed upon by the Board of Directors and Employee and may include cost-of-living adjustments, adjustments to the base salary, performance bonus

payments, or other comparable compensation. Employee will not be eligible for the annual cost of living adjustment awarded to regular employees each December.

- C. Employee shall be reimbursed for use of his personal vehicle on District business at a rate of \$650 per month, established by the District and Employee as a car allowance. This number has been established with input from both the District and Employee, and both agree that the figure adequately reimburses Employee for all vehicle costs, including fuel, maintenance, wear and tear, and all other items otherwise contemplated by the IRS standard mileage rate.

Section 7. Other

- A. The District shall fix any such other terms and conditions of employment as it may determine from time to time, relating to the performance of Employee, provided such terms are consistent with the provisions of this Agreement or any other law.
- B. All other provisions of the ordinances, resolutions, regulations and rules of the District relating to sick leave, disability, retirement and pension system contributions, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended, shall apply to Employee as they would to other employees of the District, except that the at will provisions of this Agreement may only be amended by a written agreement executed by the President of the District's Board of Directors.
- C. The text herein shall constitute the entire Agreement between the parties.
- D. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.
- E. This Agreement shall become effective commencing immediately upon the date first written above.
- F. The validity and interpretation, performance and effect of this Agreement shall be construed in accordance with the laws of the State of California.
- G. If any provision, or any portion thereof, contained in this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of the Agreement or portion thereof, shall be deemed servable, shall not be affected, and shall remain in full force and effect.
- H. The parties enter into this Agreement in good faith and shall make all efforts to adhere to the terms and intent of the Agreement.

I. Any notice or communication required or permitted to be given under this Agreement shall be effective when deposited, postage prepaid with the United States Mail. Any notice to the District shall be addressed as follows:

President of the Board of Directors
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618-3012

Notice to the Employee shall be addressed to the Employee at Employee's last known address as reflected in the District's records.

Approved as of the date first above written by:



President, IRVINE RANCH WATER DISTRICT
And of the Board of Directors thereof

Date: 10/24/11



Paul A. Cook

Date: 24 October 2011

APPROVED AS TO FORM:
PAYNE & FEARS, LLP
Legal Counsel – IRWD

By: 

Date: 10/25/11