

THIS AT-WILL EMPLOYMENT AGREEMENT is effective as of September 19, 2017, between the SANTA ANA WATERSHED PROJECT AUTHORITY, a joint powers public agency (hereinafter, "SAWPA" or "Employer"), and RICH HALLER, an individual (hereinafter, "HALLER" or "Employee"). SAWPA and HALLER are sometimes individually referred to as "Party" and collectively referred to as the "Parties".

1. Duties and Authority. SAWPA, by and through SAWPA's Commission, hereby employs HALLER as the General Manager of SAWPA, with full power and authority to perform all of the duties set forth in SAWPA's Joint Powers Agreement and the Municipal Water District Law, SAWPA ordinances and resolutions. HALLER's duties shall include, but shall not be limited to, supervising SAWPA personnel and financial matters, attending meetings of SAWPA's Commission and its Committees, supervising the administration of all operations of SAWPA, and managing and conducting all of the business of SAWPA, subject to policies set by the Commission. In addition, HALLER shall perform any special duties assigned or delegated to him by the Commission.
2. Restrictions on Outside Business Activities. During his employment, HALLER shall devote his full energies, interest, abilities, and productive time to the performance of this Agreement and shall not, without SAWPA's Commission's prior written consent, render to others services of any kind for compensation, or engage in any others business activity that would interfere with the performance of his duties as SAWPA's General Manager. SAWPA is aware of and has considered HALLER's volunteer service on the Board of the YMCA and with the City of Highland Planning Commission, and consents to those continued activities, and agrees that these positions do not constitute activities that interfere with HALLER's duties as SAWPA's General Manager.
3. Reasonable Time and Effort Required. During his employment, HALLER shall devote such time, interest, and effort to the performance of this Agreement as may be fairly and reasonably necessary. The Parties agree that the General Manager's position at SAWPA is a full-time position. SAWPA is aware of and has considered HALLER's volunteer service on the Board of the YMCA and with the City of Highland Planning Commission, and agrees that these activities do not violate this provision.
4. Place of Employment. Unless the Parties agree otherwise in writing, HALLER shall perform the services he is required to perform under this Agreement at SAWPA's offices, located in Riverside, California; provided, however, that SAWPA may, from time-to-time, require HALLER to travel temporarily to other locations on SAWPA's business.
5. Termination of Employment.
  - a. By Employer Not for Cause. At any time, Employer may terminate Employee without cause. In the event Employer terminates Employee without cause, Employer shall pay Employee all compensation due and owing through the last day actually worked, including but not limited to accrued sick leave in accordance with SAWPA policy, plus a sum equal to six (6) months of Employee's salary, contingent on Employee signing and

not revoking a Settlement Agreement and General Release of All Claims (substantially similar to Exhibit "A"). Employer may discipline or dismiss Employee as provided in this Section 5 notwithstanding anything to the contrary contained in or arising from any statement, policies, or practices of Employer relating to the employment, discipline, or termination of its employees. If Employee is subsequently convicted of a crime involving an abuse of his office or position (as defined in Government Code Section 53243.4 or its successor), Employee shall reimburse Employer the full amount of the cash settlement or severance described above. Payment for accumulated and unused leave will be addressed in the same manner as for other management employees, per Section 7, below.

- b. By Employer For Cause. At any time, and without prior notice, Employer may terminate Employee for cause. If employee is terminated for cause he shall not be entitled to any severance pay. Employer shall pay Employee all compensation then due and owing, including but not limited to accrued sick leave in accordance with SAWPA policy; thereafter, all of Employer's obligations under this Agreement shall cease. Termination shall be for cause if based on: (i) willful and intentional misappropriation or theft of Authority funds or property; (ii) possession, use or sale of illegal drugs on Authority property or reporting for duty under the influence of alcohol or illegal drugs (including, but not limited to marijuana which remains illegal under federal law); (iii) pleading guilty or being convicted of a felony or conviction of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; (a plea or verdict of guilty or finding of guilt by a court in a trial without a jury is deemed to be a conviction within the meaning of this clause irrespective of a subsequent order under provisions of Section 1203.4 of the Penal Code allowing withdrawal of a plea of guilty and entering a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusations or information); (iv) willful or malicious violation of the Authority's Policies and Procedures; (v) willful or malicious breach of recognized professional standards; (vi) breach of any material term of this Agreement; (vii) willful or persistent material breach of duties; (viii) engaging in unlawful discrimination or harassment of employees or any third party while on SAWPA premises or time; or (ix) unauthorized absence for more than three days.
- c. By Employee. At any time, Employee may terminate this Agreement and resign his employment by providing Employer thirty (30) days advance written notice. Employer shall have the option, in its complete discretion, to terminate Employee at any time prior to the end of such notice period, provided Employer pays Employee all compensation due and owing through the last day actually worked, plus an amount equal to the base salary Employee would have earned through the balance of the above notice period; thereafter all of Employer's obligations under this Agreement shall cease.
- d. Termination Obligations.
  - i. Employee agrees that all property, including, without limitation, all equipment, tangible proprietary information, documents, books, records, reports, notes, contracts, lists, computer discs (and other computer generated files and data), and copies thereof, created on any medium and furnished to, obtained by, or prepared by

Employee in the course of or incident to his employment, belongs to Employer and shall be returned promptly to Employer upon termination of the Period of Employment.

- ii. All benefits to which Employee is otherwise entitled shall cease upon Employee's termination, unless explicitly continued under this Agreement, under any specific written policy of benefit plan of Employer, or pursuant to California or Federal law.
- iii. The representations and warranties contained in this Agreement and Employee's obligations under this Section 5(d) on Termination Obligations shall survive the termination of the Period of Employment and the expiration of this Agreement.
- iv. Following any termination of Employment, Employee shall fully cooperate with Employer in all matters relating to the winding up of pending work on behalf of Employer and the orderly transfer of work to other employees of Employer. Employee shall also cooperate in the defense of any action brought by any third party against Employer that relates in any way to Employee's acts or omissions while employed by the Employer.

#### 6. Salary and Salary Increases

- a. SAWPA shall pay HALLER for services rendered pursuant hereto an annual base salary of \$220,000.00. This salary will be paid in installments at the same time as other executive management employees of SAWPA are paid.
- b. In addition, SAWPA agrees to undertake an annual performance review of HALLER for each year. Pursuant to said review, SAWPA may make salary adjustments as deemed appropriate by the Board of Commissioners. For the purposes of adjustments due to cost of living (COLA) changes, HALLER will receive the adjustments offered by SAWPA to other executive management employees unless the Commission decides otherwise at the time of each COLA approval.
- c. HALLER shall be eligible for an annual performance award. Said award shall be based upon an annual review by SAWPA and shall be offered at the sole discretion of SAWPA. Should a performance award be issued by SAWPA to HALLER, HALLER may elect to take said performance award in the form of a lump sum cash payment, equal installments over a one-year period, deferred compensation or, alternatively, vacation time, although the part of the award taken as vacation may not exceed five days.
- d. SAWPA shall establish for HALLER a 401(a) retirement savings plan, to which SAWPA may contribute per Commission action in conjunction with each annual performance review.
- e. HALLER may, at his option, require that such portion of the basic salary as he may designate be put into tax-sheltered investments as deferred income.
- f. SAWPA will pay 4.20% of the 7% employee portion of the CalPERS pension as Employer Paid Member Contributions (EPMC) until June 30, 2018, when it will pay

2.80% and HALLER will pay the remainder of the 7% employee portion of the CalPERS pension and HALLER will be provided a 1.40% salary increase effective the same date. On June 30, 2019, SAWPA will pay 1.40% of the 7% employee portion of the CalPERS pension and HALLER shall pay the remainder and receive a 1.40% offsetting salary increase. On June 30, 2020, SAWPA will pay 0% of the 7% employee portion of the CalPERS pension and HALLER will pay the remainder and receive an offsetting 1.40% salary increase.

7. Benefits. During his employment at SAWPA, HALLER shall be entitled to receive all other standard benefits (including, but not limited to, health, major medical, dental and vision insurance benefits) and employee-paid benefits of employment available to SAWPA's other executive and managerial employees, except as provided below:
  - a. HALLER will be entitled to 22 days of compensated vacation time each year, to be taken at times mutually agreed upon with the Commissioner's Chair. HALLER shall use at least 15 days of vacation time each year. Annually, SAWPA shall compensate HALLER for up to 7 days of unused vacation time, if any such unused vacation time exists;
  - b. HALLER will also be entitled to 5 days paid Management Leave each year, but any unused Management Leave shall not be compensated nor shall any such unused leave carry forward to the following year;
  - c. HALLER will also be entitled to 12 days of compensated sick leave each year, to be taken, if required, whenever necessary throughout the year. Accrual and use of unused sick leave shall be subject to the current policy for all SAWPA employees;
  - d. SAWPA will pay HALLER a monthly automobile allowance of \$1,000.00, representing full compensation for all costs, mileage, expenses, depreciation, maintenance, repairs, insurance, gas, tires, oil and all other incidental expenses associated with the use of HALLER's personal auto on SAWPA business;
  - e. Subject to the availability of funds, SAWPA agrees to pay, or to reimburse HALLER, for any budgeted, reasonable and necessary membership dues in professional organizations.
8. Medical Coverage for Retirees. SAWPA recognizes that HALLER currently has 15 years of service with SAWPA and upon turning 58 will be eligible for SAWPA's Medical Coverage for Retirees pursuant to SAWPA's existing policy (reference Employee Handbook September 18, 2012, page 26, Medical Coverage for Retirees). SAWPA recognizes HALLER's prior and continued service for purposes of this benefit and he shall be entitled to receive Medical Coverage for Retirees based upon this status according to existing SAWPA policy.
9. Accrued Leave. HALLER's currently accrued and unused sick and medical leave will transfer over for use under this Agreement.
10. Expenses. During the employment term, SAWPA shall reimburse HALLER for budgeted and reasonable out-of-pocket expenses for travel, food, and lodging while away from home in Southern California, on SAWPA business, subject to such policies as SAWPA may from

time-to-time reasonably establish for its employees. Additionally, HALLER shall be entitled to Commission-approved or budgeted and reasonable reimbursement for continuing education expenses, for attendance at conventions, conferences and annual meetings and selected committee meetings of water resources related organizations, and for meetings with representatives of organizations and agencies relevant to SAWPA's business.

#### 11. Miscellaneous Provisions.

- a. Integration. Subject to all applicable Government and Water Code sections, this Agreement contains the entire agreement between the PARTIES, and supersedes all prior oral and written agreements, understandings, commitments, and practices between the PARTIES, including all prior employment agreements, whether or not fully performed by either PARTY before the date of this Agreement. No amendments to this Agreement may be made except by writing signed by the PARTIES.
- b. Severability. If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances it shall nevertheless remain in full force and effect in all other circumstances.
- c. Arbitration. Any dispute which may arise by and between SAWPA and HALLER in connection with this Agreement shall be submitted to binding arbitration. Arbitration shall be conducted by the Judicial Arbitration and Mediation Services, Inc. ("JAMS") at its Inland Empire office, or its successor, in accordance with its rules that are in effect for employment matters at the time of the commencement of the arbitration proceeding, and as set forth in this Subparagraph. The arbitrator must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Limited discovery may be conducted in the arbitration proceeding upon a showing of good cause and approval of the arbitrator. Unless the PARTIES stipulate to the contrary, prior to the appointment of the arbitrator, all disputes shall first be submitted to nonbinding mediation, conducted by JAMS in accordance with its rules and procedures for such mediation. SAWPA shall pay all fees charged by JAMS for such mediation and arbitration proceedings. If the dispute relates to whether SAWPA had cause to terminate HALLER's employment and the arbitrator finds that there was not cause to terminate his employment as required by the contract, the remedy shall be limited to six months of HALLER's salary.
- d. Agreement is Binding. This Agreement shall be binding upon and inure to the benefit of SAWPA, its successors and assigns, and shall be binding upon HALLER, his administrators, executors, legatees, heirs, and assigns.
- e. Waiver. The failure of either PARTY to insist on strict compliance with any of the terms, covenants or conditions of this Agreement by the other PARTY shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power for all or any other times.

12. NOTICES. Any notice or other communication under this Agreement must be in Writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to Employer or to Employee at the corresponding address or fax number below. Employee shall be obligated to notify Employer in writing of any change in his address. Notice of change of address shall be effective only when done in accordance with this Section 12.

**Employer's Notice Address:**

SAWPA  
11615 Sterling Avenue  
Riverside, CA 92503  
Fax: 951.785.7076

**Employee's Notice Address:**

Rich Haller  
ON FILE

IN WITNESS WHEREOF, the PARTIES have executed this Agreement to be effective on the day and year first above written.

SANTA ANA WATERSHED PROJECT AUTHORITY,  
a Joint Powers Public Agency

By:   
Susan Longville, Chair

Date: September 19, 2017

By:   
Rich Haller, General Manager

Date: 9/19/17