

**EMPLOYMENT AGREEMENT BETWEEN  
EASTERN MUNICIPAL WATER DISTRICT AND  
JOE MOUAWAD**

THIS AGREEMENT is entered into as of May 3, 2021, between the Board of Directors of and on behalf of EASTERN MUNICIPAL WATER DISTRICT ("District") and Joe Mouawad ("Mouawad"), for the employment by District of Mouawad as its General Manager, on the terms and conditions stated herein.

**I. EMPLOYMENT**

District hereby employs Mouawad, and Mouawad hereby accepts employment by District as the District's General Manager ("GM"). In his capacity as such, Mouawad shall use reasonable care to do what is necessary to manage the District in a prudent and professional manner. Mouawad shall devote his productive professional time, ability and attention to the business of the District and shall not engage in any other paid professional duties or pursuits without the prior consent of the District's Board of Directors. However, Mouawad is not prohibited by this Agreement from making personal investments, conducting private business affairs, or pursuing political, religious, charitable or educational activities, so long as his ability to perform the services required by this Agreement is not materially impaired.

**II. TERM**

The term of this Agreement shall be for a period of three (3) years, commencing on May 3, 2021 (which date shall be the effective date of this Agreement), subject to the terms of this Agreement. This Agreement shall renew for one successive three (3) year period, unless amended by mutual agreement of the parties, or terminated by either party as provided herein.

**III. DUTIES**

**A. Relationship with Board of Directors**

The GM shall be the Chief Executive Officer of the District and, as such, shall have the responsibility for implementing the Board of Directors' policies. The Board shall retain the responsibility for formulating and adopting policies.

Members of the Board of Directors, individually and collectively, will refer criticisms, complaints, and suggestions regarding management of operations and personnel called to their attention to the GM for review and action as the GM deems appropriate.

**B. Managerial Duties**

The GM shall be responsible for the day-to-day operations of the District, including the staffing thereof, in accordance with the District's Rules and Regulations, where applicable. In addition, the GM shall have such powers and duties as are delegated to him by the Board of Directors.

**IV. SALARY, PERFORMANCE REVIEW**

**A. Salary**

Mouawad's initial salary as GM shall be Three Hundred Ten Thousand Dollars (\$310,000.00) per year. Mouawad shall be entitled to a Cost of Living Adjustment ("COLA") on the same date and at the same rate as received by District employees.

**B. Deferred Compensation**

The District shall (a) contribute the standard employee contribution of Seven and Fifteen One-Hundredths Percent (7.15%) of the first Sixteen Thousand Five Hundred Dollars (16,500) salary each year subject to a maximum contribution of One Thousand One Hundred Seventy Nine and 75/100 Dollars (\$1,179.75) each year to the District's 401(a) Plan for Mouawad; (b) provide on a proportional basis each pay period (twenty-six (26) pay periods), contributions to the District's 401(a) Plan that over a one (1) year period will be equal to the maximum allowed 457 Plan Employee Deferral (Nineteen Thousand Five Hundred Dollars (\$19,500.00) per year in 2021), plus a post-50 year old "catch-up" deferral (Six Thousand Five Hundred Dollars (\$6,500.00) per year in 2021), also paid per pay period (twenty-six (26) pay periods); (c) the Board of Directors may direct any Performance Award as may be granted from time to time under Section IV.C, or a portion thereof, to be contributed by the District to the District's 401(a) Plan on his behalf within the IRS limits; (d) in addition to the District 401(a) Plan payments made by District, Mouawad may elect to participate in the District's voluntary 457 Deferred Compensation program under the same terms and conditions as other employees of the District.

**C. Performance Award**

Mouawad shall be entitled to up to Ten Percent (10%) of base salary based on performance, achievement of goals, and financial condition of the District, at the Board of Directors' discretion, following Mouawad's annual performance review which shall occur in the June-July time frame each year.

**V. BENEFITS**

Mouawad shall receive all benefits provided by the District to employees, including, but not limited to, approved holidays, paid time off, retirement contributions, health benefits, and insurance coverage, subject to the following exceptions and additional benefits:

**A. Automobile**

The District shall furnish Mouawad with an average equipped compact, fuel efficient vehicle such as a Ford Escape Hybrid, for all District use, including travel to and from the residence of Mouawad for any District-related business.

**B. Paid Time Off**

Mouawad shall be entitled to maintain his current rate of accrual of two hundred fifty six (256) hours per year and may accrue unused Paid Time Off (PTO) hours from year to year up to the same amount as other employees, currently six hundred seventy five (675) hours, unless authorized in writing by the Board of Directors to accumulate additional amounts. In the absence of such authorization, Mouawad shall receive compensation for PTO hours in excess the current limit at his then prevailing rate of pay, as afforded to all other District employees.

**C. Life Insurance**

The District shall provide life insurance in the total amount of Seven Hundred Fifty Thousand Dollars (\$750,000.00), insuring Mouawad's life.

**D. Health Insurance**

Mouawad shall be entitled to the standard employee package for medical, dental and vision coverage during employment and upon retirement.

**E. Retirement Benefits**

Mouawad shall maintain his current CalPERS benefit formula of Two Point Five Percent (2.5%) at 55 and continue paying Eight Percent (8.0%) of the employee contribution.

**VI. TERMINATION**

Mouawad shall serve at the pleasure of the Board of Directors and may be removed from office with or without cause, upon majority vote of the Board of Directors. Before the Board votes on a proposed termination of this Agreement, Mouawad shall be given the right to meet with the Board in closed session and to hear and respond to the reasons for said termination. By providing this opportunity to Mouawad, the Board does not waive its rights to terminate this Agreement and to terminate Mouawad with or without cause, and does not intend to provide Mouawad with any rights regarding such termination that he does not otherwise have.

**A. Termination Without Cause**

In the event that Mouawad is terminated without cause as GM by the District's Board of Directors during the term of this Agreement, the District shall provide compensation to Mouawad equivalent to the value of six (6) months' salary and benefits, including the continuation of all existing health benefits then being provided to the GM for the shorter of six (6) months, or until Mouawad finds other employment (the salary and benefits shall be referenced to collectively as "Severance Pay").

**B. Termination for Cause**

At any time, the District's Board of Directors may terminate Mouawad as GM for cause. Termination shall be for "cause" if Mouawad (1) acts in bad faith and to the detriment of the District; (2) refuses or fails to act in accordance with any specific direction or order of the Board of Directors; (3) exhibits in regard to his employment unfitness for service, misconduct, dishonesty, or incompetence; (4) is convicted of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; or (5) breaches any material term of this Agreement.

In the event of termination for cause, Mouawad shall not be entitled to Severance Pay. Upon termination for cause, Mouawad shall only be entitled to receive all compensation earned but unpaid, for actual work performed as of the date of termination for cause and for accrued PTO time. Mouawad hereby acknowledges and

agrees that such payment is the only compensation and/or benefit that he will be entitled to receive in the event of termination for cause.

**C. Resignation**

If Mouawad desires to resign his position as GM, he may do so by providing the Board of Directors with at least sixty (60) days' written notice of resignation. In the event of resignation, Mouawad shall not be entitled to any Severance Pay.

**VII. GENERAL PROVISIONS**

**A. Work Schedule**

Mouawad may perform his duties under the flex schedule (9/80) offered all other employees and may arrange modifications to this schedule through consultation with the Board of Directors.

**B. Business Expense**

District shall reimburse Mouawad for such reasonable and appropriate District-related business and/or travel expenses as are submitted and processed in compliance with the District's operating policies.

**C. Entire Agreement**

This Agreement supersedes any and all other agreements, oral or written, between the parties hereto with respect to the employment of Mouawad by the District and contains all of the covenants and agreements between the parties with respect to the employment of Mouawad by the District. Each party agrees and acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by either party or anyone acting on behalf of either party, which are not embodied herein, and that any Agreement, statement or promise not contained in this Agreement shall not be valid or binding on either party.

**D. Modifications**

Modifications to or amendments of this Agreement may be made by formal written amendment or modification hereof, or by side letters signed by Mouawad and a majority of the Board of Directors. "Modification," as used herein, shall include supplements, deletions, and clarifications.

**E. Severability**

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

**F. Effective Waiver**

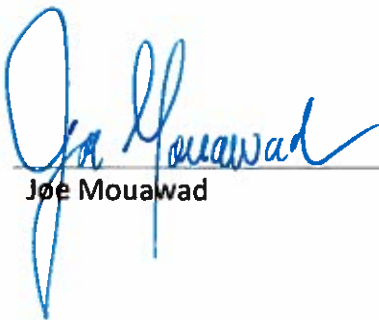
The failure of either party to insist on strict compliance with any of the terms, covenants and/or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant and/or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

**G. Construction**

This Agreement shall not be construed more strongly against either party regardless of which party prepared it.

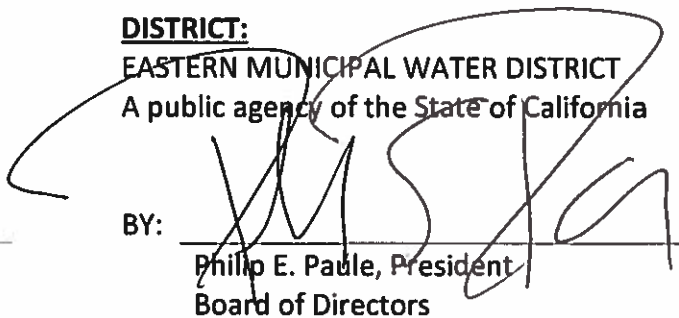
IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

**MOUAWAD:**

BY:   
Joe Mouawad

**DISTRICT:**

EASTERN MUNICIPAL WATER DISTRICT  
A public agency of the State of California

BY:   
Phillo E. Paule, President  
Board of Directors