

**EMPLOYMENT AGREEMENT FOR GENERAL MANAGER OF
THE FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT**

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This Agreement is made ~~as on~~ May ~~1—~~, 201~~64~~⁴ by and between the Fallen Leaf Lake Community Services District, a community services district (hereinafter referred to as "CSD", and defined as actions or approvals as determined in accordance with the CSD bylaws) organized and existing pursuant to Sections 61000 and following of the Government Code and Gary D. Gerren (hereafter referred to as "General Manager").

In consideration of the mutual covenants and promises of the parties, CSD agrees to employ General Manager "at will" and General Manager agrees to be employed by CSD "at will" as its General Manager pursuant to the following terms and conditions.

1. Term

The District is employing the General Manager as an "at-will" employee. The term of this Agreement is for 60 months, commencing May 1, 201~~6~~⁴ and continuing through and including April 30, 2021~~16~~⁴, unless earlier terminated as provided in this at-will Agreement. During the term of this Agreement, General Manager and CSD agree that each will provide 3 months notice of intent to terminate Agreement and outgoing General Manager will provide all possible assistance in the selection of a new General Manager during the notice period.

2. General Manager's Responsibilities

A. General Manager shall report to ~~CSD's Personnel Committee that includes the President of~~ the CSD's Board of Directors or its designee.

B. The General Manager shall perform the duties generally described in the job description attached here to as Exhibit "A," and other such duties that the District may reasonably assign from time to time. The General Manager's duties may be reasonably modified

at the District's direction from time to time. The General Manager shall abide by all District Policies and Procedures, including those described in the Fallen Leaf Fire Department Standard Operations Manual, as adopted and amended by the District from time to time.

D. Notwithstanding any other provision contained in this Agreement, General Manager shall not, and he expressly agrees that he shall not, engage in any of the following activities without the prior written consent of the CSD:

- (1) Make any non-budgeted purchase for capital equipment or for any other purposes exceeding \$5,000.
- (2) Obligate the CSD in any amount by borrowing, obtaining credit, guaranteeing, or otherwise promising CSD responsibility, except in the ordinary course of fulfilling General Manager's responsibilities hereunder, and in no case in excess of \$5000.00.
- (3) Sell, transfer, or encumber CSD capital assets (those items with greater than \$1,000.00 current value) without prior Board approval.

~~E. The General Manager will be subject to a performance review by the Board's Personnel Committee on an annual basis. This review is to be completed by March 1 of each year and submitted to the full Board for review and comment in closed session.~~

3. Year-Round Employment

CSD's has two modes of operations "Summer Mode" and "Winter Mode". It is understood by and between the parties hereto that the General Manager shall reside at the residence provided by the CSD at Fallen Leaf Lake one month prior to the commencement of the Summer Mode through two weeks following termination of the Fire Season ("Change from Summer Mode to Winter Mode"). The General Manager / Fire Chief is entitled to two days off per week. During the term of this Agreement that is not the Opening and Shutdown Period and the Fire Season ("Winter Mode of Operations"), the General Manager's duties to CSD, although reduced, shall continue.

4. Compensation

The General Manager shall be compensated as follows:

- A. ~~For the Term of this Agreement, the General Manager shall be paid~~
a base salary, commencing May 1, 2016 of \$33,000 per year, payable on a
monthly basis. The Board may, but shall not be required to, consider increases in
the base salary of General Manager.
- B. The General Manager will be subject to a performance review by the Board on an
annual basis. This review shall be completed by the Labor Day meeting of the
Board. As part of the review, the Board shall determine whether General Manager
shall be entitled to a bonus for the applicable year. The amount of the bonus, if
any, shall be in the sole discretion of the Board. However, if the Board does not
make a determination of the bonus on or before the Labor Day meeting, then
General Manager shall be automatically entitled to receive a bonus for the

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applicable year equal to 3% of his base salary for such year. For 2016, any bonus shall be based on General Manager's 2016 annual base salary. Bonuses, if any, shall be paid to General Manager promptly following the applicable Labor Day meeting.

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~~compensated as follows: May 1, 2011 to April 30, 2012 at the rate \$2,083.33 per month for 12 months (\$25,000.00 per year), with a provision for annual adjustments as determined by the Board based upon employment performance and District finances.~~

CB. The General Manager shall be required to live in District provided housing during the Fire Season and the Opening and Shutdown period at 400 Fallen Leaf Road, 2nd floor, Fallen Leaf Lake, CA. The General Manager shall abide by and conform to the policies and procedures of the community area ("Policies and Procedures") now in effect or as may be revised from time to time. During Summer Mode when the General Manager resides in housing provided by CSD the CSD will pay all utilities. The CSD recognizes that the presence of the General Manager is a benefit to the community and therefore there will also be no rental charge for CSD provided housing.

DC. The General Manager shall accrue one (1) sick day per month during the term of the Agreement. The General Manager shall not be paid for accrued, unused sick days at the conclusion of the term of this Agreement.

ED. As the GM also serves the District as Fire Chief, the CSD will provide a vehicle to the Fire Chief for use on CSD business as General Manager as well as Fire Chief. CSD shall provide all fuel, maintenance and insurance for said vehicle.

5. Termination

This Agreement may be terminated by in writing by either CSD or the General Manager under the stipulated notice periods. CSD retains the right to terminate this Agreement at anytime for Cause. Cause is defined as follows:

A. Breach by General Manager of any material term of this Agreement; provided, that, General Manager shall be notified in writing of termination and an explanation of the Cause for termination. If, in the sole discretion of CSD, the stated breach may be cured within a time and in a manner acceptable to CSD, General Manager shall be so advised and shall have the opportunity to effect such cure. Failure to timely effect such cure in the sole judgment of CSD shall be Cause for immediate termination with no further right to cure.

B. Upon long term disability or other disability of the General Manager rendering him unable to fully perform his obligations as required herein, as reasonably determined by labor law.

C. Upon the willful breach of this Agreement, the material neglect of General Manager's obligations as provided herein, or other such willful conduct which, in the sole judgment of CSD justifies immediate termination without further notice or right because of material threat to the well-being of the community. Grounds for immediate termination might include gross negligence, malfeasance, moral turpitude, conviction of a felony or unlawful discrimination or harassment.

D. Upon the conviction of the General Manager in a court of law of competent jurisdiction of a misdemeanor involving moral turpitude or of any felony.

6. Severance Pay

Should CSD terminate this Agreement without cause, it is agreed employee will receive ~~one month's~~ severance pay in an amount equal to \$13,125 (5 months base salary under General

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Manager's prior agreement) plus an amount equal to one month's base salary under this Agreement for ~~per~~ each year worked under this Agreement. It is understood and agreed that ~~Severance p~~Pay for termination without cause is limited to termination without cause as General Manager.

7. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California and the federal laws of the United States of America applicable therein. Any controversy or claim arising out of or relating to this Agreement shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon an award arising in connection therewith may be entered in any court of competent jurisdiction.

8. Survival

In the event that any provision herein is determined to be unenforceable under the current law at the time of execution of this Agreement, or unenforceable under a law that may supersede that law in place at the time of execution, all other provisions and the intent of the Agreement shall survive such findings.

9. Waiver of Rights

No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing by the party against whom the same is sought to be enforced and no failure by either party to enforce any of its rights hereunder shall, except as aforesaid, be deemed to be a waiver of such right. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any provision of this Agreement to be performed by such other party shall be deemed to be a waiver of a similar or dissimilar provision hereof at the same or any prior or subsequent time.

10. Modifications

Any modifications to this Agreement shall be effective only if in writing and signed by both of the parties hereto.

11. Notices

Any notice required or permitted to be given under this Agreement shall be in writing and shall be properly given if delivered personally or mailed prepaid registered mail addressed as follows:

In the case of the Fallen Leaf Lake Community Services District:

Fallen Leaf Lake Community Services District
Attention: CSD Board President
P.O. Box 9415
South Lake Tahoe, CA 96158

In the case of Gary D. Gerren:

Gary D. Gerren
~~353 North Colorado Place, #206~~
2602 E 20th St
~~Long Beach, CA 90814~~
Signal Hill, CA 90755

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12. Entire Agreement

This mutually signed Agreement, attached Exhibits and any properly executed and signed Amendments, or Directives as approved by the CSD from time to time and incorporated herein, constitutes the entire agreement between the parties with respect to the Agreement contemplated hereby and cancels and supersedes all prior undertakings and agreements between the parties with

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respect thereto and no agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

13. Miscellaneous

Each of the parties represents that it is duly authorized to execute this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be the same Agreement.

Agreed to:

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT

By: _____ Date: _____
| Michael Cathcart ~~Tom Bacchetti~~, President

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT GENERAL MANAGER

By: _____ Date: _____
Gary D. Gerren