

AMENDMENT TWO TO EMPLOYMENT AGREEMENT FOR MANAGER

THE "EMPLOYMENT AGREEMENT FOR MANAGER" ENTERED INTO BY AND BETWEEN THE VALLEJO SANITATION AND FLOOD CONTROL DISTRICT ("DISTRICT") AND MELISSA A. MORTON ("MANAGER") EFFECTIVE JANUARY 13, 2014 ("EMPLOYMENT AGREEMENT"), IS HEREBY AMENDED AS FOLLOWS:

THIS AGREEMENT is entered into by and between the Vallejo Flood and Wastewater District ("District"), a body corporate and politic, Solano County, State of California, and Melissa A. Morton an individual ("Manager") effective January 13, 2014 ("Effective Date").

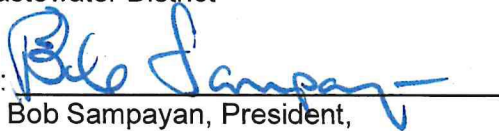
Paragraph (b) of number 3, Compensation, is amended to read as follows:

(b) Benefits - The Manager shall be afforded the same retirement and holiday benefits on the same basis as all other District management employees, as specified in the Memorandum of Understanding with the Management Association dated July 1, 2013 and any amendments thereto, excepting for sick leave and annual leave accrual which shall be as set forth hereinafter. Manager shall be granted annual sick leave of forty (40) hours upon commencement of employment. Thereafter sick leave will be accumulated at one (1) day per month of employment. Manager shall be credited with eighty (80) hours of vacation upon commencement of employment. Thereafter, annual vacation leave shall be accrued at the rate of four (4) weeks per year, with a maximum accrual not to exceed nine (9) weeks. A copy of said Memorandum of Understanding with the Management Association is attached hereto as an Exhibit and made a part hereof by reference.

This Amendment shall become effective April 10, 2018. Except as amended hereinabove, all of the terms, conditions and covenants of the Employment Agreement shall remain in full force and effect.

Vallejo Flood and
Wastewater District

By:



Bob Sampayan, President,
Board of Trustees

By Direction of the Board of Trustees

Manager

By:



Melissa A. Morton

Approved as to form:

Burke, Williams & Sorensen, LLC

Counsel for the District

By:



Benjamin Stock

AMENDMENT TO EMPLOYMENT AGREEMENT FOR MANAGER

THE "EMPLOYMENT AGREEMENT FOR MANAGER" ENTERED INTO BY AND BETWEEN THE VALLEJO SANITATION AND FLOOD CONTROL DISTRICT ("DISTRICT") AND MELISSA A. MORTON ("MANAGER") EFFECTIVE JANUARY 13, 2014 ("EMPLOYMENT AGREEMENT"), IS HEREBY AMENDED AS FOLLOWS:

Subparagraph (a) of Paragraph 3, Compensation, is amended to read as follows:

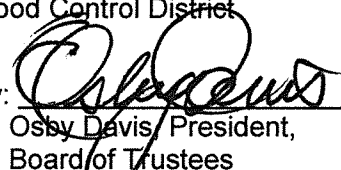
(a) Salary - In consideration of the Manager's services to the District during the term of this Agreement, District agrees to compensate Manager at an annual salary of Two Hundred Thirty Nine Thousand Seven Hundred and Ten Dollars and Thirty Two Cents (\$239,710.32), retroactive to February 10, 2015. The salary shall be paid in equal monthly installments at the same frequency as the District pays all other employees and shall be subject to the usual withholdings for taxes and benefits applicable to other District employees. There shall be an annual Cost of Living Adjustment (COLA) in Manager's salary based on the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers for San Francisco-Oakland-San Jose (CPI). The annual COLA shall be effective July 1st of each year during the term of this Agreement, commencing July 1, 2016, and shall be equal to the percentage change in the CPI from April of the prior year to April of the then-current year; provided however, that any increase based upon the change in the CPI shall not be less than 2% or greater than 4%, and if the CPI goes above 4% then ½ the difference would be added to the percentage (e.g. if the CPI increases 1.5% the wage increase shall be 2%; if the CPI increases 3.5% the wage increase shall be 3.5%; if the CPI increases 5.6% the wage increase shall be 4% plus ½ the amount above 4% or 4.8%).

In addition, the term of this Employment Agreement for Manager will extend six months and end on June 12, 2019.

This Amendment shall become effective March 10, 2015. Except as amended hereinabove, all of the terms, conditions and covenants of the Employment Agreement shall remain in full force and effect.

Vallejo Sanitation and
Flood Control District

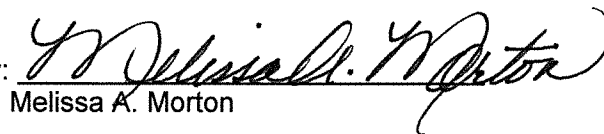
By: _____



Osby Davis, President,
Board of Trustees
By Direction of the Board of Trustees

Manager

By: _____

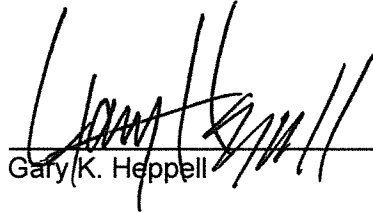


Melissa A. Morton

Approved as to form:

Favaro, Lavezzo, Gill, Caretti & Heppell, P.C.
Counsel for the District

By: _____



Gary K. Heppell

RESOLUTION NO. 2013- 5548

**APPROVAL OF
DISTRICT MANAGER'S EMPLOYMENT CONTRACT, MELISSA A. MORTON**

BE IT RESOLVED by the Board of Trustees of the Vallejo Sanitation and Flood Control District as follows:

WHEREAS, the Board of Trustees intends to employ Melissa A. Morton as the District Manager of Vallejo Sanitation and Flood Control District; and

WHEREAS, Melissa A. Morton shall be paid an annual salary of \$189,812.00; and

IT IS, THEREFORE, RESOLVED, that the Board of Trustees agrees to employ Melissa A. Morton upon the terms and conditions set forth in the Employment Agreement for Manager, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference, subject to review and amendment by District Legal Counsel, as directed, regarding (1) indemnity terms, (2) provisions concerning Manager's annual performance review, and (3) otherwise as may be directed by the Board, and approval of any such amendment(s) by Melissa A. Morton; and

IT IS FURTHER RESOLVED that Melissa A. Morton shall be paid the above-stated salary together with annual increases commencing January 2015 equal to the CPI increase for the prior year, but not to exceed a total of four percent (4%) in any given year; and

IT IS FURTHER RESOLVED that the Board of Trustees agrees to review the performance of the District Manager annually; and

IT IS FUTHER RESOLVED that the Board President is authorized and directed to execute and the District Clerk to attest, the Employment Agreement for Manager attached as Exhibit "A" to this resolution, subject to review and amendment by District Legal Counsel, as directed, regarding (1) indemnity terms, (2) provisions concerning Manager's annual performance review, and (3) otherwise as may be directed by the Board, and approval of any such amendment(s) by Melissa A. Morton.

ADOPTED by the Board of Trustees at a regular meeting held on the 10th day of December 2013, by the following vote:

AYES: President Davis, Trustees Gomes, Brown, Hannigan, Malgapo, McConnell, Sampayan, and Sunga

NOES: None


ABSENT: None

ABSTAIN: None

WITNESS my hand and the seal of said District this 10th day of December 2013.



OSBY DAVIS, PRESIDENT



CATHERINE C. SPARKS, DISTRICT CLERK

EMPLOYMENT AGREEMENT FOR MANAGER

THIS AGREEMENT is entered into by and between the Vallejo Sanitation and Flood Control District ("District"), a body corporate and politic, Solano County, State of California, and Melissa A. Morton an individual ("Manager") effective January 13, 2014 ("Effective Date").

Terms and Conditions

In consideration of the material terms and conditions contained in this Agreement, the District agrees to employ and Melissa A. Morton consents to employment as the Manager of the District.

1. Employment and Duties

- (a) District hereby employs Manager to provide all necessary services required to oversee and supervise the operations and administration activities of the District. Manager's services shall be performed in accordance with all applicable policies, ordinances, and regulations of the District which are now in effect or which may hereafter be established by the District's Board of Trustees (hereinafter "Board"). Manager shall devote full time to the performance of her services under this agreement and shall fulfill fully and adequately all responsibilities required by this agreement.
- (b) The District recognizes that the Manager will, in the full performance of her duties, devote a great deal of time outside normal office hours of the District. Manager, in recognition of this fact, shall be allowed to adjust her office hours reasonably.
- (c) Manager shall be evaluated on her performance annually and otherwise at the Board's discretion.

2. Term and Operative Date

Manager shall begin her employment on the Effective Date. Subject to the provisions of Paragraph 6 (Termination of Employment), the term of this Agreement shall be five (5) years, commencing on the Effective Date and ending January 12, 2019.

3. Compensation

- (a) Salary - In consideration of the Manager's services to the District during the term of this Agreement, District agrees to compensate Manager at an annual salary of One Hundred Eighty Nine Thousand Eight Hundred and Twelve Dollars (\$189,812.00). The salary shall be paid in equal monthly installments at the same frequency as District pays all other employees and shall be subject to the usual withholdings for taxes and benefits applicable to other District employees. There shall be an annual adjustment in Manager's salary based on the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers for San Francisco-Oakland-San Jose (CPI) from January 2014 to January 2015, and each year thereafter during the term of this Agreement. The annual adjustment in salary shall be

effective January 13th of each year during the term of this Agreement, commencing January 13, 2015, and shall be equal to the percentage change in the CPI from January of the prior year to January of the current year; provided however, that any increase based upon the change in the CPI shall not exceed 4% and there shall be no decrease in salary from the prior year.

- (b) Benefits - The Manager shall be afforded the same retirement and holiday benefits on the same basis as all other District management employees, as specified in the Memorandum of Understanding with the Management Association dated July 1, 2013 and any amendments thereto, excepting for sick leave and annual leave accrual which shall be as set forth hereinafter. Manager shall be granted annual sick leave of forty (40) hours upon commencement of employment. Thereafter sick leave will be accumulated at one (1) day per month of employment. Manager shall be credited with eighty (80) hours of vacation upon commencement of employment. Thereafter, annual vacation leave shall be accrued at the rate of three (3) weeks per year, with a maximum accrual not to exceed nine (9) weeks. A copy of said Memorandum of Understanding with the Management Association is attached hereto as an Exhibit and made a part hereof by reference.

In addition to those benefits provided to all other management employees, the District shall pay to Manager an allowance of Two Hundred Fifty Dollars (\$250.00) per month as compensation for her use of her own automobile in the course and scope of her employment with the District. Further, District will pay the annual professional registration fee for Manager.

4. Professional Development

All expenses as described in this Paragraph 4 will be paid or reimbursed only upon Manager's submission of such documentation as may be reasonably necessary to substantiate that the expense was incurred in the performance of her duties.

- (a) District agrees to pay, within the constraints of the budget, for travel and subsistence expenses of Manager for professional and official travel, and meetings necessary and desirable to continue the professional development of Manager and to adequately pursue official and other functions of the District.
- (b) District also agrees to pay, within the constraints of the budget, for the travel and subsistence expenses of Manager for seminars, conferences, and short courses necessary for professional development and for the good of the District.

5. Outside Activities

During the term of this Agreement, Manager shall not engage in any outside business activities that may in any way inhibit her ability to perform her full duties in accordance with this Agreement. Before undertaking any outside business activity, Manager shall first notify and request approval from the Board of Trustees of such activity.

6. Termination of Employment

- (a) By Death - This Agreement shall be terminated upon the death of the Manager. The total liability of the District in such an event shall be limited to the payment of compensation earned to the date of death, together with such other benefits that may have been accrued by and vested in Manager at the date of her death and that are payable to her survivors or beneficiaries in the event of her death.
- (b) For Cause - Notwithstanding the provisions of Section 6.D, Manager may be terminated for cause. As used in this section, "cause" shall mean only one or more of the following:
1. Willful misconduct;
 2. Malfeasance;
 3. Dishonesty for personal gain;
 4. Conviction of a felony;
 5. Conviction of a misdemeanor involving moral turpitude;
 6. Continued abuse of drugs or alcohol that materially affects the performance of Manager's office and duties;
 7. Repeated and protracted unexcused absences from Manager's office and duties;
 8. Willful abandonment of duties; or
 9. Acceptance of other employment which is inconsistent with full-time employment as District Manager and in violation of Paragraph 5 of this Agreement.

The total liability of District in such an event shall be limited to the payment of compensation earned to the date of termination, together with such other benefits as may have been accrued by and vested in Manager at the date of her termination and that are payable to her. Manager shall not be entitled to any severance benefits.

- (c) Without Cause - The District, in its sole discretion, reserves the right to terminate this Agreement for any reason, without cause, to be effective upon thirty (30) days' written notice to Manager. The total liability of the District in the event of such termination shall be as follows:
- (1) District will pay compensation earned to the date of termination, and such benefits as may have been accrued by and vested in the Manager at the date of termination and that are payable to her.
 - (2) The District will pay a sum of money equal to six (6) months' base salary (at the rate in effect at the time of the notice of termination) of Manager. The form of and timing of the payment shall be at the discretion of the Manager. In addition to the payment of six (6) months' base salary, Manager shall receive all benefits specified in paragraph 3(b) above, for a period of six (6) months, except that Manager shall not receive the vehicle allowance.

(3) In the event of a termination without cause upon a change of two (2) or more Board of Trustees members, the above written termination notice shall be (sixty) 60 days rather than (thirty) 30 days.

(d) Mutual Consent - This Agreement may be terminated by written mutual consent of the parties. The total liability of the District in the event of such termination shall be at the same as described in Paragraph 6 (b) above.

(e) By The Manager - Manager reserves the right to terminate this Agreement for any reason upon ninety (90) days' written notice to District. The total liability of District in the event of such termination shall be the same as described in Paragraph 6 (b) above.

7. Defense and Indemnification

(a) The respective rights, duties and obligations of District and Manager with respect to the defense and indemnity of any claim or action brought against Manager, or against District for the alleged acts or omissions of Manager, and with respect to the payment of any judgment, settlement or compromise in such claim or action, shall be as set forth in Sections 825 through 825.6 of the California Government Code as now existing or as hereafter amended.

(b) District may conduct the defense of claims and actions described in subparagraph 7(a), reserving the rights of District not to pay the judgment, compromise or settlement until it is established that the injury arose out of an act or omission occurring within the scope of Manager's employment as an employee of District, as provided in Government Code sections 825 through 825.6.

(c) If Manager is convicted of a crime involving an abuse of her office or position, as defined in Section 53243.4 of the California Government Code, Manager shall fully reimburse District for any paid leave salary paid by District to District Manager pending any investigation, any funds provided to Manager for her legal criminal defense, and/or any severance pay or cash settlement paid to Manager related to her termination by District. Said reimbursements are required if such payments are made by District, even in the absence of any contractual requirement to do so.

8. Annual Review

District may annually consider increases in Manager's base salary and/or other benefits of Manger in such amounts and to such extent as District in its sole discretion after consultation with Manager may determine is justified based upon an annual performance review of Manager by District. Increases may include additional compensation paid to Manager's deferred compensation account.

District shall annually review and evaluate the performance of Manager. The annual evaluation will be scheduled to occur during December of each year.

Within one hundred twenty (120) days from the Effective Date, the District will create a set of evaluation criteria, which will serve as a guide for determining Manager's performance.

9. Modifications

Any modification to this Agreement shall be effective only if it is in writing and signed by both parties to this Agreement.

10. Severability

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

11. Waiver

The parties to this Agreement shall not be deemed to have waived any of their respective rights under this Agreement unless the waiver is in writing and signed by the party whose rights are being deemed waived. A waiver of right of one section of the Agreement shall not operate as a waiver of that right on any other section. A waiver of right on one occasion shall not operate as a waiver of right on a future occasion.

12. Notices

Any notice required by this Agreement to be given by one party to the other shall be sufficient if given to the other party by personal delivery or if mailed to the party by first class mail post prepaid, addressed as follows:

If to District:

Vallejo Sanitation & Flood Control District
450 Ryder Street
Vallejo, CA 94590

If to Manager:

Melissa A. Morton
450 Ryder Street
Vallejo, CA 94590

Notice shall be deemed to have been effective at the time of receipt if given by personal delivery or on the fifth (5th) calendar day after the date of mailing if given by mail.

13. Paragraph Headings

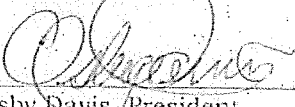
Paragraph headings used in this Agreement are for convenience only and shall not be deemed to alter or modify the provisions of the paragraph they introduce.

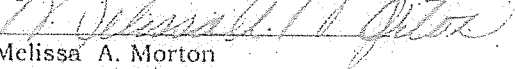
14. Entire Agreement

This Agreement constitutes the entire Agreement between District and Manager pertaining to the subject matter, and supersedes all prior or contemporaneous written or verbal agreements and understandings between District and Manager.

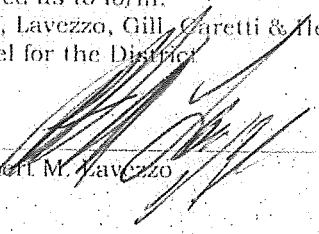
Vallejo Sanitation and
Flood Control District

Manager

By: 
Osby Davis, President,
Board of Trustees
By Direction of the Board of Trustees

By: 
Melissa A. Morton

Approved as to form:
Favaro, Lavezzo, Gill, Caretti & Heppell, P.C.
Counsel for the District

By: 
Albert M. Lavezzo