

## EMPLOYMENT AGREEMENT

THIS AGREEMENT is made between the PARADISE IRRIGATION DISTRICT ("District") and KEVIN M. PHILLIPS ("Employee") this 15th day of January, 2014.

### RECITALS

District desires to continue to employ KEVIN M. PHILLIPS as Chief Financial Officer of the Paradise Irrigation District.

KEVIN M. PHILLIPS desires to continue to serve as Chief Financial Officer of the Paradise Irrigation District.

The Board of Directors, as appointing power, and KEVIN M. PHILLIPS desire to agree in writing to the terms and conditions of KEVIN M. PHILLIPS' continued employment as Chief Financial Officer.

The parties, by execution of this agreement, agree that all earlier agreements, amendments, understandings, communications, representations, or promises, whether written or oral, are hereby revoked and superseded by this agreement.

### AGREEMENT

#### 1. DUTIES.

- (a) The parties recognize and affirm that: (1) Employee is an "at will" employee whose employment may be terminated by the District without cause; and (2) there is no express or implied promise made to Employee for any form of continued employment. This Agreement is the sole and exclusive basis for an employment relationship between Employee and District.
- (b) District agrees to continue to employ Employee as Chief Financial Officer of the Paradise Irrigation District effective January 15, 2014 to perform the functions and duties specified in Exhibit "A" attached hereto, and to perform other legally permissible and proper duties and functions as the Board of Directors may from time to time assign.
- (c) Should the Board of Directors so desire, Employee shall serve as District Treasurer without additional compensation.
- (d) Employee shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all applicable rules and regulations established by the District. Employee's performance shall at all times be subject to review by the Board of Directors.
- (e) Employee agrees to remain in the exclusive full-time employ of the District during the term of this Agreement.
- (f) Employee may adjust his work schedule to accommodate personal needs, but this schedule shall not interfere with Employee's performance or obligations. The flexible workweek may be terminated by the District at any time.

- (g) Employee shall not engage in any activity which is, or may become, a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Prior to performing any services under this Agreement and annually thereafter, the Employee must complete disclosure forms required by law.

2. TERM.

The term of this Agreement shall be from the date of execution hereof by the parties until terminated by either party in accordance with the provisions set forth in Paragraph 3, or until terminated by the event of the death or permanent disability of Employee.

3. RESIGNATION AND TERMINATION.

- (a) Employee may resign at any time. Employee agrees to give District at least 45 days' advance written notice of resignation.
- (b) District may at any time terminate Employee upon 30 days' advance written notice.
- (c) Termination Without Cause: A decision to terminate shall be made in accordance with laws regarding personnel actions, including provisions of the Brown Act. In recognition of Employee's professional status and integrity, Employee and the Board of Directors shall endeavor, in good faith, to prepare a joint public statement to be made by the Board of Directors at the first public disclosure of termination by the Board. If the decision to terminate is made without cause, Employee shall be entitled to severance pay as set forth in section 4 below.
  - (c)(1) The Employee may choose to resign his office instead of being terminated if an action by the Board of Directors to terminate has been made in closed session. In such an event, the public announcement as provided for in paragraph 3(d) above will note Employee has resigned, and paragraph 3(d) remains applicable.
- (d) Termination for Cause: Employment status and all of Employee's rights under this Agreement may be terminated by the Board upon written notice for breach of contract, or the failure to perform responsibilities as set forth in this Agreement, and as defined by law. The Board shall not terminate this Agreement pursuant to this paragraph until a written statement of the grounds for termination has first been served upon Employee. Employee shall then be entitled to ten (10) working days to respond in writing. The decision of the Board shall be final. If the decision to terminate is made for cause, Employee shall not be entitled to severance pay as set forth in section 4 below.

4. SEVERANCE PAY.

If Employee is terminated by the Board of Directors while still willing and able to perform the duties of Chief Financial Officer, District agrees to pay Employee a cash payment equal to twelve (12) months' Base Salary. Said cash payment may be paid, at the written option of the Employee, in (1) one lump sum upon the effective date of termination; (2) one lump sum on January 1 of the year following termination; or (3) six equal monthly installments. Such payment will release District from any further

obligations under this Agreement, except payment of any vacation leave accrued as of the date of termination.

If, however, Employee is terminated because of conviction of any criminal offense involving moral turpitude, then District shall have no obligation to continue the employment of Employee or to pay the severance set forth in this paragraph. If Employee is charged and ultimately convicted of a crime involving an abuse of his office or position, all severance payments shall be fully reimbursed to District. If Employee is terminated because he is charged with a crime involving abuse of office, District may deposit the severance payment with an independent escrow officer. If Employee is convicted of a crime involving abuse of office, the escrow officer shall refund the severance pay to District. If Employee is acquitted of the charge, the escrow officer shall deliver the severance pay to Employee.

#### 5. SALARY.

- (a) District agrees to pay Employee \$110,264 in salary per annum for his services, payable in installments at the same time as other employees of the District are paid and subject to customary withholding.
- (b) Beginning January 1, 2015 and annually thereafter on January 1<sup>st</sup> of each year during the term of this Agreement, Employee shall be entitled to an increase in salary to provide a cost of living adjustment. The amount of the cost of living adjustment shall be equivalent to the cost of living increase in U.S. Social Security for the then-current calendar year.
- (c) After the Employee's annual evaluation is completed, the General Manager or the Board of Directors may recommend an additional increase to Employee's salary and/or a merit-based single payment. The Board may, by minute order, increase Employee's compensation to be effective the first of the following month by providing an additional increase to Employee's salary and/or authorize a merit-based single payment to Employee subject to customary withholding.

#### 6. CONTINUING EDUCATION.

District agrees to authorize the necessary time and expenses for conferences and educational training annually that will meet the continuing education requirements for Employee's certified public accounting license.

#### 7. SUPPLEMENTAL BENEFITS.

District shall provide the Employee the same benefits as provided to District's management employees and as such benefits may be amended from time to time. All actions taken by District relating to benefits for management employees shall be considered actions granting the same benefits to Employee. As used herein, "benefits" means holidays, sick leave, vacation leave, retirement benefits and payments, health insurance, vision insurance, dental insurance, disability insurance, and life insurance.

8. ADMINISTRATIVE LEAVE.

Employee shall be entitled to five (5) days of Administrative Leave per year to be credited each January 1st. Unused Administrative Leave shall not be carried over from one year to the next, and no payment for unused Administrative Leave will be made upon resignation, termination, or retirement.

9. PERFORMANCE EVALUATION.

The District General Manager shall evaluate Employee's performance annually. In addition, every year the Board of Directors and Employee will set goals and objectives for the ensuing year. The Board of Directors shall evaluate Employee as to his performance related to the agreed upon goals and objectives. Employee shall be responsible for scheduling the reviews contemplated by this paragraph. The Board of Directors may at any time schedule a performance review.

10. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

The Board of Directors, by resolution, shall fix any other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with provisions of this Agreement or law.

11. NOTICES.

Any notices required by this Agreement shall be in writing and either given in person or by first class mail with the postage prepaid and addressed as follows:

TO DISTRICT: Board of Directors  
Paradise Irrigation District  
6332 Clark Road  
Paradise, California 95969

TO EMPLOYEE: Kevin M. Phillips  
9478 Dillon Court  
Durham, CA 95938

12. ARBITRATION.

Any controversy or claim arising out of or pertaining to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be enforced as provided by California law.

13. ENTIRE AGREEMENT.

This Agreement is the final expression of the complete agreement of the parties with respect to the matters specified herein and supersedes all prior oral or written understandings. Except as prescribed herein, this Agreement cannot be modified except by written mutual agreement signed by both parties.

14. ASSIGNMENT.

This Agreement is not assignable by either District or Employee.


15. SEVERABILITY.

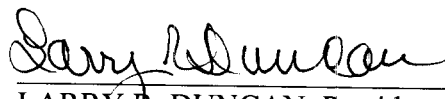
In the event that any provision of this Agreement is finally held or determined to be illegal or void by a court having jurisdiction over the parties, the remainder of the Agreement shall remain in full force and effect unless the parts found to be void are wholly inseparable from the remaining portion of the Agreement.

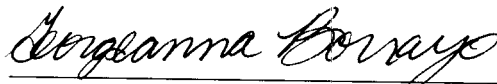
16. COUNTERPARTS.

This Agreement may be executed in two counterparts which shall be identified by number and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.


IN WITNESS WHEREOF, District has caused this Agreement to be signed and executed on its behalf by its President and duly attested by the Secretary. The Employee has also executed it.

  
\_\_\_\_\_  
KEVIN M. PHILLIPS  
Employee

  
\_\_\_\_\_  
LARRY R. DUNCAN, President  
Paradise Irrigation District

ATTEST:   
\_\_\_\_\_  
GEORGEANNA BORRAYO  
District Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
DUSTIN C. COOPER, General Counsel

# **EXHIBIT A**

## CHIEF FINANCIAL OFFICER

### Definition

Under administrative direction and policy direction of the Board of Directors, performs office work directly related to the management or general business operations of the District. The Finance and Accounting Manager plans, organizes, and directs the financial, accounting, and business related administrative functions of the District; assists the General Manager with the protection of District assets and the maintenance of budget controls; performs the most complex accounting functions; invests District funds; and provides direction for implementing District policies and programs. Duties include the exercise of discretion and independent judgment.

This position is classified as a management position that is exempt under the Fair Labor Standards Act (FLSA).

### Examples of Duties

- Serves as the Chief Financial Officer and Controller for the District.
- Plans, organizes, directs, and manages District financial, accounting, administrative and office support staff, investment decisions, and administrative/personnel duties including implementation of District programs and policies.
- Provides long range financial planning, protection of District assets, and development and maintenance of budget controls.
- Prepares, presents, and monitors the District's budget.
- Assumes responsibility for the proper investment of District funds in accordance with the District's Investment Policy.
- Coordinates the District's outside annual certified audit, participates in the selection process of the auditing firm, and implements adequate internal controls to safeguard the District's assets.
- Responsible for managing District information technology and developing and maintaining a fully integrated management information system, ensuring the availability of necessary financial, statistical and management data.
- Administers long-term capital project financings, reviews interest rate opportunities, and monitors bond covenant/continuing disclosure certifications.
- Oversees the recording of assets and ensures timely posting of general ledger activity; and directs the development, preparation, and timely presentation of financial reports and statements.
- Maintains proper administration of District's grant funding opportunities.
- Administers the District insurance and risk management functions.
- In coordination with the General Manager, develops and maintains District human resources policies and procedures, coordinates and administers health and welfare benefit programs, and assists with the administration of personnel related matters, including employment procedures, grievances, classification and pay, and employer-employee relations.
- Assists the General Manager in collective bargaining negotiations.
- Performs related duties as assigned.

### Typical Physical Activities

- May occasionally travel by airplane and automobile in conducting District business.
- Communicates orally with District Board members, co-workers, and the public in face-to-face, one-on-one and group settings.
- Regularly uses a telephone for communication.
- Uses office equipment such as computer terminals, copiers, and FAX machines.
- Sits for extended time periods. Works a full day at the District office.
- Hearing and vision within normal ranges.

# CHIEF FINANCIAL OFFICER

## Employment Standards

### Required Knowledge:

- Principles and practices of budgeting, accounting, finance, investment, and the development and maintenance of fiscal controls.
- Laws, rules, ordinances, and legislative processes controlling special district functions and operations.
- Principles and practices of auditing.
- Computerized management information and fiscal systems.
- Risk management and insurance.
- Investment principles and practices.
- Cost estimating and contract administration.
- Public personnel administration, affirmative action, and employer-employee relations.
- Principles and practices of personnel administration.

### Ability To:

- Plan, organize, coordinate, and direct the financial, budgeting, personnel and benefit system, management information systems, investment, and risk management functions of the District.
- Exercise leadership, authority, and supervision tactfully and effectively.
- Provide supervision, training, work development, and evaluations for finance/accounting, administrative and office staff.
- Coordinate District budget development and fiscal controls.
- Direct the maintenance of ledgers and journals and oversee the preparation of timely financial reports and statements.
- Effectively represent the District's personnel policies, programs, and services with individual citizens, community groups, and other governmental organizations.
- Maintain responsibility for insurance and risk management functions.
- Communicate well during public presentations.
- Provide advice and consultation to the General Manager on the development of fiscal system, policies, and assets.

### Desirable Qualifications:

Broad and extensive work experience that includes performing financial analysis, accounting, management information system development, budgeting, risk management work, and personnel system development and administration including position classification, compensation system development, equal employment opportunity, and benefit administration. This experience should include at least five years of responsible professional experience in a management or supervisory capacity within private industry or independent special enterprise districts.

A Bachelor's degree in Finance, Accounting, Business Administration, or closely related field from an accredited college or university is required. A CPA is desirable. Possession of a valid California Class C Drivers License will be required free of any multiple or serious traffic violations or accidents.

***The specific statements shown in each section of this description are not intended to be all-inclusive. They represent typical elements and criteria necessary to successfully perform the job.***