

**EMPLOYMENT CONTRACT FOR GENERAL MANAGER
OF WALNUT VALLEY WATER DISTRICT**

This Employment Contract is made and entered into at Walnut, California, effective as of October 20, 2026 ("Effective Date"), by and between WALNUT VALLEY WATER DISTRICT, a California Water District organized and existing under the California Water District Act (hereafter referred to as the "District"), and JARED MACIAS (hereafter referred to as "MACIAS" or as "GENERAL MANAGER").

RECITAL:

The DISTRICT desires to employ MACIAS to serve as General Manager and MACIAS is willing to accept such employment on the terms and conditions set forth below, which have been established by the Board of Directors of the District following negotiations with MACIAS.

AGREEMENTS:

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH BELOW, the parties agree as follows:

1. EMPLOYMENT

Subject to the provisions of Paragraph 5 below, the DISTRICT employs MACIAS as its General Manager beginning October 20, 2026, and continuing until December 31, 2027, unless sooner terminated as provided herein, and MACIAS hereby accepts such employment. The term of this employment will be discussed at the initial performance evaluation of the General Manager to occur in April 2027 and may be extended for an additional period as the parties may agree if the

General Manager receives a satisfactory evaluation in accordance with the process set forth below for evaluation of the General Manager's performance, provided the employment has not been terminated prior to that date. If the Board of Directors determines in conjunction with that evaluation that it does not desire to extend the initial term of this Contract, the Board will promptly, but in all events within three (3) business days after making that determination, provide General Manager with written notice of its intent not to extend the term of the Contract.

2. DUTIES

The General Manager shall be the chief administrative officer of the District and is hereby designated as the person who shall be in charge of the administration and operation of, and have access to, the property and personnel of the District, subject to the approval of the Board of Directors in accordance with the job description included in Exhibit A attached hereto. The General Manager shall be responsible to the Board of Directors for the proper administration and operation of all affairs of the District including construction, maintenance and operation of the District, its property and facilities. To that end, the General Manager shall have power and shall be required to:

a. Except as otherwise provided by employment contracts or by law, appoint and, when necessary for the good of the District, discipline, suspend or remove any employee of the District; the General Manager may also authorize the head of a department to appoint, discipline, suspend or remove subordinates in such department;

b. Prepare the budget annually and submit it to the Board of Directors, or designated Board Committee, together with a summary describing its important features and be responsible for its administration after adoption;

c. Keep the Board of Directors advised of the current financial condition and future needs of the District;

d. Recommend to the Board of Directors, or designated Board Committee, adoption of such measures as the General Manager may deem necessary or expedient for the improvement of water service within the District;

e. Subject to contracts and bargaining agreements, recommend to the Board of Directors, or designated Board Committee, job descriptions and a standard schedule of pay for each position in the District, including minimum, intermediate and maximum rates, consolidate or combine positions, departments or units under the General Manager's jurisdiction, with the approval of the Board of Directors;

f. Attend all the meetings of the Board of Directors and District committees unless excused therefrom, and take part in the discussion of all matters coming before such meetings;

g. Subject to the District's Purchasing and Procurement Policy, as amended from time to time by the Board of Directors, and the authority granted to the General Manager in said policy, supervise the purchase of all materials, supplies and equipment for which funds are provided in the budget; let contracts necessary for the construction, operation or maintenance of District services for amounts up to such maximum as may be determined by resolution of the Board of Directors; receive bids for purchases or contracts in excess of such maximum and present them to the Board of Directors for approval; and advise the Board of Directors on the advantages or disadvantages of contract and bid proposals. No purchase shall be made, contract let or obligation incurred for any item or service which exceeds the current budget appropriation without a supplemental appropriation made in accordance with the District's Budget Transfer and Amendments policy. All procurement, including, but not limited to, the award of construction contracts, shall be conducted in accordance with the District's applicable purchasing and procurement policy;

h. See that the provisions of all policies, rules, regulations and ordinances of the Board of Directors are duly carried out and enforced;

i. Investigate the operations of the District or any department of the District and see that all franchises, permits and privileges granted by the District are observed; and

j. Devote full time to the discharge of the General Manager's duties, including those specified in the organizational chart and the job description adopted by the Board of Directors (a copy of which is attached hereto as Exhibit A) and as the same may be further modified by the Board of Directors from time to time.

k. Notwithstanding any other provision herein to the contrary, in case of accident, disaster or other circumstance creating a public emergency, the General Manager may award contracts and incur such other expenses on behalf of the District for the purpose of meeting any such emergency; but the General Manager shall file promptly with the Board of Directors a report describing such emergency and the necessity for such action, together with an itemized account of all expenses incurred.

3. COMPENSATION; PERFORMANCE EVALUATION

The District initially shall pay the General Manager an annual base salary of Two Hundred Eighty-Five Thousand One Hundred Fourteen Dollars (\$285,114.00), payable in twenty-six (26) installments per year; provided that if the General Manager receives a satisfactory performance evaluation at his April 2027 evaluation, he shall receive a two and one-half percent (2.5%) increase to his base salary in place at that time. The base salary, including any cost-of-living adjustments, shall be adjusted effective January 1st of each year by written amendment to this Contract signed by the parties and approved by action of the Board of Directors following the annual evaluation of the performance of the General Manager. The adjustments, if any, will be based upon the review of the performance of the General Manager using the evaluation forms adopted by the Board for that

purpose. The initial evaluation will occur in conjunction with the April 2027 Board meeting and shall include a written evaluation of the General Manager. Subsequent evaluations will occur in conjunction with the November Board meeting each year. Except as stated above, any salary adjustments shall be in the Board's sole discretion. Adjustments and bonuses, if any, shall be in addition to any general cost-of-living adjustments which the District at any time during this Contract may provide for other employees of the District as provided in Paragraph 4a, below.

4. BENEFITS/SPECIAL COMPENSATION

a. The District agrees to provide for the General Manager the same benefits and special compensation (based upon General Manager's start date with the District), including, but without being limited to, retirement benefits, health and welfare insurance, life insurance and other benefits which the District at any time or from time to time during the continuance of this Contract provides for other members of its executive staff and upon the same terms and conditions as those which apply to the executive staff or officers of the District, which benefits and special compensation shall be provided in addition to the stated base salary unless this Contract expressly provides otherwise.

b. The General Manager shall be entitled to vacation and sick leave time in accordance with the personnel policy of the District, as it exists from time to time, with full pay. General Manager shall be entitled to retain the existing vacation and sick leave balances that have accrued as of the Effective Date. The vacation time hereby authorized to be taken by the General Manager may be taken by him either all at one time or at various times, aggregating in any one year the total vacation time to which he is entitled in each of the years of his employment hereunder and at such time or times as are convenient to the General Manager. The General Manager agrees to take his vacation at such time or times as in his opinion will cause the least inconvenience to the District, but in no instance will any one vacation exceed twenty (20) working days in length without prior

Board approval. Vacation and sick leave time may be accumulated and carried over from year to year, or compensated for, as provided in the District's Terms and Conditions for Executive Staff.

c. In addition to benefits and special compensation hereinabove set forth, each year the General Manager shall be entitled to eight (8) days of Executive Leave and Administrative Leave equal to what is provided to Executive Staff.

d. The District shall continue to provide General Manager with a District-owned vehicle for General Manager's use. The District will pay for insurance for that vehicle and for all maintenance, repairs and fuel use.

5. CONDITIONS FOR CONTRACT TERMINATION

a. This Contract shall terminate on General Manager's death or disability as provided in Paragraph 5e, below. In addition, this Contract may be terminated by the General Manager at any time, without cause, upon no less than three (3) months prior notice to the District.

b. Upon showing of good cause, the District may terminate the General Manager's employment, and thereby terminate this Contract at any time, upon not less than thirty (30) days written notice to the General Manager. Good cause under this subparagraph is defined as a finding by a majority of the Board of Directors that the General Manager has, for reasons other than disability, failed in a material manner to competently discharge his duties and responsibilities. The Board of Directors shall state objective findings in connection with any such proposed termination and if the cause relates to the General Manager's material failure to competently discharge his duties and responsibilities, the General Manager will be afforded an opportunity to respond to the alleged deficiencies and may, in the Board's discretion, be afforded an opportunity to cure any material deficiencies in his performance during that thirty (30) day period.

c. Absent good cause, the District may terminate the General Manager's employment by a four-fifths (eighty percent (80%)) vote of the Board of Directors, and thereby

terminate this Contract at any time, upon not less than ninety (90) days written notice to the General Manager, but in such event the District shall pay to the General Manager, in a lump sum upon the effective date of termination, an amount equal to the lesser of: (i) the salary payable to the General Manager for the remaining term of this Contract, or (ii) six months of the then current salary of the General Manager, along with continuation of all health benefits during that six month period. Notwithstanding the foregoing, in the event that two or more incumbent directors of the District as of November 2, 2026 are replaced in the November 3, 2026 general election, the Board may not terminate this Contract without good cause for one hundred twenty (120) days after the new directors take office as of December 4, 2026.

d. Notwithstanding any other provisions of this Contract, the District shall have the right to terminate the General Manager's employment and thereby terminate this Contract in the event of any willful breach of duty or willful breach of District rules by the General Manager in the course of his employment or for acts of moral turpitude or conviction of a felony. Any termination by the District under this subparagraph must be by action of the Board of Directors at a duly convened meeting with at least seventy-two (72) hours advanced notice to the General Manager.

e. In the event that the General Manager becomes unable to perform his duties by reason of physical or mental illness or disability, the District shall supplement the benefits the General Manager is entitled to under the District's applicable insurance plans so that, during the first two hundred ten (210) calendar day period of his disability, he will receive total payments equal to his then full salary. If upon the expiration of the two hundred ten (210) calendar day period of any one disability, the General Manager remains unable to resume and effectively discharge his duties hereunder, then and in such event, and notwithstanding any other provision regarding termination in this Contract, the District may terminate this Contract and be relieved of any obligation accruing hereunder after the date of official action by the Board of Directors terminating the Contract. In the

event the General Manager is rendered totally unable to discharge his duties hereunder a total of three hundred sixty (360) calendar days in any twenty-four (24) month period, then and in such event, by official action of the Board of Directors, the District may cancel this Contract.

f. If the General Manager is convicted of a crime involving an abuse of his office or position, the General Manager shall be obligated to reimburse the District the full amount of any payments described in Government Code Section 53243 et seq. that were provided to the General Manager by the District.

g. Except as provided in paragraph c. and f., above, upon the effective date of termination under this paragraph 5, neither party shall have any further responsibility, obligation or liability under this Contract.

6. General Provisions

a. This Contract constitutes the entire agreement between the parties and supersedes all prior oral or written agreements of any kind. No amendments to this Contract may be made except by writing signed by both parties.

b. The validity and interpretation, performance and effect of this Contract shall be construed in accordance with the laws of the State of California.

c. Any notice or communication required or permitted to be given under this Contract shall be effective when deposited, postage prepaid, with the United States Mail. Any notice to the District shall be addressed as follows:

Walnut Valley Water District
235 South Brea Canyon Road
Walnut, California 91789

Notice to the General Manager shall be addressed to the General Manager at his last known address as reflected in the District's records.

d. If any provision of this Contract is held invalid or unenforceable, the remainder of this Contract shall nevertheless remain in full force and effect.

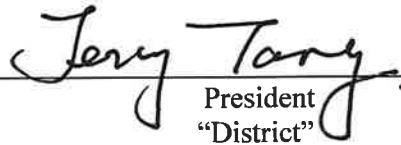
Executed on October 20, 2026 at Walnut, California.



JARED MACIAS
"General Manager"

WALNUT VALLEY WATER DISTRICT

By:
Its:



President
"District"