SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. VI-A**

FROM: Steve Mack, General Manager

Meeting Date : October 1, 2015

SUBJECT: DISCUSSION/ACTION RE RESOLUTION 15-19 WHICH APPROVES THE FOURTH AMENDMENT TO THE GENERAL MANAGER'S ORIGINAL AT-WILL EMPLOYMENT AGREEMENT

RECOMMENDED ACTION: After discussions/direction in closed session consider adopting Resolution 15-19 which authorizes the Board President to sign the Fourth Amendment to the original at-will employment agreement for General Manager Stephen F. Mack.

FISCAL IMPACT: Approximately $3,000 through FY 2017**.**

DISCUSSION:

General Manager Stephen F. Mack currently has an at-will employment agreement with the District that provides for an annual cost of living increase based on the San Francisco-Bay Area Cost of Living Index and that has the District paying his CalPERS pension costs. With the passage of the Public Employees Pension Reform Act (PEPRA) and the June 5, 2015 adoption of the Memorandum of Understanding (MOU) with the International Union of Operating Engineers, Stationary Local 39 (Union), all District classic employees (those hired before January 1, 2013), including the General Manager are paying the employees share of the CalPERS pension costs which are 7 percent of salary. Retirement benefits are a negotiated item with the employees and the recently concluded negotiations offset the employee payment of pension costs with a 7.25% salary increase in FY 2016 and followed that up with a 2% cost of living salary increase for FY 2017 and following years through FY 2020.

Resolution 15-19 (attached) approves the Fourth Amendment to the original at-will employment agreement and authorizes the Board President to sign the amendment. This amendment includes a 7.25% salary increase for FY 2016, effective July 1, 2015, a 2% cost of living salary increase for FY 2017 which is consistent with the salary increases negotiated with District represented employees, provides for the General Manager paying the employee cost portion of the CalPERS pension cost, and specifically runs through the end of FY 2017 at which time the General Manager expects to be retired from District employment.

RESOLUTION 15-19

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT APPROVING A FOURTH AMENDMENT TO THE AT-WILL EMPLOYMENT AGREEMENT WITH GENERAL MANAGER STEPHEN F. MACK AND AUTHORIZING THE BOARD PRESIDENT TO SIGN SAID FOURTH AMENDMENT

WHEREAS, the Sweetwater Springs Water District ("District") entered into an At-Will Employment Agreement on or about September 2, 2008 ("Original Agreement") with Stephen F. Mack ("Mack") to serve as General Manager of the District; and

WHEREAS, the District approved a First Amendment to the Original Agreement on or about October 1, 2009, a Second Amendment on November 3, 2011, and a Third Amendment on November 1, 2012 that incorporated certain changes to the Original Agreement; and

WHEREAS, the Board of Directors of the District recently evaluated Mack's performance as General Manager and has determined that Mack's performance has been satisfactory and he has made significant contributions to the District while serving as General Manager; and

WHEREAS, Mack has requested a fourth amendment to the Original Agreement in recognition of the changes in retirement contributions to the CalPERS program and salary cost of living increases for all District employees, all as described in the terms of the Fourth Amendment to At-Will Employment Agreement ("Third Amendment") attached hereto as Exhibit A; and

WHEREAS, the Board of Directors desires to amend the Original Agreement in the manner described herein and as further described in the Fourth Amendment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sweetwater Springs Water District, Sonoma County, California, that:

1. The Fourth Amendment to the Original Agreement is approved (Exhibit A).

2. All other terms of the Original Agreement and First, Second, and Third Amendments remain in effect, except as otherwise set forth in the Fourth Amendment.

3. The Board President is hereby authorized and directed to execute the Fourth Amendment on behalf of the District.

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER

SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on October 1, 2015, by the following vote.

Director	Aye	No
Sukey Robb-Wilder	_____	_____
Richard Holmer	_____	_____
Tim Lipinski	_____	_____
Gaylord Schaap	_____	_____

_____
Gaylord Schaap
President of the Board of Directors

_____
Attest: Julie A. Kenny
Clerk of the Board of Directors

Exhibit A:

FOURTH AMENDMENT TO AT-WILL EMPLOYMENT AGREEMENT
of
Stephen F. Mack

(One of Two Originals)

This Fourth Amendment to At-Will Employment Agreement ("Fourth Amendment"), by and between the SWEETWATER SPRINGS WATER DISTRICT ("District") and Stephen F. Mack ("Employee"), is dated and shall be deemed effective as of July 1, 2015 ("Effective Date"). Employer and Employee are referred to collectively herein as the "Parties."

RECITALS

A. District and Employee entered into an At-Will Employment Agreement dated September 2, 2008 ("Original Agreement"), whereby Employee agreed to serve the District in the position of General Manager.

B. The Parties thereafter entered into a First Amendment to the Original Agreement on September 3, 2009 ("First Amendment"); a Second Amendment to the Original Agreement on November 3, 2011 ("Second Amendment"); and a Third Amendment to the Original Agreement on November 1, 2012 ("Third Amendment").

C. The Original Agreement, First Amendment, Second Amendment, and Third Amendment are incorporated herein by reference as if fully set forth herein, and are referred to herein collectively as the "Agreement."

D. Based, in part, on the District Board's assessment of Employee's performance and his contributions to the District, the Parties wish to further amend the Agreement in accordance with the terms and conditions set forth below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Recitals. The above recitals are incorporated herein as if fully set forth.

2. Salary. Employee's annual base salary, currently at $140,175.31 shall be increased by seven and one-quarter percent (7.25%) for Fiscal Year 2015-2016, with said increase effective as of July 1, 2015. Employee's base salary for Fiscal Year 2015-2016 shall be further increased by two percent (2%) for Fiscal Year 2016-2017, effective as of July 1, 2016. The Parties agree that these pre-determined salary increases for Fiscal Years 2015-2016 and 2016-2017 shall apply regardless of the amount of the most recent annual California Consumer Price Index for Urban Wage Earners and Clerical workers.

3. Supplemental Benefits. As of July 1, 2015, Employee shall pay the employee contributions (currently at seven percent (7%)) to the CalPERS retirement program.

4. Except as so amended, all of the other terms, conditions and covenants of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment to At-Will Employment Agreement as of the date first written above.

EMPLOYEE

_____
Stephen F. Mack

DISTRICT

_____
Gaylord Schaap, Board President

APPROVED AS TO FORM:

_____
Robin Donoghue, District Counsel

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