SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. III-D**
FROM: Nancy Thorington, District Counsel

Meeting Date: November 3, 2011
SUBJECT: APPROVING SECOND AMENDMENT TO GENERAL MANAGER'S EMPLOYMENT AGREEMENT

RECOMMENDED ACTION:

Adopt Resolution 11-26, approving a Second Amendment to the At-Will Employment Agreement with Stephen F. Mack and Authorizing the Board President to Execute Said Amendment

FISCAL IMPACT:

A 1.25% increase in the General Manager's salary will be approximately $61.90 per pay period ($1,609 per year) and was incorporated into the FY 2011-12 Budget. The addition of the Share the Savings Program change will be approximately $1420 for a full year which is covered in the FY 2011-12 Budget.

DISCUSSION:

Steve Mack was hired as General Manager of the District as of September 2, 2008. The terms and conditions of employment are described in an At-Will Employment Agreement ("Original Agreement"), dated September 2, 2008. At the October1, 2009 meeting the Board approved the First Amendment to the Original Agreement. There was no amendment to the contract in 2010. On September 2, 2011, the Board conducted an evaluation of the General Manager's performance and found said performance to be satisfactory. Based, in part, on the Board's assessment of the General Manager's performance and his contributions to the District during the past year, the Board has agreed to amend the Original Agreement and First Amendment as follows:

1. Include a 1.25% cost-of-living increase in compensation which is the same as the COLA increase that all other District employees received starting July 2011.
2. Allow the General Manager to participate in the Share the Savings Program in an identical manner as other management employees.

The Second Amendment to the Original Agreement incorporates these provisions. With these modifications, the Original Agreement and First Amendment thereto remain in full force and affect.

Resolution No. 11-26

A Resolution of the Board of Directors of the Sweetwater Springs Water District Approving A Second Amendment to Employment Agreement with Stephen F. Mack, and Authorizing the Board President to Execute Said Second 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 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 second amendment to the Original Agreement in recognition of his contributions to the District, all as described in the terms of the Second Amendment to At-Will Employment Agreement ("Second 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 Second Amendment;

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

1. Mack's compensation shall be increased by 1.25% to reflect a cost-of-living adjustment, to be effective as of September 1, 2011.

3. Mack shall be allowed to participate in the Share the Savings Program as described in the Second Amendment (Exhibit A).

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

5. The Board President is hereby authorized and directed to execute the Second 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 November 3, 2011, by the following vote:

Director	Aye	No
Sukey Robb-Wilder	_____	_____
Jim Quigley	_____	_____
Gaylord Schaap	_____	_____
Richard Holmer	_____	_____
Victoria Wikle	_____	_____

_____
Jim Quigley
President of the Board of Directors

_____
Attest: Julie A. Kenny
Clerk of the Board of Directors
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SECOND AMENDMENT TO AT-WILL EMPLOYMENT AGREEMENT
Stephen F. Mack

This Second Amendment to At-Will Employment Agreement ("this Amendment) is made between the SWEETWATER SPRINGS WATER DISTRICT ("District") and Stephen F. Mack ("Employee") and is dated for convenience the 1st day of September, 2011.

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. On or about September 3, 2009, the District and Employee entered into a First Amendment to the Original Agreement ("First Amendment").

C. On October 6, 2011, the District Board of Directors (the "Board") conducted an evaluation of Employee's performance and found said performance to be satisfactory.

D. Based, in part, on the Board's assessment of Employee's performance and contributions to the District, the parties hereto ("Parties") wish to amend the Original Agreement and the First Amendment thereto.

Based on the foregoing Recitals and other considerations, the Parties agree to amend the Original Agreement and First Amendment thereto as follows**:**

1. COMPENSATION

Employee's compensation as set forth in the Original Agreement and First Amendment shall be increased by 1.25% as a cost-of-living adjustment, said increase to be effective as of September 1, 2011.

2. SUPPLEMENTAL BENEFITS

Paragraph 6(b) of the Original Agreement entitled, "Deferred Compensation" is deleted and replaced with the following:

Share the Savings Program: Employee is eligible for the Share the Savings Program as follows:

If an employee selects not to participate in the District Sponsored Health insurance benefit, the District will provide the employee's deferred compensation account, on a monthly basis, with an amount equal to one hundred percent (100%) of the employee only benefit amount, of the least expensive health insurance provider. To be eligible to participate in the Share the Savings Program, Employee must demonstrate that he/she has acquired health insurance from another provider. Such proof shall be provided on an annual basis by submitting a copy of the health insurance policy or currently valid health insurance card. Notice of intent to cease participation in the program shall be according to PERS procedures.

Except as otherwise modified by this Amendment, the terms and conditions of the Original Agreement and First Amendment thereto shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be signed and executed to be effective as of the date first shown above.

_____	_____
Stephen F. Mack, Employee	Jim Quigley, Board President Sweetwater Springs Water District

APPROVED AS TO FORM

_____

Nancy Thorington, District General Counsel

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