

**FIRST AMENDMENT TO THE MAY 4, 2016
EMPLOYMENT AGREEMENT BETWEEN
RANCHO CALIFORNIA WATER DISTRICT AND
ASSISTANT GENERAL MANAGER – CHIEF FINANCIAL
OFFICER / TREASURER RICHARD ARAGON**

This First Amendment (“Amendment”) is made as of April 2nd, 2020, to the February 8, 2018 Employment Agreement (“Agreement”) by and between RANCHO CALIFORNIA WATER DISTRICT (herein “RCWD”), a California water district as employer, and Assistant General Manager – Chief Financial Officer/Treasurer RICHARD ARAGON (herein “Aragon”) an individual as employee, who hereby agree as follows:

Paragraph A of Section II of the Agreement is hereby revised to add:

3. Notwithstanding the above, any merit increase for the 2020-2021 fiscal year shall be deferred to the sooner of the end of the COVID-19 Emergency Declaration (but in no event sooner than July 1, 2020) as declared by the RCWD Board, or January 1, 2021.

Except as herein modified, the Agreement shall remain in full force and effect until terminated pursuant to paragraph D of Section II.

IN WITNESS HEREOF, this Agreement was executed by the parties on the date first here and above written:

DATED: 4/7/2020

RANCHO CALIFORNIA WATER DISTRICT

DocuSigned by:
By: Jeff D. Armstrong
Jeff Armstrong
General Manager

DATED: 4/2/2020

DocuSigned by:
By: Richard R Aragon
Richard Aragon, Assistant General Manager –
Chief Financial Officer/Treasurer

**EMPLOYMENT AGREEMENT BETWEEN
RANCHO CALIFORNIA WATER DISTRICT
AND RICHARD ARAGON**

THIS AGREEMENT (herein "Agreement") is made this 8th day of February, 2018, to be effective February 8, 2018, by and between the RANCHO CALIFORNIA WATER DISTRICT (herein the "DISTRICT"), a California water district as employer, and RICHARD ARAGON (herein "ARAGON"), an individual as employee, who hereby agree as follows:

**I.
RECITALS.**

- A. DISTRICT is a governmental entity existing pursuant to the California Water Code (35000 et seq.), having the powers and duties therein specified.
- B. DISTRICT desires to retain ARAGON a full-time Assistant General Manager – Chief Financial Officer/Treasurer as an at-will employee.
- C. ARAGON has agreed to continue in employment as DISTRICT's Assistant General Manager – Chief Financial Officer/Treasurer pursuant to the terms and conditions herein stated.
- D. The parties have set forth below the terms and conditions of their Agreement.
- E. The parties herein agree that this Agreement has no fixed term, subject to the rights of termination set forth herein.

**II.
AGREEMENT.**

In consideration of the mutual promises set forth herein, the Parties agree as follows:

ARAGON shall serve as Assistant General Manager – Chief Financial Officer/Treasurer of the DISTRICT pursuant to the terms and conditions set forth herein:

A. Compensation.

ARAGON's gross salary shall be One Hundred Ninety-One Thousand Nine Hundred Seventy-Eight Dollars and Eighty-eight Cents (\$191,978.88) per year, payable consistent with the District's normal payroll practices. ARAGON's salary shall be evaluated annually by

DISTRICT's General Manager (hereinafter "GENERAL MANAGER") to consider a merit increase in salary based upon performance. If performance warrants a merit increase ARAGON shall be entitled to a merit increase within a range consistent with the management employees of the District. Any increase granted will become effective July 1. (As an at-will employee, ARAGON is not eligible for a merit increase pursuant to Policy Number 10, Section 4.3, of the District's Employee Policy and Procedures Manual.) In addition, ARAGON will be eligible for a discretionary bonus ranging from 0 to 4 percent of his annual salary. Any bonus awarded is at the sole discretion of the General Manager and will be paid at the end of the fiscal year.

B. Benefits.

(1) Standard Benefits: Except as provided in subparagraph B(2) below, ARAGON shall receive the same benefits package as that offered to DISTRICT's management employees as the same may from time to time be established by DISTRICT.

(2) Additional Benefits: As an unrepresented, at-will employee, ARAGON will be entitled to two days (18 hours) of administrative leave annually pursuant to District policy. The DISTRICT will provide ARAGON with matching funds, up to 2 percent of his salary, for any of ARAGON's voluntary contributions to the District's 457 plan pursuant to District Policy and subject to all statutory limitations.

(1) The District's 401(a) plan will be amended to include the Assistant General Manager – Chief Financial Officer/Treasurer position.

C. Duties and Restrictions.

(1) Duties. ARAGON will perform the duties of Assistant General Manager – Chief Financial Officer/Treasurer set forth in the Assistant General Manager – Chief Financial Officer/Treasurer job description and such other reasonably related duties assigned by the GENERAL MANAGER.

(2) Outside Employment and Activities: ARAGON shall not accept any other employment during the term of this Agreement and shall devote his full time to his DISTRICT position, unless otherwise approved by the GENERAL MANAGER. ARAGON shall not engage in any outside activities during the term of this Agreement that generate conflicts of interest or the appearance thereof (financial or other) with his position as DISTRICT Director of Finance. If ARAGON is not certain whether or not a particular proposed outside activity is permitted under this Agreement, he shall ask the GENERAL MANAGER for a determination thereon before engaging in the activity, and the GENERAL MANAGER shall within thirty (30) days make a determination thereon. Failure to act on the part of the GENERAL MANAGER within said thirty (30) day period shall be deemed approval. Notwithstanding any General Manager determination,

it is the Employee's obligation to ensure his or her activities are not in violation of federal, state or local conflict of interest laws or regulations.

D. Termination of Agreement.

This Agreement may be terminated at any time with or without notice and with or without cause by the District.

(1) For Cause:

If terminated for cause, ARAGON will be subject to the normal disciplinary procedures set forth in Policy number 28 of the DISTRICT's Employee Policy & Procedure Manual, but will not be entitled to any severance.

(a) Cause for termination shall be defined for purposes of this Agreement to include: (i) malfeasance; (ii) gross negligence; (iii) fraud; (iv) serious misconduct; (v) conviction of, or plea of guilty or nolo contendere to any felony as defined by California law on the part of ARAGON. (A plea or verdict of guilty or a finding of guilt by a court in a trial without a jury is deemed to be a conviction within the meaning of this clause irrespective of a subsequent order under provisions of section 1203.4 of the Penal Code allowing withdrawal of a plea of guilty and entering a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusations or information); or (vi) other material violation of District policies or rules.

(2) By ARAGON:

ARAGON may terminate this Agreement at any time by giving DISTRICT thirty (30) days' advance written notice of his intent to terminate, or sooner by mutual agreement. In the event that ARAGON exercises his right to terminate under this subparagraph, he shall not be entitled to any severance as described in section E, below.

E. Severance.

(1) In the event that ARAGON's employment is terminated by DISTRICT without cause, ARAGON shall be entitled to six (6) months' salary as severance, payable in a lump sum.

(2) ARAGON will not be entitled to severance if ARAGON resigns.

(3) Separately Negotiated: Waiver. The parties expressly acknowledge and agree that these severance pay provisions have been independently negotiated. Acceptance at the

time of termination by ARAGON of the severance pay benefits provided by this section shall operate as a full and complete waiver and release of any and all rights, claims and/or causes of action which ARAGON may have, or have had, at any time, in the past or in the future, arising out of ARAGON's employment by DISTRICT, including, but not limited to, claims for wrongful termination. (ARAGON agrees to sign a Severance Agreement that is substantially similar to the one attached as Exhibit "A".) If ARAGON wishes to retain any such rights, ARAGON must decline to accept the severance benefits provided by this section.

Acceptance of the severance benefits under this paragraph will operate as a general release on the part of ARAGON as to all claims, known or unknown, and ARAGON specifically waives the provisions of California Civil Code Section 1542 which provide:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

(4) Pursuant to Government Code Section 53243 et seq., if ARAGON is convicted of a crime involving an abuse of office or position, as defined below, all of the following shall apply: (1) if ARAGON was provided with paid leave pending an investigation into the matter, ARAGON shall be required to fully reimburse the DISTRICT for those amounts paid; (2) if the DISTRICT, in its discretion, paid for the criminal defense of ARAGON, ARAGON shall be required to fully reimburse the DISTRICT for all amounts paid; (3) if the DISTRICT paid any severance pay under this AGREEMENT, ARAGON shall be required to fully reimburse the DISTRICT for all amounts paid.

(a) "Abuse of office or position" means either:

- (i) An abuse of public authority, including but not limited to, waste, fraud, and violation of the law under color of authority; or
- (ii) A crime against public justice, including, but not limited to, a crime described in Title 5 (commencing with Section 67), Title 6 (commencing with Section 85), or Title 7 (commencing with Section 92) of Part 1 of the Penal Code.

F. Governing Law.

This Agreement shall be interpreted and enforced in conformance with California law.

G. Entire Agreement.

This Agreement represents the entire agreement between the parties and supersedes any prior agreements, written or oral, and any representations, written or oral, not expressly included herein.

H. Venue.

The venue for any litigation to interpret or enforce this Agreement shall be the Riverside Superior Court.

I. Integration Clause.

If any part, provision, paragraph or subparagraph of this Agreement shall be held to be void or unenforceable by a final judgment of a court of competent jurisdiction, then unless that provision is found in such proceeding to be material to this Agreement, said void or unenforceable provision shall be severed from this Agreement and the balance of this Agreement shall remain in full force and effect. In the event that the void or unenforceable provision is found to be material to this Agreement, then the entire Agreement shall be voided.

J. Independent Review: Interpretation.

ARAGON and DISTRICT affirm in signing this Agreement that they have each had an opportunity to review and consider this Agreement, and to have it reviewed and to receive advice from independent advisors of their own choosing, including attorneys, and that each knowingly and voluntarily enters into this Agreement. ARAGON and DISTRICT further affirm that this Agreement was the mutual product of their negotiations, including give and take, and that neither party shall be considered the drafter of this Agreement such that the Agreement is interpreted against that party.

K. Public Record.

ARAGON acknowledges that this Agreement, upon final execution, will become a public record under California law available for public inspection and copying.

L. Counterparts.


This Agreement may be signed in counterparts. Any such counterpart when executed shall constitute an original of this Agreement and all such counterparts together shall constitute one and the same Agreement.

DATED: 2/8/2018

RANCHO CALIFORNIA WATER DISTRICT

By: 
JEFF ARMSTRONG
GENERAL MANAGER

DATED: 2/8/2018

By: 
RICHARD ARAGON
ASSISTANT GENERAL MANAGER-
CHIEF FINANCIAL
OFFICER/TREASURER