

EMPLOYMENT CONTRACT

(Lopez)

This Agreement is made and effective the 17th day of February 2011, by and between David D. Lopez, hereafter to as "Employee", and the Rubidoux Community Services District, hereafter referred to as "District."

RECITALS

WHEREAS, District desires to continue the service of Employee as the District's Secretary-General Manager; and,

WHEREAS, both parties hereto agree to the terms of said continued employment;

NOW THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties hereto, and upon the express terms and conditions hereinafter set forth, it is agreed by and between the parties as follows;

COVENANTS

1. **Term of Employment.** The District hereby employs the employee and the Employee accepts employment with the District for a period of four years (48 months) beginning July 1 , 2010, and concluding on June 30, 2014; however this Agreement may be terminated earlier as hereinafter provided.

2. **Duties of Employee.** The Employee is hereby hired as the District Secretary-General Manager and shall work for the Board of Directors of said District within the District and at such other places as may be necessary. Employee's duties and responsibilities shall be as set forth in the Community Services District Law, by District ordinance, resolution and/or action of the Board of Directors from time to time, and shall include any and all existing and hereafter adopted applicable laws, rules, regulations and guidelines of District, the State of California, or other agencies having jurisdiction within the District.

3. **Compensation.** As compensation for services rendered under this Agreement, the Employee shall receive compensation of Twenty-One Thousand Three Hundred Sixty-one Dollars and no cents (\$21,361.00) per month (incorporates a 1.8% CPI adjustment as given all other RCSD Employees on 7/1/2010); however, said compensation shall be paid in the same manner as other District employees are paid and shall be subject to appropriate withholdings. The monthly compensation is a gross compensation, exclusive of retirement contributions made on behalf of Employee. Should this Agreement be terminated other than on the first workday of a month, the monthly compensation shall be prorated for that month. The above compensation shall be retroactive to the effective date of the employee's contract date of July 1, 2010.

4. **Adjustment to Compensation.** Within sixty days (60) from the anniversary date of this Agreement, the District and Employee agree to meet annually for the purpose of evaluating the Employee's performance. The District and Employee shall meet and discuss in good faith a merit adjustment to the annual base salary. The District and the Employee agree subject merit adjustment shall not be less than \$5,000 and not more than

\$8,000 per annum. Merit adjustments to the employee's base salary shall be an effective date of July 1 of each Fiscal Year beginning July 2011.

The District shall only offer a reduction in salary to the Employee if the District Board of Districts has reduced all other District employee's salaries. Any such reduction shall be equal to the percentage of across-the-board reduction of all District employees' salaries. If the proposed reduced compensation offer is not acceptable to the Employee, the Employee agrees to continue to perform at the existing base compensation through the end of the calendar year, December 31.

5. **Cost of Living Adjustment.** Employee shall be entitled to an annual Cost of Living Adjustment (COLA) to employee's base salary. The annual COLA shall be determined and calculated by the Consumer Price Index (CPI) for the greater Riverside/San Bernardino Area for the previous twelve (12) calendar months of the Fiscal Year. The annual COLA as computed by the Riverside/San Bernardino CPI shall not exceed 5% per annum or decrease below 2% per annum. In the event the CPI index compute higher or fall below the range identified above, both parties agree to meet and confer any adjustment to the cost of living range. Adjustment to the COLA range shall be mutually agreed upon by both parties. The annual Cost of Living Adjustment to the employee's base salary shall have an effective date of July 1, of each Fiscal year beginning July 2011.

6. **Expenses.** Employee shall be reimbursed for any actual out-of-pocket expenses incident to services performed on behalf of District, including professional activities, such a travel expenses, in accordance with policies for reimbursement as adopted by the District Board of Directors.

7. **Employee Benefits.** District agrees to provide Employee with any and all applicable employee benefits that are currently provided to

Employee including full payment of health benefits (medical and dental), provide twenty-five (25) days per year vacation, four (4) days per year administrative leave and eighteen (18) days per year sick leave and benefits may be either increased or decreased by mutual agreement of the parties hereto (the above is based upon an eight hour work days). Both parties hereto agree that Employee shall be entitled to receive full payment for any unused vacation and accrued sick leave, without limitation as to accumulation, upon expiration of the agreement or termination of employment with the District.

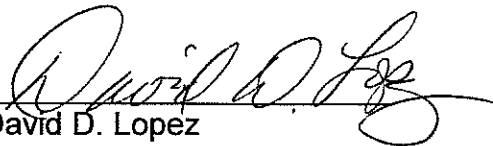
8. **Termination.** The Board may terminate Employee at any time either with or without cause. Employee shall have no vested property interest in this position, but shall have the right to a hearing on any such decision to terminate.
9. **Severance Pay.** In the event that District elects to terminate this Agreement without cause the Employee shall be entitled to thirty (30) days notice and either an additional six (6) months of compensation or the total compensation due for the remaining term of the contract, whichever is greater. In the event that Employee is terminated with cause, Employee shall be entitled to thirty (30) days notice and an additional six (6) months salary as severance pay.
10. **Amendment.** This Agreement may be amended or modified only in written agreement signed by both parties and failure on the part of either party to enforce any provisions of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision.
11. **Expiration.** Negotiations concerning a subsequent agreement shall commence on or before ninety (90) days prior to expiration. Should this Agreement expire without agreement having been reached as to a

subsequent agreement, this agreement shall continue in effect on a pro-rata month-to-month basis.

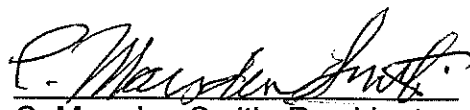
12. **Assignment.** The Employee may not assign or otherwise encumber this agreement in whole or part. Any such assignment or encumbrance shall be void.

IN WITNESS WHEREOF, the parties executed this agreement on February 17th, 2011.

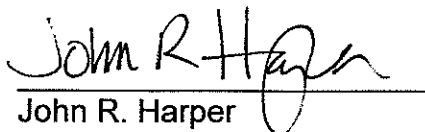
EMPLOYEE


David D. Lopez

DISTRICT


C. Marsden Smith, President
Rubidoux Community Services District

District Counsel


John R. Harper

Amendment No. 1 to the "Employee Contract" Between the Rubidoux Community Services District (District) and David D. Lopez (Employee)

WHEREAS, Section 10 entitled "Amendment" provides the parties to "Employee Contract...may amend(ed) or modify(ied) only by written agreement signed by both parties...", and;

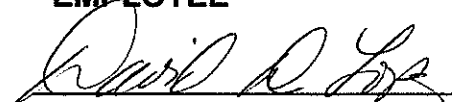
WHEREAS, Personnel Committee Members, Directors' Barclay and Muniz, met with Mr. Lopez for the purpose to discuss an extension to the "Employee Contract" between David D. Lopez and the Rubidoux Community Services District, and;

WHEREAS, the Employee and Personnel Committee have agreed in concept and subject to full Board approval, ***to amend the "Employee Contract" by extending the ending term from June 30, 2014, to June 30 2017, an extension of three (3) years, and;***

WHEREAS, at the July 18, 2013, regular meeting of the Rubidoux Community Service District the Full Board considered a three (3) year extension to Mr. Lopez's Employee contract and unanimously approved the extension. Further, all other terms and conditions of the "Employee Contract" between the parties shall remain unchanged and in effect.

In WITNESS WHEREOF, the parties approve and execute this Amendment No. 1 on the 18th Day of July 2013.

"EMPLOYEE"


David D. Lopez, General Manager

"DISTRICT"


Gail Barclay, President