

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This SECOND AMENDMENT TO EMPLOYMENT AGREEMENT is entered into as of the 1st day of July, 2023, by and between THREE VALLEYS MUNICIPAL WATER DISTRICT, a municipal water district organized and operating pursuant to California Water Code Section 71000 et seq. (“DISTRICT”), and MATTHEW H. LITCHFIELD, an individual (“EMPLOYEE”).

R E C I T A L S

A. On or about July 1, 2021, the DISTRICT and EMPLOYEE entered into an Employment Agreement (“Agreement”) which sets forth the terms and conditions under which the DISTRICT would employ EMPLOYEE to serve as the DISTRICT’s General Manager.

B. On or about July 1, 2022, the DISTRICT and EMPLOYEE entered into a First Amendment to Employment Agreement which revised various terms and conditions contained in the Agreement.

C. EMPLOYEE and the DISTRICT’s Board of Directors (“BOARD”) wish to further amend the Agreement in the manner set forth herein effective July 1, 2023.

C O V E N A N T S

NOW THEREFORE, in consideration of the preceding Recitals and the mutual Covenants contained herein, the BOARD and EMPLOYEE agree as follows:

Section 1. EVERGREEN EXTENSION. Pursuant to Subparagraph 11(a) of the Agreement, Paragraph 5 of the Agreement is hereby amended as of July 1, 2023, to provide in full as follows:

“Term of Employment. Subject to negotiated extension or earlier expiration or termination as provided for in this Agreement, EMPLOYEE shall be employed by the DISTRICT for a period beginning on the effective date of this Agreement and terminating on June 30, 2028 (“Term Date”). Subject to Section 10 of the Agreement, the Term Date shall be automatically extended for one (1) year following each “exceeds expectations” annual performance evaluation conducted by the BOARD pursuant to Paragraph 9 of the Agreement.”

Section 2. SALARY ADJUSTMENT. Pursuant to Subparagraph 11(a) of the Agreement, Paragraph 6 of the Agreement is hereby amended as of July 1, 2023, to provide in full

as follows:

“Compensation. During the term of this Agreement, the DISTRICT shall pay to EMPLOYEE an annual Base Salary in the amount of \$313,000.00, subject to possible adjustment pursuant to Paragraph 9 below. Should this Agreement be terminated on a date other than the first day of a month, the Base Salary compensation shall be further prorated for that month.”

Section 3. BENEFITS. Pursuant to Subparagraph 11(a) of the Agreement, Subparagraph 7(a) of the Agreement is hereby amended as of July 1, 2023, to provide in full as follows:

“Uniformity. During the employment term, EMPLOYEE shall be entitled to receive the same level of employment benefits generally provided by BOARD-approved policy of the DISTRICT, except as otherwise set forth in Subparagraphs 7(b) and 7(c) of the Agreement.”

Section 4. DEFERRED COMPENSATION. Pursuant to Subparagraph 11(a) of the Agreement, Paragraph 7(c) is hereby added to the Agreement as of July 1, 2023, to provide in full as follows:

“Deferred Compensation. For fiscal year 2023-24, the DISTRICT shall contribute to EMPLOYEE’s 401A Plan a total sum equal to the maximum amount of Ten Thousand Dollars (\$10,000.00) paid out on a pro rata basis over each pay period.”

Section 5. NOTICE. Pursuant to Subparagraph 11(a) of the Agreement, Subparagraph 10(c) of the Agreement is hereby amended as of July 1, 2023, to provide in full as follows:

“Termination on Resignation. EMPLOYEE may terminate this Agreement by giving the BOARD at least six (6) months, or more if possible, prior written notice of resignation. Should EMPLOYEE voluntarily terminate this Agreement, he will not be due any severance pay as provided for under Subparagraph 10(a) above.”

Section 6. STATUS OF AGREEMENT. Except as expressly set forth herein, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the BOARD and EMPLOYEE have caused this Second Amendment to Employment Agreement to be executed by their respective officers as of the date

first written above.

DISTRICT

By: 

President, Board of Directors
Three Valleys Municipal Water District

EMPLOYEE

By: 

Matthew H. Litchfield