

**HI-DESERT WATER DISTRICT  
GENERAL MANAGER EMPLOYMENT AGREEMENT**

This Employment Agreement is effective as of 12/4/24 (“Effective Date”) between the Hi- Desert Water District (hereinafter “District”), acting by and through its Board of Directors (“Board”), and Tony Culver (hereinafter “Employee”). District and Employee are sometimes individually referred to herein as a “Party” and collectively referred to herein as “Parties.”

**RECITALS**

WHEREAS, Board and Employee desire to create an agreement for Employee’s employment with the District according to the terms of this Agreement.

**AGREEMENT**

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. **TERM.** District hereby employs Employee to render services to District in the position and with the duties and responsibilities described in Section 2 for a term commencing on the date of this Agreement and continuing for a period through July 1, 2025. Thereafter, the term of this Agreement shall be extended for one year unless either party shall have notified the other, in writing, at least ninety (90) days prior to the expiration of the initial term, or any subsequent extension that it intends for the Agreement to expire on its own terms.
2. **POSITION AND RESPONSIBILITIES**
  - a. **Position.** Employee accepts employment with District as General Manager. Employee serves at the will and pleasure of the Board with no right to any hearing, including any so- called *Skelly* rights, other than the rights expressly provided in this Agreement.
  - b. **Accountability.** Employee shall provide service at the direction of, and under the supervision of the District’s Board. Employee shall report directly to Board and will, on occasion and the request of the Board, give a report of his activities and duties to the Board on an as-needed basis as determined by the Board.
  - c. **Duties.** The Employee shall be the General Manager of the District and is hereby designated as the person who shall have charge of, and have access to the property of the District. The Employee shall be responsible to the Board for the proper administration of all affairs of the District. The Employee shall have, pursuant to California Water Code Section 30580 and District Code Section 3.15.010, “Management Rights”, full charge and control of the maintenance, operation and construction of the water and wastewater systems of the District. To that end, the Employee shall have the power and be required to:

- i. In accordance with applicable law, memoranda of understanding and individual employment agreements, appoint and, when necessary for the good of the District, discipline, suspend or remove any employee of the District. The Employee may also authorize the head of a department to appoint, discipline, suspend or remove subordinates in such department;
- ii. Shall, as the General Manager, have the authority and power to hire, oversee and discharge all individuals or entities operating in a consultant capacity for the District, except the General Manager agrees to notify the Board, in writing, prior to terminating any individual or entity providing consulting services for the District;
- iii. Prepare the budget annually and submit it to the Board together with a description of its important features, and be responsible for its administration after adoption;
- iv. Keep the Board advised as to the current financial condition and future needs of the District and make such recommendations as the Employee may deem necessary or desirable;
- v. Review with the Board job descriptions for each position in the District and recommend to the Board a standard pay range for each position, including minimum and maximum pay rates; select specific pay rate and step for employees when hired and for promotions;
- vi. Recommend to the Board the adoption of such measures as the Employee may deem necessary or expedient for the improvement of water and wastewater services;
- vii. Consolidate or combine positions, departments, or units of the District, after consultation with the Board;
- viii. Attend all meetings of the Board and District Committees unless excused there from;
- ix. Implement the purchasing policies as adopted by the Board for the purchase of all materials, supplies and equipment for which funds are provided in the budget, execute contracts necessary for the operation or maintenance of District services for amounts up to such maximums as may be determined by the Board, and receive bids for purchases or contracts in excess of such maximum and present them to the Board for approval. However, no purchase shall be made, contract executed, or obligation incurred for any item or service which exceeds Fifty Thousand Dollars (\$50,000) without approval by the Board. No public works contract for construction shall be executed, except by the authority of the Board;
- x. Negotiate, after consultation with the Board, all contracts involving the District as a party;

- xi. Ensure that the provisions of all rules, resolutions and ordinances of the District are duly carried out and enforced; and
  - xii. Supervise the operations of the District or any department of the District. Investigate all complaints in relation to matters concerning the administration of the District, and ensure that all franchises, permits, and privileges are granted by and to the District are faithfully observed.
- d. **Other Activity.** Employee agrees to devote his full time and attention to the discharge of Employee's duties as General Manager, except that this provision shall be construed so as to permit Employee to participate in community service activities and other professional activities which, in the opinion of the Board, do not constitute a conflict of interest and do not unreasonably interfere with the performance of the Employee's duties as General Manager, District operations or the District's reputation in the community.

### 3. COMPENSATION AND BENEFITS.

#### a. Compensation.

- i. Base Annual Salary. In consideration of the services rendered under this Agreement, District shall pay Employee, as his base annual salary, Two Hundred and Fifty-Three Thousand Five Hundred and Ten Dollars and Forty Cents (\$253,510.40). This amount shall be subject to withholdings as required by law and paid pursuant to the procedures regularly established, and as they may be amended, by District in its sole discretion.
- ii. Evaluations. Prior to July 1 of each year that the employee is employed by the District, and starting July 1, 2025, the Board shall provide Employee with an annual written evaluation. This evaluation shall detail the Employee's accomplishments and highlight areas for improvement. The failure to conduct said evaluation by July 1<sup>st</sup> shall not constitute a waiver of the Board's rights under this Agreement.
- iii. Annual Written Goals and Policy Objectives. Prior to July 1<sup>st</sup> of each year, the Board and Employee shall mutually agree upon a written summary of the goals and policy objectives the Employee is to accomplish in the following calendar year. This written summary shall prioritize the goals and policy objectives to be accomplished by the General Manager and shall further state that such goals and policy objectives be completed within the year, unless otherwise stated by the Board.
- iv. Merit Increase. Prior to July 1 of each year, and after the Employee evaluation for the preceding calendar year has been completed, the Board, at their sole discretion, may award Employee with an annual merit increase.

- v. Cost of Living Adjustment. Prior to July 1, 2025, and each July 1 thereafter, the parties agree that Employee may be granted an adjustment of Employee's annual base salary to account for increased cost of living. This Adjustment to the Employee's base salary will be at the same time and at the same rate as that provided, if any, to all District employees.
  
- b. **Benefits**. Employee shall be provided the same type of benefits afforded by the District to the other management level employees, that now exist or to which Employee is hereafter entitled including, but not limited to the following, in accordance with the District's Personnel Policy: PERS retirement, life insurance equal to base salary, holidays, paid time off, longevity pay, and administrative days. No statement concerning benefits or compensation to which Employee is entitled shall alter in any way the term of this Agreement, and renewal thereof, or its termination.
  
- c. **District Provided Vehicle**. The District shall be responsible for paying for liability, property damage, and comprehensive insurance, and for the purchase (or lease), operation, maintenance, repair, and regular replacement of a full-size automobile.
  
- d. **Expenses**. District shall reimburse Employee for reasonable and necessary travel, excluding the use of Employee's own vehicle for business purposes and other business expenses incurred by Employee in the performance of his duties, in accordance with District's policies, as they may be amended in District's sole discretion.
  
- e. **Accrued Paid Time Off**. The District shall provide Employee a starting paid time off (PTO) balance of Three Hundred and Sixty Hours effective December 1, 2024.

#### 4. TERMINATION OF EMPLOYMENT.

- a. **By District Not For Cause**.
  - i. During the initial one-year term of this Agreement or any one-year extension thereafter, the District may terminate Employee without Cause. In the event the Employee is terminated without cause, Employee shall be entitled to the following severance in accordance with Government Code section 53260 et seq.: The District agrees to pay Employee a lump sum cash payment equal to six (6) months' base salary; or the remainder of the term of this Agreement whichever is less. Regardless of amount, this severance payment shall only be calculated based upon Employee's compensation as set forth in item 3.a.i., and shall not include additional compensation such as any Merit Increase or Cost of Living Adjustment. Said separation payment as provided herein is expressly conditioned upon Employee's execution of a Separation Agreement with a waiver and general release.
  
  - ii. Notwithstanding the other termination provision of this Agreement, the District agrees not to issue a six (6) month notice of termination without

cause during the first sixty (60) days following the election of any new members of the Board of Directors.

- iii. District may discipline, demote, or dismiss Employee as provided in this Section 4 notwithstanding anything to the contrary contained in or arising from any statements, policies, or practices of District relating to the employment, discipline, or termination of its employees.

**b. By District For Cause.**

- i. Should the District terminate Employee for Cause, District shall pay Employee all compensation then due and owing. Employee, however, shall receive no severance pay; thereafter, all of District's obligations under this Agreement shall cease. Termination shall be for Cause if the Employee is convicted of a felony or crime involving moral turpitude as defined by relevant case law, substantially related to the functions and duties of the General Manager or the intentional violation of a specific direction or order of a majority of the Board. The District must be acting in good faith when it makes a finding of termination for Cause.
  - ii. Further, termination due to death or physical or mental incapacity shall not be considered for Cause. In the event of termination due to Employee's physical or mental incapacity, the District shall pay the Employee severance pay in accordance with Section 4(a); thereafter, all of District's obligations under this Agreement shall cease. In the event of the Employee's death, the District shall pay the Employee's salary to the Employee's designee of administrator of his estate for the remainder of the term of this Agreement but in no event longer than six (6) months; thereafter, all of District's obligations under this Agreement shall cease.
  - iii. Notice of the proposed discharge by the District shall be given in writing to the Employee along with a detailed statement of charges and copies of the materials upon which the proposed action is based. The Employee shall be entitled to a hearing before the District's Board within two (2) weeks of receipt of written notice of the proposed discharge. Reasonable time shall be permitted for the Employee to prepare for the hearing. Such hearing shall be conducted in closed session, unless specifically prohibited by state law or a public hearing is requested by the Employee. Any decision by the District shall be in writing and shall be served upon the Employee.
- c. By Employee.** At any time, Employee may terminate this Agreement and resign his employment by providing District thirty (30) days advance written notice. District shall have the option, in its complete discretion, to terminate Employee at any time prior to the end of such notice period, provided District pays Employee all compensation and benefits due and owing through the last day actually worked, plus an amount equal to the base salary, benefits, and accrued benefit balances, Employee would have earned through the balance of the above notice period or the unexpired

term of this Agreement, whichever is less; thereafter all of District's obligations under this Agreement shall cease.

**d. Termination Obligations.**

- i. Employee agrees that all property, including without limitation, all equipment, tangible proprietary information, documents, books, records, reports, notes, contracts, lists, computer disks (and other computer-generated files and data), and copies thereof, created on any medium and furnished to, obtained by, or prepared by Employee in the course of or incident to his employment, belongs to District and shall be returned promptly to District upon termination of the Period of Employment.
  - ii. All benefits to which Employee is otherwise entitled shall cease upon Employee's termination, unless explicitly continued either under this Agreement or under any specific written policy or benefit plan of District.
  - iii. The representations and warranties contained in this Agreement and Employee's obligations under this Section 4(d) on Termination Obligations shall survive the termination of the Period of Employment and the expiration of this Agreement.
  - iv. Following any termination of the Period of Employment, Employee shall fully cooperate with District in all matters relating to the winding up of pending work on behalf of District and the orderly transfer of work to other employees of District. Employee shall also cooperate in the defense of any action brought by any third party against District that relates in any way to Employee's acts or omissions while employed by District.
- 5. NOTICES.** Any notice or other communication under this Agreement must be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to District or to Employee at the corresponding address or email address. Employee shall be obligated to notify District in writing of any change in his address. Notice of change of address shall be effective only when done in accordance with this Section.

District's Notice Address:

Hi-Desert Water District  
55439 29 Palms Highway  
Yucca Valley, CA 92284

Employee's Notice Address:

Tony Culver  
Address on File

- 6. ACTION BY DISTRICT.** All actions required or permitted to be taken under this Agreement by District, including, without limitation, exercise of discretion, consents,

waivers, and amendments to this Agreement, shall be made and authorized only by vote of the Board.

7. **INTEGRATION.** This Agreement is intended to be the final, complete, and exclusive statement of the terms of Employee's employment by District. This Agreement supersedes all other prior and contemporaneous agreements and statement, whether written or oral, express or implied, pertaining in any manner to the employment of Employee, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of District, now or in the future, apply to Employee and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.
8. **AMENDMENTS; WAIVERS.** This Agreement may not be amended except by an instrument in writing, signed by each of the parties. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.
9. **SEVERABILITY.** If any provision of this Agreement, or its application to any person, place, or circumstance, is held by an arbitrator or a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement and such provision as applied to other persons, places, and circumstances shall remain in full force and effect.
10. **ATTORNEYS' FEES.** In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover from the other Party reasonable attorneys' fees and costs incurred therewith in an amount fixed by a court of competent jurisdiction.
11. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the law of the State of California. The Parties agree that venue for any dispute is appropriate in the Superior Court of San Bernardino County, California.
12. **EMPLOYEE ACKNOWLEDGMENT.** Employee acknowledges that he has had the opportunity to consult legal counsel in regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on his own judgment and not on any representations or promises other than those contained in this Agreement.

### **SIGNATURE PAGE TO FOLLOW**

The parties have duly executed this Agreement as of the date first written above.

Signature by Employee:



\_\_\_\_\_  
Tony Culver

Signature by Employer:



\_\_\_\_\_  
BOARD PRESIDENT