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NINTH AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS NINTH AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "**Agreement**") is made and entered into on October 13, 2025, by and between the UNION SANITARY DISTRICT, a public sanitary district ("**USD**" or "**District**") and PAUL R. ELDREDGE (the "**Manager**").

Recitals

A. USD desires to employ the services of Manager as General Manager and District Engineer of USD.

B. It is the desire of the Board of Directors of Union Sanitary District (the "**Board**"), to provide certain benefits, establish certain conditions of employment and to set working conditions of said Manager.

C. It is the desire of USD to (1) retain the services of Manager and to provide inducement for him to remain in such employment; (2) make possible full work productivity by assuring Manager's morale and peace of mind with respect to future security; and, (3) provide a means of USD terminating Manager's employment if so desired.

D. Manager desires to accept employment as General Manager and District Engineer of Union Sanitary District.

E. District and Manager entered into that certain Employment Agreement dated June 25, 2014, wherein District hired Manager and Manager accepted employment as General Manager and District Engineer of Union Sanitary District (the "**Employment Agreement**").

F. The Employment Agreement was amended by that certain First Amendment to Employment Agreement between USD and Manager dated as of September 28, 2015 (the "**First Amendment**"). The First Amendment removed Manager's automobile allowance and incorporated such amount into Manager's base salary, and increased Manager's salary by $7,250.00, or approximately three percent.

G. The Employment Agreement as amended by the First Amendment was thereafter amended by that certain Second Amendment to Employment Agreement between USD and Manager dated as of November 14, 2016 (the "**Second Amendment**"). The Second Amendment (1) removed the termination date; (2) increased Manager's salary to $261,697.25, or approximately three percent; and (3) increased Manager's deferred compensation from $4,200.00 to $14,363.00 annually.

H. On October 23, 2017, District and Manager entered into an Amended and Restated Employment Agreement to incorporate all amendments in one complete and conforming Amended and Restated Employment Agreement and to increase Manager's salary to $275,436.09, or approximately five and a quarter percent ("**Amended and Restated Agreement**").

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I. On January 14, 2019, District and Manager entered into a Second Amended and Restated Employment Agreement, which (1) increased Manager's salary to $279,595.04, or approximately one and a half percent; (2) provided Manager with a one-time payment of $9,641.21, which will not be subject to PERS; and (3) provided Manager with a one-time contribution of 50 vacation hours ("**Second Amended and Restated Agreement**").

J. On October 28, 2019, District and Manager entered into that certain Third Amended and Restated Employment Agreement which: (1) increased Manager's salary to $290,778.85, or approximately four percent; and (2) provided Manager with a one-time payment of $8,387.85, which will not be subject to PERS ("**Third Amended and Restated Agreement**").

K. On October 12, 2020, District and Manager entered into that certain Fourth Amended and Restated Employment Agreement which: (1) increased Manager's salary to $300,229.16, or approximately 3.25 percent; and (2) provided Manager with a one-time payment of $5,000.00, which will not be subject to PERS.

L. On October 25, 2021, District and Manager entered into that certain Fifth Amended and Restated Employment Agreement which increased Manager's salary to $309,986.61, or approximately 3.25 percent.

M. On November 14, 2022, District and Manager entered into that certain Sixth Amended and Restated Employment Agreement to: (1) increase Manager's salary to $320,836.14, or approximately 3.5 percent; (2) increase Manager's deferred compensation contribution by 0.5 percent for a total contribution of $15,912.93; (3) provide Manager with a one-time payment of $8,500.00, which will not be subject to PERS; and (4) increase Manager's vacation time to 210 hours per year.

N. On October 9, 2023, District and Manager entered into a Seventh Amended and Restated Employment Agreement to: (1) increase Manager's salary to $339,765.37, or approximately 5.9 percent; and (2) provide Manager with a one-time payment of $5,000.00, which will not be subject to PERS.

O. On February 10, 2025, District and Manager entered into an Eighth Amended and Restated Employment Agreement to: (1) increase Manager's salary to $359,811.53, or approximately 5.9 percent; (2) increase District's contribution to Manager's deferred compensation from $15,912.93 to $23,500 per year; and (3) provide Manager with a one-time payment of $6,553.52, which will not be subject to PERS.

P. District and Manager now desire to enter into a Ninth Amended and Restated Employment Agreement to: (1) increase Manager's salary to $375,247.44, or approximately 4.29 percent; and (2) provide Manager with a one-time payment of $7,196.23, which will not be subject to PERS.

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NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1. Duties.

USD hereby agrees to employ Manager as General Manager and District Engineer of Union Sanitary District to perform the functions and duties of the chief executive officer at the District as specified in the regulations of USD, the Health and Safety Code and the Government Code of the State of California, and to perform other legally permissible and proper duties and functions as the Board shall from time and time assign.

Section 2. Term.

This Agreement is for a term commencing on August 11, 2014, and shall continue and remain in full force and effect until terminated by either party in the manner provided herein. Nothing in this Agreement shall prevent, limit or otherwise interfere with (a) Manager's at-will status; (b) the right of the Board to terminate the services of Manager as provided herein; and (c) the right of Manager to resign from his position as provided herein.

Section 3. Termination and Severance Pay.

A. In the event that Manager is terminated by a majority vote of the Board while Manager continues to be willing and able to perform his duties under the Agreement, USD agrees to pay Manager equal payments over an agreed upon period of time equal to Manager's monthly salary multiplied by nine (9). Manager shall also be compensated for all accrued vacation time. The District agrees to continue medical, dental and vision benefits for six (6) months. Such severance pay and benefits shall not be due or payable if the Manager is terminated for willful misconduct, dishonesty, or fraud in office; willing destruction, theft, misappropriation or misuse of District property; or after being convicted of a felony; or any action involving moral turpitude. However, if Manager is terminated by a majority vote of the Board because of his commission of a felony, an act or action which constitutes moral turpitude for personal gain to him, is not in good standing due to acts which bring potential civil liability to the District or is unwilling or unable to adequately perform the duties of a General Manager, then in any of these events, USD shall have no obligation to pay the aggregate severance sum designated in this paragraph. It is specifically agreed that Manager serves at the pleasure of the Board as an at-will employee, subject to the termination and severance provisions contained herein.

B. Except for a termination involving the commission of any illegal act, or falling to remain in good standing as set forth in Section 3 A, above, the Manager may not be terminated by the USD within the three' (3) months preceding or following a General Election where one or more Board seats are contested on the ballot of such election (the "**election cool-off period**").

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C. In the event the District terminates Manager for cause, the District and the Manager agree that neither Party shall make any written or oral statements to members of the public or press concerning the Manager's termination which are not factual, or which are of a slanderous nature.

D. If Manager is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, or mental incapacity for a period in excess of 6 months, the District shall have the option to terminate this agreement without further payment of compensation and benefits (except as required by State or Federal Law). Disability will preclude severance benefits.

Section 4. Salary.

USD agrees to pay Manager for his services rendered pursuant hereto an annual base salary, payable in installments at the same time as other employees of USD are paid, as set forth below.

- Effective as of June 25, 2014, Manager's base salary is $241,425.00.
- Effective as of September 1, 2015, Manager's base salary is $254,075.00.
- Effective as of September 1, 2016, Manager's base salary is $261,697.25.
- Effective as of September 1, 2017, Manager's base salary is $275,436.09.
- Effective as of September 1, 2018, Manager's base salary is $279,595.04.
- Effective as of September 1, 2019, Manager's base salary is $290,778.85.
- Effective as of September 1, 2020, Manager's base salary is $300,229.16.
- Effective as of September 1, 2021, Manager's base salary is $309,986.61.
- Effective as of September 1, 2022, Manager's base salary is $320,836.14.
- Effective as of September 1, 2023, Manager's base salary is $339,765.37.
- Effective as of September 1, 2024, Manager's base salary is $359,811.53.
- Effective as of September 1, 2025, Manager's base salary is $375,247.44.

Base salary is subject to adjustment annually and Manager may receive pay for performance bonuses following the Manager's annual performance evaluation.

- Manager received a one-time payment of $9,641.21 in 2018 pursuant to the Second Amended and Restated Agreement.
- Manager received a one-time payment of $8,387.85 pursuant to the Third Amended and Restated Agreement.
- Manager received a one-time payment of $5,000.00 pursuant to the Fourth Amended and Restated Agreement.
- Manager received a one-time payment of $8,500.00 pursuant to the Sixth Amended and Restated Agreement.
- Manager shall receive a one-time payment of $5,000.00 pursuant to the Seventh Amended and Restated Agreement.
- Manager shall receive a one-time payment of $6,553.52 pursuant to the Eighth

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Amended and Restated Agreement.

- Manager shall receive a one-time payment of $7,196.23 at the next pay period after execution of this Agreement.

Manager may distribute his Base Salary between salary and his contributions to approved deferred compensation plan as he chooses, so long as such distribution conforms to all applicable State and Federal laws and regulations.

Section 5. Automobile.

As of September 1, 2015, Manager does not receive an automobile allowance. Prior to that date, USD paid the Manager a Four Hundred Fifty Dollars ($450.00) per month automobile allowance.

Section 6. Holiday Benefits.

Manager shall be entitled to the same holidays as Work Group Managers of USD.

Section 7. Medical, Vision and Dental Benefits.

The Manager shall be entitled to all medical, dental, vision, life and disability insurance benefits provided non-represented employees of USD. Qualifying dependents will be eligible for medical, dental, vision and life insurance benefits.

Section 8. Deferred Compensation.

Effective as of June 25, 2014, USD matched Manager's contributions to Deferred Compensation Plans up to a maximum of $4,200 per year on a dollar-for-dollar basis. Effective as of September 1, 2016, USD contributed to Manager's Deferred Compensation Plans in an amount equal to $14,363.00 per year. Effective as of September 1, 2022, USD contributed to Manager's Deferred Compensation Plans in an amount equal to $15,912.93 per year. Effective as of September 1, 2024, USD will contribute to the Manager's Deferred Compensation Plans in an amount equal to $23,500 per year. This amount may be increased following the Manager's annual performance evaluation.

Section 9. Comprehensive Leave.

Manager's sick leave and administrative leave shall be the same as Work Group Managers of USD. The Manager shall earn four (4) weeks of vacation leave annually. Effective as of September 1, 2022, Manager shall earn 210 hours of vacation leave annually. Manager shall receive a one-time contribution of 50 hours of vacation as of September 1, 2018, or the payroll immediately following the execution of this Agreement.

Section 10. Retirement.

Manager shall be eligible to participate, in the Public Employees' Retirement System

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(PERS) under the 2.5% at age 55 formula and the Fourth Level 1959 survivor benefit. The terms of the contract between the District and CalPERS shall govern the eligibility for and level of benefits to which Manager Is entitled.

Section 11. Dues and Subscriptions.

USD agrees to pay for the professional dues, licenses and subscriptions of Manager necessary for his continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of the District.

Section 12. Professional Development/Employee Recognition.

A. USD hereby agrees to pay the travel and subsistence expenses of Manager for professional and official travel, meetings and occasions adequate to continue the professional development of Manager and adequate to pursue necessary official and other functions for USD, including but not limited to, California Association of Sanitation Agencies, National Association of Clean Water Agencies and other professional associations. Travel related advances and reimbursement shall be on the same basis as other District employees.

B. USD also agrees to pay for the travel and subsistence expenses of Manager for short courses, institutes and seminars that are necessary for his professional development in the best interest of USD.

Section 13. Performance Evaluation.

A. The Board shall review and evaluate the performance of Manager once annually, in September. Said review and evaluation shall be in accordance with specific criteria developed jointly by the Board and Manager. Said criteria may be modified as the Board may from time to time determine after consultation with Manager. The Board agrees to review the Manager's total compensation in September of each year.

B. During the annual evaluation, the Board and Manager shall define such goals and performance objectives which they jointly determine necessary for the proper operation of the District and attainment of the Board's policy objectives; they shall also establish a relative priority among those various goals and objectives, and reduce said goals and objectives to writing. These goals and objectives shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations provided.

Section 14. Indemnification.

A. Pursuant to the requirements of the California Government Code, including but not limited to sections 825, 995, 995.2, 995.8 and 996.4, as amended from time to time, and any other relevant Government Code sections pertaining to such matters, the District shall defend save harmless and indemnify Manager against any tort, professional liability claim

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and demand or other claim or legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the course and scope of duties as General Manager. Said defense shall be provided by the District until such time as all legal action on the matter is concluded.

B. Should Manager be named as a defendant for any tort, professional liability claim and demand or other claim or legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring In the course and scope of duties as General Manager, District shall solicit and consider Manager's preference for legal representation, but District shall retain full discretion in the selection of counsel to the extent permitted by law.

Section 15. Other Terms and Conditions of Employment.

A. The Board, in consultation with the Manager, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement or State or Federal law. Any terms or conditions changed shall be jointly agreed upon and in writing as provided by Section 16C, infra.

B. All provisions of the ordinances, regulations, policies and rules of the District relating to vacation and sick leave, retirement and pension system contributions, life insurance, holidays and other fringe benefits and working conditions as they now exist or thereafter may be amended, which apply to work group manager level District employees, except as otherwise set forth herein, also shall apply to Manager.

C. District agrees to pay Manager's reasonable consulting fees and travel expenses after employment concludes to serve as a material or expert witness, advisor or consultant to District for litigation or other disputes arising from Manager's service to the District.

Section 16. General Provisions.

A. The text herein shall constitute the entire Agreement between the parties.

B. The Agreement is dated as of the date set forth in the first paragraph above and its terms and provisions effective as of August 11, 2014.

C. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing by USD and the Manager. No waiver of either party at any time of the breach of, or lack of compliance with, any condition or provision of this Agreement shall be deemed a waiver of any other provision or condition hereof.

D. This Agreement shall be binding upon, or shall inure to the benefit of the respective heirs, executors, administrators, successors and assigns of the parties provided,

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however, that Manager may not assign Manager's obligations hereunder.

E. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

F. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

Section 17. Criminal Background Check.

This Agreement is conditioned upon the District's receipt, within four (4) weeks of the date upon which this Agreement is effective, a criminal background check regarding Manager showing no criminal convictions. If the District does not receive within four (4) weeks a criminal background check regarding Manager showing no criminal convictions, and/or if the criminal background check of Manager contains criminal convictions, this Agreement shall be, null and void.

Section 18. Amendment and Restatement.

This Agreement amends and restates the Eighth Amended and Restated Agreement in its entirety.

[signatures follow on next page]

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IN WITNESS WHEREOF, the District and Manager have signed and executed this Agreement as of the day and year first above written.

UNION SANITARY DISTRICT

By DocuSigned by: Pat Kite 7EEE0DB9E7E0480...
Pat Kite, President

Attest:

By DocuSigned by: Manny Fernandez 77BEF9EB02EB471...
Manny Fernandez, Secretary

Approved:

By Signed by: karen Murphy 296E1E20B0F44DC...
Karen Murphy, District General Counsel

MANAGER

By Signed by: Paul R. Eldredge 91E3D7DCBD12473...
Paul R. Eldredge