

# **SPALDING COMMUNITY SERVICES DISTRICT EMPLOYMENT AGREEMENT**

## **GENERAL MANAGER**

This EMPLOYMENT AGREEMENT is dated for reference purposes only as of April 9, 2026 and is entered into by and between Spalding Community Services District (“Spalding”), acting through its Board of Directors (the “Board”) and Allen Michael Garcia (“Employee”) [hereinafter collectively referred to as “the parties”].

## **RECITALS**

A. The Board desires to employ an individual who is qualified to act as General Manager (“GM”) of Spalding.

B. Employee possesses the qualifications necessary to act as GM and is willing and able to undertake the desired employment.

C. After due notice and at a regular meeting of the Board held on April 9<sup>th</sup>, 2026, the Board authorized Spalding to enter into this Agreement with Employee.

D. The parties now desire to set forth their agreement for Spalding’s employment of Employee on a full-time basis and under the terms and subject to the conditions set forth herein.

## **ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:**

### **1) ASSUMPTION AND DESCRIPTION OF DUTIES**

- a) Effective Date: The provisions of this Agreement, unless otherwise stated, shall become effective on the date set forth in the first paragraph above April 9, 2026.
- b) Duties: Employee shall assume and perform all duties, responsibilities and services, and take all other actions necessary to manage and conduct the business and activities of Spalding. The authority, duties and responsibilities of the GM shall be subject, at all times, to the adopted policies of, and directives given by, the Board. As a condition of continued employment with the District, within sixty (60) days of the Effective Date, Employee shall secure a bond in conformance with Government Code section 61050(f), the cost of which bond will be borne by the District, unless the District existing insurance is sufficient.
- c) Work Hours: The Parties anticipate that Spalding’s business management affairs will obligate Employee to work a 40-hour work week pending the

needs of the district. Accordingly, the work hours and schedule for the GM are flexible, provided that the proper operations of Spalding are maintained and taking into consideration the operating hours of the main office. For the avoidance of doubt, Employee may work remotely, understanding that this is meant primarily for use when weather or other occurrences restrict travel.

## 2) **COMPENSATION**

- a) Pay Rate: Spalding shall set the Employee's current rate of compensation at Thirty Dollars (\$30.00) per hour for work performed ("Compensation"). Such Compensation shall be paid to Employee in biweekly installments or thereafter in accordance with Spalding's then-prevailing payroll practices. Compensation shall be subject to applicable withholding requirements. Employee shall track their hours worked on a timecard and submit in accordance with Spalding's then-prevailing payroll practices. Employee shall be entitled to overtime pay in accordance with California law.

In addition to the compensation mentioned above, the District shall pay Employee travel expenses to include any reasonable and incidental travel expenses for required meetings, training or other approved professional development activities or for work performed on behalf of the District, within or outside the District, for which the Employee's personal vehicle is utilized.

Health Benefits: Employee is eligible for participation in Spalding's health benefit programs as may come into existence during the term of this Agreement. Spalding shall compensate employee \$200.00 per month health benefits

- b) Taxes: Employee shall be responsible for their federal, state, local or other taxes resulting from any compensation or benefits provided to him by Spalding. Spalding shall withhold from any compensation or benefits provided under this Agreement all federal, state, local or other taxes as may be required pursuant to law or governmental regulation or ruling. Spalding shall not be liable for any state or federal tax consequences to Employee or to any designated beneficiary hereunder, the heirs, administrators, executors, successors, and assigns of Employee. Employee shall assume sole liability for any state or federal tax consequences of this Agreement or any related agreement and agrees to indemnify and hold Spalding harmless from such tax consequences.

## 3) **ADJUSTMENT OF COMPENSATION**

The Board and Employee expect compensation, including benefits, to be reviewed during the annual performance evaluation set forth in section 6 below, perhaps from time to time during the term of this Agreement, and

adjusted in the discretion of the Board in order to reflect the quality of services rendered by Employee.

4) **LEAVE**

- a) Holiday Leave: Employee shall be entitled to those holidays granted to employees of Spalding by Policy 2505.2.
- b) Vacation Leave: Employee shall accrue vacation in accordance with Policy 2500 or latest applicable State and Federal Law.
- c) Sick Leave: Employee shall accrue sick leave in accordance with Policy 2520 or latest applicable State and Federal Law.
- d) Accrued Leaves Paid Upon Termination: Upon termination of this Agreement, Employee shall be paid for all unused accrued vacation and sick leave time as set forth in sections 4 (b) and 4 (c) respectively or as required according to latest applicable State and Federal Law.

5) **PROBATIONARY PERIOD**

Employment under the terms of this agreement shall be subject to a probationary period of six (3) months from the effective date of this agreement. Probationary Period evaluation shall be based upon a review of Employee's performance as compared to goals and objectives developed by Employee and reviewed, revised, and ratified by the Board or other agreed-upon acceptable industry standard.

6) **PERIODIC PERFORMANCE EVALUATION**

The Board may periodically evaluate and assess the performance of Employee. The Board's evaluation will be based upon a review of Employee's performance as compared to goals and objectives developed by Employee and reviewed, revised, and ratified by the Board or other agreed-upon acceptable industry standard. These goals and objectives are referred to hereafter as "goals and objectives." The Board may consider modification of Employee's Compensation following such evaluation.

7) **EXPENSE REIMBURSEMENTS**

Spalding shall reimburse Employee for documented, actual, and necessary expenses incurred by Employee within the scope of his employment and while representing Spalding, including transportation costs accordance with Spalding Policy 4025 or latest applicable State and Federal Law. Spalding reserves the right to review and regulate the incurring of expenses, provided that it does not unduly restrict Employee in the performance of his duties under this Agreement.

8) **OUTSIDE PROFESSIONAL ACTIVITIES**

With prior approval of the Board, Employee may undertake outside professional activities including consulting, speaking, and writing; said outside professional activities may be performed for consideration, provided, in the Board's sole discretion, that said activities do not interfere with the Employee's duties.

Any such activities undertaken by the Employee must be accomplished on Employee's non-duty hours, vacation days, weekends, holidays, or otherwise not interfere with the performance of the Employee in carrying out the essential functions of the District's management and administration. Employee may not use Spalding offices, vehicles, or equipment or Spalding funds to pay for expenses incurred in performing these professional activities.

Notwithstanding the foregoing, the Parties expressly acknowledge and agree that Employee may use Spalding's Wifi network to participate in and/or complete such online educational courses in which they may enroll from time to time.

9) **CONFIDENTIAL INFORMATION**

Employee acknowledges and stipulates that in the performance of their duties, Spalding discloses and entrusts them with certain confidential information of Spalding. Employee agrees not to directly or indirectly disclose or use at any time, during the term of his employment by Spalding and thereafter, any such information, whether it be in the form of records, lists, data, personnel information, drawings, reports or otherwise, of a business or technical nature, which was acquired by Employee during his employment relationship with Spalding unless such disclosure is authorized by Spalding in writing, is required by law, or is required in the performance of the duties of the GM.

10) **TERMINATION OF EMPLOYMENT**

a) "At Will" Employment. Employee shall serve at the pleasure of the Board and is an "at will" employee whose employment may be terminated by the Board at any time with or without cause. Employee shall have no right to appeal or otherwise grieve his termination and nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Board to terminate the services of Employee at any time in the sole discretion of the Board. For purposes of this Agreement, termination without cause shall be defined as termination of Employee's employment by the Board for no specified cause. Termination for cause shall be defined as termination of Employee's employment by the Board for the express reason that Employee has, in the sole discretion of the Board, violated state or federal laws, Spalding rules or regulations, and/or Board policies or directives; in such a case, Employee shall not be entitled to any Severance Pay (defined below). The amount of compensation, if any, to be paid to Employee upon termination without cause shall be as set forth in Section 9 (b) of this

Agreement. Except as otherwise specifically provided in this Agreement, or as may be required by law, Employee shall not be entitled to any compensation upon termination of his employment.

- b) Termination Without Cause. Spalding may, in its sole discretion, terminate Employee's employment under this Agreement without cause upon an affirmative vote of at least four (4) directors of the Board and upon providing Employee with at least thirty (30) days of notice of such termination. In the event of such termination without cause, Employee shall be entitled to severance pay [calculated based on 2 months multiplied by 24 hours per week multiplied by accepted pay rate per hour ("Severance Pay"). Employee's acceptance of Severance Pay shall be Employee's sole remedy for such termination, and Employee shall not be entitled to any other compensation or the continuance of any other benefits except as required by law. If Employee is entitled to Severance Pay under this Agreement, such entitlement shall be contingent upon Employee's execution of a full release of known and unknown claims against the Board and the Employer.
- c) Termination by Employee. Employee may resign from their position as GM upon at least thirty (30) days (or less days in the Board's sole discretion) prior written notice to the Board. Any such notice provided under this paragraph shall specifically set forth the date of such termination. Employee shall not be entitled to Severance Pay under such circumstances.
- d) Termination upon Death. In the unfortunate event of Employee's death, Spalding, within ten (10) days of receiving notice of such death, shall pay Employee's estate the remaining portion of Compensation and benefits that otherwise would have been paid to Employee through the end of the month in which they dies. Neither Employee nor their estate shall be entitled to Severance Pay under such circumstances.
- e) Limitations on Cash Benefit on Termination. Pursuant to Government Code section 53260, in the event of termination of this Agreement for any reason, no cash settlement may be made in an amount which exceeds the salary remaining under this Agreement, or salary for eighteen (18) months, whichever is less. This amount shall not be construed as a guarantee or minimum entitlement.
- f) Limitation on Non-Cash Benefit on Termination. Pursuant to Government Code section 53261, in the event of termination of this Agreement for any reason, no non-cash benefit may be conferred in settlement except for employer-paid health benefits that may be provided for a period not to exceed the month period by which any cash settlement is measured. In any event, employer-paid health benefits shall be discontinued if and when

the employee obtains this employment before the measuring period has expired.

**11) NOTICES**

Any notice to the Board required or permitted under this Agreement shall be in writing, either by personal service, registered or certified mail, or postage prepaid. It will be addressed to Chairperson and Board of Directors, Spalding Community Services District at Spalding's business address. A copy of any such correspondence shall also be personally delivered, or sent by registered or certified mail to the General Counsel of Spalding, currently Stradling, Yocca, Carlson, & Rauth. Any such notice to Employee shall be addressed to Employee at his home address then shown in Spalding's files.

- a) For the purpose of determining compliance with any time limit in this Agreement, a notice shall be deemed to have been duly given (a) on the date of service, if served personally on the party to whom it is to be given, or (b) on the second business day after mailing, if mailed to the party to whom the notice is to be given in the manner provided in this paragraph.

**12) ENTIRE AGREEMENT**

The parties hereto acknowledge that they have read this Agreement, understand it, and agree to be bound by its terms. This Agreement constitutes the entire agreement between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representation, express or implied, not contained in this Agreement.

**13) MODIFICATION, AMENDMENT, WAIVER**

No modification or amendment of any of the provisions of this Agreement shall be effective unless approved in writing and signed by Spalding and Employee. The failure of Employee or Spalding to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of either party thereafter to enforce each and every provision hereof in accordance with its terms.

**14) GOVERNING LAW**

This Agreement shall be governed by and interpreted in accordance with the laws of the State of California to the exclusion of the law of any other jurisdiction.

**15) LEGAL COUNSEL**

Each party was given the opportunity to be represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or had the opportunity to retain legal counsel.

16) **SEVERABILITY**

It is the desire of the parties that this Agreement be binding and enforceable to the maximum extent permitted by law. Should any provision of this Agreement declared or be determined by a court of law, or other tribunal of valid jurisdiction, invalid or unenforceable, the remaining provisions hereof shall be binding and effective nevertheless.

17) **CONSTRUCTION**

This Agreement shall not be construed more strongly against either party regardless of who is responsible for its preparation.

18) **COUNTERPARTS**

This Agreement may be executed by the parties in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties specifically agree that signatures on this Agreement received by facsimile or electronic transmission (i.e. a PDF version) shall be legally binding and that each party is entitled and authorized to rely on the signatures transmitted by facsimile or electronically of the other parties as if they were original signatures.

19) **PUBLIC DISCLOSURE**

Disclosure of this Agreement and to the public and the procedures thereto shall be governed by applicable provisions of the laws of the State of California.

**IN WITNESS WHEREOF**, the parties have entered into this EMPLOYMENT AGREEMENT as of the date first written above.

SPALDING COMMUNITY SERVICES DISTRICT

BY: \_\_\_\_\_  
Chair of the Board of Directors DATE

EMPLOYEE:  
\_\_\_\_\_  
Allen Michael Garcia DATE