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GENERAL MANAGER EMPLOYMENT AGREEMENT

THIS GENERAL MANAGER EMPLOYMENT AGREEMENT ("Agreement") is made and entered into effective as of November 3, 2026 (the "Effective Date"), by and between SAN ELIJO JOINT POWERS AUTHORITY, a public entity, ("SEJPA") and THOMAS C. FALK, JR. ("Employee" or "General Manager"). Employee and SEJPA shall be referred to collectively as the "Parties" and individually as "Party."

RECITALS

WHEREAS, SEJPA's mission is to provide high quality, cost-effective programs of wastewater treatment, ocean outfall management, and recycled water production and distribution; and

WHEREAS, Employee has over 25 years' engineering and management experience in the southern California wastewater industry, joined SEJPA's executive team in November 2022, as the Director of Infrastructure and Sustainability, and has since been promoted to SEJPA's Deputy General Manager; and

WHEREAS, SEJPA agrees to offer continued employment to Employee in the position of General Manager, and Employee desires to accept SEJPA's offer; and

WHEREAS, SEJPA and Employee desire to enter into this Agreement in order to fully set forth the terms and conditions of Employee's continued employment with SEJPA as General Manager.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements herein contained, is the Parties hereby agree as follows:

1. Duties.

a. Position. Employee shall serve as General Manager of SEJPA on a full-time basis during the Term of this Agreement, as that position is defined in the joint powers agreement establishing SEJPA, and as further described in Exhibit A, hereto, as amended by the SEJPA Board of Directors (the "Board") from time to time. In addition, Employee shall perform those duties which are customarily performed by General Managers of like organizations, and such other duties as the Board may, from time to time, assign.

b. Incompatible Activities. Employee may engage in work outside his regular work schedule at SEJPA, provided that said outside work is not prohibited by Government Code section 1126. Specifically, Employee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his duties as a local agency officer or employee or with the duties, functions, or responsibilities of his appointing power or SEJPA. Further, the Employee shall not perform any work, service, or counsel for compensation outside of his local agency employment where any part of his efforts will be subject to approval by any other officer, employee, board or commission of SEJPA. Prior to undertaking or committing to undertake any outside work,

Docusign Envelope ID: 5C439558-F688-8205-83AB-A0ED1D949E1C

Employee must inform the Board in writing of the nature of the outside work and obtain Board consent, which shall not be unreasonably withheld.

2. Term, Termination and At-Will Employment. This Agreement shall commence on the Effective Date and continue until June 30, 2029 (the "Term"), unless terminated earlier in accordance with this Section 2. Employee's employment with SEJPA shall be on an "at-will" basis, and may be terminated by either SEJPA or Employee at any time, with or without cause or advance notice. The at-will nature of the employment relationship between SEJPA and Employee shall not be changed or modified except through a writing signed by the Chairperson of the Board and by Employee.

a. Termination Without Cause. Should SEJPA terminate Employee without cause, SEJPA shall, subject to Employee's signing, returning and not revoking a full release in a form satisfactory to SEJPA, together with any SEJPA property in Employee's possession, custody, and control, pay the following as severance: a lump sum payment to Employee in an amount equal to one-half of Employee's then annual base salary within ten (10) working days of the date such release becomes irrevocable by Employee, *provided however* that the maximum cash settlement that Employee may receive shall be an amount equal to Employee's monthly base salary multiplied by the number of months left on the unexpired Term of the Agreement; and, SEJPA shall pay for the full cost of COBRA premiums for coverage for Employee and, if applicable, his spouse (so long as she remains married to Employee) and dependent children who were covered under the SEJPA group health plan on the date of Employee's termination, for a period of up to six months after the date of termination, *provided however* that SEJPA will only be obligated to pay such COBRA premiums if Employee properly elects and obtains COBRA coverage and only up to and until Employee secures other employment and becomes eligible for health coverage, even if he remains eligible for COBRA coverage. Any such severance payment will be paid within the 'short term deferral window' as that term is defined by Internal Revenue Code Section 409A, and in no event will any such payment be paid any later than the last day of the second taxable year following termination. For the purposes of this paragraph, base salary means the base salary in effect at the time of Employee's termination from employment and does not include any incentive, vacation, sick leave, pension contributions, health benefits or any other employee benefit.

b. Termination With Cause. Should SEJPA terminate Employee with "cause," meaning due to fraud, misappropriation, embezzlement, or any other egregious and intentional misconduct, SEJPA will pay only amounts legally required up to the effective date of termination. No severance will be paid.

c. Termination Upon Death or Permanent Disability. This Agreement shall automatically terminate upon Employee's death or permanent disability, at which time SEJPA will pay only amounts legally required up to the effective date of termination. No severance will be paid.

d. Termination by Employee. Should Employee terminate his employment at any time, SEJPA will pay only amounts legally required up to the effective date of termination. No severance will be paid.

Docusign Envelope ID: 5C439558-F688-8205-83AB-A0ED1D949E1C

3. Compensation.

a. Base Salary and Bonus. Employee will receive a base annual salary of $290,000, commencing as of the Effective Date through June 30, 2027, which base salary will be increased by 4% annually as of July 1 throughout the Term. Employee's annual salary shall be prorated to any partial work period.

The General Manager is eligible for an annual discretionary performance-based bonus of up to $5,000, subject to the approval of the Board on or before June 30 of each fiscal year throughout the Term and payable in June. Employee shall be first eligible for a bonus for the period beginning on the Effective Date through June 2027, and for each consecutive 12-month period thereafter ending in June.

Prior to June 30 of each fiscal year of this Agreement, the Board will review Employee's performance, based upon goals and objectives agreed upon between Employee and the Board, and give Employee an evaluation of his overall achievement of those goals and objectives and management of SEJPA. The Board will consider Employee's performance when determining whether Employee shall be granted any increases in his base compensation, or any other compensation.

b. Benefits. Employee shall be entitled to participate in medical, dental, life and disability insurance plans, cafeteria plan, health care, dependent care reimbursement and deferred compensation plan on the same basis as other employees. A listing of Employee's benefit and compensation package, including the generally available SEJPA employee benefit plans for which Employee is eligible, during the Term of this Agreement, is attached hereto as Exhibit B. This Exhibit B may be updated periodically to reflect changes in Employee's compensation and benefits package from year to year.

c. Sick and Vacation Leave. Employee shall accrue eight (8) hours of paid sick leave per month, in addition to any annual "block grant" of paid sick leave. Employee shall accrue 280 hours of vacation leave annually, up to a 420 hour maximum accumulation. Subject to applicable law, Employee's use and cashout of vacation and sick leave is subject to the following conditions: (i) Employee may not take vacation leave in increments of less than one half day; (ii) Employee may not take sick leave in increments of less than two (2) hours; and (iii) the calculation of conversion of sick and vacation leave to cash, if any, shall be based upon the Base Salary set forth above, and assume that Employee works a 2080 hour annual schedule. For purposes of this section a full day shall be considered to be eight (8) hours.

d. CalPERS Retirement Plan. Employee shall be entitled to participate in the California Public Employees Retirement System program based on the 2% at 62 Full Formula, as provided in applicable SEJPA resolution, as amended from time to time.

e. Reimbursement of Expenses. Employee shall be reimbursed for all reasonably necessary expenses incurred in the performance of his duties, in accordance with the adopted policies of SEJPA. Employee shall be entitled to a monthly car allowance of $600, to compensate and reimburse Employee for all costs of leasing, owning, operating, repairing and

Docusign Envelope ID: 5C439558-F688-8205-83AB-A0ED1D949E1C

maintaining a vehicle available to the Employee for the conduct of his duties. Employee shall be entitled to a monthly cell phone allowance of $100, to compensate and reimburse Employee for all costs of leasing, owning, operating, repairing and maintaining a cell phone for the conduct of his duties. Employee shall not be entitled to any additional reimbursement for the work-related use of a personal vehicle or cell phone.

f. 401(a) Plan Contribution. SEJPA shall contribute to Employee's SEJPA-sponsored 401(a) Plan an amount of $7,500 annually, commencing on the Effective Date and on July 1 thereafter throughout the Term, which amount may be increased annually as part of Employee's performance review. This contribution does not preclude, and is in addition to, Employee's participation in matching contribution to Employee's SEJPA-sponsored deferred compensation plan offered under Resolution 2026-03, as it may be amended from time to time.

4. Confidentiality. Employee agrees that, during the Term of this Agreement and thereafter, Employee will keep confidential any non-public information which he obtains from SEJPA or any subsidiaries, members of the Board or affiliated entities, now or hereafter existing or created, concerning their properties, assets, proprietary assets, copyrights, business methods and trade secrets. Notwithstanding the foregoing limitations, Employee shall not be required to keep confidential any information that (a) is known or available through other lawful sources not known by the Employee to be bound by a confidentiality agreement with SEJPA, (b) is or becomes publicly known or generally known in the industry through no fault of the Employee, (c) is requested or required to be disclosed pursuant to any governmental authority, law or regulation, or (d) is reasonably related to the Employee's performance of his duties as an employee of (or as otherwise assigned to the Employee by) SEJPA.

5. Withholding of Taxes. Employee shall be responsible for the payment of any taxes and/or assessments imposed on account of payment of any amounts hereunder to Employee pursuant to this Agreement, including, without limitation, federal and state income taxes, state unemployment insurance taxes, federal social security (FICA) payments, state disability insurance taxes, and other taxes. SEJPA shall withhold from any and all amounts payable to Employee pursuant to this Agreement all federal, state, and local taxes which SEJPA determines are required to be withheld in accordance with applicable statutes and/or regulations from time to time in effect. All such deductions and withholdings shall be deemed to have been paid to and received by Employee.

6. Waiver of Breach. The waiver by either Party, or the failure of either Party to claim a breach of any provision of this Agreement, shall not operate or be construed as a waiver of any subsequent breach.

7. Assignment. This Agreement shall not be assignable by either Party without prior written consent of the other Party.

8. Entire Agreement. This Agreement, together with the recitals and exhibits which are incorporated by reference herein, is the complete agreement of the Parties and supersedes any and all other agreements, either oral or in writing, between the Parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between the parties

Docusign Envelope ID: 5C439558-F688-8205-83AB-A0ED1D949E1C

with respect to said subject matter in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing and signed by both Employee and the Chairperson of the Board.

9. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California.

10. Partial Invalidity. If any provision of the Agreement is held to be invalid or unenforceable by any court or tribunal of competent jurisdiction, the remainder of this Agreement shall not be affected by such judgment, and such provision shall be carried out as nearly as possible according to its original terms and intent to eliminate such invalidity or unenforceability unless such partial invalidity or unenforceability would defeat an essential business purpose of the Agreement.

11. Legal Representation; Independent Counsel. Employee is aware of his right to obtain separate legal counsel with respect to the negotiation and execution of this Agreement and acknowledges that SEJPA has recommended that Employee retain his own counsel for such purpose. Employee further acknowledges that he: (a) has read this Agreement and its exhibits and attachments; (b) has had the opportunity to retain separate counsel in connection with the negotiation and execution of this Agreement; and (c) has relied on the advice of separate counsel with respect to this Agreement or made the conscious decision not to retain counsel in connection with the negotiation and execution of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered as of the date(s) indicated below.

SAN ELIJO JOINT POWERS AUTHORITY

Signed by:

By: _____ **Date:** 10/5/2026

Luke Shaffer, CHAIRPERSON

EMPLOYEE

Signed by:

By: _____ **Date:** 10/12/2026

Thomas C. Falk, Jr. GENERAL MANAGER

Docusign Envelope ID: 5C439558-F688-8205-83AB-A0ED1D949E1C

EXHIBIT A

GENERAL MANAGER POSITION DESCRIPTION

Position Summary

The General Manager serves as Chief Executive Officer of the San Elijo Joint Powers Authority ("SEJPA") and as Secretary to the SEJPA Board of Directors ("Board"). The General Manager is responsible for the administrative operations of SEJPA and the effective functioning of the physical facilities SEJPA owns and operates, all under the direction and control of the Board. The General Manager holds primary executive responsibility for fulfilling SEJPA's mission to establish, manage, operate and maintain the San Elijo Water Campus for the treatment, disposal, and recycling of wastewater, stormwater, and groundwater for beneficial reuse, reducing the region's dependency on imported water.

Key Responsibilities and Authorizations

The duties listed here are typical examples of the work performed. All duties must be exercised consistent with District policies, procedures and applicable law.

- Oversee the day-to-day operations of the organization and ensure its overall successful long-term operations.

- Participate in the design of, and supervise construction on, improvements or expansions to SEJPA facilities authorized by the Board.

- Negotiate contracts for capital costs, special services, equipment, materials, supplies, maintenance, or repair, and consultant contracts consistent with SEJPA's adopted budget, and execute such contracts involving an expenditure by SEJPA of $50,000 or less (other than with consultants to perform the duties of the auditor or treasurer), unless a different threshold is otherwise established by the Board.

- Retain and supervise personnel and approve payroll for all staff required to administer, maintain, and operate the facilities and achieve SEJPA's mission, consistent with SEJPA's adopted budget, policies and Board authorization. Responsibilities include interviewing, hiring, firing or otherwise terminating, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems in a timely manner.

- Expend funds and enter into contracts on SEJPA's behalf for urgent maintenance, repair, or emergency work necessary to keep facilities operating or to restore them to operating condition, followed by required reporting to the Board.

- Approve payment demands of $50,000 or less made pursuant to valid contracts or the adopted budget, unless a different threshold is otherwise established by the Board.

Docusign Envelope ID: 5C439558-F688-8205-83AB-A0ED1D949E1C

- Prepare and submit the biennial budget to the Board in time for its review and adoption prior to June 30.

- Apply for permits, licenses, and approvals, and file reports required by governmental agencies with jurisdiction over SEJPA facilities.

- Generally supervise the acquisition, construction, management, maintenance, and operation of the facilities in furtherance of SEJPA's mission.

- Process, investigate, respond to, and resolve claims against SEJPA, and settle claims up to $50,000 or the statutory maximum, unless a different threshold is otherwise established by the Board or District policy. All settled claims, disputes, or litigation matters must be approved by the District's legal counsel and reported to the Board of Directors.

- Communicate with stakeholders, including city managers of the SEJPA Member Agencies, concerning SEJPA's operations and of decisions affecting them.

- Communicate effectively with the Board by providing members with all information necessary to continually function properly and make informed decisions in a timely and accurate manner.

- Manage, oversee and attend all Board meetings, and provide reports and updates on staff as well as all current work, project timelines, and project and organizational progress.

- Establish goals, objectives, and operational plans in collaboration with the Board of Directors, staff, and other leaders.

- Foster an environment of transparency, ethics and compliance with the Brown Act.

- Assure that the organization makes consistent and timely progress in achieving its mission and target programmatic impact.

- Provide leadership in developing program, organizational, and financial plans and execute on the policies authorized by the Board.

- Perform other duties as assigned by the Board.

Qualifications

The General Manager will be a qualified, registered Professional Engineer (PE), or a qualified, registered designee of an engineering firm, with experience in managing wastewater treatment and water reclamation facilities. The General Manager will maintain in good standing all qualifications for the position.

Reporting Relationship

The General Manager is appointed by, and reports directly to, the SEJPA Board, performing all administrative operations under the Board's direction and control.

Docusign Envelope ID: 5C439558-F688-8205-83AB-A0ED1D949E1C

EXHIBIT B

GENERAL MANAGER'S COMPENSATION AND BENEFITS

November 3, 2026 to June 30, 2029

Base Salary:

$290,000 from the Effective Date – June 30, 2027

$301,600 from July 1, 2027 – June 30, 2028

$313,664 from July 1, 2028 – June 30, 2029

Discretionary Bonus (non-base building): up to $5,000 annually payable in June of each year of this Agreement

Car Allowance: $600/month

Cell Phone Allowance: $100/month

Sick Leave: 8 hours/month accrual (in addition to annual "block grant" per SEJPA Resolution, below)

Vacation: 280 hours/annually (420 hour maximum accumulation)

401(a) Plan Contribution: $7,500 annual contribution to Employee's SEJPA-sponsored 401(a) account, which amount may be increased annually as of July 1 (in addition to deferred compensation plan matching contribution per SEJPA Resolution, below)

Benefits that are currently provided to employees of SEJPA generally, currently set forth in Section II of Resolution No. 2026-03, as it may be amended or superseded by the Board from time to time (which benefits are not cumulative or stacking with benefits provided under this Agreement):

Vacation* and option to convert vacation to cash.

Paid holidays (13 per year, 11 as set by SEJPA and 2 floating).

Paid sick leave 48 hour annual "block grant," monthly accrual* and option to convert paid sick leave to cash.

Bereavement leave.

Administrative leave.

Health, dental and vision care benefits.

Health and dependent care reimbursements.

Docusign Envelope ID: 5C439558-F688-8205-83AB-A0ED1D949E1C

Life and disability insurance benefits.

CalPERS retirement benefits.

Deferred compensation plan: SEJPA 457(b) and 401(a)* plans and SEJPA matching contribution of up to 6% of annual base salary depending on years of service.

Tuition and wellness reimbursements.

Incentive Program(s): Professional and Technical Achievements and Organizational Performance Achievements.

** Indicates modified accrual/contribution as set forth herein*

This **Exhibit B** listing General Manager's Compensation and Benefits (November 3, 2026 – June 30, 2029) was approved on September 15, 2026, at a regular meeting of the San Elijo Joint Powers Authority Board of Directors, by the following vote:

AYES: Shaffer, Zito, O'Hara, Becker

NOES:

ABSTAIN:

ABSENT:

This document has not been amended, modified, or rescinded since the date of its adoption.

Attest:

By: _____
Board Secretary