

**COACHELLA VALLEY WATER DISTRICT  
THIRD AMENDMENT TO EMPLOYMENT AGREEMENT – GENERAL MANAGER**

This Third Amendment to Employment Agreement (this “Third Amendment”) between the COACHELLA VALLEY WATER DISTRICT (the “District”) and JAMES M. BARRETT (the “Employee”) is entered into this 28th day of November, 2017.

Except as modified in this Third Amendment and the prior First and Second Amendments where not superseded by this Third Amendment, the Employment Agreement originally dated November 12, 2014 (“Agreement”) between the District and the Employee shall remain in full force and effect.

The parties to this Third Amendment agree to the following changes:

Section 4 entitled “COMPENSATION” is hereby amended, in its entirety, to reflect Employee’s annual salary increase and to incorporate a new set of performance criteria for the upcoming year:

“SECTION 4. COMPENSATION.

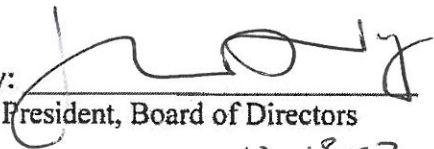
A. Base Salary. The District agrees to pay Employee for services rendered pursuant hereto at a rate of Two Hundred Eighty-Two Thousand Two Hundred and Thirty-One (\$282,231.00) annually, pursuant to the procedures regularly established and as they may be amended by the District in its sole discretion. Said compensation shall be effective starting with the first pay period after January 1, 2018. The Employee may receive annual increases in salary as may be determined by the Board in its sole discretion. Any agreed salary increase must be expressly memorialized in a subsequent written and executed Amendment to this Agreement. All compensation and comparable payments to be paid to Employee shall be less withholdings required by law. Paydays and hourly rate calculation shall be as defined in the Association of Coachella Valley Water District Managers (ACVWDM) Memorandum of Understanding, January 1, 2016 to December 31, 2019 (MOU). The ACVWDM MOU is attached as Exhibit “B” and incorporated herein by this reference. This base salary is further subject to the terms of applicable pre-existing District Resolutions, including Resolution 2014-230, and other the CalPERS retirement contribution and deduction requirements.

B. Incentive Compensation. Following Employee’s annual performance evaluation, as required under Section 6 of this Agreement, Employee shall be eligible for an annual discretionary bonus of between zero percent (0%) and ten percent (10%) of Employee’s base salary. The factors or criteria considered for the bonus are developed by the Board of Directors of the District following discussions and input from Employee on an annual basis. The District shall endeavor to provide the factors well before the scheduled annual performance evaluation.

Factors or criteria for 2018, as agreed and subsequently approved by the District and Employee are attached as Exhibit "A" to this Third Amendment and are agreed to be expressly incorporated by reference."

The District and the Employee have duly executed this Third Amendment as of the date first written above.

**COACHELLA VALLEY  
WATER DISTRICT**

By:   
President, Board of Directors  
12-18-17

**JAMES M. BARRETT**

By:   
12.12.17

EXHIBIT A  
COACHELLA VALLEY WATER DISTRICT  
GENERAL MANAGER PERFORMANCE GOALS FOR FY2018

1. Continue to refine/expand the CVWD Colorado River Water Priority of Service Plan.
  - a. Metric: Develop an allocation method that recognizes seniority/longevity, inside/outside ID-1, and types of uses.
2. Review, modify and/or consolidate CVWD/MWD Agreements as needed.
  - a. Metric: Provide modified agreements to the Board for approval.
3. Develop a Risk Management Plan for State Water Project deliveries at Whitewater.
  - a. Metric: Hire a consultant and provide an initial list of alternatives with cost information for Board consideration.
4. Update the Water Management Plan Report Card
  - a. Metric: Provide an updated report card to the Board which will continue to be renewed on an annual basis.
5. Develop a Financial funding strategy for the Mid-Valley Phase 2 Pipeline project and for future West Valley golf course connections to that extension.
  - a. Metric: Provide a strategy that reduces the direct reliance on the West RAC.
6. Develop a Financial funding strategy for the Oasis Irrigation Expansion project.
  - a. Metric: Provide a strategy that reduces the direct reliance on the East RAC.
7. Increase the receipt of state and federal grant funds received by CVWD.
  - a. Metric: Total grant funds received during the latest 12 month period exceed those received in the previous 12 month period.
8. Revise CVWD's Financial Reserve Targets to 80% of existing total and use any excess to buy down the District's CalPERS liability.
  - a. Metric: Presentation to and approval by the Board.
9. Initiate a new Surface Water Drainage Study that reviews the findings of the 1968 Indio-Coachella area study, specifically identifying any regional facilities that would be CVWD's responsibility to convey flows through or around the City of Coachella.
  - a. Metric: Award a consultant agreement with funding from the City of Coachella which would be used to identify both regional and municipal responsibilities.
10. Improve CVWD's Capital Improvement Plan execution rate to 70%.
  - a. Metric: Achieve a 70% or better execution rate of the FY2017 budgeted CIP.