



- **Board of Directors**  
***Board of Directors***

3/11/2025 Board Meeting

---

8-2

## **Subject**

---

Approve New General Manager Employment Agreement and authorize retroactive payment to January 29, 2025; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## **Executive Summary**

---

Approval is requested to enter into an employment agreement with the selected General Manager, Mr. Deven N. Upadhyay.

## **Proposed Action(s)/Recommendation(s) and Options**

---

### **Staff Recommendation:**

#### **Option #1**

Approve an employment contract with Mr. Deven N. Upadhyay as General Manager, containing the terms and conditions set forth herein; and authorize retroactive payment of the approved salary to January 29, 2025.

**Fiscal Impact:** \$58,824, not including other Unrepresented benefits costs.

**Business Analysis:** Supports organizational continuity, leadership stability, and strategic goal alignment.

#### **Option #2**

Reject recommendation and direct the Chair to renegotiate an employment contract with Mr. Upadhyay.

**Fiscal Impact:** To be determined.

**Business Analysis:** May delay operational and strategic leadership continuity.

## **Alternatives Considered**

---

Not applicable

## **Applicable Policy**

---

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

## **Related Board Action/Future Action**

---

Not applicable

**California Environmental Quality Act (CEQA)**

---

**CEQA determination for Option #1**

The proposed action is not defined as a project under CEQA because it involves organizational, maintenance, or administrative activities; personnel-related actions; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5)).

**CEQA determination for Option #2:**

None required

**Details and Background**

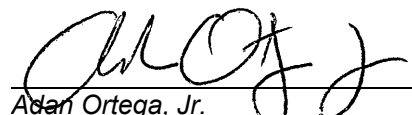
---

**Background**

Pursuant to the action taken at the Special Board meeting of January 29, 2025, the Chair of the Board has negotiated terms and conditions of an employment contract with Mr. Deven N. Upadhyay as General Manager. The following compensation and benefits are recommended for the Board’s authorization for Mr. Upadhyay:

- Annual salary: \$495,000.
- Agreement term: Commencing January 29, 2025, and continuing until December 31, 2025. The Board and the General Manager may, by mutual agreement, extend the term through Board-approved amendment.
- Transition support: Upon the expiration of the Agreement on December 31, 2025, the General Manager shall be placed on paid administrative leave for a period of six (6) months, provided that he remains available to assist the successor General Manager in ensuring a smooth transition.
- Car allowance: \$700 per month as authorized by Metropolitan’s policy.
- Annual leave accrual: Five (5) weeks per year, using an accumulation factor of .0957854 per hour worked, consistent with his tenure at Metropolitan.
- Involuntary severance: For involuntary severance unrelated to misconduct, twelve months’ compensation, and benefits to be received, at Mr. Upadhyay’s option, as paid administrative leave or lump sum payment.
- Other benefits: All other compensation and benefits as provided to other Unrepresented Metropolitan employees.
- Additionally, authorize payment of the approved salary retroaction to the date of the appointment, January 29, 2025.

  
 \_\_\_\_\_ 3/4/2025  
 Mark A. Brower Date  
 Human Resources Group Manager

  
 \_\_\_\_\_ 3/4/2025  
 Aden Ortega, Jr. Date  
 Chair of the Board

**Attachment 1 – Executive Officer Employment Agreement DEVEN UPADHYAY**

**The Metropolitan Water District  
of Southern California  
General Manager Employment Agreement  
Deven N. Upadhyay, General Manager**

**I. RECITALS**

1.1 This Employment Agreement (“Agreement”) is entered into as of January 29, 2025, between The Metropolitan Water District of Southern California, a public corporation of the State of California (“Metropolitan” or “MWD”), organized and existing under the Metropolitan Water District Act (Statutes 1969, ch.209, as amended), and Deven N. Upadhyay (“General Manager”).

1.2 On January 29, 2025, Metropolitan’s Board of Directors (“Board”) selected Deven N. Upadhyay as its General Manager, subject to the approval of this Agreement by the Board.

1.3 In consideration of the above recitals and the mutual promises and conditions below, Metropolitan and Deven N. Upadhyay agree as follows.

**II. TERM**

2.1 Metropolitan shall employ Deven N. Upadhyay as its General Manager commencing January 29, 2025, and continuing until December 31, 2025. The Board and the General Manager may, by mutual agreement, extend the term of this Agreement through an amendment approved by the Board.

2.2 The General Manager shall devote his scheduled work time and exercise his best efforts in the performance of duties as described in Section 6 of this Agreement, in his job classification description pursuant to Division VI, Chapter 4, Article 2 of the MWD Administrative Code, and as assigned. The General Manager shall have no employment outside of Metropolitan employment, except as approved in writing by the Board.

2.3 The General Manager shall perform the services required by this Agreement at Metropolitan’s headquarters located at 700 North Alameda Street, Los Angeles, California, or as directed by the Board.

**III. COMPENSATION AND BENEFITS**

3.1 Salary. Metropolitan shall pay the General Manager an annual base salary of \$495,000, subject to legally permissible or required withholdings, pro-rated and paid on Metropolitan’s normal paydays. This salary shall be entitled to the same across-the-board salary adjustment as unrepresented employees. In addition, this salary is subject to adjustment by the Board pursuant to MWD Administrative Code Section 6208, *Pay Rate Administration*, but may

not be reduced except in conjunction with a pro rata reduction of salaries for all other unrepresented employees at Metropolitan.

3.2 Benefits. General Manager shall continue to receive benefits consistent with those afforded to unrepresented employees under the MWD Administrative Code, including but not limited to:

3.2.1 Leave Accumulation. General Manager shall accrue annual leave at a rate of five (5) weeks per year, using an accumulation factor of .0957854 per hour worked, consistent with his tenure at Metropolitan.

3.2.2 Car Allowance. General Manager shall receive a car allowance of \$700 per month, consistent with the previous General Manager's contract and operating policy J-08.

3.2.3 Retirement Benefits. General Manager shall be entitled to continue to participate in the same Public Employees' Retirement System (PERS) as unrepresented employees.

3.2.3.1 Exclusion from Gross Income. Metropolitan shall pay to the Public Employee Retirement System ("PERS") on behalf of General Manager an amount equal to the required employee contribution to PERS, not to exceed seven percent of General Manager's salary. The contribution shall be treated as an employer contribution (made pursuant to Section 414(h)(2) of the United States Internal Revenue Code) in determining the tax treatment of the contribution. Such contributions shall be paid from the same source as funds as used to pay wages to the General Manager. The General Manager does not have the option to receive the Metropolitan-contributed amount paid pursuant to this Section directly instead of having it paid to PERS. This Section shall be operative only so long as the Metropolitan pick-up of the retirement contributions continues to be excluded from the gross income of the General Manager under the United States Internal Revenue Code.

3.2.3.2 Inclusion in Gross Income. If the Metropolitan pick-up of retirement contributions is subject to inclusion in the gross income of General Manager under the United States Internal Revenue Code, Metropolitan shall cease making contributions pursuant to Section 3.2.2.1 and, provided that Metropolitan may do so pursuant to applicable law and without increasing Metropolitan's or General Manager's other costs attributable to the PERS program, shall increase General Manager's salary by an amount equivalent to the amount that otherwise would be paid to PERS on behalf of General Manager pursuant to Section 3.2.2.1. If applicable law provides that Metropolitan may not so increase General Manager's salary, General Manager's compensation shall not be subject to increase pursuant to this Section to the extent not permitted by law. If Metropolitan may not so increase General Manager's salary without increasing

Metropolitan's other General Managers' costs attributable to PERS, General Manager's compensation shall be increased only in an amount equal to the amount that would otherwise be paid to PERS on behalf of the General Manager, less such increased costs attributable to PERS.

3.2.3.3 Retiree Medical Benefits. The General Manager shall be eligible to receive retiree medical benefits consistent with those provided to unrepresented employees under Metropolitan's employer contributions established pursuant to Resolution No. 9348 (Fixing the Employer Contribution Under the Public Employees' Medical and Hospital Care Act) and Resolution No. 9349 (Fixing the Employer Contribution for Public Agency Vesting Under Section 22893 of the Public Employees' Medical and Hospital Care Act), as those resolutions may be amended or replaced from time to time by Metropolitan. The General Manager acknowledges that such benefits, including the level of employer contributions, are subject to change at the sole discretion of the Board of Directors. Such retiree medical benefits may not be reduced except in conjunction with a reduction for all other unrepresented employees at Metropolitan.

3.2.4 Deferred Compensation and 401(k). General Manager shall continue to participate in the same deferred compensation and 401(k) plan as unrepresented employees.

3.2.5 Medical, Dental, and Vision Insurance. General Manager shall continue to be provided the same medical, dental, and vision insurance benefits as unrepresented employees, paid by Metropolitan for the General Manager and his qualified dependents.

3.2.6 Other Benefits. General Manager shall continue to receive all other benefits available to unrepresented employees under the MWD Administrative Code, including but not limited to disability insurance, term life insurance, wellness benefits, professional development reimbursements, cell phone allowance, and leave provisions.

#### IV TERMINATION

4.1 The General Manager serves at the pleasure of the Board and may be terminated, with or without cause, at any time upon receipt of written notice from the Board.

4.2 The General Manager may terminate his employment by providing at least four (4) weeks' written notice of resignation or retirement to Metropolitan.

4.3 Upon termination of employment at the end of the contract term or upon proper receipt of written notice from the Board, the General Manager may use accumulated leave balances to extend the paid service time, consistent with standard employee practices and the MWD Administrative Code.

4.4 Upon termination, the General Manager is prohibited from disclosing Metropolitan confidential and/or proprietary information unless legally required. Violation of this provision may subject the General Manager to liquidated damages of \$25,000 per instance.

4.5 Transition Assistance and Paid Administrative Leave. Upon the expiration of this Agreement on December 31, 2025, the General Manager shall be placed on paid administrative leave for a period of six (6) months, provided he remains available to assist the successor General Manager in ensuring a smooth transition. During this period, the General Manager shall continue to receive his base salary and benefits (except Wellness, Professional Development, and Car Allowance) as set forth in Section 3 of this Agreement but shall not be required to perform regular day-to-day duties. Instead, his responsibilities shall be limited to providing advice, institutional knowledge, and transition support as reasonably requested by the Board or the successor General Manager. If the General Manager fails to remain available during this transition period or declines reasonable requests for assistance, Metropolitan reserves the right to terminate the administrative leave and corresponding salary and benefits upon written notice.

4.6 Waiver of Property Interest in Continued Employment. The General Manager acknowledges and agrees that, prior to the execution of this Agreement, he may have held a property interest in continued employment with Metropolitan. By signing this Agreement, the General Manager expressly waives any such property interest and acknowledges that his employment is entirely at-will, as set forth in Section 4.1 of this Agreement. The General Manager further acknowledges that this Agreement supersedes any prior policies, practices, agreements, or understandings, whether written or implied, that may have created an expectation of continued employment beyond the term of this Agreement. The General Manager understands and agrees that he has no right to continued employment beyond the term specified herein, except as may be agreed to in a subsequent written amendment approved by the Board.

## V. SEVERANCE PAY/CASH SETTLEMENT

5.1 Should the General Manager retire under the provisions of the Public Employees' Retirement Law, resign, or otherwise voluntarily terminate under this agreement, the General Manager shall be eligible for the severance pay provided to Metropolitan employees in MWD Administrative Code Section 6248, *Severance Pay*.

5.2 Except for voluntary resignation or retirement, death, or disability of 90 days or more, General Manager shall, as soon as reasonably practicable after the effective date of termination pursuant to Section 4.1 above, be placed on paid administrative leave for a period of twelve months, or, at General Manager's option, receive the lump sum equivalent to 100% percent of General Manager's annual base salary and benefits (excluding Wellness, Professional Development, Car Allowance, and Cell Phone Allowance). In the event the General Manager elects to receive a lump sum payment or is placed on paid administrative leave pending an investigation for an alleged crime involving abuse of his office or position, any such lump sum or paid leave must be fully reimbursed by the General Manager to Metropolitan if the General Manager is convicted of a crime involving abuse of his office or position.

5.3 General Manager shall not be entitled to severance pay pursuant to Section 5.2 if General Manager is terminated for a material act of dishonesty, gross carelessness in the performance of duties, gross misconduct or an unjustifiable neglect of duties.

5.4 All severance payments are subject to the limitations in Government Code sections 53260 - 53264, and sections 53243 - 53243.4.

## VI. GENERAL DUTIES

6.1 The General Manager executes the policies and strategic initiatives set by the Board with a commitment to integrity, respect, transparency, fiscal and ratepayer responsibility, sustainability, and equity. In this capacity, the General Manager is responsible for managing Metropolitan's assets and water resources to ensure a reliable, sustainable, and resilient water supply for its member agencies in an environmentally and fiscally responsible manner, including incorporating the impacts of climate change and water initiatives to reduce costs and create new forms of revenue.

6.2 The General Manager's duties are also as outlined in Division VI, Chapter 4, Article 5 of the MWD Administrative Code, Sections 6410 - 6416.

## VII. MISCELLANEOUS

7.1 This Agreement, together with the provisions of the MWD Administrative Code and other Metropolitan policies, contains the entire agreement between the parties. In the event of a conflict between this Agreement and the MWD Administrative Code, this Agreement shall control.

7.2 The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of California.

7.3 Any notice required under this Agreement shall be sent via Metropolitan's email system. Notices from General Manager to Metropolitan shall be sent to the Chair of the Board, while notices from Metropolitan to General Manager shall be sent to his Metropolitan email inbox.

7.4 If any provision in this Agreement is held to be invalid or unenforceable, the remainder shall remain in full force and effect.

WHEREFORE, the parties have executed this Agreement as of the date first written above.

THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

By \_\_\_\_\_

Adan Ortega, Jr.  
Chair of the Board  
The Metropolitan Water District of Southern California

APPROVED AS TO FORM:

By \_\_\_\_\_

Henry Torres, Jr.  
Assistant General Counsel  
The Metropolitan Water District of Southern California

By \_\_\_\_\_

Deven N. Upadhyay  
General Manager  
The Metropolitan Water District of Southern California