THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Board Action

- **Board of Directors**

10/14/2025 Board Meeting

10-2

Subject

Approve employment agreement for incoming General Manager; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This item allows the Board of Directors ("Board") to consider approval of an employment agreement with the individual selected by the Board to serve as General Manager ("Incoming General Manager"). The Board will identify the person it will appoint to the position and the specific compensation terms of that person in the open session.

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

Ad Hoc Committee: Option #1

Option #1
Approve Employment Agreement for the Incoming General Manager, containing the terms and conditions set forth in the Board letter.
Fiscal Impact:
Fiscal Impact: None, position is currently budgeted.
Business Analysis: Supports organizational continuity, leadership stability, and strategic goal alignment.

Option #2
Do not approve the Employment Agreement and direct negotiations on alternative terms.
Fiscal Impact: To be determined.
Business Analysis: May delay operational and strategic leadership continuity.

Applicable Policy

Metropolitan Water District Administrative Code Section 6401: Method of Appointment and Removal Metropolitan Water District Administrative Code, Division VI, Chapter 5, Management and Confidential Employees – General, Article 2 – Benefits Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination(s) for Option #1:
The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action will not cause either a direct physical change in the

environment or a reasonably foreseeable indirect physical change in the environment and involves administrative, personnel, fiscal, and organizational activities (Sections 15378(b)(2), 15378(b)(4) and 15378(b)(5) of the State CEQA Guidelines). Additionally, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

CEQA determination(s) for Option #2:

None required

Details and Background

Pursuant to the action taken at its special meeting of September 9, 2025, the Board authorized the Ad Hoc Committee to negotiate the terms and conditions of an employment agreement with the selected candidate for General Manager. The negotiated agreement, a copy of which is attached hereto, reflects terms consistent with the Board's authorization.

Agreement term: Metropolitan would employ the Incoming General Manager as General Manager-Designate from November 3, 2025, through December 31, 2025. Effective January 1, 2026, the Incoming General Manager would assume the position of General Manager through December 31, 2028. During the Designate period, the Incoming General Manager would not have the authority to exercise the powers or duties assigned by the Administrative Code to the General Manager unless expressly delegated in writing by the current General Manager.

The term of the agreement would automatically renew for up to three successive one-year periods (not extending beyond December 31, 2031) unless either party provides written notice of non-renewal no later than September 1 of the year preceding the current expiration date.

This provision would not limit the Board's right to terminate employment at any time under § 4.1 of the General Manager Employment Agreement.

If applicable law required Board action to effect or ratify a renewal, the renewal would be effective only upon such action.

Other key provisions would include:

- Board approval of an annual salary commensurate with the Board's typical approach to set Department Head salaries within 10% of the 75th percentile of comparable agencies.
- A transportation allowance consistent with current Metropolitan policy.
- Annual leave accrual and other benefits aligned with those provided to Unrepresented Metropolitan employees.
- An involuntary severance provision consistent with Government Code §§ 53260–53264 and §§ 53243–53243.4.

All compensation and benefits would be fully disclosed prior to the Board's public approval of the agreement in open session.

10/10/2025

Mark A. Brower — Date
Human Resources Group Manager

10/10/2025

Adan Ortega, Jr. — Date
Chair of the Board

Attachment 1 – General Manager Employment Agreement

Ref# [Board Letter Reference Number]

The Metropolitan Water District

Of Southern California

General Manager Employment Agreement

[redacted] General Manager

I. RECITALS

1.1 This Employment Agreement ("Agreement") is entered into as of October 14, 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 [redacted]

1.2 On September 9, 2025, Metropolitan's Board of Directors ("Board") selected [redacted] 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 [redacted] agree as follows.

II. TERM

2.1 Metropolitan shall employ [redacted] as General Manager-Designate from November 3, 2025 through December 31, 2025. Effective January 1, 2026, [redacted] shall serve as General Manager through December 31, 2028. During the Designate period, [redacted] shall not exercise the powers or duties assigned by the Administrative Code to the General Manager unless expressly delegated in writing by Deven Upadhyay, General Manager. The term shall automatically renew for up to three additional, successive one-year periods (not extending beyond December 31, 2031) unless either party delivers written notice of non-renewal no later than September 1 of the year prior to the then-current expiration date. This provision does not limit the Board's right to terminate employment at any time under §4.1. If applicable law requires Board action to effect or ratify a renewal, the renewal shall be effective only upon such action.

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

2.3 [redacted] 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 [redacted] an annual base salary of [redacted], subject to legally permissible or required withholdings, pro-rated and paid on Metropolitan's normal paydays. This salary is subject to adjustment by the Board pursuant to MWD Administrative Code § 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. [redacted] shall receive benefits consistent with those afforded to unrepresented employees under the MWD Administrative Code, including but not limited to:

3.2.1 Leave Accumulation. [redacted] shall accrue annual leave at a rate of three (3) weeks per year, using an accumulation factor of .057472 per hour worked, in recognition of [redacted] overall years of professional experience.

3.2.2 Transportation Allowance. [redacted] shall receive a transportation allowance per operating policy J-08, currently $700 per month.

3.2.3 Retirement Benefits. [redacted] shall be entitled 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 California Public Employee Retirement System ("PERS") on behalf of [redacted] an amount equal to the required employee contribution to PERS, not to exceed seven percent of [redacted] 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 [redacted] 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 [redacted] 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 [redacted] under the United States Internal Revenue Code, Metropolitan shall cease making contributions pursuant to § 3.2.2.1 and, provided that Metropolitan may do so pursuant to applicable law and without increasing Metropolitan's or [redacted] other costs attributable to the PERS program, shall increase [redacted] salary by an amount equivalent to the amount that otherwise would be paid to PERS on behalf of [redacted] pursuant to § 3.2.2.1. If applicable law provides that Metropolitan may not so increase [redacted] salary, [redacted] compensation shall not be subject to increase pursuant to this Section to the extent not permitted by law. If Metropolitan may not so increase [redacted] salary without increasing Metropolitan's other General Managers' costs attributable to PERS, [redacted] compensation shall be increased only in an amount equal to the amount that would otherwise be paid to PERS on behalf of [redacted] less such increased costs attributable to PERS.

3.2.3.3 Retiree Medical Benefits. [redacted] 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. [redacted] 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.

3.2.4 457(b) Deferred Compensation and 401(k). [redacted] shall be eligible to participate in Metropolitan's 457(b) deferred compensation plan and 401(k) plan on the same terms as unrepresented employees.

3.2.5 Medical, Dental, and Vision Insurance. [redacted] shall be provided the same medical, dental, and vision insurance benefits as unrepresented employees, paid by Metropolitan for [redacted] and [redacted] qualified dependents.

3.2.6 Other Benefits. [redacted] shall 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 [redacted] 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 [redacted] may terminate [redacted] 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, [redacted] may use accumulated leave balances to remain in paid status, consistent with standard employee practices and the MWD Administrative Code, and subject to Government Code §§ 53260–53264 and §§ 53243–53243.4.

4.4 Confidential Information; Post-Employment Obligations; Remedies

4.4.1 Duty of Non-Disclosure. After separation, [redacted] shall not disclose, use, or permit the disclosure or use of Confidential Information of Metropolitan for any purpose, except as expressly permitted in § 4.4.3. "Confidential Information" means non-public information obtained or created in the course of service, including without limitation: privileged materials (attorney-client, work product, deliberative process), closed-session information, trade secrets, security plans, procurement/contracting information (including non-public proposals and pricing), personnel and medical records, and non-public information of member agencies or third parties provided to Metropolitan in confidence. Confidential Information does not include information that becomes public through lawful means.

4.4.2 Return and Destruction of Materials. Upon separation (or earlier upon request), [redacted] shall promptly return to Metropolitan all Metropolitan property and information, in any form or medium, including all copies, extracts, notes, and derivatives, and shall not retain any originals or copies. Upon request, [redacted] shall provide a written certification of return/destruction. Nothing in this § 4.4 authorizes the removal, retention, or copying of Confidential Information.

4.4.3 Limited Disclosures Required by Law. The obligations in § 4.4.1 do not prohibit disclosures:

(a) Compelled by law, including by subpoena, court order, or other legal process, provided [redacted] gives prompt written notice to Metropolitan (to the extent legally permitted) to allow Metropolitan to seek protective measures;

(b) Made to a governmental law-enforcement or ethics agency for the purpose of reporting a suspected violation of law; or

(c) Otherwise expressly required by law.

For the avoidance of doubt, disclosure to personal legal counsel is not permitted unless it falls within (a)–(c) above or Metropolitan consents in writing in advance.

4.4.4 Remedies; Liquidated Damages; Attorneys' Fees. Metropolitan shall be entitled to injunctive relief (temporary, preliminary, and permanent) and any other remedies available at law or in equity. In addition, for each breach of this § 4.4, [redacted] shall pay liquidated damages of $25,000 per violation, which the parties agree is a reasonable pre-estimate of Metropolitan's harm (including investigation, remediation, and reputational harm) that would be impracticable or extremely difficult to quantify at the time of contracting, and is not a penalty. These remedies are cumulative. Metropolitan shall be entitled to recover its reasonable attorneys' fees and costs incurred in enforcing this § 4.4.

V. SEVERANCE PAY/CASH SETTLEMENT

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

5.2 Except for voluntary resignation or retirement, death, or disability of 90 days or more, [redacted] shall, as soon as reasonably practicable after the effective date of termination pursuant to Section 4.1 above, receive the lump sum equivalent to 100% of [redacted] annual base salary, subject to Government Code §§ 53260–53264 and §§ 53243–53243.4. In the event [redacted] receives a lump sum payment or is placed on paid administrative leave pending an investigation for an alleged crime involving abuse of [redacted] office or position, any such lump sum or paid leave must be fully reimbursed by [redacted] to Metropolitan if [redacted] is convicted of a crime involving abuse of [redacted] office or position. While on paid administrative leave, compensation for Wellness, Professional Development, Car Allowance, and Cell Phone will be suspended.

5.3 [redacted] shall not be entitled to severance pay pursuant to § 5.2 if [redacted] 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 §§ 53260–53264, and §§ 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, §§ 6410 - 6416.

6.3 Until December 31, 2025, Deven Upadhyay will be General Manager and retains all rights, duties and powers of the General Manager outlined in the MWD Administrative Code unless this authority is delegated in writing by Mr. Upadhyay.

6.4 The Board shall conduct an annual performance evaluation of [redacted] within a specified window each year. In connection with the evaluation, the Board shall consider any pay adjustments authorized under Administrative Code § 6208, including merit increases and cost-of-living adjustments.

VII. MISCELLANEOUS

7.1 This Agreement governs [redacted] appointment, term, and compensation. Except where this Agreement expressly provides otherwise, the Administrative Code and applicable law control. In a direct conflict, this Agreement prevails only where expressly stated.

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 in writing and may be provided by (i) personal delivery, (ii) nationally recognized overnight courier, (iii) certified U.S. mail (return receipt requested), or (iv) electronic mail as set forth below. Notices to Metropolitan shall be sent to the Chair of the Board (with a copy to the Board Executive Officer) at Metropolitan's principal office address and to the Chair's Metropolitan email address. Notices from Metropolitan to [redacted] shall be sent to [redacted] Metropolitan email inbox and, if [redacted] Metropolitan email is unavailable or access is restricted (including while on leave or upon separation), to [redacted] personal email address on file and to [redacted] last known mailing address. [redacted] shall keep Metropolitan reasonably current with a personal email address and mailing address for notice purposes.

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

7.5 Metropolitan shall defend and indemnify [redacted] to the extent provided by law, including Government Code §§ 825–825.6, and maintain customary coverage applicable to officers and employees.

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______________________________

[redacted]
General Manager
The Metropolitan Water District of Southern California