

**MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
GENERAL MANAGER
EMPLOYMENT CONTRACT**

THIS AGREEMENT is made and entered into this 1st day of August, 2018 by and between **MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT**, a political subdivision of the State of Utah (hereinafter referred to as "District"), whose address is 6421 N. Business Park Loop Rd. Suite A, Park City, UT 84098 and **SCOTT MORRISON** (hereinafter referred to as "Manager"), whose address is 4607 Balsam Drive, Park City, Utah 84098.

RECITALS

WHEREAS, the District desires to employ the services of the Manager as the Chief Executive Officer of the District through a written employment contract; and,

WHEREAS, the District desires to:

1. Provide certain benefits to Manager,
2. Establish certain conditions of employment,
3. Set working conditions for Manager,
4. Secure and retain the services of Manager and to provide inducement for him to remain in such employment,
5. Make possible full work productivity by assuring peace of mind on the part of Manager,
6. Provide deterrents against malfeasance or dishonesty for personal gain on the part of Manager, and
7. Provide a just means for compensation and for terminating Manager's service should he become unable to fully discharge his duties or when the District may desire to otherwise terminate his employment.

NOW, THEREFORE, in consideration of the mutual covenants herein contained,

Section 1: POWERS AND DUTIES

The District hereby agrees to employ Scott Morrison as the Manager of the Mountain Regional Water Special Service District to exercise powers and perform the duties specified in Summit County Code, **Title 2, Chapter 9**, as well as those duties and requirements enumerated in the attached job description which is incorporated by reference herein, and to perform other legally permissible and proper duties as the Summit County Council (as the governing body of the District) or the Administrative Control Board may from time to time assign not inconsistent with, or in conflict with, the provisions of this Agreement, Summit County Code, or state or federal law.

Section 2: TERM

The term of this Agreement shall be for a period of three (3) years from August 1, 2018 to July 31, 2021 (the "Term").

- a. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of District to terminate the services of Manager at any time, subject only to the provisions established by this Agreement. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Manager to resign at any time from his position with the District upon thirty (30) days written notice to the Administrative Control Board.
- b. In the event the District intends not to renew or renegotiate the Agreement with the Manager at the end of the term, the Manager shall be given a minimum of thirty (30) days written notice.
- c. The Manager agrees to remain in the exclusive employ of the District during the term of this Agreement. The term "employed" however, shall not be construed to include occasional teaching, writing, speaking, consulting performed on the Manager's time off, even if outside compensation is provided for such services. Said activities are expressly allowed, provided that in no case is any activity allowed which would present a conflict of interest with the District. *De Minimis* use of District's equipment (such as laptop computer) for such purposes is hereby authorized.

Section 3: TERMINATION AND SEVERANCE PAY

- a. Termination without Cause. In the event the Manager is terminated, or asked to resign by the Administrative Control Board for any reason other than as set forth in paragraph (b) below, and the Manager is willing and able to perform his duties under this Agreement, then in that event the District agrees to pay Manager a lump sum cash payment equal to six (6) months aggregate salary and benefits. The Manager shall also be compensated for all paid time off, deferred compensation and all other accrued benefits to date.
- b. Termination for Cause. In the event Manager is terminated with cause, which is defined for purposes of this contract as: (i) an intentional act or acts of dishonesty in the performance of your duties as an employee of the District that is injurious to the mission, financial condition, results of operations or reputation of the District, taken as a whole; (ii) any material breach of this Agreement; (iii) a material breach of your fiduciary duties to the District; (iv) your conviction, or pleading of nolo contendere of any felony or any misdemeanor involving moral

turpitude; (v) your imprisonment for any reason; (vi) any act of fraud or willful misconduct in the performance of your duties hereunder; (vii) your repeated failure to obey the District's policies or the instructions of the Administrative Control Board; (viii) a disability as set forth in Section 5; or (ix) your repeated failure to perform your obligations and duties, then the District shall have no obligation to pay the severance indicated, except for items for which the Manager may be legally entitled.

- c. **Resignation.** In the event Manager voluntarily resigns as the General Manager of the Mountain Regional Water Special Service District, the District will be under no obligation to continue to compensate Manager after the date of resignation except for items for which the Manager may be legally entitled.

Section 4: COMPENSATION

- a. Manager's salary effective at the time of this Agreement shall be \$130,000 per year.
- b. Manager shall be paid installments at the same time as other employees of the District are paid.
- c. The District agrees to an annual increase in salary, which shall be consistent with and up to the increase provided for all District employees in the annual budget.
- d. Manager shall be eligible for year-end bonus programs as may be applicable to other employees of the District as recommended by the Administrative Control Board and authorized by the Governing Body in the annual budget.

Section 5: DISABILITY

In the event the Manager is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity, or health for a period of six (6) successive months and has not or cannot obtain a medical release to return to work, the contract will be deemed terminated and no additional compensation or severance shall be paid as indicated in Section 3(b) of this Agreement.

Section 6: BENEFITS

- a. All provisions of the District's personnel policies, and other regulations, directives, policies, practices and procedures shall apply to Manager unless otherwise provided herein. This shall include the following benefits as contained in the District's Personnel Policies Manual:

- (1) Health Insurance
 - (2) Dental Insurance
 - (3) Life Insurance
 - (4) Retirement: Manager shall take retirement through Tier II Program of the Utah Retirement Systems ("URS").
 - (5) 403B (if offered to all District employees)
 - (6) Family and Medical Leave
 - (7) Long Term Disability
 - (8) Military Reserve Leave
- b. Manager shall accrue paid time off at the rate of 192 hours (24 days) per year. Paid time off may be carried over year to year up to the aggregate limits of combined vacation and sick time per District's Personnel Policies Manual.
- c. For the purposes of accessibility, the District shall provide Manager with a monthly stipend of \$67.00 as reimbursement to Manager for the costs associated with having an active mobile phone device and maintaining active service during the term of this Agreement.

Section 7: HOURS OF WORK

It is recognized that the Manager must devote a great deal of his time outside normal office hours to business of the District, and to that end Manager will be allowed to take administrative time off as he shall deem appropriate during normal office hours.

Section 8: PROFESSIONAL DEVELOPMENT

- a. The District will provide through the budgeting process resources, as it deems appropriate, for Manager to attend seminars, short courses, professional association meetings, and similar functions for his continued professional development and for the good of the District. District agrees to pay for the Manager to attend conference/training the District determines the Manager should attend.
- b. District will provide through the budget process resources, as it deems appropriate, for the Manager to maintain professional association memberships that are held by Manager and any civic club memberships (i.e.; Rotary Club International) where the Manager participates.

Section 9: PERFORMANCE EVALUATION

The Administrative Control Board shall annually review the performance of the Manager in December of each year subject to a process, form, criteria, and format for the evaluation that shall be mutually agreed upon by the Administrative Control Board and Manager. The

process at a minimum shall include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and (3) present a written summary of the evaluation results. The final written evaluation should be completed and delivered to the Manager within 30 days of the evaluation meeting.

Section 10: INDEMNIFICATION

As required under Federal, State or Local Law, and at the express written request of the Manager, District shall defend, save harmless and indemnify Manager against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Manager's duties or resulting from the exercise of judgment or discretion in connection with the performance of those duties or responsibilities, unless the act or omission involved willful or wanton conduct. Legal representation for the Manager shall be provided by the District or their insurance carrier as may be required, but shall not be provided for allegations or determinations of willful or wanton conduct of the Manager. If provided, legal representation, provided by District for Manager, shall extend until a final determination of the legal action including any appeals brought by either party, and the District shall indemnify Manager against any and all losses, damages, judgments, interest, settlements, fines, and court costs.

Manager recognizes that the District shall have the absolute right to settle any claims or lawsuits unless the settlement is of a personal nature to Manager, in which event the Manager may exercise his veto over the settlement. Further, District agrees to pay all reasonable litigation expenses of Manager throughout the pendency of any litigation to which the Manager is a party, witness or advisor to the District. Such expense payments shall continue beyond Manager's service to the District as long as litigation is pending. Further, District agrees to pay Manager's reasonable consulting fees and travel expenses when Manager serves as a witness, advisor or consultant to District regarding pending litigation.

Section 11: RESIDENCE

During the term of this Agreement, Manager agrees that he shall live within the boundaries of Summit County, Utah, unless otherwise approved by the Administrative Control Board.

Section 12: BONDING

District shall bear the full costs of any fidelity or other bonds required of the Manager under any law or ordinance.

Section 13: GENERAL PROVISIONS

- a. This Agreement sets forth and establishes the entire understanding between the District and the Manager relating to the employment of the Manager by the District. Any prior discussions, representations, written or verbal agreements by or between the parties are merged into superseded and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.
- b. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Manager.
- c. If any provision, or any portion thereof, contained in the Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, and shall not be affected and shall remain in full force and effect.

Section 14: NO REDUCTION OF BENEFITS

The District shall not at any time during the term of the Agreement reduce the salary, compensation, or other financial benefits of the Manager, except to the degree of such a reduction across-the-board for all employees of the District.

Section 15: NOTICES

Notices pursuant to the Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- a. DISTRICT: Administrative Control Board
6421 N. Business Park Loop Rd. Suite A,
Park City, UT 84098
- b. MANAGER: Scott Morrison
4607 Balsam Dr.
Park City, Utah 84098

(or as amended by Manager)

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

IN WITNESS WHEREOF, Mountain Regional Water Special Service District has caused this Agreement to be signed and executed in its behalf by the Chair of the Summit

County Council, acting as the Governing Body of the District, and the Manager has signed and executed this Agreement, the day and year first above written.

MOUNTAIN REGIONAL WATER SPECIAL
SERVICE DISTRICT


By: SUMMIT COUNTY COUNCIL, Acting as the
Governing Body

KIM CARSON
Chair

ATTEST:

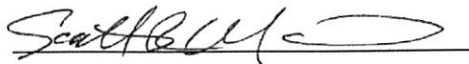
KENT JONES
County Clerk

APPROVED AS TO FORM:



David L. Thomas
Chief Civil Deputy

GENERAL MANAGER



Scott Morrison

Chapter 9

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT

2-9-1: DEFINITIONS:

BOARD: The mountain regional water special service district administrative control board.

COUNTY: Summit County, Utah.

COUNTY COUNCIL: The legislative body of Summit County.

DISTRICT: The mountain regional water special service district.

GOVERNING BOARD: The Summit County council, otherwise referred to as the "county council".

OWNERS: The owners of property within the boundaries of the mountain regional water special service district. (Ord. 854, 1-13-2016)

2-9-2: ESTABLISHED:

There is hereby established an administrative control board known as the "mountain regional water special service district administrative control board", which shall be a board whose members are appointed by the county council. The county council hereby retains the authority to remove any or all board members with or without cause at the unfettered discretion of the council. (Ord. 854, 1-13-2016)

2-9-3: AUTHORITY AND DUTIES:

The board shall exercise all powers and duties enumerated in Utah Code Annotated section 17D-1-103, with the following exceptions which are expressly reserved pursuant to Utah Code Annotated section 17D-1-301(4)(a) by the county council as the governing board:

- A. The power to appoint and remove the general manager. The appointment shall be memorialized in a written employment contract which shall be approved as to form by the county attorney;
- B. The exercise of eminent domain¹;
- C. The power to employ one or more officers, employees, or agents, and establish their compensation, including fringe benefits, and manage a human resources or personnel system separate from the county²;
- D. The power to borrow money and incur indebtedness, including the issuance of bonds³;
- E. The power to annex areas into the district⁴;
- F. The power to levy a tax or assessment⁵;
- G. The power to appoint a board of equalization⁶;
- H. The power to approve the annual budget, capital facilities plan and master plan;

I. The power to direct litigation; and

J. The power to adopt bylaws. (Ord. 854, 1-13-2016)

2-9-4: POLICIES, PROCEDURES, REGULATIONS:

A. The board may recommend for county council approval policies and procedures, and regulations, including procurement and fiscal management procedures, for the district. All collections, investments, disbursements, procurements, and other financial transactions will be managed by the district treasurer within the district financial system and will be subject to the policies as adopted. The district may utilize the services of the county treasurer and auditor to assist in financial matters.

B. Pursuant to Utah Code Annotated, the district may utilize the services of the county attorney on a contract basis.

C. All district policies, procedures and regulations shall be on file with the county clerk. (Ord. 854, 1-13-2016)

2-9-5: COMPOSITION:

A. The board will be comprised of no more than seven (7) persons and no fewer than five (5) persons who must be electors of the district, as that term is defined in state law.

B. The members of the board shall be appointed by the county council. Compensation of the board members shall be set, from time to time, by resolution of the council. Each board member may serve a maximum of three (3) terms.

C. The term of office for each board member shall be four (4) years with the first officers serving staggered terms of two (2) or four (4) years. In the event a member is unable to complete a term on the board, the council shall appoint an elector of the district to complete the unexpired term.

D. The board shall elect a chair and vice chair. The district general manager shall be the secretary and clerk to the board, and the district chief financial officer shall be the treasurer to the board. (Ord. 854, 1-13-2016)

2-9-6: TRANSACTING BUSINESS:

For purposes of advising the county council and transacting the business of the district, the board may meet and confer, adopt recommendations and convey them to the council verbally or in writing, make decisions regarding district matters, or it may meet with the council or any of its members to discuss service development and delivery proposals. The board may establish committees for the purpose of investigating preferred or potential methods of service development and delivery. (Ord. 854, 1-13-2016)

2-9-7: BUDGET:

It shall be the duty of the board and general manager to prepare an annual budget for the mountain regional water special service district which will conform to the uniform fiscal procedures act for special districts, and recommend the budget so prepared to the county council. The budget shall demonstrate all proposed expenditures and the fees to be established and collected as revenue to the district's budget. (Ord. 854, 1-13-2016)

2-9-8: BYLAWS; MEETINGS:

The board shall conduct its business according to the bylaws adopted by the county council, with board meetings as needed to act on the business of the district. The bylaws may be amended from time to time by the council. (Ord. 854, 1-13-2016)

2-9-9: INDEMNIFICATION:

- A. The mountain regional water special service district shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil or criminal, administrative or investigative, by reason of the fact that he or she is or was the general manager, a director, officer, employee, or agent of the district. The indemnification shall be for all expenses (including attorney fees), judgments, fines, and amount paid in settlement, actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, including any appeal of the action, suit or proceeding, if he or she acted in good faith or in a manner he or she reasonably believed to be in or not opposed to the best interests of the district, and with respect to any criminal action or proceeding, if he or she had no reasonable cause to believe the conduct was unlawful.
- B. Determination of any action, suit, or proceeding by judgment, order, settlement, conviction or on a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the party did not meet the applicable standard of conduct. Indemnification under this section may be paid by the district in advance of the final disposition of any action, suit, or proceeding, on a preliminary determination that the director, officer, employee, or agent met the application standard of conduct and on receipt of an undertaking by or on behalf of the general manager, a director, officer, employee, or agent to repay the amount, unless it is ultimately determined that he or she is entitled to be indemnified by the district as authorized in this section.
- C. The district shall also indemnify any director, officer, employee, or agent who has been successful on the merits or otherwise, in defense of any action, suit, or proceeding, or in defense of any claim, issue, or matter in the action, suit, or proceeding, against all expenses, including attorney fees, actually and reasonably incurred, without the necessity of an independent determination that the general manager, a director, officer, employee, or agent met any appropriate standard of conduct.
- D. The indemnification provided for in this section shall continue as to any person who has ceased to be the general manager, a director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of that person. (Ord. 854, 1-13-2016)

2-9-10: INSURANCE:

The district shall have power to purchase and maintain insurance on behalf of any person who is the general manager, a director, officer, employee, or agent of the district against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the district would have authority to indemnify him or her against the liability under the provisions of this chapter, or under law. (Ord. 854, 1-13-2016)

2-9-11: GOVERNING AUTHORITY:

The Summit County council, as the governing authority of the county, has control and supervisory authority over all activities of the district and may delegate such further powers and authority as provided by statute.

- A. The county council hereby delegates the following powers, authorities, and duties to a general manager:
1. To govern the day to day operations of the district, including the authorization to cosign checks and other disbursements on behalf of the district;
 2. To prepare, in cooperation with the board, an annual budget for the district in accordance with section 2-9-7 of this chapter;
 3. To provide a recommendation to the board as to the manner and method of administering the provision of water services, including contracts for services, the purchase or lease of land, the purchase, lease or construction of improvements, facilities, water rights, systems, equipment, and supplies;

4. To provide a recommendation to the board as to the operation of the district and such other usual and necessary actions required for the operation of the district; and
 5. To receive recommendations from the board as to day to day operations of the district and any such other recommendations as the board may see fit to provide to the general manager.
- B. The county council hereby delegates the following powers, authorities, and duties to a district clerk:
1. To record and safeguard all minutes of meetings of the board;
 2. Shall act as the secretary of the district.
- C. The county council hereby delegates the following powers, authorities, and duties to the district treasurer:
1. To cosign all checks and other disbursements on behalf of the district.
 2. To provide a recommendation to the board regarding the collection of revenues, disbursement of funds for expenses, and the custody of funds that comply with state law and sound accounting controls.
- D. The chair of the board shall have the power and authority to convene meetings in accordance with the Utah open and public meetings act and conduct such business as is necessary to fulfill the duties of the board.
- E. The county attorney shall serve as the primary legal counsel to the district. Outside legal counsel may be retained with the approval of the county attorney. In accordance with Utah Code Annotated section 17D-1-103(3), the district shall reimburse the county a reasonable amount for the use of the county attorney's services. (Ord. 854, 1-13-2016)

MOUNTAIN REGIONAL WATER JOB DESCRIPTION

Job Title: General Manager
Department: Administration

Effective: 04/14
Pay Grade: 28-30

GENERAL PURPOSE

To plan, organize direct and control the activities and operations of the District consistent with the District's mission to provide the best quantity and quality supply of water at the lowest possible cost to District ratepayers; to coordinate activities with subordinate District management; and to develop policy recommendations for Administrative Control Board action

SUPERVISION RECEIVED

Receives policy direction from the Administrative Control Board. Exercises direct supervision over assigned management and support personnel.

ESSENTIAL JOB FUNCTIONS

Advise the Board on matters of policy and administration; formulate and present to the Board plans to implement policies and accomplish goals established by the Board; and direct implementation of the system of priorities and levels of service established by the Board.

Direct, oversee, and participate in the development of the District's work plan; assign work activities, projects and programs to Managers and appropriate department heads; monitor work flow; review and evaluate departments' products, methods and procedures.

Supervise and direct preparation of the annual District budget; direct, review and evaluate annual budget requests of all District departments; and direct the preparation of budget recommendations to the Administrative Control Board and County Council.

Direct continuous review of District expenditures throughout the fiscal year to ensure proper expenditures of authorized funds.

Recommend a long range plan of capital improvements, including provision of pertinent financial data and financing recommendations.

Provide an in-depth analysis and review of all District programs on a regular basis in such a manner that the Board may make policy decisions; and devise ways of achieving efficiency and economy in all District operations.

Select, train, motivate and evaluate management personnel; provide or coordinate management staff development; work with employees to correct deficiencies; implement discipline and termination procedures.

Represent the District to outside groups and organizations; participate in outside community and professional groups committees.

Respond to citizen requests and complaints; research situations and prepare response and action plan for resolution.

Build and maintain positive working relationships with co-workers, other District employees and the public using principles of good customer service.

Perform other duties as required.

MINIMUM QUALIFICATIONS

1. Requires a minimum of a Bachelor's degree in Engineering, Business, Law, or related field. A Master's Degree is preferred.

AND

Ten years of increasingly responsible experience in a position responsible for directing, preparing and coordinating a variety of programs including budget and fiscal control; six years of which must have been in an administrative and management capacity.

2. Knowledge, Skills, and Abilities:
Knowledge of: Principles and practices of local government administration and operations, especially those of a water district as defined by the Utah Code. Principles and practices of policy development and implementation. Pertinent local, State and Federal laws, rules and regulations. Principles and practices of leadership, motivation, team building and conflict resolution. Organizational and management practices as applied to the analysis and evaluation of District programs, policies and operational needs. Principles and practices of water district organization, administration, personnel management, and utility financing.
3. Special Qualifications (Certifications, Licenses)
Must possess a valid Utah Driver's License.

WORK ENVIRONMENT

A typical office setting with appropriate climate controls. Tasks require variety of physical activities, not generally involving muscular strain, such as walking, standing, stooping, sitting, or reaching. Rapid work speed sometimes required; attention to detail. Common eye, hand, finger, leg and foot dexterity exist. Mental application utilizes memory for details, verbal instructions, emotional stability, discriminating thinking and some creative problem solving;