

## **EMPLOYMENT AGREEMENT**

**THIS AGREEMENT** ( Agreement”) is made and entered into as of March 11, 2026, by and between the Purissima Hills Water District and Tammy Rudock, who are collectively referred to as Parties.”

### **RECITALS**

**WHEREAS**, the Purissima Hills Water District ( District”) desires to employ Tammy Rudock ( Employee”) as General Manager of the District; and

**WHEREAS**, Employee has extensive public sector water utility management experience and stable work history, including accumulated professional knowledge in and commitment to California Special District leadership as well as an advanced education; and

**WHEREAS**, Employee desires employment with the District in the position of General Manager pursuant to the terms and conditions of employment set forth in this Employment Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, and subject to the following terms and conditions, the District hereby appoints Employee to serve as General Manager and Employee agrees to serve in this capacity.

### **SECTION 1. TERM OF EMPLOYMENT**

- A. **Term.** Employment with the District is at-will, meaning either party may terminate the relationship at any time, with or without cause or notice, subject to applicable law. While an employment duration of approximately three and one-half (3.5) years is anticipated, beginning April 6, 2026, and ending approximately October 12, 2029, this expectation does not constitute a definite term of employment nor alter the at-will nature of this agreement. Any modification to this at-will status must be in a written agreement, signed by both parties.

### **SECTION 2. DUTIES AND OBLIGATIONS OF EMPLOYEE**

- A. **Description.** Employee shall be employed as General Manager of the District and shall do and perform all services, acts, or things necessary or advisable to manage, lead, and conduct the affairs of the District in accordance with California Water Code Section 30000, *et seq.*, as directed and/or authorized by the District’s Board of Directors. These duties and services shall include, but are not limited to, those set forth in the General Manager position description attached hereto as *Exhibit A*.
- B. **Devotion of Time.** Employee shall be devoted to the business of the District during the Term as may be required to perform faithfully and fully the duties of General Manager on a full-time basis. Employee shall not be employed by any person or any other entity while employed as General Manager of the District.
- C. **Work Schedule.** The District and Employee agree to a flexible work schedule, including a combination of in-office and remote work as determined by Employee. Employee shall work on location at the District office for at least three (3) full-time days per work week, and remotely two (2) full-time days, and for a minimum of three (3) weeks per month. One (1)

week per month Employee is authorized to work remotely as scheduling and District business allows.

- D. Loyalty and Ethical Standards. Employee agrees that, to the best of their ability and experience, they will at all times loyally and conscientiously perform all the duties and obligations required of them, either expressly or implicitly by the terms of this Agreement, in accordance with the highest ethical standards of public service. Employee shall:
- Comply with the California Fair Political Practices Act (including the completion and filing of a Statement of Economic Interests within ten (10) days of assuming office, and annually thereafter; and
  - Avoid acquiring any prohibited interest in a contract with the District; and
  - Not accept any position that would be incompatible with their office as General Manager of the District, all as provided by California law.
- E. Off-Duty Conduct. The Manager agrees that all off-duty conduct shall at all times reflect creditably on the District and shall at no time be inconsistent with the character and judgment required and expected of a person holding a position of public trust.
- F. Residence. For purposes of ensuring that Employee is available for facilitating the responsible conduct of District business and for District emergencies, Employee shall maintain a residence within forty-five (45) miles of the District office as long as she remains employed as General Manager. Any changes to this provision shall be reflected in a written agreement signed by both Employee and the District.
- G. Reports. Employee shall submit written reports regarding the conduct of affairs of the District at each regular and special meeting of the Board of Directors.
- H. Additional Service. Employee agrees to respond to all District matters requiring the attention of the General Manager during non-business hours, seven (7) days a week, 365 days a year, without any additional compensation, other than during times the Employee is on vacation out of the USA or while Employee is on sick leave. During such times that Employee is unavailable, Employee shall designate another individual to perform the General Manager role.

### **SECTION 3. COMPENSATION**

- A. Salary. The District agrees to pay Employee a gross annual salary of TWO HUNDRED EIGHTY-SIX THOUSAND AND NO/100 DOLLARS (\$286,000), payable in bi-weekly (26) installments in accordance with the District's payroll practices.

There will be no cost-of-living adjustment to the General Manager s (Employee s) salary for Fiscal Year 2026/2027. Cost-of-living adjustments to Employee's salary for subsequent Fiscal Years, if any, will be determined in the sole discretion of the District.

- B. Performance and Salary Review. Employee's performance and salary shall be reviewed by the Board of Directors at least once annually, at or near Employee's employment anniversary with the District.

- C. Vehicle Allowance. Employee will use their own personal vehicle for District business and shall be provided with a vehicle allowance of TWO HUNDRED EIGHT-FIVE AND NO/100 DOLLARS (\$285) per bi-weekly payroll period (26 installments) to help cover all automobile costs, including insurance, maintenance, repairs, and fuel. The vehicle allowance will be treated as taxable compensation for purposes of employment taxes. In addition, the District will reimburse Employee for mileage (at current IRS rates) for driving their personal vehicle for District business outside the greater Bay Area. The tax treatment of any mileage reimbursements will be determined in accordance with the applicable tax rules. The vehicle allowance and mileage reimbursements are not pensionable compensation for purposes of the State of California Public Employees' Retirement System (CalPERS) and will not be reported as pensionable compensation to CalPERS.
- D. Retirement Benefits. Employee shall be entitled to pension benefits applicable to all District employees through CalPERS in effect during the Term of this Agreement, subject to the terms and conditions of the plan. Employee further understands employment with the District under this Agreement requires her reinstatement for purposes of CalPERS and is aware of the impact of reinstatement to her CalPERS (accrued benefits and future accruals) and is choosing to enter into this employment with full knowledge of the impact of such reinstatement.
- E. Deferred Compensation. The District has established a deferred compensation plan under Revenue Code Section 457. The District shall make a contribution to the Employee's 457(b) plan account in a percentage equal to the District's normal cost rate for PEPRAs members on the portion of Employee's Salary that is above the applicable pensionable compensation limit, not to exceed \$400 per pay-period. Employee agrees to make equal or higher contributions to their 457(b) plan account subject to IRS rules and regulations and annual plan limits.
- Contributions to the 457(b) plan made by the District are not pay rate or special compensation for purposes of pensionable compensation reporting to CalPERS.
- F. Business Expense Reimbursements. District shall reimburse Employee for all reasonable and necessary business expenses incurred for District business and travel in accordance with the District's established expense reimbursement policies, except as otherwise stated in this Agreement.
- G. Exempt Status. Employee acknowledges that the position of General Manager is exempt from the Fair Labor Standards Act and State laws requiring payment for overtime, e.g., work more than 40 hours per week and/or 8 hours per day. No overtime or compensatory time will be earned or paid.

#### **SECTION 4. EMPLOYEE BENEFITS**

##### **A. Healthcare and Insurance Benefits.**

###### **1. *Employee's Medicare and Retiree Healthcare Benefits.***

Employee is currently enrolled in Medicare Plans A and B and is responsible for the timely payment of all applicable premia. Employee has confirmed that their 100% covered retiree healthcare benefits from a former public agency employer will not be affected by their reinstatement in CalPERS and full-time employment with the District.

Furthermore, Employee has verified with their former employer and its healthcare benefits plan provider that this 100% retiree coverage, including Medicare Advantage Plan C, group dental, and vision benefits, will continue, provided Employee maintains enrollment in Medicare Plans A and B and ensures timely payment of Plan B premia. Employee agrees to remain enrolled in Medicare Plans throughout the Term of this Agreement and any extensions. The Employee is undertaking the employment subject to this Agreement and represents that the District will be held harmless in the event employment with the District or participation in the District's benefits impact her Medicare benefits or retiree benefits provided by previous employers.

2. **Employee's Medicare Plan B Premium.** To the extent permissible under applicable federal and state law, the District shall reimburse Employee their monthly Medicare Part B premium up to SIX HUNDRED EIGHTY AND NO/100 DOLLARS (\$680) . The District's reimbursement of Employee's Medicare Part B premia will be determined in accordance with tax law.. Medicare Part B premium reimbursements made to the Employee are not pensionable compensation for purposes of reporting the Employee's compensation to CalPERS.
3. **District's Healthcare and Insurance Benefits.** In addition to Employee's Medicare healthcare and retiree benefits, if required by law (e.g., PHSA), or the terms and conditions of the District's healthcare and insurance plans, programs, and policies, Employee shall be eligible to participate in District healthcare benefits made available to employees of the District. District insurance programs currently include medical, dental, vision, group short-term and long-term disability, and group life insurance. The District may modify its employee healthcare and insurance benefits plans, programs, and policies, including the scope and/or provider of benefits, at its sole discretion, and such modifications shall apply to Employee.

B. Paid Time Off.

1. **Vacation.** Employee shall accrue vacation leave at the rate of one hundred sixty (160) hours per year (20 days), in equal bi-weekly (26) installments. District agrees to bank eighty (80) hours of vacation leave at Employee's employment start date.

Employee may accumulate a maximum of three hundred twenty (320) hours of accrued vacation leave, at which point Employee will cease accruing vacation leave.

2. **Sick Leave.** Employee shall be entitled to accrue paid sick leave made available to all District employees at eighty (80) hours per year, in equal bi-weekly (26) installments, or 3.08 hours per payroll period, in accordance with prevailing District policies and applicable laws. District agrees to bank 40 hours of sick leave at Employee's employment start date.

To the extent accrued sick leave can be converted to service time at retirement in accordance with the Public Employees' Retirement Law and its underlying regulations and District policy and the District's pension plan contract with CalPERS, Employee may convert a maximum of three hundred sixty (360) hours of accrued leave earned under the Term of this Agreement, including any extension, or no more than current policy. Sick leave accruals shall not be cashed out under any circumstance.

3. **Holidays.** Employee shall be entitled to paid holidays in accordance with the District's established holiday schedule for all its employees.

C. **Other Benefits.** Except as otherwise modified by this Agreement, Employee shall be entitled to all other benefits, if any, accorded to other full-time employees of the District.

#### **SECTION 5. DISPUTE RESOLUTION**

- A. **Agreement to Mediate in Good Faith.** The Parties agree that their interests are best served by mutually resolving any disputes about the terms of this Agreement. They further agree that early resolution of any disputes that may arise between them as a result of the employment relationship is in the best interests of both Parties. To that end, the Parties agree that any and all disputes arising under this Agreement shall be submitted to mediation prior to the submission of a claim, lawsuit, or cause of action to any third party.
- B. **Time Limits for Initiating Mediation.** The mediation shall be initiated by service of written notice of intent to mediate on all Parties within thirty (30) days of the date on which the dispute arises. Thereafter, the Parties shall agree to the selection of a mediator to hear the dispute and shall proceed in good faith to schedule a mediation. Cost of the medication shall be paid by the District. The Parties further agree to participate in good faith in the mediation to attempt resolution of the dispute. The Employee and the District understand that they will forfeit all rights to file any claim, lawsuit, or cause of action against the other if they fail to initiate mediation.

#### **SECTION 6. TERMINATION AND SEVERANCE PAY**

- A. **Termination Upon Notice by Either Party.** Employee shall serve at the pleasure of the Board of Directors. Except as limited by the other paragraphs of this section, nothing in this Agreement shall prevent or otherwise interfere with the right of the District or Employee to sever the employment relationship evidenced by this Agreement at any time or for any reason.

Employee shall be entitled to receive at termination all compensation and benefits earned through the date of termination plus all benefits accrued and payable under the District's policies. No other compensation, payments, or benefits of any kind will be provided by District upon termination of Employee's employment with the District except as otherwise provided below.

1. **Termination for Cause.** The District may terminate this Agreement immediately for Cause. "For Cause" is defined as the following:
- a. Employee's willful breach of their material duties, obligations or policies of the District.
  - b. Employee's material neglect of duties or obligations required of the General Manager.
  - c. Employee's material violation of written rules and policies of the District.
  - d. Employee's commission of any criminal act (without regard to criminal prosecution) that the District determines affects its business interests or that amounts to a felony while employed as General Manager.

- e. Employee's commission of any dishonest act in a public or private capacity such as theft, fraud, misappropriation or embezzlement of funds.
- f. Employee's engagement in acts of violence or any other activity which would constitute grounds for immediate dismissal of any employee by the District under existing policies or as may be subsequently enacted.
- g. Conduct in conflict of interest with the District.
- h. Employee's insubordination, including the willful refusal to follow lawful directives from the District.
- i. Employee's unauthorized disclosure or misuse of the District's confidential or proprietary information, trade secrets, or intellectual property.
- j. Employee's gross or sustained failure to meet reasonable performance standards, as communicated by the District.
- k. Employee's breach of any fiduciary duty owed to the District.
- l. Employee's conduct, whether in a public or private capacity, that causes material damage to the reputation or public image of the District.
- m. Employee's material violation of the District's drug and alcohol policies.
- n. Employee's material breach of any term or condition of this Agreement.
- o. Employee's falsification of any District records, reports, or other official documents, or any material misrepresentation in connection with their employment.

**2. Severance Pay Upon Termination Other Than for Cause.** Upon termination of Employee's employment by the District prior to October 12, 2029, for any reason other than for Cause as defined herein above, death, or permanent disability (where Employee is unable to perform the essential functions of their position with or without reasonable accommodation), District shall pay to Employee severance pay of three (3) months of Employee's then current salary, less required payroll deductions. Employee's receipt of the severance pay is conditioned on their signing a release of all claims effective as of the termination date, in substantially the same form as attached hereto as *Exhibit B*. Employee understands and agrees that they shall not receive any severance pay if they decline to sign a release of all claims.

**B. Indemnification**

- 1. The District will provide for the defense of civil actions brought against the Employee to the full extent required by California Government Code Sections 995 and 995.2, e.g., if the act or omission of the Employee was within the scope of their employment, the Employee did not act with actual fraud, corruption or actual malice and the defense of the action will not create a specific conflict of interest between the District and the Employee. The District may fulfill the obligations in this subsection by arranging for the Employee to be named as an additional insured on the District's general liability policy for covered acts or omissions occurring in the performance of the Employee's duties as General Manager.
- 2. The District will indemnify the Employee for judgment of compensatory damages to the full extent required by Government Code Section 825(a), e.g., when the Employee has timely requested the District to defend them, the injury arose out of an act or omission occurring within the scope of their employment, the District conducted the Employee's

defense, and the Employee cooperated in good faith in the defense of the action.

3. If the District requires a public official bond covering the Employee, the District shall pay the full cost of such bond.

C. Provisions Required by California Government Code 53243, et seq.

1. In accordance with Government Code Sections 53243, 53243.1 and 53243.2:

- a. In the event Employee is placed on paid leave pending an investigation, Employee will reimburse such pay to the District if they are subsequently convicted of a crime involving an abuse of their office or position.
- b. In the event the District pays for legal criminal defense for the Employee, Employee will fully reimburse such funds to the District if they are subsequently convicted of a crime involving an abuse of their office or position.
- c. If this contract is terminated, any cash settlement related to the termination that Employee may receive from the District must be fully reimbursed to the District if Employee is subsequently convicted of a crime involving an abuse of their office or position. The intent of this Section is to satisfy the requirements in Government Code Sections 53243, 53243.1, and 53243.2 and this Employment Agreement will be interpreted consistently with these statutes. For purposes of this section, "abuse of office or position" will be as defined in Government Code Section 53243.4.

**SECTION 7. GENERAL PROVISIONS**

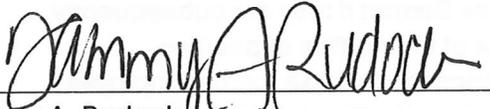
- A. Entire Agreement. This Agreement contains all the covenants and agreements between the parties with respect to the employment by the District of Employee as General Manager of The District in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made which are not embodied herein and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if in writing signed by both parties.
- B. Provisions Severable. If any provision of this Agreement is held to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.
- C. Construction. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- D. Waiver of Breach. The waiver by one party to this Agreement of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of a subsequent breach by the other party.

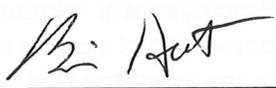
E. Assignment. This Agreement shall inure to the benefit of the successors and assigns of The District. Except as expressly provided in this Agreement, Employee may neither sell, transfer, assign, nor pledge any of their rights or interests, pursuant to this Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first indicated above.

EMPLOYEE

PURISSIMA HILLS WATER DISTRICT

  
\_\_\_\_\_  
Tammy A. Rudock

BY:   
\_\_\_\_\_  
Brian Holtz, Board President

## **Exhibit A**

### **Job Description**

#### **GENERAL MANAGER**

##### ***Duties & Responsibilities Administration:***

- The General Manager shall manage all activities of the District, and serve at the pleasure of the Board of Directors. The General Manager shall assure the Board of Directors that all authority, relationships & responsibilities of the position are understood & accepted.

##### ***Controls:***

- Review reports of receipts, disbursements, & cash balances needed to keep Board informed regarding financial position of the District.
- Perform analysis of monthly & annual financial & operating reports with interpretations, compare actual income to date with the budget & initiate corrective action when necessary.
- Review & analyze resident and customer complaints & initiate action necessary in rendering satisfactory & efficient service.
- Periodically audit performance to assure compliance with District policies.
- Review progress reports & determine necessary action to meet budget & time schedule.
- Review auditors financial report with Board & report any remedial action.
- Attend and represent the District at meetings and conferences conducted by the Association of California Water Agencies (ACWA), ACWA JPIA, Bay Area Water Supply & Conservation Agency, Santa Clara Valley Water District, Los Altos Hills County Fire District, Town of Los Altos Hills, as well as any other industry groups, private entity, or agency pertaining to the business of the District.
- Periodically analyze operating practices to assure compliance with local, state & federal laws & regulations - with assistance of attorney.
- Review personnel reports & accident reports. Observe results of training & safety programs to determine changes & improvements needed.

***Organization:***

- Periodically review all activities of the District such that Board of Directors can determine whether the management services carry out the basic administrative & control functions. Do so with a general plan approved by the Board and see that all responsibilities for District operations are met.
- Initiate & promote appropriate training & safety programs for all personnel.

***Planning:***

- Initiate & foster the development of operating efficiencies, and customer service programs. Review & determine the utilization of existing facilities, equipment & physical arrangements.
- Create and implement a succession plan across all levels of the District organization.
- Direct the planning of long-range programs for capital expenditures & operations cost estimates. Recommend to Board long-range plans, review current plans for revision & approval by the Board.
- Direct planning, development & preparation of the annual operating & capital budget for approval by Board.
- Participate with Board in the determination of objectives & policies on finance, organization, public relations, construction, maintenance, procurement, credit & collections, investments & personnel. Interpret policy to personnel & see that interpretations are extended through appropriate channels.
- Review insurance coverages of the District for conformity with Board policy.

***Emergency Powers:***

- In the event of a declared emergency affecting the District's operations or service area, the General Manager is authorized to take immediate and necessary actions to protect public health and safety, and the continuity of water service, subject to the ratification by the Board of Directors at the earliest practicable opportunity. Such actions may include emergency procurement of materials and services, reallocation of District resources, and coordination with local, state, and federal emergency management agencies.

***Public Records Compliance:***

- The General Manager shall ensure the District's full compliance with the California Public Records Act (CPRA) and all applicable public records laws. This includes establishing and maintaining procedures for the timely receipt, review, and response to public records requests; coordinating with legal counsel to appropriately assert applicable exemptions; and ensuring that District staff are trained on records retention schedules and disclosure obligations.

*Accountable to: Board of Directors*

- Internal relationships: Board of Directors, Staff
- External relationships: Inter-industrial Authorities, Attorney, Consulting Engineer, Auditors, Financial Institutions, Suppliers, Contractors, Insurance Companies, Public and Community, other State/Federal Agencies.

Job Type: Full-time; FLSA Exempt

Effective: April 6, 2026