

ORDINANCE NO. 274 OF  
TAHOE CITY PUBLIC UTILITY DISTRICT  
EFFECTING THE EMPLOYMENT AGREEMENT FOR THE  
GENERAL MANAGER

---

WHEREAS, the Board of Directors employs a General Manager to manage the day by day affairs of the District; and

WHEREAS, the Board of Directors approved an Employment Agreement between the District and the General Manager which was executed on December 18, 2008; and

WHEREAS, the Board of Directors approved an amendment to the Employment Agreement which was executed on January 21, 2011; and

WHEREAS, the Board of Directors has reviewed the General Manager's performance for 2011 and 2012; and

WHEREAS, the Board of Directors wishes to ratify and amend the Employment Agreement.

THEREFORE, BE IT ENACTED by the Board of Directors of the District that:

1. The General Manager's Employment Agreement is ratified in all respects.
2. The General Manager's Employment Agreement shall be amended as set forth in Exhibit "A."
3. The District Clerk is directed to publish this Ordinance in accordance with the laws of the State of California.

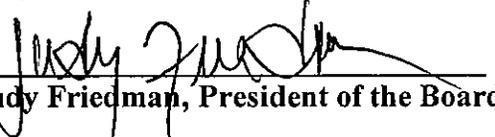
PASSED AND ADOPTED by the Board of Directors of the Tahoe City Public Utility District at a regular meeting thereof duly called and held within said District on the 14<sup>th</sup> day of December 2012 by the following roll call vote:

AYES: Treabess, Wilkins, Reinkens, Friedman

NOES: Henrikson

ABSTAIN: none

TAHOE CITY PUBLIC UTILITY DISTRICT

By   
Judy Friedman, President of the Board

ATTEST:   
Terri Viehmann, District Clerk

AMENDMENT No. 2  
To  
TAHOE CITY PUBLIC UTILITY DISTRICT  
EMPLOYMENT AGREEMENT  
OF THE DISTRICT'S GENERAL MANAGER  
MS. CINDY GUSTAFSON

This Amendment No. 2 to the Tahoe City Public Utility District Employment Agreement of the District's General Manager is made and entered into this 16<sup>th</sup> day of December, 2012, by and between the Tahoe City Public Utility District, (hereinafter called "Employer" or "District") and Cindy Gustafson, (hereinafter called "Employee" or "Gustafson") as follows:

**WHEREAS**, the Board of Directors approved the Tahoe City Public Utility District Employment Agreement of the District's General Manager Ms. Cindy Gustafson between the District and the Employee which was executed on December 18, 2008 ("Employment Agreement"); and

**WHEREAS**, the Board of Directors approved an amendment to the Employment Agreement which was executed on January 21, 2011; and

**WHEREAS**, the Employer and Employee desire to amend the Employment Agreement, as previously amended, as set forth below; and

**WHEREAS**, the District's Board of Directors ratified the Employment Agreement, as previously amended, and approved the terms and conditions set forth in this Amendment No. 2 to the Employment Agreement through the adoption of Ordinance No. 274 during its regular meeting on December 14, 2012.

**NOW THEREFORE**, the Employer and Employee agree as follows:

1. Section 3 of the Employment Agreement, Term of the Agreement, is amended in its entirety to read as follows:
  3. Term of the Agreement. The General Manager's employment with the District as noted above relative to this Agreement shall commence on January 1, 2009 and shall continue through December 31, 2014 unless terminated as set forth below.
2. The first paragraph of Section 5 of the Employment Agreement, Compensation, is amended in its entirety to read as follows:
  5. Compensation. The District agrees to pay to the General Manager, for her services rendered, an annual salary of \$151,124.48 payable in installments at the same time as other employees of the District are paid. The District, at its sole discretion, may grant increases to the General Manager. In future years, the annual salary shall be calculated to reflect cost of living adjustment(s) increases consistent with the

methodology utilized for all other District employees as well as make other adjustments as provided in section 6 below. Based upon the Board's review of the General Manager's performance during 2011 and 2012, the amount of the General Manager's base annual salary as of December 31, 2011 shall be increased by five percent (5%) effective on January 1, 2012 and the amount of the General Manager's base annual salary as of December 31, 2012 shall be increased by five percent (5%) effective on January 1, 2013.

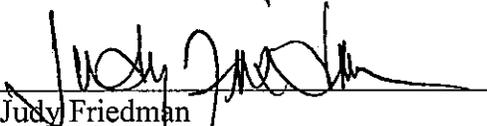
Except as expressly stated herein, all other terms and conditions of the Employment Agreement, as previously amended, shall remain unchanged and in full force and effect.

Employer:

Employee:

Dated: 12/14/12

Dated: 12/14/12

  
Judy Friedman  
President of the Board of Directors  
Tahoe City Public Utility District

  
Cindy Gustafson