

Employment Agreement

This Agreement ("Agreement") is made effective as of the 26 day of November, 2014, between the Middle Rio Grande Conservancy District ("MRGCD") and Mike Hamman ("Employee").

1. Employment. The MRGCD hereby agrees to employ Employee as its Chief Engineer/CEO, beginning on January 19, 2015, and Employee agrees to be employed by the MRGCD upon the terms and conditions set forth in this Agreement.

2. Term. Subject to Section 7 below, the term of this Agreement shall begin on the date and year first above written and shall continue at the pleasure of the Board of Directors of the MRGCD ("Board").

3. Duties. Employee shall be responsible for management of the day-to-day operations of the business of the MRGCD as detailed in Employee's position description, subject to the policies, control and direction of the Board. Employee shall devote his entire time, attention, and energies to the duties set forth herein and shall not, during the term of this Agreement, be engaged in any other business or commercial activity whether or not such business activity is pursued for gain, profit or other pecuniary advantage without the prior written approval of the Board. However, Employee may invest his assets in such form and manner as will not require his services in the operation of the affairs of the entities in which such investments are made. Employee shall be subject to periodic evaluations, with formal evaluations performed in June and December of each year in accordance with the then current performance standards and specified goals in place for the rating period.

The parties agree that within the first sixty (60) days of Employee's employment, they will develop performance standards for Employee in accordance with the goals and objectives of the Board.

4. Compensation. For all services rendered by Employee, the MRGCD will pay Employee the amounts set forth on Exhibit A hereto ("Compensation") for the time periods noted, less applicable federal and state withholding. Thereafter, MRGCD shall pay Employee such other amounts as the Board may elect from time to time, including any cost of living increase, payable in regular increments according to MRGCD's pay policy.

5. Benefits. In addition to the Compensation payable to Employee pursuant to Paragraph 4 above, Employee shall be entitled to the following benefits during the term of this Agreement:

(a) participation in the health insurance, disability insurance, annual leave, sick leave and other employee benefit programs in accordance with the MRGCD's benefit policies, except that (i) for the purposes of annual leave, Employee shall accrue leave at no less than 7.39 hours per completed pay period and his leave shall be capped at the amounts set forth in MRGCD's benefit policy and (ii) upon employment, Employee shall be credited with 600 hours of accrued sick leave and (iii) for purpose of a supplemental retirement benefit in addition to PERA contributions made under 5(a) above, a non-qualified retirement plan, such as a 457(b)

plan, will be established on the Employee's behalf and an amount of 12.5% of the Employee's base annual salary will be deposited on the pay schedule in said account;

(b) reimbursement for all reasonable business and continuing education expenses incurred by the Employee in accordance with the MRGCD's policies;

(c) business use of a full-size vehicle similar to that provided to MRGCD's previous CEO/Chief Engineer. Such vehicle shall display the MRGCD seal; and

(d) business and personal use of a cellular telephone, tablet, and/or lap top computer.

6. MRGCD's Policies and Handbook. It is understood and agreed that the MRGCD has various policies which are set forth in the MRGCD's Personnel Policies and Procedures, and that Employee shall be treated in the same respect as "unclassified employees" under those policies. Should any terms of this Agreement conflict with the Personnel Policies and Procedures, the terms of this Agreement shall control.

7. Termination of Agreement.

(a) Termination for Just Cause. The parties agree that during the first year of Employee's employment, Employee can be discharged only for Just Cause. Thereafter, MRGCD shall have the right to terminate this Agreement for Just Cause upon thirty (30) days' prior written notice to Employee. For purposes of this Agreement, "Just Cause" shall mean only (i) any conduct, action or inaction, arising from or directly connected with Employee's work which is inconsistent with Employee's obligation to the MRGCD or which reflects Employee's disregard of the MRGCD's interests; (ii) failure to adequately perform Employee's duties to the MRGCD, as those duties are defined in Employee's position description; (iii) the commission of a felony by the Employee; (iv) the commission by Employee of an act constituting financial dishonesty; (v) Employee conducts himself in an unprofessional or fraudulent manner or his conduct discredits the MRGCD or is detrimental to the reputation of the MRGCD; (vi) Employee fails to obtain and/or maintain required licensure; or (v) the Employee is unable to fulfill his duties hereunder because of his death or Disability. For purposes of this paragraph, "Disability" shall mean a physical or mental condition that renders Employee unable to perform the essential functions of his duties with or without reasonable accommodation for a period of six (6) months, as determined in good faith by a physician selected by agreement between the Board of Directors of the MRGCD and the Employee.

Any termination for Just Cause based upon items (i) or (ii) of this Paragraph 7 (a) shall first require notice to Employee from the Chair of the Board and reasonable time for Employee to take curative action, not to exceed sixty (60) days.

(b) Termination for Convenience. MRGCD shall have the right to terminate this Agreement without Just Cause upon ninety (90) day's prior written notice to Employee only after the first full year of employment as in 7(a) above. If the MRGCD terminates Employee's employment hereunder without Just Cause, the MRGCD shall be obligated to continue to pay Employee as severance pay the Employee's regular salary hereunder on the normal salary

payment dates during the ninety (90) day notice period and for three (3) months after the notice period, beginning with the first payment date following the date of notice of termination (the "Severance Pay Period"), reduced by the amount of any compensation received by Employee for services rendered to other employers or parties during the Severance Pay Period or by the compensation that he could have earned with the exercise of reasonably diligent efforts to obtain comparable employment in the engineering field. Employee shall have no other rights against the MRGCD for any other compensation or benefits hereunder after any such termination without Just Cause and shall execute a release of claims that will be prepared by MRGCD prior to receipt of such severance pay. The parties agree that during the ninety (90) day notice period, Employee shall have no obligation to perform any work for MRGCD or to report to MRGCD offices or facilities.

(c) Resignation by Employee. If Employee resigns or otherwise terminates his employment with MRGCD, MRGCD's obligation to pay Employee his salary and benefits pursuant to the terms of this Agreement shall immediately terminate. Employee agrees to provide MRGCD no less than thirty (30) day's prior written notice of his intent to resign or otherwise terminate his employment.

8. Notice. Any notice or other communication required by this Agreement to be in writing shall be deemed to have been received by the person or entity to whom it is addressed (a) on the date it is personally delivered to that person or entity, or to that person or entity's duly authorized agent or representative, or (b) two business days after it is deposited in the United States mail, postage prepaid and return receipt requested, and addressed to that person or entity at their last known address.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

10. Entire Agreement. This Agreement contains the entire understanding of the parties, all previous negotiations, agreements, representations, and warranties being merged herein, and may not be modified except by writing signed by both parties.

11. Waiver. The waiver by MRGCD of a breach of any provision of this Agreement by Employee shall not operate or be construed as a waiver of any subsequent breach of the same or any other provision of this Agreement.

12. No Assignment. Employee acknowledges that services to be rendered by him are unique and personal and therefore Employee may not delegate any of his duties or obligations under this Agreement. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the MRGCD.

13. Captions. The captions appearing at the beginning of each paragraph of this Agreement are for convenience only and are not a part of this Agreement nor do they in any way limit or amplify the terms and provisions of this Agreement.

14. Severability. If any part of this Agreement is for any reason held to be excessively broad as to time, duration, geographical scope, activity or subject, it will be construed, by limiting or reducing it, so as to be enforceable to the extent allowed by law.

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

MRGCD:

MIDDLE RIO GRANDE CONSERVANCY
DISTRICT

By: 
Its Chairman

EMPLOYEE:

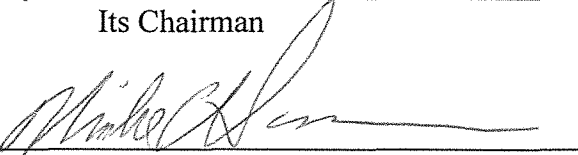

Mike A. Hamman, P.E.

EXHIBIT A

From the date Employee's employment begins until his first year anniversary of employment, Employee's annual compensation shall be \$175,000.

After Employee's first anniversary and upon receiving a satisfactory or better performance evaluation in accordance with the then current performance standards, Employee shall be eligible to and will receive an increase in his annual compensation in the amount of \$10,000.

After Employee's second and subsequent anniversaries and upon receiving a satisfactory or better performance in accordance with the then current performance standards, Employee shall be eligible to receive a salary increase not to exceed 5% of base salary at the discretion of the Board, in addition to the then current COLA.

Employment Agreement Hamman