

Employment Agreement

This Employment Agreement (“Agreement”) is made effective as of the 14th day of February, 2022, between the Middle Rio Grande Conservancy District (“MRGCD”) and Jason M. Casuga, P.E. (“Employee”).

1. Employment. MRGCD hereby agrees to employ Employee as its Chief Engineer/CEO 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 the position description for the Chief Engineer/CEO, 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 as Chief Engineer/CEO, the parties will develop performance standards for Employee in accordance with the goals and objectives of the Board.

4. Compensation. For all services rendered by Employee, 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 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) Employee shall be entitled to a payout of his accrued sick leave at the rate available to employees with twenty (20) years of service upon his retirement from the MRGCD;

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

(c) business and limited personal use of a full-size vehicle similar to that provided to MRGCD's previous CEO/Chief Engineer ("MRGCD Vehicle"). The MRGCD Vehicle shall display the MRGCD seal. The parties agree that Employee's personal use of the MRGCD Vehicle is limited to transporting his children and/or spouse as necessary, including on occasion transporting them to or from school or to or from after school activities. Employee further agrees that in exchange for his limited personal use of his MRGCD Vehicle, he shall indemnify and hold harmless MRGCD, its officers, directors, employees, insurers, successors and assigns from any and all damages, losses, claims, liability, deficiencies and obligations of every kind and description, contingent or otherwise, arising out of or related to his personal use of the MRGCD Vehicle. If any claim is asserted against MRGCD that would give rise to a claim by MRGCD against Employee, MRGCD shall promptly give written notice to Employee and Employee shall, at no expense to MRGCD, defend the claim. Employee further agrees that during the Term of this Agreement, he shall purchase and maintain an excess liability policy "umbrella policy" in the amount not less than \$1,000,000.00. Employee shall provide proof of such coverage annually; and

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

6. MRGCD's Policies and Handbook. It is understood and agreed that 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 term 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. 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 MRGCD or which reflects Employee's disregard of MRGCD's interests; (ii) failure to adequately perform Employee's duties to 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 MRGCD or is detrimental to the reputation of MRGCD; (vi) Employee fails to obtain and/or maintain required licensure or an umbrella policy of insurance; 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. If MRGCD terminates Employee's employment hereunder without Just Cause, 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"). Employee shall have no other rights against 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 Board Chair

EMPLOYEE:

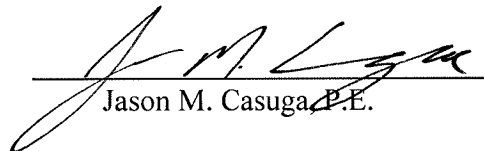

Jason M. Casuga, P.E.

EXHIBIT A

From the date Employee's employment in the position of Chief Engineer/CEO begins until his first year anniversary in the position of Chief Engineer/CEO, Employee's annual compensation shall be \$165,000.

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.