

**PORT SAN LUIS HARBOR DISTRICT
HARBOR MANAGER EMPLOYMENT AGREEMENT**

This Employment Agreement ("Agreement"), between the Port San Luis Harbor District ("District"), through its Board of Commissioners ("Commission"), and Andrea Lueker ("Manager" or "Harbor Manager"), shall be effective as of May 1, 2016 ("Effective Date").

ARTICLE I - TERM OF EMPLOYMENT

Section 1.01 Grant and Acceptance of Employment/Term. The District hereby employs Manager under the terms and conditions stated in this Agreement, and Manager hereby accepts such employment beginning May 1, 2016, and continuing for a period of three (3) years, ending April 30, 2019, unless otherwise terminated prior thereto as provided in this Agreement ("Initial Term").

Section 1.02 Extension of Term. The Commission shall have the option to extend the term of this Agreement for an additional two (2) year term by providing Manager with written notice of its intent to extend the Agreement for such two (2) year term. The Commission shall have the absolute and sole discretion to decide whether to extend this Agreement. The Commission will notify Manager of its decision to extend or not to extend the term of this Agreement no later than sixty (60) days prior to the end of the Initial Term. Should the Commission fail to notify Manager by sixty (60) days prior to the end of the Initial Term, this Agreement shall automatically extend for the additional two (2) year term ("Extended Term"). There will be no automatic extensions of this Agreement other than the Extended Term. Any other agreement to extend the term of this Agreement, or to modify it in any way, shall not be effective unless in writing and signed by both parties.

ARTICLE II - DUTIES OF MANAGER

Section 2.01 General Duties. Subject to Section 2.04 below, Manager is employed as the Harbor Manager to perform all duties related to management of the District and District's employees consistent with the job description of the Harbor Manager of the District, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, and such other duties as the Commission may direct from time to time.

Section 2.02 Scope of Employment. Manager agrees to devote all of Manager's working time, ability and attention to the business of the District during the term of this Agreement. During the Initial and Extended Term, Manager shall not directly or indirectly render any services of a business or commercial nature to any other person or organization (other than the California Association of Harbor Masters and Port Captains and other related marina, port or harbor associations with which the Commission/District has historically been involved, whether for compensation or otherwise) without the prior approval and written consent of the Commission. The Manager shall perform all services, acts or things necessary or advisable to manage and conduct the business of the District, subject to the policies set by the Commission from time to time.

Section 2.03 Work Schedule. The Manager's work schedule (and working time) shall generally conform to that of other employees of the District; however, it is recognized by both parties that the Manager's work schedule will be somewhat variable and may not always conform to a standard forty (40)-hour workweek. The Manager shall be required to work such additional hours as may be necessary to perform all of the duties of the Harbor Manager including, but not limited to, responding to emergencies and attending regular meetings of the Commission and its committees and such other meetings held outside of the District's regular hours of business as shall be helpful to conduct District business.

Section 2.04 Rules and Regulations. At all times during employment with the District, the Manager shall strictly adhere to and obey all the policies, rules and regulations now in effect or as subsequently adopted governing the conduct of employees of the District. Additionally, the Manager shall act in a prudent, responsible and ethical manner as to matters not the subject of the District's rules and regulations so as not to cause or bring discredit or disrepute to the District, the Commission or the position of Harbor Manager.

Section 2.05 Change Duties. The District shall have the right at any time during the Initial or Extended Term to assign managerial or supervisory duties to the Manager different from the duties originally assigned and specified above, and may amend Exhibit A attached hereto accordingly. Any changes in the Manager's duties shall be consistent with the duties and responsibilities of the highest appointive position in the District.

Section 2.06 Performance. The Manager agrees to loyally and conscientiously perform all of the duties and obligations either expressly or implicitly required of the Manager by this Agreement. Manager agrees to comply with and submit to the directions, instructions and control of the Commission in the performance of the stated and implicit duties under this Agreement.

ARTICLE III - COMPENSATION OF MANAGER

Section 3.01 Base Salary. As of the Effective Date, and for the first year of the Initial Term, the District shall pay Manager a base monthly salary of Ten Thousand Four Hundred Sixteen Dollars and sixty-seven cents (\$10,416.67) (the "Base Salary"), payable in increments according to District's periodic payroll disbursement and withholding policies or requirements.

Section 3.02 COLA Adjustments. Each year that the Commission grants District employees a cost of living increase, Manager shall be granted a COLA increase in an amount equivalent to the Consumer Price Index ("CPI") for all urban consumers for Los Angeles, Riverside and Orange County (1982-84 = 100), or three percent (3%), whichever is less.

Section 3.03 Annual Review. Each year of this Agreement, the Commission shall review the annual goals and objectives set the prior year and review Manager's performance during the preceding year related thereto (the "Manager's Annual Review"). The Manager's Annual review will occur once for each year of this Agreement, on or near the anniversary date of this Agreement.

Section 3.04 Merit Increases. Based upon the results of the Manager's Annual Review, and any other factors the Commission deems relevant (including, without limitation, District budgetary considerations, salary surveys of comparable Districts or governmental entities), the Commission may, in its sole discretion, grant Manager a merit increase in compensation, whether through an increase in Base Salary, a bonus or an increase in other benefits (as such benefits are provided for in Article IV of this Agreement - hereinafter, "Benefits"). Any merit increase shall be subject to the Commission's discretion in determining whether Base Salary, a bonus or other increase in Benefits is warranted and appropriate based on Manager's performance. Any bonus granted will be paid within a reasonable time after the Commission's decision to grant such the merit increase. If the Commission votes to increase Benefits paid on behalf of the Manager, the increase will be effective within a reasonable time after the Commission grants such increase, but if granted after January 1 of the effective year, increased Benefits shall be prorated, and not granted or paid retroactively.

ARTICLE IV - BENEFITS

The Benefits provided below are all of the employee benefits to be given to Manager and are in lieu of benefits provided to other employees, including any benefits deemed applicable to unrepresented or exempt employees, under the District Employee Personnel Policies, any collective bargaining agreement, any then current memorandum of understanding or other agreement except as specifically provided herein.

Section 4.01 Vacation. Manager shall earn paid vacation leave according to the following schedule:

<u>Months of Service</u>	<u>Hours per pay period</u>	<u>Hours per year</u>
<u>1 – 60</u>	<u>3.69</u>	<u>96</u>
<u>61 – 120</u>	<u>4.62</u>	<u>120</u>
<u>121 – 180</u>	<u>5.54</u>	<u>144</u>
<u>181 +</u>	<u>6.16</u>	<u>160</u>

Manager is encouraged to use all accrued vacation benefits each year. If, at any time, Manager's earned but unused vacation hours reach 240 hours, Manager will not accrue any additional vacation time until vacation time is used. If Manager later uses enough vacation benefits to fall below the maximum, the Manager will begin to earn benefits again until the maximum is once more reached. Vacation time may be taken upon reasonable advance notification given by Manager to the President of the Commission. Upon separation from employment with the District for any reason, the Manager shall be entitled to be compensated for all accrued but unused vacation leave.

Section 4.02 Sick Leave. Manager shall accrue 3.69 hours of paid sick leave for each pay period of employment with the District. If Manager's accrued but unused sick leave exceeds 960 hours, Manager will not accrue any additional sick leave until the Manager uses enough benefits to fall below the maximum, after which Manager will begin to accrue sick leave benefits until the maximum is once more reached. Sick leave used by the Manager shall be governed by the same general requirements as those approved by the Commission for other District

employees. Manager's sick leave balance will be frozen on the first day of the first full pay period in July of 2013. This sick leave balance will be referred to as 100% cash value sick leave balance. Upon separation from employment, employee is entitled to 100% payout of this sick leave balance. For the purposes of cash value, sick leave balances shall be determined to be those balances in effect on July 6, 2013 (end of pay period). This balance shall be available for use, or, on separation from the District for conversion to cash payout or payment into the District's deferred compensation plan, based on the employee's hourly rate at the time of separation. Additionally, any such balance can be used for service credit as allowed by the PERS contract in effect at the time. After December 31, 2017, annual sick leave balances accrued (25% cash value) may only be used for sick leave, or for limited annual payout, as generally available to other District employees. On separation from the District, accrued sick leave may be converted to service credit per the PERS contract in place at the time, or converted to cash value computed at 25% of the cash value of the hours accrued at the hourly rate in effect at the time of separation from the District.

Section 4.03 Administrative Leave. Manager will be credited with fifty (50) hours of Administrative Leave each July 1. Administrative Leave is intended to compensate Manager for work done outside regular business hours and can be taken in increments of a minimum of four (4) hours and can be taken by Manager at any time during the applicable year. Administrative Leave of more than one (1) day is subject to reasonable advance notification given by Manager to the Commission's President to ensure adequate supervision. Administrative Leave shall not accrue from year to year and shall be forfeited at the end of any eligibility year for which granted. Upon separation from employment with the District for any reason, Manager shall not be entitled to be compensated for any accrued but unused Administrative Leave.

Section 4.04 Holidays. Manager shall receive eleven (11) paid holidays annually. Manager is, however, required to ensure coverage and management staff presence, during those periods established from time to time by the Commission to be "peak holiday" periods. Manager will ensure that representatives of management staff are onsite, or immediately available, at the Harbor during "peak holiday" periods. Manager's paid holidays will be:

New Year's Day, Martin Luther King's Birthday, President's Day, Memorial Day, July 4, Labor Day, Veterans Day (As observed by the state government), Thanksgiving Day, the Friday after Thanksgiving, and December 24 and 25.

If a listed paid holiday falls on a Saturday or Sunday, then, subject to coverage requirements set forth herein, Manager shall be entitled to substitute the Friday before or Monday after the holiday for the identified paid holiday.

Section 4.05 Pension Contribution. District shall pay 100% of the employer's share, and Manager shall pay 100% of the employee's share of the premium cost for the District employees' pension plan currently in effect or any successor plan as may become effective during the term of this Agreement.

Section 4.06 Health Plan. Manager may participate in Health and Dependent Care flexible spending account programs in effect and generally available to other employees of the

District. The District shall contribute flexible dollars and non-elective contributions towards Manager's health insurance as described in the District's Section 125 Cafeteria Plan document. Total contributions (flexible dollars plus non-elective contributions) shall equal the lowest cost HMO health care plan less the following amounts on a monthly basis:

Manager only: \$0
Manager plus one dependent: \$61 per month
Manager plus 2 or more dependents: \$100 per month

Section 4.07 Car Allowance. District agrees to provide Manager with a car allowance in the amount of Two Hundred Fifty Dollars and 00/100 (\$250.00) per month during the term of this Agreement in lieu of reimbursement for travel within the County of San Luis Obispo. Manager shall be entitled to reimbursement for mileage or car rental for travel outside of the County of San Luis Obispo.

Section 4.08 Contributions for Life and Disability Insurance. District agrees to pay on Manager's behalf, or for his benefit, the cost of term life and disability insurance as such insurance types and programs are offered through the District to all District employees, and provided, and only for so long as, such benefits are provided by the District to all other qualified District employees. In no event will the District's additional monthly payment for life and disability insurance directly on behalf of Manager exceed One Hundred and Fifty-Five Dollars and 00/100 (\$155.00) unless the Manager authorizes the District to pay more than such amount towards his life or disability policy and to deduct such additional amounts from Manager's base salary on a pre-tax basis, but only provide such pre-tax payments are consistent with provisions of Internal Revenue Code provisions in effect at the time of pre-tax payments are requested.

Section 4.09 Cell Phone Data Plan. The District shall pay for a Manager's cell phone and service plan necessary for the Manager to carry out his responsibilities for the District, including the cost of data plan, provided such data plan does not exceed the cost of Fifty Dollars (\$50.00) per month.

Section 4.10 Other Benefits. Nothing in this Agreement shall preclude the Commission from providing to Manager additional leave time or benefits; provided, the granting of such additional leave time or benefits is specifically approved with regard to Manager and this Agreement is amended in writing based on such approval.

ARTICLE V - TERMINATION OF EMPLOYMENT

In addition to the expiration of this Agreement pursuant to Article I above, this Agreement may be terminated as follows:

Section 5.01 Termination By Disability. The Parties acknowledge and agree that during his employment with the District, Manager occupies a crucial and indispensable administrative position. Accordingly, the Parties agree that if by reason of disability the District may, to the extent permitted by and in accordance with the law, terminate this Agreement upon two (2) weeks' advance written notice to Manager. For the purposes of this section, disability shall be

defined as Manager's inability to carry out his material duties under this Agreement for more than ninety (90) total calendar days in any twelve (12) consecutive months due to mental or physical illness or injury.

Section 5.02 Termination By Death. The Parties agree that this Agreement shall terminate immediately upon Manager's death. Thereafter, all obligations of District under this Agreement shall cease and be extinguished, except for payment of all compensation due and owing at time of death.

Section 5.03 Termination By District for Cause. District may terminate Manager at any time during the term of this Agreement for Cause (as defined below). In that event, District shall pay Manager all compensation then due and owing; thereafter, all of District's obligations under this Agreement shall cease. For purposes of this Agreement, "Cause" shall include the following: (a) malfeasance demonstrated by a pattern of failure to perform job duties diligently and professionally; (b) the willful refusal to implement or follow District's reasonable policies or directives; (c) the willful breach of a material provision of this Agreement; (d) committing an act of fraud or dishonesty against, or the misappropriation of property belonging to the District; or (e) the commission of an act that has a direct, substantial, and adverse effect on District's business interests or reputation. A termination under Section 5.01 (for disability) or Section 5.02 (for death) shall also be deemed to be a termination for Cause.

Section 5.04 Termination By District Without Cause. The District may terminate Manager at any time without Cause and with or without advance notice to Manager; provided, any action by the District to terminate Manager without Cause shall be taken by vote of at least four (4) out of the five (5) Commissioners. If the District elects to terminate Manager without Cause and pursuant to the conditions of the preceding sentence, the District shall pay Manager all compensation due and owing through the last day he actually worked, and the severance amount provided in Section 5.07, below. Notwithstanding the foregoing, Manager shall not be entitled to severance if terminated without Cause prior to December 31, 2016. For purposes of this Section 5.04, termination without Cause shall include the District's notice to Manager of its decision not to extend the term of this Agreement after the third year as set forth in Section 1.02, unless the District's decision not to extend the initial term is due to conduct or circumstances that would otherwise constitute Cause for Manager's termination.

Section 5.05 Termination By Manager with Good Reason. Manager may immediately terminate this Agreement for Good Reason. For purposes of this Agreement, "Good Reason" shall mean: (a) the District's failure to pay Manager any amount or provide any benefit otherwise due hereunder or under any plan or policy of District, which failure is not cured within ten (10) days of receipt by District of written notice from Manager which describes in reasonable detail the amount which is due; or (b) the District assigns or requires Manager to perform duties or responsibilities substantially inconsistent with those of the Harbor Manager, or which are unethical or violate any laws, which assignment or requirement is not cured by the District within fifteen (15) days of receipt by the District of written notice from Manager describing in reasonable detail the assignment or requirement that violates this subsection (b). In the event of termination by Manager for Good Reason, District agrees to pay Manager the severance amount set forth in Section 5.07 below.

Section 5.06 Termination by Manager without Good Reason. Manager may terminate this Agreement at any time by giving at least thirty (30) days prior written notice to the District; however, Manager shall not be entitled to the severance pay set forth in Section 5.07 if he terminates this Agreement without Good Reason.

Section 5.07 Severance. If, during the Initial or Extended Term, Manager's employment is terminated by District without Cause, as defined in Section 5.04, or by Manager with Good Reason, as defined in Section 5.05, the District shall pay to Manager in a lump sum at termination (less all applicable taxes, with holdings and payroll deductions) an amount equal to what would have been Manager's Base Salary plus continuation of existing health insurance coverage through COBRA only [i.e., no Benefits other than the health insurance] for three (3) months, together with any vacation or other leave amounts accrued through the actual date of termination only. As a prior condition to Manager receiving any severance payment hereunder, Manager and the District shall execute a full mutual release of known and unknown claims against each other, their successors, affiliates, employees, agents, advisors and representatives, in mutually agreeable form. Section 5.08 Termination Obligations. Manager agrees that all property including, without limitation, and whether tangible or intangible, equipment, confidential or proprietary information, documents, records, notes, contracts, and computer-generated materials furnished to or prepared by Manager incident to his employment belongs to District and shall be returned promptly to District upon termination of Manager's employment. Manager's obligations under this Section shall survive the termination of his employment and the expiration of this Agreement.

Section 5.08 Suspension. The District may, in its sole discretion, suspend Manager from duties, with or without pay, as necessary to conduct any investigation regarding Manager's service to District or any of Manager's other obligations under this Agreement. If the District suspends Manager from duties without pay for more than five (5) days, and such suspension is not based on Cause as defined by Section 5.03, such suspension shall be grounds for Manager to terminate this Agreement for Good Reason and thereby be subject to the severance payment provided by Section 5.07.

ARTICLE VI - GENERAL PROVISIONS

Section 6.01 Notices. Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of forty-eight (48) hours after mailing to the Manager's home address or to the District, addressed to the District office, addressed to the President of the Commission.

Section 6.02 Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Manager by District and contains all of the covenants and agreements between the parties with respect to such employment. The terms of the District Personnel Policies shall not be deemed to be part of

this Agreement except as specifically stated in this Agreement. Any modification of this Agreement will be effective only if it is in writing and signed by the party to be charged.

Section 6.03 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

Section 6.04 Material Provisions. The parties agree that each provision of this Agreement is a material provision and that failure of any party to perform anyone provision hereof shall be the basis for voiding the entire Agreement at the option of the other party, or for pursuing an action at law for such breach. Any party may waive or excuse the failure of the other party to perform any provision of this Agreement; provided, however, that any such waivers shall not preclude the enforcement of this Agreement upon any subsequent breach, whether or not similar in character to any waived breach.

Section 6.05 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California. All actions or proceedings arising directly or indirectly from this Agreement shall be litigated only in state or federal courts for the County of San Luis Obispo, State of California, and Manager, as part of the consideration for the execution of this Agreement, hereby consents to the jurisdiction of any local, state or federal court situated within or for the County of San Luis Obispo, State of California.

Section 6.06 Death of Manager. If Manager dies prior to the expiration of the term of employment, any monies that may be due to Manager from District under this Agreement as of the date of Manager's death shall be paid to Manager's executors, administrators, heirs, personal representatives, successors and assigns.

Date: 4-27, 2016

Date: 5/5/1, 2016

Date: 5/2/16, 2016

PORT SAN LUIS HARBOR DISTRICT

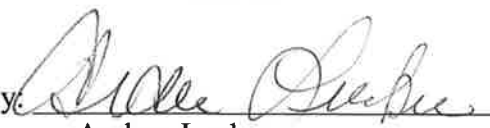
By: 

, President

By: 

, Secretary

HARBOR MANAGER

By: 

Andrea Lueker

Exhibit A
Job Description - Harbor Manager

CLASS TITLE: HARBOR MANAGER

TYPE OF WORK:

The Harbor Manager serves at the pleasure and under the direction of a five member elected Board, to prepare for and act as necessary to carry out the mission of the Port San Luis Harbor District. The Harbor Manager plans, organizes, coordinates, and directs the priorities of Port San Luis. The Manager provides direction and leadership by setting organizational goals and objectives. S/he interprets and implements policies and goals set by the Harbor Commission; coordinates the activities of the various departments of the Port; and represents the Port in the Harbor District and beyond. The Harbor Manager directly or indirectly negotiates contracts with various subcontractors and consultants providing services to the Port; carries out instructions of the Board by assigning tasks and requiring accountability; prepares and presents the Annual Operating and Capital Budget to the Board. The Harbor Manager prepares, reviews and makes recommendations regarding issues for Board consideration and action. The Harbor Manager reviews, recommends and oversees all staff hiring, evaluations and disciplinary decisions as well as provides ongoing staff supervision. The Manager communicates with Board, staff and outside agencies to provide each with pertinent information necessary to carry out their assigned functions. S/he administers all emergencies and performs additional duties as required.

EMPLOYMENT GUIDELINES:

Knowledge of:

PSLHD Master Plan and Port operations; best practices of management, personnel, financial principles, negotiation strategies, grant procurement, use of technology, physical facility methods and public safety; basic understanding of marine-related construction projects. Laws and regulations pertaining to the operation of a port facility.

Ability to:

Plan, organize, direct, and supervise overall activities and functions associated with a coastal port. Act as executive officer reporting to an elected Board of Commissioners, interpreting and implementing Board policies, while providing day-to-day management of the Port. Communicate effectively with the public, staff, special interest groups, businesses, and all levels of government with emphasis on, but not limited to: Board of Supervisors, Coastal Commission, California Natural Resources Department, Corps of Engineers and California Special District Association.

Desirable Education and Experience:

A Bachelor's Degree in Business Administration or related marine field, plus at least five years of administrative experience with a public and/or private agency, preferably with harbor background. Any combination of experience and/or education that could likely provide the desired knowledge, ability, and expertise in harbor management.

Selection Process:

The Commission will complete an objective evaluation of each candidate's application based on the established criteria: knowledge, ability, education, experience and qualifications, stated in this description. Qualified candidates will be invited to interview. A second interview and assessment center will take place with the finalist as well a reference check of work history, background and credit. This process will culminate with a site visit to the finalist's job site.

Physical Demands and Working Conditions:

An indoor/outdoor job. Physical demands include: walking, sitting, boating, hiking, occasional lifting up to twenty-five pounds, some bending, stooping and squatting. Environment is generally clean with exposure to the marine elements and limited exposure to conditions such as: dust, fumes, odors and noise.