

EMPLOYMENT AGREEMENT

AGREEMENT made this ___nd day of February by and between the Minnehaha Creek Watershed District, a Minnesota watershed district duly established pursuant to Minnesota Statutes Chapter 103D ("Employer"), and Lars Erdahl ("Employee"). The parties agree as follows:

1. **POSITION.** Employer agrees to employ Employee as its District Administrator. Employee agrees to serve as District Administrator in accordance with state statutes and the District's adopted policies, and to perform such other legally permissible and proper duties and functions as the Board of Managers shall from time to time assign. Employee's first day of employment as District Administrator is anticipated to be February 9, 2015 but may be modified by agreement of both parties.

2. **TERM.** The term of the Agreement shall begin on February 9, 2015. For the first year of employment, ending on February 8, 2016, Employee may only be dismissed for cause, specifically defined for purposes of this Agreement as the material failure to perform duties as assigned or other conduct constituting malfeasance in office, gross misconduct, conviction for a felony, or conviction for an illegal act involving personal gain to Employee. On February 9, 2016 and thereafter, Employee will continue on an at-will basis, serving at the pleasure of the Board of Managers and may be dismissed with or without cause.

3. **SALARY.** Employer shall pay Employee an annual salary of \$104,481 payable in regular installments according to the Employer's normal payroll practices and subject to appropriate withholdings. Except as otherwise provided herein, Employer will review Employee's compensation on an annual basis during the term of this Agreement and the Agreement shall be amended automatically to reflect any salary adjustments that are provided or required by the Employer's compensation policies.

4. **PERFORMANCE EVALUATION.** Employer and Employee agree that an initial performance review will be conducted on Employee after six (6) months and annually thereafter. The process for the Employee performance evaluation will be mutually agreed upon by the Employer and Employee. The process at a minimum will include the opportunity for both parties to: 1) prepare a written evaluation; 2) meet and discuss the evaluation; and 3) present a written summary for the personnel file.

5. **PENSION PLAN.** Employer shall contribute to PERA as required by State law for Employee. Employer shall also contribute to any other benefit plans consistent with the benefits provided to other full time employees that work for the District.

6. **VACATION.** Effective upon Employee's first day of employment, Employee shall be credited with 80 hours of banked vacation time. This vacation may be used at any time upon employment. Vacation of the Employee shall initially accrue at the rate of 160 hours per year or 6.15 hours per pay period based on the seventh year of employment in accordance with the District's policy. The administration and use of vacation by the Employee shall consistent with the District's Personnel Policy.

7. **SICK LEAVE.** Effective upon Employee's first day of employment, Employee shall be credited with 10 days of banked sick time. This sick time may be used at any time upon employment. Sick time of the Employee will accrue at the normal rate of other full time employees in accordance with the District's policy. The administration and use of sick time by the Employee shall be consistent with the District's Personnel Policy.

8. **HOLIDAYS.** Employer shall provide Employee the same holidays as enjoyed by other full-time employees.

9. **GENERAL INSURANCE.** Employer shall offer and provide and pay on behalf of Employee for such health, life, dental and disability insurance benefits including the Employee's dependents at the same rate and upon the same terms as that which is offered and/or provided to all other employees.

10. **DUES AND SUBSCRIPTIONS.** Employer shall budget and pay the professional dues and subscriptions for Employee which are deemed reasonable and necessary for Employee's continued participation in national, regional, state and local associations necessary and desirable for Employee's continued professional growth and development. Dues and subscriptions may include, but are not limited to the Minnesota Association of Watershed Districts Association of District Administrators, International City Managers Association, Minnesota City Managers Association, or other local groups and associations.

11. **PROFESSIONAL DEVELOPMENT.** The Employee's professional growth and development is an important priority for the Employer and the Employee. Employer may budget and pay necessary and reasonable registration, travel and subsistence expenses of Employee for professional and official travel, meetings and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other committees thereof which Employee serves as a member. Employee shall use good judgment in Employee's outside activities and will not neglect his primary duties to the Employer. Professional development includes, but is not limited to Minnesota Association of Watershed Districts and other identified opportunities that may arise from time to time. Attendance at annual conferences is subject to the District's budget and travel policies.

12. **AUTOMOBILE.** Employee may have the use of an Employer provided vehicle for official use and business. If the Employee uses his personal vehicle for official use and business he will be eligible for mileage reimbursement pursuant to the District's policy.

13. **GENERAL EXPENSES.** Employee shall be reimbursed for other job-related expenses which it is anticipated Employee will incur from time to time, with appropriate documentation and in accordance with District's policies and procedures.

13. **HOURS OF WORK.** Employee will be available during regular business hours. It is understood that the position of District Administrator requires attendance at evening meetings and occasionally at weekend meetings. It is understood by Employee that additional compensation and compensatory time shall not be allowed for such additional expenditures of time. It is further understood that Employee may absent himself from the office to a reasonable extent in consideration of extraordinary time expenditures for evening and weekend meetings at other than normal working hours.

14. **TERMINATION PROVISIONS.** In the event that Employee is terminated by the Employer after February 8, 2016 during such time that Employee is willing and able to perform the duties of District Administrator, then in that event, Employer agrees to pay Employee at the time of receipt of his last pay check a lump sum cash payment equal to six months aggregate salary. However, in the event Employee is terminated at any time because of Employee's material failure to perform duties as assigned, malfeasance in office, gross misconduct, conviction for a felony, or conviction for an illegal act involving personal gain to Employee, then Employer shall have no obligation to pay the termination benefits.

If Employer at any time during the employment term reduces the salary or other financial benefits of Employee in a greater percentage than across-the-board reduction for other full time employees, unless agreed upon by Employee, or if Employer refuses, following written notice, to comply with any other provisions of this Agreement benefiting Employee or Employee resigns following a formal suggestion by Employer that Employee resign, then Employee may, at his option, be deemed to be "terminated" on the effective date of Employee's resignation and the Employee shall also be entitled to receive the termination benefits set forth above.

If Employee voluntarily resigns his position with Employer, Employee agrees to give the Employer thirty (30) days advance notice. If Employee voluntarily resigns his position with Employer, there shall be no termination pay due to Employee. Employee shall be entitled to all other accrued benefits consistent with termination benefits granted to other full time non-union employees.

15. **GENERAL CONDITIONS OF EMPLOYMENT.** Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employer to terminate the services of Employee at any time, for any reason, subject only to the provisions of this Agreement and statutory requirements. Furthermore, nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his position with Employer, subject only to the provisions of this Agreement.

16. **AMENDMENTS.** The Agreement shall be amended only by mutual consent of both parties, unless otherwise provided herein.

17. **CHOICE OF LAW AND VENUE.** This Agreement shall be governed by and constituted in accordance with the laws of the State of Minnesota.

18. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties with respect to employment relationship between the Board of Managers as Employer and the Employee as District Administrator, replaces all prior discussions and understandings, and the parties agree that there were no inducements or representations leading to the execution of this Agreement except as herein contained.

19. **SEVERABILITY.** In case any one or more of the provisions of this Agreement shall be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement will not in any way be affected or impaired thereby.

EMPLOYER

EMPLOYEE

Sherry Davis White, President
Board of Managers

Lars Erdahl

Dated _____

Dated _____

Approved as to Form and Execution:

District Counsel