

**DESERT WATER AGENCY
SIXTH AMENDMENT TO EMPLOYMENT AGREEMENT**

This Sixth Amendment to Employment Agreement (this "Sixth Amendment") between the DESERT WATER AGENCY (the "Agency") and MARK S. KRAUSE ("General Manager – Chief Engineer") is entered into this 2nd day of June 2020.

Except as modified in this Sixth Amendment and the preceding First through Fifth Amendments, the underlying Employment Agreement originally dated December 2015 ("Agreement") between the Agency and the General Manager – Chief Engineer shall remain in full force and effect.

The parties to this Sixth Amendment agree to the following changes:

Section 4.1 entitled "Salary and Expenses" is hereby amended to reflect the 2020 annual bonus:

"Section 4. Salary and Expenses.

4.1 Effective June 26, 2020, the Board of Directors agrees to pay the GM-CE for his services rendered a base salary of Twenty Three Thousand, Three Hundred and Twenty-Three Dollars and No Cents (\$23,906.08) per month in installments at the same time as other employees of the Agency are paid. The base salary will be adjusted annually by the same percentage adjustment provided to all Agency employees for changes in the cost of living, if any.

In addition, the Board shall have the right to grant merit increases as the Board deems appropriate, in its discretion. The GM-CE will be eligible for a discretionary annual incentive award not to exceed ten percent (10%) of his total annual base salary based on the results of his annual performance evaluation. The incentive may be based, in part, on the accomplishment of specific goals set by the Board of Directors that are achieved by the GM-CE. Any performance incentive awarded under this section shall be in a lump sum payment, subject to all legally required wage and employment deductions. Notwithstanding the above, the issuance of any incentive awards is at the sole discretion of the Board of Directors. Any performance pay awarded under this Section shall not become a part of the GM-CE's established base salary going forward.

The Board approved a 2020 bonus of five percent (5%) of salary plus an additional \$2,000.00. Thus, a bonus of Sixteen Thousand, Three Hundred and Forty Three Dollars and Sixty Five Cents \$16,343.65) is payable to the GM-CE for his service from 2019 through 2020.

The Agency and the General Manager – Chief Engineer have duly executed this Sixth Amendment as of the date first written above.

DESERT WATER AGENCY

MARK S. KRAUSE

By: 
President, Board of Directors

By: 