

# ***San Geronio Pass Water Agency***

**DATE:** May 5, 2025

**TO:** Board of Directors

**FROM:** Holland Stewart, Deputy General Counsel

**SUBJECT: Approval of Sixth Amendment to General Manager Eckhart's Employment Agreement**

## **RECOMMENDATION**

It is recommended that the Board of Directors (the "Board") approve the Sixth Amendment to General Manager Eckhart's Employment Agreement.

## **BACKGROUND**

The Board entered into an Employment Agreement with Lance Eckhart, General Manager/Chief Hydrologist, on July 13, 2020.

The Board and General Manager then entered into a First Amendment, dated October 5, 2020. The First Amendment provided that, among other things, the General Manager may use an Agency-owned vehicle on Agency business.

The Board and General Manager then entered into a Second Amendment, dated September 13, 2021. The Second Amendment provided for, among other things, an increase in annual compensation to a rate of \$207,900.

The Board and General Manager then entered into a Third Amendment, dated July 1, 2022. The Third Amendment provided for, among other things, an increase in annual compensation to a rate of \$244,698 and an increase in paid time off ("PTO") from five days to ten days annually, along with the right to cash out his unused PTO.

The Board and General Manager then entered into a Fourth Amendment, dated October 16, 2023. The Fourth Amendment, provided for, among other things, an increase in annual compensation to a rate of \$268,751, payable retroactive to July 1, 2023, and a "discretionary annual incentive award" of \$15,000 pursuant to Section 4(A) of the Employment Agreement, as amended in July 2022.

The Board and General Manager then entered into a Fifth Amendment, dated August 5, 2024. The Fifth Amendment provided for an increase in annual compensation to a rate of \$301,344, payable retroactive to July 1, 2024, and annual salary increases of 7.5% for both Fiscal Years ("FY") 2025-26 and 2026-27, respectively, in addition to any applicable Cost-of-Living Adjustments as may be approved by the Board for those respective FYs.

The Board met in closed session on August 5, 2024, for General Manager's annual performance evaluation. The Board approved a Sixth Amendment to the Employment Agreement providing for an increase in General Manager's paid time off ("PTO") to 15 days per year. A copy of the draft Sixth Amendment is attached hereto as *Exhibit A*.

## **DETAILED REPORT**

If the Board elects to enter into the Sixth Amendment, then, pursuant to the requirements of Government Code section 54953(c)(3), prior to taking action, the Board must provide a summary of the recommendation for final action.

The Sixth Amendment provides as follows:

1. General Manager would receive 15 days of PTO per year, a five-day increase from the ten days of PTO that he is currently receiving under the Employment Agreement, as amended.

## **FISCAL IMPACT**

The Employment Agreement and Amendments would provide for payment of compensation, benefits and reimbursement of expenses.

**SAN GORGONIO PASS WATER AGENCY**  
**SIXTH AMENDMENT**  
**EMPLOYMENT AGREEMENT – GENERAL MANAGER/CHIEF**  
**HYDROGEOLOGIST**

This Sixth Amendment to Employment Agreement (“Sixth Amendment”) between the San Gorgonio Pass Water Agency (“Agency”) and Lance Eckhart (“Employee”) is entered into this 5th day of May, 2025. Except as modified in this Sixth Amendment, the Employment Agreement dated as of July 13, 2020, as amended, between Agency and Employee shall remain in full force and effect. Agency and Employee agree to the following changes:

1. Section 5(G) relating to “Personal Time Off” is hereby stricken and replaced with the following:

“G. Personal Time Off. Employee shall be granted fifteen (15) Personal Time Off (“PTO”) days per year. As per Agency policy, PTO days shall not accrue. Employee shall be entitled to cash-out PTO days.”

Agency and Employee have duly executed this Sixth Amendment as of the date written above. This Sixth Amendment is effective as of the date written above.

**SAN GORGONIO PASS WATER AGENCY**

**EMPLOYEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

MICKY VALDIVIA  
President, Board of Directors

LANCE ECKHART  
GM/Chief Hydrogeologist