

GENERAL MANAGER/CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into this 14th day of May 2025 by and between Alameda-Contra Costa Transit District ("EMPLOYER" or "District") and Salvador Llamas ("EMPLOYEE").

WHEREAS EMPLOYER desires to employ the services of EMPLOYEE as General Manager/Chief Executive Officer of the Alameda-Contra Costa Transit District.

WHEREAS, EMPLOYEE has the necessary training, background and skills to perform the duties as General Manager/Chief Executive Officer.

NOW THEREFORE, in consideration of the faithful performance of the terms, conditions, promises and covenants contained in this Agreement, the parties agree as follows:

Section 1. Term and Employee Status.

EMPLOYEE'S employment as General Manager/Chief Executive Officer shall commence on May 15, 2025 (the "Commencement Date"), and may be terminated by either party with notice with or without cause. EMPLOYEE understands and agrees that EMPLOYEE serves at the pleasure of EMPLOYER and EMPLOYER has made no implied or express oral or written assurances regarding length of employment with the District. EMPLOYEE understands and agrees that he is exempt from any pre-termination due process rights (such as *Skelly* rights, etc.), and/or appeal, dispute resolution or grievance rights which exist under EMPLOYER'S personnel rules.

Section 2. Duties.

A. EMPLOYEE shall perform the duties of General Manager/Chief Executive Officer as designated in Transit District Law (California Public Utilities Code), AC Transit Board Policies, and resolutions and Administrative Regulations as may presently exist or which are adopted or amended during EMPLOYEE'S term as General Manager/Chief Executive Officer. EMPLOYEE shall devote his full time and energy to the fulfillment of his duties to EMPLOYER, and may not engage in outside activities that interfere with EMPLOYEE'S ability to perform his duties for the District. EMPLOYEE acknowledges that he is subject to the common law and statutory conflict-of-interest provisions, including but not limited to the Political Reform Act set forth at California Government Code Section 87200 et seq., the Fair Political Practices Commission Regulations set forth at California Code of Regulations, Title 2, Section 18109 et seq. and AC Transit Board Policy 702, as they may be amended. EMPLOYEE agrees that he will be acquainted with the above-referenced provisions, comply fully with them and not take any action which results in a violation of such provisions.

B. EMPLOYEE acknowledges that he is subject to Transit District Law, California

Public Utilities Code Section 24935 which provides that “each appointive officer shall devote their entire time to the District, meaning that the officer shall not engage in any other business or employment without prior approval from the board.” EMPLOYEE also acknowledges that he is subject to Transit District Law, California Public Utilities Code Section 24936(h), which requires that the General Manager/Chief Executive Officer “devote his entire time to the business of the district” while employed as General Manager/Chief Executive Officer for the District. EMPLOYEE acknowledges and affirms that he will comply with California Public Utilities Code Section 24935 and subsection (h) of California Public Utilities Code Section 24936.

C. EMPLOYEE acknowledges that he is subject to the Political Reform Act, Government Code Section 87100, et seq., and Government Code Section 1090, et seq. and that he understands his obligations under these laws. In addition to those existing legal obligations, during the term of this agreement, EMPLOYEE shall not have any ownership interest or receive any income from any business entity that contracts with or provides services to the District, except as provided below. During the term of EMPLOYEE’S employment as General Manager/Chief Executive Officer with the District, EMPLOYEE agrees to within thirty (30) business days of the Commencement Date, initiate necessary actions to suspend all business activities including, but not limited to, entering into contracts, providing consulting services, marketing services and transactions on behalf of Zero Emissions Asset Management, a California Corporation (“ZEAM”) and agrees that ZEAM will not engage in any additional business activities or transactions while EMPLOYEE is holding the position of General Manager/Chief Executive Officer. EMPLOYEE will make reasonable efforts to suspend all business activities and transactions of ZEAM within one hundred eighty (180) business days of the Commencement Date. EMPLOYER agrees that any actions taken by EMPLOYEE in connection with the suspension of ZEAM’s business activities shall not violate this Agreement. EMPLOYER further agrees that EMPLOYEE is permitted to continue submitting any filings which are required to maintain ZEAM’s corporate status as qualified to do business in the State of California during his employment with the District and the submission of such filings shall not be a violation of this Agreement. Nothing in this subsection shall preclude EMPLOYEE from owning stock in any publicly traded company.

Section 3. Reporting Relationship.

EMPLOYEE shall report directly to the Board of Directors.

Section 4. Compensation.

A. EMPLOYER agrees to pay EMPLOYEE for services rendered under this Agreement an annual base salary of THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$375,000) payable in equal installments at the same time compensation for other employees of the District is paid.

B. EMPLOYEE shall receive a one-time payment of \$10,000 as a signing bonus which shall be included in the first regular paycheck issued to EMPLOYEE that includes

compensation for performing the duties of General Manager/Chief Executive Officer.

C. EMPLOYEE is eligible to participate in the AC Transit Deferred Compensation Plan (or subsequent EMPLOYER sponsored deferred compensation plan). EMPLOYER will annually contribute a total equal to the Internal Revenue Service maximum annual contribution amount including ordinary catch-up provisions but excluding special catch-up provisions provided for in Internal Revenue Code §457(b)(3). Such contributions to the District-sponsored deferred compensation plan on EMPLOYEE'S behalf will be prorated for each month of service during each year. Any remaining contributions to said plan will be made by EMPLOYEE. The deferred compensation shall be invested as directed by EMPLOYEE.

D. EMPLOYEE shall be entitled to the following benefits:

1. Disability, Health and Life Insurance.

EMPLOYER agrees to pay 90% of the monthly premium to provide EMPLOYEE and his dependents with comprehensive medical and dental coverage under the District's existing policies, as amended from time to time. EMPLOYEE shall continue to pay, through payroll deductions, 10% of all necessary premium payments for said benefits as stated herein above. EMPLOYER shall make 100% of all necessary premium payments for insurance policies for life, accident, disability income, and vision coverage. EMPLOYEE may purchase additional life, accident, and/or disability coverage offered through the District and pay for the same through payroll deduction(s).

Upon termination of employment, EMPLOYEE shall be entitled to those COBRA benefits granted by law.

2. Retirement.

EMPLOYEE understands and agrees that because he was employed by the District before January 1, 2016, EMPLOYEE is a "tier 1 classic" member under the AC Transit Employees' Retirement Plan and shall receive corresponding benefits.

EMPLOYEE shall receive the same retiree medical benefits provided by the District to unrepresented employees as set forth in Board Policy 296, Article 5, Sections 5.1 through and including 5.5., in effect on the date of this agreement.

Section 5. General Leave.

A. In lieu of vacation, sick leave, or management leave, EMPLOYEE shall accrue general leave. General leave shall be credited to EMPLOYEE on a monthly basis, at a rate of 2.92 days per month, not to exceed 35 days per calendar year. Any accrued but unused General Leave may be carried over into subsequent calendar years, except that EMPLOYEE may not accrue more than 45 days of general leave at any time ("maximum accrual"). Any accrued general leave

remaining at the time of termination of employment shall be paid to EMPLOYEE.

B. Except as provided in subsection C.3(c) below, at EMPLOYEE'S annual option (which shall occur between January 1 and December 31 of each calendar year) up to one-half (1/2) of any accrued general leave shall be paid to EMPLOYEE. This annual option shall be exercised not more than once per calendar year, but EMPLOYEE may not exercise his first option to be paid for his accrued general leave until July 1, 2025.

C. Prior to his appointment as General Manager/Chief Executive Officer, EMPLOYEE had accrued vacation, sick leave, and management leave. Upon the commencement of EMPLOYEE's role as General Manager/Chief Executive Officer, those accrued hours shall be converted to general leave according to the following:

1. The total value of EMPLOYEE's accrued leave shall be determined by multiplying EMPLOYEE's hourly rate as Chief Operating Officer by the number of his remaining accrued vacation, sick leave, and management leave hours.

2. To determine the initial number of hours of EMPLOYEE's general leave as General Manager/Chief Executive Officer, the District shall divide the total value of EMPLOYEE's remaining leave, as determined under the prior paragraph, by the hourly rate for General Manager/Chief Executive Officer pursuant to the compensation set forth in paragraph 4.A above.

C. For purposes of this subsection C.3, one day is equal to eight (8) hours.

Section 6. Holiday Leave.

EMPLOYER shall provide EMPLOYEE with thirteen (13) paid holidays as follows: New Year's Day, MLK Day, Presidents' Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Veterans Day, Thanksgiving, Christmas, two floating holidays, and one birthday holiday. EMPLOYEE shall receive two floating holidays on July 1 of each year. Unused holidays may not be "banked" or carried over for use on another day.

Section 7. Bereavement Leave.

EMPLOYEE understands and agrees that he may utilize the bereavement leave provided in Board Policy 296, Article 10, section 10.1 (as amended during EMPLOYEE'S term as General Manager/Chief Executive Officer).

Section 8. Parking.

If EMPLOYEE wishes to park at the District's offices, EMPLOYEE shall be responsible for cost of employee parking in accordance with Board Policy 437, Section VI(B) (as amended during EMPLOYEE'S term as General Manager/Chief Executive Officer).

Section 9. Reimbursement for Business Related Expenses.

EMPLOYEE shall be reimbursed by EMPLOYER for reasonable travel and meeting expenses incurred in accordance with Board Policy 155 (as amended during EMPLOYEE’S term as General Manager/Chief Executive Officer).

Section 10. Performance Evaluation Procedures.

A. **Optional Performance Evaluation Procedures:** In addition to the process set forth in Board Policy 160, EMPLOYEE agrees that the District may, but is not required to, evaluate the performance of EMPLOYEE at least once per year; that the performance evaluation may be in writing; and that the District may hold an evaluation conference with EMPLOYEE at the time of providing EMPLOYEE with the evaluation. The performance evaluation shall be based on the duties and responsibilities of EMPLOYEE, as set forth in Board Policy 101 and the Class Specification for the General Manager/Chief Executive Officer. This should not discourage regular discussions between EMPLOYER and EMPLOYEE.

B. **Initial Performance Evaluation Procedures:** During the first twelve months of Employee’s service as General Manager/Chief Executive Officer, the following initial performance evaluation procedures will apply:

1. EMPLOYEE and each Board member shall mutually schedule a meeting to occur within thirty (30) business days of the Commencement Date, to discuss each Board member’s goals and objectives for EMPLOYEE.
2. EMPLOYEE and the Board of Directors shall mutually schedule a meeting to occur within ninety (90) business days of the Commencement Date, to discuss EMPLOYEE’s goals and objectives, and respond to Board comments and requests discussed during meetings set forth in subsection 1.
3. EMPLOYEE and the Board of Directors shall mutually schedule a meeting to occur within one hundred eighty (180) business days of the Commencement Date, to discuss EMPLOYEE’S performance.
4. EMPLOYEE and the Board of Directors shall mutually schedule a meeting to occur within one year of the Commencement Date, to discuss EMPLOYEE’S performance.
5. In the event EMPLOYEE or the Board of Directors is unable to meet by any of the dates set forth above or that EMPLOYEE or the Board of Directors agree to an extension, additional time may be agreed upon by EMPLOYEE and the Board of Directors to accommodate a meeting.

Section 11. Termination, Severance Pay and Resignation.

A. **Termination/Severance:** EMPLOYEE understands that he is an "at will" employee and that the EMPLOYER may terminate with or without notice and with or without cause. In the event that the Board of Directors terminates EMPLOYEE'S employment as General Manager/Chief Executive Officer for any reason other than "misconduct," as defined in the following paragraph, or if EMPLOYEE resigns his employment with "Good Reason" as defined in the following paragraph, EMPLOYEE will be entitled to a lump sum severance payment equal to 6 months of pay (based solely on the General Manager/Chief Executive Officer's annual base salary as defined in paragraph 4.A and excluding all benefits or other elements of compensation). EMPLOYEE understands that EMPLOYEE will be required to sign a standard waiver and release of claims as consideration for any severance payment. EMPLOYEE may resign their position at any time but, in that instance, EMPLOYEE understands and agrees that they will not be eligible for severance pay should they resign said employment, unless such resignation is with "Good Reason" as defined below.

If the Board of Directors terminates EMPLOYEE for misconduct, EMPLOYEE will not be eligible for severance pay. For purposes of this Agreement, "misconduct" is defined to include, but is not limited to, any of the following: abandonment of job; fiscal mismanagement; misrepresentation of facts; theft; unprofessional and/or inappropriate behavior; protected classification discrimination or harassment; failure to produce requested deliverables in a timely manner; poor work product; excessive absenteeism; violation of Board regulations; creating an unsafe work environment; falsification of documents; breach of any terms of this Agreement; and conduct of a similar severity. The Board of Directors shall notify EMPLOYEE in writing of any actions deemed in violation or being considered in violation of this section. If termination for misconduct is based on failure to produce requested deliverables in a timely manner or poor work product, EMPLOYEE shall be provided sixty (60) calendar days to cure such alleged misconduct. If EMPLOYEE fails to cure the misconduct based on failure to produce requested deliverables in a timely manner or poor work product, to the Board of Directors satisfaction, within the sixty (60) day cure period, EMPLOYEE'S employment may be terminated for misconduct under this section. For purposes of this paragraph, "job abandonment" is defined as an unexcused failure to perform his work duties for more than five (5) business days without notice to the Board of Directors. EMPLOYEE agrees that determination of whether his actions constitute "misconduct" under this section shall be made exclusively by the Board of Directors in its reasonable discretion.

If EMPLOYEE resigns with Good Reason, EMPLOYEE will be eligible for severance pay. For the purposes of this Agreement, "Good Reason" shall exist upon (i) the relocation of EMPLOYEE'S work location such that EMPLOYEE's daily commute is increased by forty (40) or more miles round-trip from employee's residence as of the date of execution of this agreement without the written consent of EMPLOYEE; or (ii) EMPLOYER'S breach of this Agreement.

B. **Resignation:** Resignation: EMPLOYEE may resign his position at any time. EMPLOYEE shall provide 45 days' notice of his resignation for the District to avoid any material adverse impact on the EMPLOYER'S interests and must take all reasonable steps to mitigate negative consequences to the EMPLOYER. EMPLOYEE understands and agrees that he is not eligible for severance pay should he resign said employment without Good Reason as

defined above.

C. Return of District Property: On the effective date of resignation, suspension or termination, EMPLOYEE shall return to the EMPLOYER all District property in EMPLOYEE'S possession, custody or control unless:

1. An earlier date for return of said property is established by the Board of Directors; or

2. The Board of Directors has determined that EMPLOYEE has adequately compensated the District for said property, which is not returned in accordance with the procedures of the District.

Section 12. Dispute Resolution

A. Except as otherwise provided herein, all disputes arising out of EMPLOYEE's employment with EMPLOYER, including disputes regarding the terms or application of the terms of this Agreement, excluding evaluations covered in Section 10, shall be resolved through binding arbitration.

B. Except for matters within the sole jurisdiction of the Workers' Compensation Appeals Board, and those matters excluded from mandatory arbitration by Labor Code Section 432.6 (to the extent that section is applicable to the parties), the parties agree that binding arbitration shall be the sole and exclusive avenue of recourse to resolve disputes between them.

C. Except as otherwise provided herein, EMPLOYEE knowingly and voluntarily agrees to waive all rights to take all disputes identified in section 8(A) to state or federal court for resolution.

D. Binding arbitration shall be conducted pursuant to California Code of Civil Procedure Section 1280 et seq., excluding Section 1283 (Depositions).

E. EMPLOYER and EMPLOYEE shall attempt to agree upon an arbitrator. If no agreement can be reached, either party may request that the State of California Conciliation and Mediation Service provide a panel of five (5) names of experienced labor arbitrators. Each party shall alternatively strike a name until one name remains. EMPLOYEE shall strike first. The remaining panel member shall be the arbitrator.

F. The arbitrator's decision shall be in writing, setting forth the findings of fact, reasoning and conclusions on the issues submitted. The arbitrator shall be without power or authority to issue a decision which violates the terms of this Agreement. The decision of the arbitrator shall be submitted to EMPLOYER and EMPLOYEE within thirty (30) days of the hearing and shall be final and binding upon the parties.

G. By mutual agreement, the parties may request an expedited arbitration process

according to the Rules of the American Arbitration Association.

H. All costs of the services of the arbitrator, including, but not limited to, per diem expenses, travel and subsistence expenses will be borne by EMPLOYER. All other costs will be borne by the party incurring the costs. A copy of any applicable arbitration rules will be provided to EMPLOYEE upon request.

Section 13. General Provisions.

A. Requests for the reimbursement for expenses and use of leave shall conform to the requirements of applicable policies and regulations of the District.

B. This Agreement represents the entire agreement between the parties and shall be interpreted in accordance with the laws of the State of California.

C. This Agreement may only be amended by the written consent of the parties.

D. EMPLOYEE shall be responsible for the personal tax consequences associated with any provision of this Agreement. EMPLOYER makes no representation regarding the tax consequences of any provision of this Agreement upon EMPLOYEE.

E. Any change in the benefits available to employees represented by any labor union shall have no effect on the provisions of this Agreement.

F. If any provision, or any portion of any provision, of this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement shall be deemed severed and shall remain in full force and effect.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates set forth below.

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

Diane Shaw
President

Date: _____

EMPLOYEE

Salvador Llamas

Date: _____

APPROVED AS TO FORM:

James R. Ross
Of Counsel, Renne Public Law Group