

ITEM PULLED FROM THE CONSENT CALENDAR FOR DISCUSSION

3. SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE – CHIEF EXECUTIVE OFFICER RESIGNATION

(George Joseph, Nossaman LLP, Agency General Counsel)

REPORT NO. 10

(2014J-008)

An agreement has been reached with Neil Peterson regarding his resignation from the position of Chief Executive Officer, pending Board approval.

- ACTION:**
1. Authorize the Chair of the Board of Directors to execute the Settlement Agreement and Mutual General Release in the form attached to Staff Report No. 10.
 2. Adopt Resolution No. J2014-001 to Freeze Section 401(a) Defined Contribution Plan, Amend 401(a) Defined Contribution Plans’ Trustees, Amend Section 457(b) Plan and Terminate Excess Benefit Plan.

Discussion:

Director Spitzer stated he wanted to make it abundantly clear for the record that with respect to the recommended action in terms of the settlement agreement and mutual general release of the CEO, that he is a “No” vote because he believes the Board should be exercising the “for cause” provision, which would be termination without severance. He also objects to the severance provision being utilized in this matter.

Director Ming stated he also wanted to register a “No” vote on this item, in particular, in the settlement agreement there is a non-disparagement clause, which suggests that there are limitations, and that I as a Director, am very concerned with preserving my ability to tell the public why I am doing what I am doing and to put truth out there because this agency is not well-served if we don’t have transparency.

MOTION: Schoeffel

SECOND: Allevato

AYES: Hill, Schoeffel, Allevato, Bates, Carruth, Chun, Evert, Hack, Martinez, Reardon, Shea

NAYES: Ming, Spitzer

ABSTAIN: None