

BOARD OF DIRECTORS

Agenda Report

File #: 2023-3137

Agenda Date: 8/23/2023

Agenda Item No: 17.

FROM: Chad P. Wanke, Board Chairman

SUBJECT:

BOARD OF DIRECTORS COMPENSATION

RECOMMENDATION

RECOMMENDATION:

- A. Introduce Ordinance No. OC SAN-62 entitled: "An Ordinance of the Board of Directors of the Orange County Sanitation District Pertaining to the Compensation of the Members of the Board of Directors, and Repealing Ordinance No. OCSD-34";
- B. Motion to read Ordinance No. OC SAN-62 by title only and waive reading of said entire Ordinance;
- C. Set September 27, 2023 as the date for the second reading, public hearing, and adoption of Ordinance No. OC SAN-62; and
- D. Direct the Clerk of the Board to publish summaries of the Ordinance as required by law.

BACKGROUND

At the request of Board Chairman Chad Wanke, staff reviewed and provided information regarding an increase to the Board of Directors compensation. An increase must be accomplished through two readings for adoption of an Ordinance. The current rate of compensation is \$212.50 per meeting or day of service which became operative in January of 2008. Each Director may receive compensation for up to six meetings/days of service per month; and the Board Chairperson may receive compensation for up to 10 meetings/days of service per month.

A survey was recently completed for Directors' compensation of local special districts similar to Orange County Sanitation District (OC San). The results of the survey are included below.

Current legislation allows the per meeting/day stipend to be increased by an amount not to exceed 5% of the present compensation for each calendar year following the operative date of the last increase.

RELEVANT STANDARDS

- Comply with transparency and communication requirements, including the Brown Act

- Comply with Health & Safety Code 4733; Water Code 20201
- Offer competitive compensation and benefits

PROBLEM

The stipend for Board of Directors meeting attendance was last reviewed in 2007. The Directors have not received an increase in stipend in over 15 years.

PROPOSED SOLUTION

Increase the per meeting/day stipend to an amount not to exceed \$300.00.

Include an accelerator clause in the new Ordinance to allow for annual increases up to 5% annually upon approval by the Board of Directors.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

N/A

PRIOR COMMITTEE/BOARD ACTIONS

July 2023 - Steering Committee directed staff to proceed with the process to increase the stipend and to include an annual accelerator in the proposed Ordinance.

November 2007 - Adopted Ordinance No. OCSD-34 establishing Board of Directors' Compensation, and Repealing Ordinance Nos. OCSD-14 and OCSD-23.

ADDITIONAL INFORMATION

<u>Organization</u>	<u>Compensation Amount & Maximum Number of Meetings</u>	<u>Mileage</u>
Costa Mesa Sanitary District	\$295 per meeting - 6 per month	Yes
East Bay Municipal Water District	\$1,530 per month	IRS Standard
El Toro Water District	\$219 per meeting - 10 per month	IRS Standard
Irvine Ranch Water District	\$315 per meeting - 10 per month	IRS Standard
LA County San District	\$125 per meeting	IRS Standard
Midway City Sanitary District	\$300 per meeting - 6 per month	IRS Standard
Municipal Water District of Orange County	\$327.43 per meeting - 10 per month	IRS Standard
Orange County Fire Authority	\$100 per meeting - 3 per month	None

Orange County Transportation Authority	\$100 per meeting - 5 per month	IRS Standard
Orange County Vector Control	\$100 per month	None
Orange County Water District	\$315 per meeting - 10 per month	IRS Standard
Yorba Linda Water District	\$150 per meeting - 10 per month	

OC San Board of Directors' current rate of compensation is \$212.50 per meeting or day of service which became operative in January of 2008. Each Director may receive compensation for up to six meetings/days of service per month; and the Board Chairperson may receive compensation for up to 10 meetings/days of service per month. Mileage is also paid, if applicable, at the IRS Standard.

If an increase is warranted, the adoption of an ordinance can be accomplished by a Public Hearing and two readings of the Ordinance.

CEQA

N/A

FINANCIAL CONSIDERATIONS

The budget is sufficient to accommodate this action.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Ordinance No. OC SAN-62 (Redlined)
- Ordinance No. OC SAN-62 Directors Compensation (Clean)
- Ordinance No. OCSD-34