



STEERING COMMITTEE

Agenda Report

Headquarters
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File #: 2023-3191

Agenda Date: 11/20/2024

Agenda Item No: 2.

FROM: Robert Thompson, General Manager
Wally Ritchie, Director of Finance

SUBJECT:

BOARD OF DIRECTORS COMPENSATION

RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Consider the automatic five percent (5%) increase to Board Member Compensation in accordance with Ordinance No. OC SAN-62, effective January 1, 2025.

BACKGROUND

Ordinance No. OC SAN-62 was adopted on September 27, 2023, establishing the Board of Directors compensation at \$300 per meeting or day of service, an increase from the previous compensation of \$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 updated for Directors' compensation of local special districts similar to the 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. OC San Ordinance No. OC SAN-62 states that on January 1 of each year, the amount of compensation shall increase by 5% unless said increase is waived by the Board of Directors.

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 Board of Directors meeting/day stipend of \$300 is set to increase by 5%, to \$315, on January 1, 2025 and requires consideration by the Board to either take no action and allow the increase or take action to waive the increase.

PROPOSED SOLUTION

In accordance with Ordinance No. OC SAN-62, allow the per meeting/day stipend to increase by 5% to \$315.00 on January 1, 2025.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

N/A

PRIOR COMMITTEE/BOARD ACTIONS

September 2023 - Adopted Ordinance No. OC SAN-62 establishing Board of Directors Compensation and Repealing Ordinance No. OCSD-34.

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	\$1,606.50 per month	IRS Standard
El Toro Water District	\$219 per meeting - 10 per month	IRS Standard
Irvine Ranch Water District	\$331 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	\$330.75 per meeting - 10 per month	IRS Standard
Yorba Linda Water District	\$157.50 per meeting - 10 per month	

OC San Board of Directors' current rate of compensation is \$300.00 per meeting or day of service which became operative in January of 2024. 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.

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