

STEERING COMMITTEE

Agenda Report

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File #: 2025-4447

Agenda Date: 8/27/2025

Agenda Item No: 5.

FROM: Ryan P. Gallagher, Board Chairman

SUBJECT:

GENERAL MANAGER'S COMPENSATION AND BENEFITS

BOARD CHAIR'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Adopt Resolution No. OC SAN 25-14 titled: "A Resolution of the Board of Directors of the Orange County Sanitation District approving salary and benefit adjustments for the General Manager for Fiscal Year 2025/2026." The changes consist of a salary increase and corresponding salary range adjustment of 4.5%, effective in the first pay period of July 2025, and changes to a leave bank, 457 (b) contribution and mileage reimbursement.

BACKGROUND

The General Manager of the Orange County Sanitation District (OC San) is employed on an At-Will basis and serves at the pleasure of the Board of Directors.

According to Section 6 of the General Manager's At-Will Employment Agreement, "OC San's Steering Committee shall meet with the General Manager in August of each year during the term of this Agreement to review and evaluate his performance over the prior year." As part of the process, the Steering Committee also reviews the General Manager's compensation and benefits provided and makes its recommendation(s) to the Board concerning any adjustments to be effective in July of the year of the review.

The Steering Committee reviewed the General Manager's job performance for Fiscal Year 2024/2025 in closed session in June and July 2025 and recommends that the Board approve the proposed salary increase and benefit adjustments. The proposed salary increase, and benefit adjustments will provide a total compensation package for the General Manager that is both competitive and designed to support retention.

RELEVANT STANDARDS

- Offer competitive compensation and benefits
- Maintain positive employer-employee relations
- Cultivate a highly qualified, well-trained, and diverse workforce

- Comply with OC San policy (Policy 6.1 Appraisal of Performance) and the General Manager's At-Will Employment Agreement

PROBLEM

Board-approved Fiscal Year 2025/2026 salary increases for OC San's represented employees took effect in July 2025. Proposed salary increases for Executive Management Team and Manager Group employees also are under consideration. The General Manager's salary is currently 13.57% above his highest paid direct report. The proposed salary increase would support maintaining this differential to avoid salary compaction.

PROPOSED SOLUTION

Approve the proposed salary and benefit adjustments for the General Manager for Fiscal Year 2025/2026 through Resolution No. OC SAN 25-14.

TIMING CONCERNS

The Steering Committee concluded the annual review and evaluation of the General Manager's performance for FY 2024/2025 in July 2025 and historically approves any changes to salary and/or benefits in the month following completion of the evaluation process.

RAMIFICATIONS OF NOT TAKING ACTION

Not taking action as proposed may result in a missed opportunity to recognize good performance and support retention of highly skilled and experienced staff.

PRIOR COMMITTEE/BOARD ACTIONS

July 2025 - Board of Directors reviewed the General Manager's performance evaluation in closed session.

June & July 2025 - Steering Committee reviewed the General Manager's performance evaluation in closed session.

August 2024 - Board of Directors adopted Resolution No. OC SAN 24-10, approving a salary increase and salary range adjustment for the General Manager for Fiscal Year 2024/2025.

ADDITIONAL INFORMATION

The Steering Committee is recommending minor benefit changes for the General Manager that include an increase in the OC San-paid 457(b) annual contribution from \$11,000 to \$12,000, an increase in Administrative Leave from 40 hours to 60 hours per fiscal year, and mileage reimbursement for business-related trips in a personal vehicle in excess of seventy five (75) miles one-way.

As a matter of reference, OC San's accomplishments during the past year, under the direction of the General Manager, include the following:

- Selected an Owner Advisor for Progressive Design-Build by March 31, 2025. Progressive Design-Build contract templates were created and used for Ocean Outfalls Rehabilitation Project.
- Hired a consultant to review Engineering's earned value processes for project reporting and compared it with industry best practices.
- Secured legal and technical resources for 2026 NPDES permit renewal.
- Conducted regional sanitary sewer spill training for the collection system.
- Selected a consultant for the Plant No. 2 Process Facilities Seismic Resiliency Study and conducted the kickoff meeting on November 14, 2024.
- Received the draft Urban Runoff Study identifying opportunities within Orange County Water District (OCWD), County of Orange, and OC San's service area for additional dry weather urban runoff.
- Updated pretreatment/source control enforcement response plan in alignment with State of California's 2024 water quality enforcement guidance document for legal review by June 30, 2025.
- Expanded OC San's Pretreatment Honor Roll program to include wastehaulers.
- Finalized Memorandum of Understanding (MOU) with Orange County Waste and Recycling by December 31, 2024. Agreed on deal points for a cooperative agreement.
- Evaluated the initial feasibility of biosolids deep well injection. Evaluated the hydrogeological feasibility of Plant No. 1, performed a general feasibility of Plant No. 2, issued an RFI to potential deep well injection design-build-operate vendors and evaluated responses, and reviewed permitting requirements.
- Developed a siphon cleaning program which will be implemented over the next several years.
- Created development plans for each employee with associated training plans by June 30, 2025.
- Awarded a Purchase Order Agreement to ECS Imaging, Inc. for work with Environmental Services on Phase III Laserfiche to be completed by June 30, 2025.
- Completed labor agreements for all represented employee groups by June 30, 2025.
- Applied for VPP certification for Plant No. 2.
- Conducted an employee engagement survey to gather feedback on workplace environment satisfaction, communication effectiveness, recognition programs, and professional development opportunities. Utilized survey results to identify areas for improvement and developed action plans aimed at enhancing employee engagement and satisfaction levels.

CEQA

N/A

FINANCIAL CONSIDERATIONS

The annual cost of the proposed salary and benefit changes is approximately \$22,222.

The funds for the additional compensation are included in OC San's operational budget.

ATTACHMENT

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

- Proposed Resolution No. OC SAN 25-14
- General Manager Salary Schedules (Current & Proposed)
- At-Will Employment Agreement, Robert C. Thompson (eff. 7/1/25)