

STEERING COMMITTEE

Headquarters 18480 Bandilier Circle Fountain Valley, CA 92708 (714) 593-7433

Agenda Report

File #: 2025-4612 Agenda Date: 11/19/2025 Agenda Item No: 24.

FROM: Robert Thompson, General Manager

Wally Ritchie, Director of Finance

SUBJECT:

BOARD OF DIRECTORS COMPENSATION

RECOMMENDATION

RECOMMENDATION:

Consider the automatic five percent (5%) increase to Board Member Compensation in accordance with Ordinance No. OC SAN-62, effective January 1, 2026.

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 ten meetings/days of service per month.

In November 2024, the Board of Directors Approved the automatic five percent (5%) increase to Board Member Compensation to \$315.

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 \$315 is set to increase by 5%, to \$330.75, on January 1, 2026, and requires consideration by the Board to either take no action and allow the increase or take action to waive the increase.

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PROPOSED SOLUTION

In accordance with Ordinance No. OC SAN-62, allow the per meeting/day stipend to increase by 5% to \$330.75 on January 1, 2026.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

N/A

PRIOR COMMITTEE/BOARD ACTIONS

November 2024 - Approved the automatic five percent (5%) increase to Board Member Compensation in accordance with Ordinance No. OC SAN-62, effective January 1, 2025

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>	Compensation Amount & Maximum Number of Meetings	<u>Mileage</u>
Costa Mesa Sanitary District	\$295 per meeting - 6 per month	Yes
East Bay Municipal Utlility District	\$1,606.50 per month	IRS Standard
El Toro Water District	\$240.90 per meeting - 10 per month	IRS Standard
Irvine Ranch Water District	\$331 per meeting - 10 per month	IRS Standard
LA County San District	\$175 per meeting \$125 per meeting, if attending same day *no cap on meetings per month	IRS Standard
Midway City Sanitary District	\$345 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

,	\$330.75 per meeting - 10 per month	IRS Standard
	\$163.80 per meeting - 10 per month	Yes

OC San Board of Directors' current rate of compensation is \$315 per meeting or day of service which became operative in January of 2025. 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