

STEERING COMMITTEE

Agenda Report

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Agenda Date: 7/22/2026

Agenda Item No: 16.

FROM: Jon Dumitru, Board Chairman

SUBJECT:

GENERAL MANAGER'S COMPENSATION AND BENEFITS

BOARD CHAIR'S RECOMMENDATION

RECOMMENDATION:

Adopt Resolution No. OC SAN 26-11 titled: "A Resolution of the Board of Directors of the Orange County Sanitation District approving salary adjustments for the General Manager for Fiscal Year 2026/2027." The changes consist of a salary increase and corresponding range adjustment of 4.5%, effective in the first pay period of July 2026.

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, the Steering Committee conducts an annual performance evaluation of the General Manager and reviews his compensation and benefits. Based on this review, the Steering Committee provides a recommendation to the Board regarding any proposed adjustments to be effective in July of the year of the review.

The Steering Committee conducted the General Manager's annual performance evaluation for Fiscal Year 2025/2026 in closed session and recommends that the Board approve the proposed salary increase and corresponding range adjustment of 4.5%. The proposed range adjustment maintains the General Manager at approximately Step 4.4 within the salary range, allowing for salary progression. Additionally, the proposed adjustment is intended to maintain a competitive total compensation package that helps achieve the Board's targeted market position at the 75th percentile, maintains appropriate salary differentiation and supports the retention of executive leadership.

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 salary increases for OC San's Executive Management Team, Manager Group, and represented employees became effective in July 2026. The General Manager's salary is currently 13.6% above that of the highest-paid direct report. Without a corresponding adjustment, the salary differential will continue to narrow, increasing salary compaction and moving the General Manager's compensation below the Board's target market position.

PROPOSED SOLUTION

Approve Resolution No. OC SAN 26-11 adjusting the General Manager proposed salary increase and corresponding range adjustment for Fiscal Year 2026/2027. The proposed salary adjustment would help maintain an appropriate level of salary differentiation and avoid salary compaction.

TIMING CONCERNS

The Steering Committee completed the General Manager's annual performance evaluation in accordance with his agreement. Timely Board approval of the recommended compensation adjustment will align the General Manager's compensation with previously approved salary adjustments for other employee groups, help maintain appropriate salary differentiation and achieve retention of key staff.

RAMIFICATIONS OF NOT TAKING ACTION

Delaying action would postpone implementation of any approved adjustment, not maintain the targeted market position at the 75th percentile, and contribute to salary compaction with direct reports.

PRIOR COMMITTEE/BOARD ACTIONS

June 2026 - Steering Committee reviewed the General Manager's performance evaluation in closed session.

August 2025 - Board of Directors adopted 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 the first pay period of July and changes to a leave bank, 457(b) contribution and mileage reimbursement.

ADDITIONAL INFORMATION

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

- Created a CIP staffing plan to minimize Supplemental Engineering Services, improve succession planning, and streamline project delivery.
- Completed the development, Request for Proposals, and contract award for a customer service portal to improve stakeholder access and service efficiency.
- Developed a new small-project funding process to increase transparency, efficiency, and budget control.
- Identified and prioritized opportunities to apply Artificial Intelligence (AI) to optimize administrative, operational, and treatment processes.
- Conducted a cyber penetration test and red team assessment of process control systems.
- Updated ordinances and policies related to delinquent fees and penalties for discharge permits.
- Received final technical memos outlining asset database improvements and a risk framework for major/critical assets.
- Pursued and completed a cost-saving debt refunding transaction, achieving \$14 million in savings.
- Conducted a study to right-size OC San's transportation fleet and support compliance with clean air standards.
- Developed updated Fats, Oils, and Grease (FOG) outreach materials for food service establishments within OC San's service area.
- Updated the Industrial Waste Survey program using improved information-management tools to better identify required permittees.
- Transitioned Plant No. 1 process and electrical controls from CRISP to the ABB Distributed Control System under project J-120.
- Conducted assessments of easements with encroachments or access constraints, and continued surveys.
- Completed successful vendor demonstration of the Supercritical Water Oxidation unit.
- Initiated Phase 1 permitting for biosolids deep well injection and developed the outreach Scope of Work.
- Developed and conducted a comprehensive high-flow emergency operations exercise simulating influent emergencies and SARI trunkline rupture scenarios.
- Developed a Physical Security Master Plan addressing risk mitigation, regulatory compliance, and long-term facility protection.
- Developed a wastewater laboratory and data science training curriculum to support operator certification.
- Expanded partnerships with vocational training institutions to enhance talent pipelines for hard-to-fill positions in instrumentation, electrical, and engineering.

CEQA

N/A

FINANCIAL CONSIDERATIONS

The annual cost of the proposed salary changes is approximately \$18,117.

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:

- Resolution No. OC SAN 26-11
- General Manager Salary Schedules (Current & Proposed)
- At-Will Employment Agreement, Robert C. Thompson (eff. 7/1/26)