



STAFF REPORT

Meeting Type: Finance & Administration Committee/Board of Directors
Title: Public Hearing for Adoption of Ordinance No. 468 to Increase the Board Compensation Per Diem Amount
From: Molly MacLean, General Counsel
Through: Ben Horenstein, General Manager
Meeting Date: November 21, 2024

TYPE OF ACTION: X Action Information Review and Refer

RECOMMENDATION: Hold a public hearing and adopt Ordinance No. 468 increasing the per diem amount based on the regional Consumer Price Index

SUMMARY: Staff is proposing that the Board consider an adjustment to the Board Compensation per diem amount to \$250 based on the regional Consumer Price Index to keep pace with inflation.

DISCUSSION: Board Member Compensation is governed by the applicable provisions of the California Water Code, specifically sections 20200 et seq. State law also governs the amount and the manner of compensation for municipal water district directors and requires that district director compensation be paid on a per diem basis, which rules out the adoption of a fixed month stipend. California Water Code section 20202 provides that the per diem compensation may be increased each calendar year by not more than five percent (5%). Staff is proposing that the Board consider increasing the per diem amount, which has not been adjusted since 2017, by the San Francisco Bay Area Consumer Price Index, which is the index used for District employee compensation adjustments. Using the increase in this index from February 2017 to August 2024 (the most recent data available) would result in an increase to the per diem amount from \$200 to \$252.70, or approximately three percent (3%) per year. Based on this, staff is proposing a new per diem amount of \$250. The per diem amount increase is proposed to (1) keep pace with inflation, (2) recognize the time dedicated by each Board Member to the work of the District, (3) help to offset loss of income incurred by Board Members in dedicating time to District work, and (4) encourage members of the community to consider participation in this public service.


State law requires an increase in Board Member compensation be done by ordinance at a public hearing noticed pursuant to California Government Code section 6066, which requires publication twice in a two week period. Staff published notice of this in accordance with those requirements. If the Board elects to proceed with the adoption of Ordinance No. 468, the per diem compensation amount would be increased to \$250 effective 60 days following adoption, pursuant to Water Code section 20204.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: Negligible. Board member compensation amounts vary from month to month but as proposed would not exceed \$2,500 per month, which would be a very minor piece of the District’s overall budget.

ATTACHMENT(S):

1. Proposed Ordinance No. 468

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
General Counsel’s Office	 Molly MacLean General Counsel	 Ben Horenstein General Manager