



# STAFF REPORT

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**Meeting Type:** Board of Directors  
**Title:** Adjustment of Board Compensation  
**From:** Molly MacLean, General Counsel *MM*  
**Through:** Ben Horenstein, General Manager *BH*  
**Meeting Date:** November 19, 2024

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**TYPE OF ACTION:**                      Action                      X                      Information                      Review and Refer

**RECOMMENDATION:** Review the per diem amount of compensation paid to members of the Board of Directors and consider adjusting the per diem amount based on the regional Consumer Price Index

**SUMMARY:** Staff will review legal requirements and comparisons to other similar agencies and is proposing that the Board consider an adjustment to the per diem amount 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 keep pace with inflation, recognize the time dedicated by each Board Member to the work of the District, help to offset loss of income incurred by Board Members in dedicating time to District work, and 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 has published notice of a public hearing for the November 21<sup>st</sup> Finance and Administration Committee meeting to allow the Board to proceed with the adoption of an

ordinance, which would become effective 60 days following adoption pursuant to Water Code section 20204.

**ENVIRONMENTAL REVIEW:** Not Applicable.

**FISCAL IMPACT:** Negligible. Board 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):** None.