SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-A**

FROM: Steve Mack, General Manager

Meeting Date: September 6, 2012

SUBJECT: DISCUSSION/ACTION RE BOARD MEMBER COMPENSATION

RECOMMENDED ACTION: Discuss Board Member compensation.

FISCAL IMPACT: none

DISCUSSION:

At the August Board meeting Board members requested that all information presented on Board Member compensation be collected into one report for further discussion. Also attached to this report are copies of past resolutions (27, 117, and 138) that established and then rescinded policies on Board Member compensation.

From the June Agenda Report:

At the May meeting staff was asked to bring forward information on Board member compensation. Below is Table 1. Board Member Compensation, which is information provided by legal counsel regarding this issue. In short, the District may compensate Board members up to $100 per meeting with a limitation of 6 compensable meetings per month. Table 2 is a summary of an informal survey that staff did with local special districts, only one of which is a county water district (Valley of the Moon Water District which does compensate board members).

We believe the Board last addressed this issue in 2001. Information was developed, the Board apparently asked to develop a proposal for compensation of $50 per meeting up to a maximum of $100 per month. A survey was sent out to District customers with the results of 38% supporting, 41% opposed and 21% no opinion (total responses were 916). The Board took no further action on this proposal.

If the Board wishes to proceed with this proposal, issues that need to be addressed are amount of compensation and when the compensation would start. Apparently there is no firm direction on this for county water districts. Government Code §53232.1, which applies to city councils, gives some guidance on this matter.

The effect on District finances would depend, of course, on the amount of compensation per meeting. The 2001 proposal expected to be a maximum of $6,000 per year.

Table 1. Board Member Compensation

Cal. Water Code §30507.

Each director shall receive compensation in an amount not to exceed one hundred dollars ($100) per day for each day's attendance at meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incurred in the performance of his or her duties required or authorized by the board. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government **Code**.
Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government **Code**.

Cal. Govt. Code §53232.1.

(a) When compensation is otherwise authorized by statute, a local agency may pay compensation to members of a legislative body for attendance at the following occurrences:
(1) A meeting of the legislative body.
(2) A meeting of an advisory body.
(3) A conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234).

(b) A local agency may pay compensation for attendance at occurrences not specified in subdivision (a) only if the governing body has adopted, in a public meeting, a written policy specifying other types of occasions that constitute the performance of official duties for which a member of the legislative body may receive payment.

Cal. Govt. Code §36516.5. (applicable to City Councils)

A change in compensation does not apply to a councilman during his term of office; however, the prohibition herein expressed shall not prevent the adjustment of the compensation of all members of a council serving staggered terms whenever one or more members of such council becomes eligible for a salary increase by virtue of his beginning a new term of office.

Table 2. Survey of Local District Compensation		
Agency	Compensation?	Amount
Russian River Fire Protection District	No	
Monte Rio Fire Protection District	Yes	$50/meeting
Monte Rio Recreation and Park District	No	
Russian River Recreation and Park District	No	
Valley of the Moon Water District	Yes	$100/meeting
Camp Meeker Recreation and Park District	No	
Occidental Community Services District	No	
Forestville Water District	No	
Forestville Fire Protection District	Yes	$50/meeting, donated back

From the July Agenda Report:

At the June meeting staff presented information on Board member compensation. In the Board discussion, Board members asked staff for answers to several questions. Below is the information staff have developed on those questions:

Method of compensation: SDRMA unofficially recommended just paying Board Members a stipend and 1099ing them at the end of the year rather than adding them to payroll.

Workers compensation: SDRMA confirmed that Board directors are already covered. We pay a flat fee of approximately $20/year for our uncompensated Board members. This amount would not change if we compensated Board Members via 1099. However, if added to payroll, they would be classified as "Salesman-Outside" and the cost of workers comp would be a function of their pay. In our case, because we have so few meetings each year and pay is capped at a low amount per meeting, the actual cost of workers comp would be about the same and might even go down slightly. Whether or not we compensate Board Members and no matter which method of compensation is chosen, workers comp will cost a small amount.

Retirement: the District does not provide retirement for Board Members. The District's retirement program (CalPERS) is available to employees who work more than 1000 hours per year.

RESOLUTION NO. 27

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT AUTHORIZING PER DIEM FEE FOR BOARD MEMBERS

WHEREAS, the SWEETWATER SPRINGS WATER DISTRICT is in the process of determining the feasibility of acquiring the water system currently owned and operated by CITIZENS UTILITIES, and all manners of business incident thereto, and;

WHEREAS, the District will require the services of the Board President and other Directors from time to time to carry out the direction of the board, attend special meetings and deal with the business of the board in terms of securing loans and grants, etc., and

WHEREAS, Section 30507 of the Water Code entitles the district to set a per diem fee per director not to exceed $100.00 per day, or more than six (6) days per calendar month, plus receipted expenses, as just compensation for services,

NOW, THEREFORE BE IT RESOLVED, as follows:

1. That the district compensate directors working at the express direction of the board the per diem fee of $100.00 per day as just compensation for services.

2. The number of days per month allowable will be six.

3. The director on said business will also be compensated for out-of-pocket expenses upon presentation of appropropriate receipts to the board secretary. A statement should be prepared on a monthly basis clearly defining the dates of services and the nature of said services.

4. This resolution shall take effect as of June 1, 1990, and shall continue until amended by this board or until the board is dissolved.

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I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a regular meeting thereof held on the 20th day of June, 1990 by the following vote:

AYES, and in favor thereof, Directors: 3
NOES, Directors 0
ABSENT, Directors: 2

Secretary of the Board

APPROVED:

Jean Marquardt:
Randy Saxe:
Chris Scoggins:
Bob Young:
Kathy Fivella:

RESOLUTION NO. 117

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT ALLOWING COMPENSATION OF DIRECTORS

WHEREAS, Public Resources Code Section 5782.18 of the Water Code entitles the District to a set compensation fee for Directors not to exceed $100.00 per day, or more than six (6) days per calendar month;

BE IT THEREFORE RESOLVED:

1. That all Directors be compensated for their attendance at Board meetings at a rate of $40.00 per meeting, but not to exceed six (6) days per calendar month.

2. Financial Officer for the District be and is hereby instructed to include said amounts in the operations budget for the 1993-1994 fiscal year.

3. That payment for said meetings commence with the July 1993 meeting.

4. There will be no compensation for meetings not attended. The Financial Officer of the District to keep a record of attendance for accounting purposes.

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I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a regular meeting thereof held on the 13th day of April, 1993 by the following vote:

AYES, and in favor thereof, Directors: 4
NOES, Directors: 0
ABSENT, Directors

Danielle Rathbun
Danielle Rathbun, Secretary

APPROVED:

Sharon Costanzo: Sharon Costanzo
Roberta Walter:
William Peters:
Michael Torr:
Mark Shirilau: Mark S. Shirilau

RESOLUTION NO. 138

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT RESCINDING RESOLUTION NO. 117 AND RESOLUTION NO. 27 AND DELETING SECTION 4030 OF THE POLICY AND PROCEDURE MANUAL

WHEREAS, on June 20, 1990 the Board of Directors of the Sweetwater Springs Water District adopted Resolution No. 27 Authorizing Per Diem Fees for Board Members, and

WHEREAS, on April 13, 1993 the Board of Directors of the Sweetwater Springs Water District adopted Resolution 117 Allowing Compensation for Directors, and

WHEREAS, on April 13, 1993 the Board of Directors of the Sweetwater Springs Water District approved, as amended, Section 4030 of the Policy and Procedures Manual entitled Per Diem Fees/Director Compensation, and

WHEREAS, the Board of Directors has determined that it no longer wishes to continue the Director Reimbursement Policies.

NOW THEREFORE BE IT RESOLVED:

1. Resolution No. 117 is hereby rescinded.

2. Resolution No. 27 is hereby rescinded.

3. Section 4030 of the Policy and Procedures is hereby deleted.

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I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County California, at a meeting held on November 9, 1993 by the following vote:

AYES, and in favor thereof, Directors: 4
NOES, Directors: 0
ABSENT, Directors: 0

Danielle Rathbun
Secretary to the Board

APPROVED:
Sharon Costanzo:
Roberta Walter:
William Peters:
Michael Torr:
Mark Shirilau