
File No.: 18-0925

Agenda Date: 12/11/2018

Item No.: *3.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Providing Notice of Time and Place of Public Hearing for the Santa Clara Valley Water District Board of Directors to Determine the Necessity for Directors to be Compensated for up to 15 Days per Calendar Month and to Consider Directors' Compensation for Calendar Year 2019.

RECOMMENDATION:

- A. Set a time and place for a public hearing at 1:00 p.m., on January 8, 2019, at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California, for the Board of Directors to:
 - 1. Consider evidence and determine if there is an operational need for Directors to be compensated for up to 15 days per calendar month; and
 - 2. Consider Directors' compensation for calendar year 2019, pursuant to Chapter 2, Division 10 of the California Water Code; and
- B. Direct the Clerk of the Board to publish notice of public hearing in a newspaper of general circulation within the county.

SUMMARY:

This item is presented to the Board pursuant to Santa Clara Valley Water District Act (District Act) Section 33(c), Government Code Section 53232.1, and California Water Code Sections 20200-20207.

AB 1889 (Caballero) enacted by the Governor on September 5, 2018, and taking effect on January 1, 2019, amends the District Act by adding Section 33(c), authorizing the Board, until December 31, 2023, to annually adopt a written policy describing, based on a finding supported by substantial evidence, why more than 10 meetings per month, but not more than 15 meetings per month, are necessary for the effective operation of the District. The determination of whether a Director's activities on any specific day are compensable shall be made pursuant to Section 53232.1 of the Government Code.

California Water Code Section 20202 authorizes the Board to annually consider, through the public hearing and ordinance adoption process, compensation increases at a rate not to exceed an amount equal to five percent (5%) annually.

Any Board approved change in the Directors' number of compensated meetings per month and meeting compensation rate will become effective beginning 60 days after date of ordinance adoption, pursuant to California Water Code Section 20204.

The Board's last compensation adjustment was in April 2018. In accordance with the regulatory process, the Board held a public hearing on January 23, 2018, for the public to comment on the Directors' meeting compensation amount; and at their February 13, 2018, meeting, the Board adopted Ordinance 18-01 enacting a compensation increase of five percent (5%), effective April 14, 2018.

As stated in the Notice of Public Hearing (Attachment 1), the Board could consider the following monthly meeting limit and compensation options at the January 8, 2019 public hearing:

MONTHLY MEETING LIMIT

1. Determine that there is an operational need to compensate Directors for up to 15 days per calendar month, and set the meeting day limit accordingly, effective March 9, 2019, for calendar year 2019; or . OR
2. Determine that there is **NO** operational need to compensate Directors for more than the current 10 days per calendar month, and therefore, make no change in the current limit.

MEETING COMPENSATION - Effective April 14, 2019

1. Keep the Directors' compensation at the current amount of \$286.68 per day, up to 10 or 15 days per calendar month, as previously determined;
2. Reduce the Directors' compensation to a specified amount below the current \$286.68 rate per day, up to 10 or 15 days per calendar month, as previously determined, effective April 14, 2019; or
3. Approve an increase up to 5% in Directors' compensation in accordance with the California Water Code Sections 20200-20207, for up to 10 or 15 days per calendar month, as previously determined, effective April 14, 2019.

Governance Policy Revision

At the January 8, 2019, public hearing, prior to the Board taking any action on changing the monthly meeting limit and/or Director meeting compensation amount, staff will present for Board approval, revisions to Board Governance Policy Governance Process (GP) 10.6.1, that incorporates the new required annual determination process for compensating Directors for up to 15 days per calendar month.

FINANCIAL IMPACT:

Funds are budgeted in the Fiscal Year 2019 Clerk of the Board budget for advertising of the Board compensation public hearing.

Since contingency budgeting is not performed, funding for any Board-approved increase in compensation will need to be transferred from reserves pursuant to a budget adjustment.

CEQA:

The recommended action is a ministerial action and thus is not subject to the requirements of CEQA.

ATTACHMENTS:

Attachment 1: Public Hearing Notice

UNCLASSIFIED MANAGER:

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