



Santa Clara Valley Water District

File No.: 19-1138

Agenda Date: 1/14/2020

Item No.: 3.5.

BOARD AGENDA MEMORANDUM

SUBJECT:

Set 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 2020.

RECOMMENDATION:

- A. Set time and place of public hearing at 1:00 p.m., on February 11, 2020, at the Santa Clara Valley Water District Headquarters Boardroom, 5700 Almaden Expressway, San Jose, California, for the Board of Directors to:
 - i. Consider evidence and determine if there is an operational need for Directors to be compensated for up to 15 days per calendar month; and
 - ii. Consider Directors' compensation for calendar year 2020, 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 Santa Clara County.

SUMMARY:

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

Monthly Meeting Limit

AB 1889 (Caballero) signed by the Governor on September 5, 2018, and which took 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 Valley Water. 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.

Meeting Compensation

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.

2019 Compensation Adjustment

The Board's last compensation adjustment was effective April 14, 2019. In accordance with the regulatory process, the Board held a public hearing on January 8, 2019, for the public to provide comments on and the Board to make a determination of the need to compensate Directors for up to 15 days per calendar month and Director compensation amount for the calendar year.

At the January 8, 2019 meeting, the Board adopted Ordinance 19-01, making findings that there was a business need to compensate Directors for up to 15 meeting days per month, and approved a compensation increase of 5% to \$301.01 per day, effective April 14, 2019.

2020 Compensation Hearing

As stated in the Notice of Public Hearing (Attachment 1), the Board could consider the following compensated monthly meeting limit and per meeting compensation options at the February 11, 2020 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, for calendar year 2020; or
2. Determine that there is **NO** operational need to compensate Directors for more than 10 days per calendar month, per California Water Code.

MEETING COMPENSATION

1. Keep the Directors' compensation at the current amount of \$301.01 per day;
2. Reduce the Directors' compensation to a specified amount below the current \$301.01 rate per day, effective April 14, 2020; or
3. Approve an increase up to 5% in Directors' compensation in accordance with the California Water Code Sections 20200-20207, effective April 14, 2020.

FINANCIAL IMPACT:

Funds are budgeted in the Fiscal Year 2020 Clerk of the Board budget for advertising of the Board compensation public hearing.

Staff estimates that a 5% increase in Directors' compensation for up to 15 days per calendar month would cost approximately \$19,000. Since contingency budgeting is not performed, funding for any Board-approved increase in compensation may need to be transferred from reserves pursuant to a budget adjustment if the impact cannot be absorbed within budget.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the

potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Notice of Public Hearing

UNCLASSIFIED MANAGER:

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