



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING SECTION: ADMINISTRATIVE SERVICES
CONTACT PERSON: OSBORN SOLITEI

AGENDA DATE: April 17, 2019

ITEM NO. 12

SUBJECT: Consider Action to Increase the Compensation of Zone 7 Board Members

SUMMARY:

- Pursuant to the “Zone 7 Board of Directors’ Compensation and Expense Reimbursement Policy” adopted by the Board on March 15, 2006, and most recently amended June 20, 2012, a review of the Board’s remuneration is conducted on a biennial basis.
- Board Members will be compensated at the rate determined by the Board consistent with applicable law for attendance at regular and special meetings of the Board, including Board committee meetings and for attendance at biennial AB 1234 required ethics training courses approved by the Fair Political Practices Commission & Attorney General’s Office.
- Each member of the Board of Directors is encouraged to participate in outside activities and organizations, which in the judgment of the Board further the interests of Zone 7. Board Members may request compensation for attending non-Zone 7 Board meetings, events or activities, including conferences and organized educational programs, pursuant to the Board Compensation and Expense Reimbursement Policy.
- The Board’s current compensation, effective July 1, 2015, is \$176.21 per meeting with a maximum of ten (10) days per month.
- In February 2019, staff conducted board of director’s compensation and benefits survey of local comparable water agencies (attached).
- The annual Consumer Price Index (CPI) increase for the San Francisco-Oakland-San Jose area for 2017 was 3.2% and for 2018 was 3.9%.
- This report was presented to the Administrative Committee on April 3, 2019.

DISCUSSION:

Water Code Section 20200, *et seq.*, governs compensation levels for Zone 7 Board Members. The statute provides the directors can be paid \$100.00 per day of service rendered. If the Board members already make \$100.00 per day, the amount can be increased by an amount not to exceed 5% for each year following the last adjustment. The last adjustment took effect July 1, 2015, increasing the compensation by 10.14% to \$176.21 per day of service rendered.

Based on past practice, the Board has considered the mean of comparable water agencies as the benchmark for compensation. In February 2019, staff conducted board of director’s compensation and benefits survey on the following local comparable water agencies:

- Alameda County Water District
- Contra Costa Water District

- Dublin San Ramon Services District
- East Bay Municipal Utility District
- Marin Municipal Water District
- Santa Clara Valley Water District

Table 1: The Compensation and benefit survey results from the comparable water agencies

AGENCY	Amount per Meeting	Group Benefit Costs		
		Minimum	to	Maximum
Alameda County Water District	\$175.00	\$1,159.44	to	\$2,953.04
Contra Costa Water District	\$100.00	\$768.25	to	\$1,997.45
Dublin San Ramon Services District	\$146.00	\$855.43	to	\$2,227.16
East Bay Municipal Water District*		\$743.51	to	\$2,372.80
Marin Municipal Water District	\$200.00	\$866.27	to	\$1,732.54
Santa Clara Valley Water District	\$286.68	\$844.85	to	\$2,365.57
Mean	\$181.54	\$872.96	to	\$2,274.76
Zone 7**	\$176.21	N/A		
* Flat Rate of \$1,317 per month				
** Zone 7 Has No Group Benefits				

Although the survey data includes the monthly cost for group benefits provided to directors of each agency, under the Alameda County system, the Zone 7 Board of Directors are not currently eligible to receive medical or retirement benefits.

Table 2: The Maximum compensation and benefit survey at minimum cost results from the comparable water agencies.

AGENCY	Amount per Meeting	Maximum Meeting per Month	Maximum Compensation Per Month	Group Benefit Costs at	Total amount per meeting + Group Benefits at Minimum
				Minimum	
Alameda County Water District	\$175.00	10	\$1,750.00	\$1,159.44	\$2,909.44
Contra Costa Water District	\$100.00	10	\$1,000.00	\$768.25	\$1,768.25
Dublin San Ramon Services District	\$146.00	10	\$1,460.00	\$855.43	\$2,315.43
East Bay Municipal Water District*			\$1,317.00	\$743.51	\$2,060.51
Marin Municipal Water District	\$200.00	10	\$2,000.00	\$866.27	\$2,866.27
Santa Clara Valley Water District	\$286.68	10	\$2,866.80	\$844.85	\$3,711.65
Mean	\$181.54	10.00	\$1,732.30	\$872.96	\$2,605.26
Zone 7**	\$176.21	10	\$1,762.10	N/A	
* Flat Rate					
** Zone 7 No Group Benefits					

Table 2 above shows that the mean cost for the comparable agencies at \$2,605.26 per month including group benefits at minimum cost compared to Zone 7 cost at \$1,762.10 per month at the current cost.

ANALYSIS:

The board of director’s compensation and benefit survey (Attachment A) provides a more in-depth analysis of the compensation and benefits survey results. In comparing the data surveyed for the year 2017 versus the current 2019 data:

- The changes were primarily in the cost of group benefits.
- Three (3) of the surveyed agencies made changes to their board compensation:
 - Alameda County Water District increased the maximum meetings per month from 8 to 10.
 - East Bay Municipal Utility District increased their flat monthly payment from \$1,263.00 to \$1,317.00.
 - Santa Clara Valley Water District increased their compensation from \$273.03 per meeting to \$286.68 per meeting.
- The mean compensation level of the agencies surveyed is \$181.54 per meeting and the maximum compensation increase allowed under Water Code Section 20200, *et seq.*, is 5% per year. The Board may wish to consider the following options:
 - **Option 1:** Maintain the compensation at the current \$176.21 per meeting.
 - **Option 2:** Set the compensation for the Fiscal Year (FY) 2019-20 and FY 2020-21 at the mean derived from the current market compensation salary survey (\$181.54, an increase of approximately 3.02%).
 - **Option 3:** Since the board has taken no increase since 2015, and per the Water Code Section 20200, *et seq.*, 5% per year increase is allowed; up to 20% increase could be granted this year (up to \$211.45).

FUNDING:

Funds are available in Fund 100 – Water Enterprise and Fund 200 – Flood Control.

RECOMMENDED ACTION:

- The Administrative Committee unanimously approved Option 2: To set the Board compensation for the Fiscal Year (FY) 2019-20 and FY 2020-21 at the mean derived from the current market compensation salary survey (\$181.54, an increase of approximately 3.02%).
- Schedule a public hearing on May 15, 2019, at the Regular Board Meeting to adopt an ordinance to increase Board Compensation.

ATTACHMENTS:

- Board of Directors Compensation and Benefit Survey February 2019
- Zone 7 Board of Directors Compensation and Expense Reimbursement Policy

BOARD OF DIRECTORS
COMPENSATION AND BENEFIT SURVEY

February 2019

AGENCY	AMOUNT PER MEETING	GROUP BENEFIT COSTS Minimum to Maximum per Month
Alameda County Water District	\$175.00	\$1,159.44 to \$2,953.04
Contra Costa Water District	\$100.00	\$768.25 to \$1,997.45
Dublin San Ramon Services District	\$146.00	\$855.43 to \$2,227.16
East Bay Municipal Utility District	*	\$743.51 to \$2,372.80
Marin Municipal Water District	\$200.00	\$866.27 to \$1,732.54
Santa Clara Valley Water District	\$286.68	\$844.85 to \$2,365.57
Mean	\$181.54	\$872.96 to \$2,274.76

* Flat Rate

Zone 7	\$176.21	\$0**
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** No group benefits offered currently

AGENCY	GROUP BENEFITS	COMPENSATION	MAXIMUM COMPENSATION	BUSINESS EXPENSE REIMBURSEMENT	LIMITATION AUTHORIZATIONS
Alameda County Water District	<p>Medical: each Board of Director will contribute 0.25% of their per diem compensation toward the cost of their medical benefits for a total of four (4) year contribution of 2.5%. Cost from: \$1062.26 to \$2,761.88/month</p> <p>Dental: Coverage is fully paid by the District: \$73.92 – 167.90/month</p> <p>Vision: Coverage is fully paid by the District: \$23.26/month</p>	\$175.00 for each board or committee meeting attended, conferences, seminars, workshops, tours and other Board authorized meetings and activities. Not to exceed 10 (ten) days in a calendar month.	Not to exceed 10 days in a calendar month; \$1,750 per month	Board members are reimbursed for reasonable expenses (transportation, mileage, lodging and meals.) necessarily incurred while conducting District business.	<p>Directors are reimbursed for any Expenses incurred in the performance of his/her duties required or authorized by the Board.</p> <p>All activities for which expense reimbursement is sought must be approved in advance by the Board</p>
Contra Costa Water District	<p>Health, Dental, Vision, EAP, Life \$10,000.00 or \$100,000.00 with Evidence of Good Health, Retirement</p> <p>District pays full cost of medical, dental, vision, EAP, and life premiums.</p> <p>Cost range from: \$768.25 to \$1,997.45 month</p>	<p>\$100.00/day for District activities, Board is compensated for service rendered as a Director at the request of the Board and for attendance at conferences (such as the semi-annual ACWA conferences) or for meetings with local government agencies, service organizations, or civil groups if:</p> <ul style="list-style-type: none"> Invited to deliver a speech Serve as a panel member or Board approves participation in advance 	Not to exceed \$1,000.00 per month.	Reimbursed for reasonable expenses (transportation, mileage, lodging, meals) necessarily incurred while conducting District business.	Travel must be authorized in advance by Board.

**BOARD OF DIRECTORS
COMPENSATION AND BENEFIT SURVEY**

February 2019

AGENCY	GROUP BENEFITS	COMPENSATION	MAXIMUM COMPENSATION	BUSINESS EXPENSE REIMBURSEMENT	LIMITATION AUTHORIZATIONS
<p>Dublin San Ramon Services District</p>	<p>Health, Dental, Vision, AD&D \$50,000 coverage, Life Insurance up to a maximum of \$50,000. District pays full cost of dental, vision, AD&D, and life premiums.</p> <p>Dental premiums: \$55.00 - \$160.90 Vision premiums: \$12.18 - \$30.01 AD&D premiums: \$0.022 for \$1,000 Life premiums: \$0.143 per \$1,000</p> <p>District pays up to the following amounts for Health premiums: \$780.00 - \$2028.00/per month</p> <p>Board members are allowed to participate in the District's Deferred Comp Program with a 25% employer match up to \$10 per calendar month, provided that the member contributes voluntarily at least \$20 per month</p>	<p>\$146.00 per meeting</p>	<p>Not to exceed a total of 10 meetings per month; \$1,460.00 per month</p>	<p>Reimbursed for actual expenses for registration fees; lodging; transportation and meals related to travel for District related conferences, workshops and Board related business.</p>	<p>Approval by Board President for travel outside of 9 Bay Area counties. Mileage reimbursed outside 9 Bay Area counties.</p>
<p>East Bay Municipal Utility District</p>	<p>Dental and Vision premium is paid in full by District for Director and eligible dependents.</p> <p>District pays for premium for up to Kaiser Family. District pays full premium for Sutter HMO and Anthem Blue Cross for the Director only and requires 15% premium contribution for double and family coverage.</p> <p>District also contributes \$915 on an annual basis, representing "supplemental benefit dollars".</p> <p>Monthly Cost for Director only ranges from: \$743.51 to \$2372.80 (includes \$905 annual District contribution i.e. "supplemental benefit dollars"; excludes pension costs)</p>	<p>\$1,317.00 per month eff. 2/1/19 – Salary (flat rate)</p>	<p>A Director must attend a minimum of three meetings per month (includes regular business meetings, standing committee meetings, special meetings, retirement board meetings, and closed session meetings). In the event a Director is assigned to attend less than 6 meetings of the Board in one month, he or she must attend a minimum of 50% of the assigned meetings. Board President may excuse a Director's absence from an assigned meeting. Maximum number of compensable meetings vary, but could be up to 11 per month based on committee or JPA assignments.</p>	<p>Reimbursement for actual expenses that are incurred in the performance of duties authorized or requested by the Board</p>	<p>Salary not paid for any month in which minimum number of meetings are not attended, unless absence is excused by the Board President</p> <p>President of the Board authorizes expenses. Advance approval is required to:</p> <ul style="list-style-type: none"> Attend conferences, seminars, or similar activities Travel to destinations in excess of 150 miles from District or for overnight lodging > 1 night.

**BOARD OF DIRECTORS
COMPENSATION AND BENEFIT SURVEY**

February 2019

AGENCY	GROUP BENEFITS	COMPENSATION	MAXIMUM COMPENSATION	BUSINESS EXPENSE REIMBURSEMENT	LIMITATION AUTHORIZATIONS
Marin Municipal Water District	<p>Health, Dental, No Vision, No Retirement</p> <p>District pays full cost of dental and health premiums to a set maximum. Board Members share cost of health plan premiums for family members. Dental cost is \$128.42/month.</p> <p>Cost range from: \$866.27 to \$1,732.54</p>	<p>\$200.00 per day of service eff. 2/20/17</p>	<p>Not to exceed \$200.00 per day Or Compensation for more than 10 days of service in any calendar month: \$2,000 per month</p>	<p>Each Director is reimbursed for all reasonable Board authorized or requested expenses actually incurred in performance of duties</p>	<p>Any Board member attending meetings, workshops, conferences, e.g. ACWA, at the request of the Board, are compensated for costs incurred.</p> <p>Authorization for travel and expense reimbursement shall be limited to conferences, meetings and other functions from which the District derives a specific benefit through attendance. Only that travel/attendance which serves a District purpose and is deemed necessary and/or advantageous to the District shall be approved and reimbursed.</p> <ul style="list-style-type: none"> • Breakfast - \$12 • Lunch - \$15 • Dinner - \$25 <p>Elected or appointed officials may receive a meal allowance in excess of IRS regulations, but the meal allowance shall not exceed \$52 per day, which includes taxes and tips.</p>
Santa Clara Valley Water District	<p>Medical, Dental , Vision Care , EAP, Life Insurance (equal to one times their annual maximum meeting per diem), Travel Accident Insurance (while traveling on district business)</p> <p>Optional: Personal Accident Insurance, Deferred Compensation 457 Plan (no district matching)</p> <p>Cost range from: \$844.85 to \$2,365.57/month</p> <p>15% cost sharing on monthly premium for medical only; dental and vision remains free</p>	<p>\$286.68. for each Board or committee meeting attended, conferences, seminars, workshops, tours and other Board authorized meetings and activities.</p>	<p>Not to exceed 10 meetings per month; \$2,866.80 per month. If the 10 meetings are exceeded, Board members are reimbursed for transportation, meals or any reasonable related expenses.</p>	<p>Reimbursed for expenses incurred for conferences, travel, lodging and meals (reimbursement limit \$2,500).</p>	<p>Annual FY reimbursement limited to \$250 per Director, for services, activities or pursuits in office as provided in Board policy.</p>
Zone 7	<p>None</p>	<p>\$176.21 per day for each day's attendance at meetings of the Board, or for each day's attendance at regular, special and/or committee meetings of the Board and for each day's service eligible for compensation pursuant to Section B of the "Zone 7 Board of Directors' Compensation and Expense Reimbursement Policy."</p>	<p>Not to exceed 10 days in any month: \$1,762.10 per month.</p>	<p>Reimbursed for actual and necessary travel expenses in performance of agency business.</p>	<p>Transportation expenses within Bay Area counties limited to mileage, public transit fares, parking and bridge tolls unless Board specifically authorizes other.</p> <p>Outside the Bay Area, if private vehicle is used, payment may not exceed the economy or coach round trip airfare.</p>

Zone 7 Board of Directors

Compensation and Expense Reimbursement Policy

(amended November 15, 2006; March 16, 2011; June 20, 2012)

The members of the Board of Directors will fully comply with the provisions of the following "Policy on Directors' Compensation and Expense Reimbursement."

A. Compensation for Attendance at Zone 7 Meetings:

Board Members will be compensated at the rate determined by the Board consistent with applicable law for attendance at regular and special meetings of the Board, including Board committee meetings and for attendance at biennial AB 1234 required ethics training courses approved by the Fair Political Practices Commission & Attorney General's Office.

B. Compensation for Attendance at Non-Zone 7 Meetings:

Each member of the Board of Directors is encouraged to participate in those outside activities and organizations which in the judgment of the Board further the interests of Zone 7. Board Members may request compensation for attending non-Zone 7 Board meetings, events or activities, including conferences and organized educational programs, pursuant to the following procedure:

1. Prior to attendance at a non-Zone 7-sponsored meeting, event or activity, Board Members shall submit his/her request for compensation for such attendance.
2. Requests for compensation shall be included as an agenda item for Board consideration at the next regularly scheduled public meeting of the Board of Directors.
3. Board Members shall provide to the General Manager or his designee, the Member's request for compensation no later than ten (10) days prior to the regularly scheduled Zone 7 Board of Directors public meeting at which the Member's request is to be considered by the full Board.
4. Board Members' request shall, at a minimum, include the following information:
 - i. a description of the meeting, event or activity
 - ii. the host/sponsor of the meeting, event or activity
 - iii. the date, time & place
 - iv. purpose of attendance
5. The General Manager shall prepare an Agenda Item to reflect the Board Member's request for compensation and place it on the agenda of the scheduled meeting of the Board of Directors at which the request will be considered.

6. When considering requests for compensation by Board Member(s), the Board of Directors shall take into account whether the Member's attendance is in furtherance of rendering service to Zone 7 and is clearly relevant to Zone 7 Activities.
7. Compensation for attendance at non-Zone 7 meetings, events or activities, shall only be permitted upon approval of the Board of Directors in conformity with this policy and procedure.
8. Notwithstanding other sections of this Policy, Board Member compensation for attendance at Zone 7 Board Meetings and approved non-Zone 7 Board meetings, events or activities, shall not be paid for more than a total of ten (10) days in any calendar month.

C. Amount of Compensation for Attendance:

The amount of compensation to Board Members for attendance at each meeting, event and activity authorized pursuant to Sections A & B above, shall be reviewed on a biennial basis. The amount of compensation shall be established in accordance with the provisions of Water Code Section 20200, *et seq.*, and shall be adopted by ordinance. Board members will be compensated for attendance at each board-approved meeting, event and activity.

D. Reimbursement of Actual and Necessary Board Member Expenses:

Board Members shall be entitled to reimbursement for meals, lodging and travel expenses incurred to attend a meeting, event or activity approved by the Board of Directors pursuant to Section B above; provided, however, no compensation will be paid to any Board Member unless an expense report has been submitted by that Board Member, as provided below. Note that the board approves a total travel budget for all directors (rather than for individual directors) each year as part of the final budget approval process.

Notwithstanding the foregoing, reimbursement of Actual and Necessary Expenses incurred by Board Members in connection with attendance at the following conference(s)/course(s) shall be permitted without prior Board approval:

- a) Association of California Water Agency (ACWA) Conferences one time per calendar year.
- b) Biennial Fair Political Practices Commissions & Attorney General approved Ethics training courses in connection with AB 1234 required ethics training.

1. General Rules Applicable to Directors' Expenses:

- i. All expenses will be reasonable and necessary and Directors are encouraged to exercise restraint in all expenditures.
- ii. Government and group rates shall be used when offered by a provider of transportation or lodging services for travel and lodging when available.

- iii. In the event a more expensive class of transportation is used, the reimbursable amount will be limited to the cost of the most economical class of transportation available. Reimbursement for use of personal autos will be at the applicable County of Alameda Auditor-Controller approved rate.
- iv. Expenditures for food and lodging will be moderate and reasonable and in accordance with District policy.
- v. The policy is intended to result in no personal gain or loss to a Director.

2. Transportation Expenses:

Subject to this provision, Directors will be reimbursed for all expenses consistent with Paragraph 1 above, incurred in traveling to and from conferences, meetings and other events, which are attended on behalf of the District in their capacity as Directors. Travel expenses will include round-trip air fare, actual expenses for ground transportation to and from airports and hotels, car rental, and or mileage reimbursement (at the maximum allowable per mile rate established from time to time by the County of Alameda Auditor-Controller) for use by Directors of privately-owned vehicles in the conduct of District business.

Reimbursement for public transportation, parking and bridge tolls is based on the submission of receipts attached to the expense report, except that receipts are not required for metered parking (which should be designated on the claim).

3. Overnight Accommodations:

- i. Lodging costs are allowable if the time of the conference and the distance traveled justify the overnight stay. No reimbursement claim or request for overnight accommodations will be approved for expenses incurred within the District's service area, except upon approval of the Board.
- ii. If lodging is in connection with a conference or organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the Board Member at the time of booking. If the group rate is not available, the Board Member shall use comparable lodging.
- iii. Alcoholic beverages and other non-essential expenses (including, but not limited to, in-room movies, Service Bar, health club fees, etc.) will not be reimbursed.
- iv. Where reasonably possible, accommodations will be obtained in proximity to the conference or meeting site.
- v. Reimbursement for lodging costs requires a copy of the hotel statement and proof of payment.

4. Meal Expenses:

Directors will be entitled to receive reimbursement for actual cost of meals exclusive of alcoholic beverages consistent with Paragraph 1 above and subject to the following:

Meals may be reimbursed in one of the following ways:

- a) If receipts are provided with the expense reimbursement claim for all meals, the actual cost of each meal (within reason), tax and tip shall be reimbursed.
- b) If receipts are not provided for all meals, the reimbursement amount is the lesser of actual cost or the flat rate for actual meal expense rates established by the Alameda County Auditor-Controller and is subject to the following individual limits in effect as of July 1, 2007 or at the limits as may be subsequently adjusted by the County Auditor-Controller, whichever is higher:

•	Breakfast	\$11.00
•	Lunch	\$16.00
•	<u>Dinner</u>	<u>\$29.00</u>
•	Maximum Daily Rates: All Meals	\$56.00

Tips for meals (with receipts) will be reimbursed. Tips are reimbursed for reasonable amounts in accordance with community standards (currently 15%) and must be shown on the receipt. Tips for taxi service, porters and other services not directly connected to meals are not reimbursable.

NOTE: The maximum flat-rate reimbursement per day for meals of \$56.00 is **not** a per diem. To be reimbursed, the claimed meal must be purchased. If less than three meals in the day are purchased, the claim may not exceed the maximum amount reimbursable for those meals. Normally, only lunch would be reimbursed for a day conference.

5. Registration Fees:

For conferences and seminars, the Board Member claimant must provide a copy of the program announcement, agenda and registration form, showing the conference location, dates, times, activities, costs and any lodging or meals included in the registration fee.

E. Reimbursement Procedure:

All requests for reimbursement for actual and necessary expenses incurred on behalf of the District in the performance of official duties shall be submitted to the District's General Manager (or his designee) within 45 days after the expenses were incurred or expenditures made, unless circumstances warrant otherwise. Requests for reimbursement or accountings will be submitted, on expense report forms provided by the Alameda County Auditor-

Controller's Office, and will be accompanied by receipts evidencing each expense or other documentation deemed satisfactory by the County Auditor-Controller. All out-of-pocket expenses must be supported by proof of payment (i.e., cash receipts, money orders, credit card charge slips, cancelled checks or copy of the bank statement showing the posted payment).

F. Board Member Reports:

Members of the Board of Directors shall provide brief written reports or presentations (less than five minutes) on meetings, events or activities attended at the expense of the District at the next regular Board of Directors meeting. Ideally, such reports should contain a summary of meetings attended and specific lessons learned with appropriate references so that additional information on selected topics can be obtained by other directors and staff, so that others who have not attended will be able to have access to the information made available during the meeting, event or activity.

G. Pre-Approval Exception:

Notwithstanding anything to the contrary contained herein, in the event there is insufficient time to comply with the pre-approval process for attendance at non-Zone 7 sponsored activities as set forth Section B of this Policy because Directors do not receive timely notice from the activity sponsor or as a result of circumstances reasonably beyond their control, Directors may choose to attend and seek the Board's approval thereafter. After such attendance, Directors shall at the next regularly scheduled meeting of the Board, request Board approval for compensation and/or reimbursement in conformity with the procedure set forth in Section B (3) through (6) herein together with a detailed explanation as to why timely compliance with the pre-approval process was not feasible. The Board shall have the right to reject any post-attendance request for approval if the failure to obtain pre-attendance approval results from a Director's own negligence or willful failure to timely submit his/her request.