

**DIRECTORS' COMPENSATION POLICY**

**1. PURPOSE**

- A. Directors in their role of providing governance for the El Toro Water District ("District") are required to:
  - 1. Attend regular, special and committee meetings of the Board of Directors ("Board");
  - 2. Perform assigned duties and responsibilities, as officers;
  - 3. Represent the District at industry and community events; and
  - 4. Attend industry specific conferences and educational events.
- B. The El Toro Water District ("District") shall adhere to Government Code Sections 53232 through 53232.4 when dealing with issues of director remuneration and reimbursement.
- C. The Directors' Compensation Policy shall be reviewed annually at the December meeting of the Board of Directors.

**2. QUALIFIED EVENTS**

Subject to the District's enabling statutes, attendance at the following qualifies a Director to be eligible to receive compensation.

- A. A meeting of the District's Board of Directors;
- B. A meeting of a Committee of the District's Board of Directors to which the Director has been assigned;
- C. A conference or organized educational activity (subject to the prior approval of the President or Board) conducted in compliance with Government Code Section 54952.2(c), including but not limited to ethics training required by Government Code Section 53234.
- D. Official Business Representing the District (subject to the prior approval of the President or Board) at the following non-exclusive functions and activities:
  - 1. South Orange County Wastewater Authority Board of Directors (SOCWA)
  - 2. SOCWA Finance Committee
  - 3. Santiago Aqueduct Commission (SAC)
  - 4. MWDOC Board Meeting
  - 5. MWDOC Administration & Finance Committee Meeting
  - 6. MWDOC Planning & Operations Committee Meeting
  - 7. MWDOC MET Directors Workshop

8. MWDOC Elected Officials Forum
9. MWDOC/OCWD Joint Planning Committee Meeting
10. MWDOC Policy Forum
11. Local Agency Formation Commission (LAFCO)
12. Water Advisory Committee of Orange County (WACO)
13. WACO Planning Committee
14. Independent Special Districts of Orange County (ISDOC)
15. Local TV-Appearances
16. Orange County Water Association (OCWA)
17. WaterReuse of Orange County
18. Joint Powers Insurance Authority
19. South OC Watershed Management Area Executive Committee
20. South Orange County Agencies Group Meeting
21. So Cal Water Committee
22. South Orange County Economic Coalition
23. Local Chamber of Commerce Functions
24. City Council Meetings in the Cities served by the District
25. Meetings between Board President and Vice President
26. Meetings between Board President and District General Manager or Attorney
27. Other functions defined in the "Board/Staff Organizational and Standing Committee Assignments" as periodically revised and adopted by Resolution of the Board of Directors

- E. Other functions and activities determined on an Ad Hoc basis as being beneficial to the District as approved by the Board President or the Board.

### **3. COMPENSATION**

- A. When serving in the above capacity a Director shall receive a per diem compensation as established by Ordinance of the District for "each day" so served, at the request of the Board. Only one per diem compensation will be paid for each calendar day (regardless of the number of meetings or events attended on a calendar day) up to the maximum number of days permitted by the District's Ordinance (which presently is set at 10 in any calendar month – Ordinance No. 2018-1). Attendance at meetings and conferences shall be deemed to have been rendered "at the request of the Board" if:
1. The Director's attendance is requested through posting of a notice of a District meeting;
  2. The Director's attendance is requested by the President of the Board; or
  3. The Director's attendance is approved by Board action at a regular or special meeting of the Board of Directors.

- B. Directors shall submit their compensation report form to the District office within the first week of each month for the prior month. The Board President or the General Manager will approve and sign director compensation forms before payment can be processed. The Board President's compensation Form shall be approved by the General Manager or Assistant General Manager.
- C. It is against the law to falsify compensation reports. Penalties for misuse of public resources or violating this policy may include, but are not limited to, the following:
  - 1. Restitution to the District;
  - 2. Civil penalties for misuse of public resources pursuant to Government Code Section 8314; and
  - 3. Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code, penalties for which include 2, 3 or 4 years in prison.
- D. In the event of a dispute or misunderstanding regarding compensation, the matter shall be reviewed by two members of the Board appointed by the Board (other than the Board member whose account is being questioned) and their findings and recommendations will be transmitted to the Board for a determination. The Board determination shall be final.
- E. Changes in the compensation of Board members will require the approval of the Board during a noticed public hearing of the Board held at least 60 days prior to the effective date of the change, no more than once in any twelve-month period.

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R 93-9-2 09/16/93; R 94-5-2 05/19/94; R 99-7-2 07/15/99; R 03-4-2 04/24/03; R 06-02-1 02/23/06; R 06-9-1 09/28/06; R 07-9-2 09/27/07; R 18-3-3 03/22/18; R 20-5-1 05/28/20; R 20-11-3 11/24/20; R 20-12-6 12/16/20; R 23-4-2 04/24/23; R 24-2-1 02/20/24;

## **§4010      DIRECTORS' BENEFITS**

- 1. While serving on the El Toro Water District Board of Directors, each Director is eligible for the Board of Directors Benefit Program. Benefit eligibility expires when Directors leave the Board. Benefit eligibility requirements may also be imposed by the individual benefit plans themselves.
- 2. The District reserves the right to modify, amend or terminate Director benefits and to modify or amend Director benefits eligibility requirements at any time and for any reason, subject to any legal restrictions and approval by the Board.

3. The District offers the following Director benefits

A. Health Insurance

Directors, their spouses or Registered Domestic Partners and the Director's dependents are eligible to be provided health insurance through ACWA JPIA. The Directors' Health Insurance program is identical to that provided to the District's employees in the plan options and co-pay requirements. Eligibility for participation begins on the first day of the month following thirty days of continuous service on the Board of Directors of the District. Directors may opt in or out of the Health Insurance program.

The District will cease coverage and payments of Health Insurance premiums when a Director leaves office or is no longer serving on the Board of Directors.

B. Dental Insurance

Directors, their spouses or Registered Domestic Partners and the Director's dependents are covered by a group dental insurance plan. Eligibility for participation begins on the first day of the month following sixty days of continuous service on the Board of Directors of the District. There is no cost to the Director for this benefit.

C. Vision Insurance

Directors, their spouses or Registered Domestic Partners and the Director's dependents are covered by a group vision insurance plan. Eligibility for participation begins on the first day of the month following sixty days of continuous service on the Board of Directors of the District. There is no cost to the Director for this benefit

D. Life Insurance and Accidental Death and Dismemberment

Directors are covered by a group life insurance and accidental death and dismemberment plan (Plan). The Plan benefit for Directors is \$10,000 each until the Director reaches 75 years of age after which the Plan benefit is \$5,000 each. Eligibility begins on the first day of the month following sixty (60) days of continuous service on the Board of Directors of the District.

E. Deferred Compensation Plan / Social Security

Directors may elect to participate in the District's deferred compensation plan or have the District contribute to Social Security with the Director's compensation subject to Social Security withholding.

**4. Eligible Dependents**

Eligible dependents for the above insurance plans are defined as set forth in the insurance enrollment materials.

For an eligible dependent to be eligible for coverages, a copy of a marriage license, State of California Declaration of Domestic Partnerships form (NP/SF DP-1), birth certificate, or other identifying paperwork will be required.

It is the Director's responsibility to notify the Director of Human Resources, in writing upon divorce, termination of Domestic Partnership, over-age dependent, or any event that changes the status of dependency.

- 5.** A summary of benefits and information will be provided on these plans during the new Director orientation and each year thereafter.

- 6.** The District reserves the right and discretion to review, revise, or alter its insurance benefits, carriers, coverages and benefits provided subject to the approval of the Board of Directors.

- 7.** The adoption and continuation of any of the insurance programs referred to in this policy are subject to and conditioned upon the District's ability to secure and maintain the required insurance coverage on terms satisfactory to the District unless mandated by law.

**8. Consolidated Omnibus Budget Reconciliation Act (COBRA)**

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) protects Directors and their eligible family members by allowing them to continue their health, group dental and vision insurance under the District's plan at affordable group rates for terms defined by State and Federal law. Directors are notified upon taking office of their rights under this law and it is the Director's responsibility to notify the Director of Human Resources of any qualifying event within 60 days of the event.