



Los Osos Community Services District STAFF REPORT

TO: Board of Directors, LOCSD

FROM: Greg Kwolek, General Manager
Laura Durban, Administrative Services Manager

SUBJECT: Consideration of Board Member Compensation

STAFF RECOMMENDATION

Staff recommends the Board of Directors review the compensation analysis and direct staff to return to the next Board meeting to a noticed public hearing and proposed ordinance increasing board member compensation to \$110 per service day, with a maximum of six service days per calendar month.

DISCUSSION

At the September 3, 2026, Board meeting, Director Fourcroy requested an analysis of board member compensation including a review of practices of comparable agencies. Staff understood the concern to reflect concerns about the CSD's difficulty attracting candidates for Board seats in recent years. Staff has learned that these other agencies face the same challenges of getting members of the public to run for board seats. Los Osos CSD board members are compensated with \$100 per day of service with a maximum of six days per calendar month, resulting in a maximum monthly compensation of \$600. A "day of service" is a calendar day on which a director performs duties authorized for compensation under the District's board compensation policy.

Staff reviewed board member compensation for community services districts across the County and found that most districts offer the same compensation their board members as does Los Osos CSD. This is because Government Code Section 61047(a) initially authorizes a community services district board, by ordinance or resolution, to provide compensation of up to \$100 for each day of service and states that a director may not receive compensation for more than six days of service in a month. Templeton CSD, however, compensates their board of directors \$150 per service day pursuant to Section 61047(b), which allows the agencies to increase compensation by adopting an ordinance pursuant to the procedures in Sections 20200, *et seq.* of the Water Code. Those procedures require that the Board hold a noticed public hearing prior to adopting such an ordinance. There is no statutory authority to increase the six day of service monthly maximum found in Section 61047(a).

INCREASE AMOUNT AND TIMING

The Board may, by ordinance, increase the compensation rate per service day by an amount not to exceed 5% per calendar year since the last increase took effect. It is not entirely clear when that trigger date occurred, and basing an increase on a date many years ago when Directors' compensation started would lead to an unreasonable increase. District General Counsel suggested using December 2024, when the current two-year Board election cycle began, as the starting point for calculating the 5% annual limit in Water Code Section 20202. Under this interpretation, the Board could consider increasing

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compensation from \$100 to \$110 per service day. Retaining the six-day limit would result in maximum monthly compensation of \$660.

An increase would require adoption of an ordinance following a public hearing with published notice. The ordinance would become effective 60 days after adoption. If the Board chooses to pursue an increase, staff would also prepare corresponding amendments to the District's bylaws.