Agenda Item: 8A

Date: December 3, 2026

Los Osos Community Services District
STAFF REPORT

TO: Board of Directors, LOCSD

FROM: Greg Kwolek, General Manager
Craig Steele, District Counsel
Laura Durban, Administrative Services Manager

SUBJECT: **Public Hearing and Consideration of Ordinance 2027-01 – Increasing Compensation for Members of the Board of Directors to $110 Per Day of Service Pursuant to Government Code § 61047**

STAFF RECOMMENDATION

Staff recommends the Board of Directors:

1. Open the public hearing and receive public comment regarding proposed Ordinance 2027-01, increasing compensation for members of the Board of Directors from $100 to $110 per day of service, with a maximum of six days of service per calendar month;
2. Close the public hearing;
3. Waive the full reading and introduce Ordinance 2027-01 by title only; and
4. Direct Staff to bring Ordinance 2027-01 back to the Board of Directors at the January 7, 2027, Board meeting for consideration and adoption.

DISCUSSION

At the September 3, 2026, Board meeting, Director Fourcroy requested that staff prepare an analysis of Board member compensation, including a review of compensation practices among comparable agencies. The discussion included concerns regarding the District's ability to attract members of the public to serve on the Board of Directors.

Staff reviewed compensation practices among community services districts throughout San Luis Obispo County. The review found that most agencies compensate their board members at the same rate as Los Osos Community Services District (LOCSD), which is currently $100 per day of service, with a maximum of six days per calendar month. This results in maximum monthly compensation of $600 per Director. Templeton Community Services District is an example of an agency that compensates its directors at a rate of $150 per day of service pursuant to this statutory process.

At the November 5, 2026, Board meeting, the Board reviewed the compensation analysis and directed staff to move forward with preparing a proposed ordinance and scheduling a noticed public hearing to consider increasing Board member compensation to $110 per day of service, while retaining the existing maximum of six days per calendar month and the $600 per month maximum per Government Code § 61047.

Government Code § 61047(a) authorizes a community services district to compensate its directors up to $100 for each day of service, with compensation limited to six days per calendar month. Government

ASM: _LD__	AGM/DE: ____
DGC: ____	GM: _GK

Code § 61047(b) provides a process for increasing the daily compensation amount through adoption of an ordinance pursuant to Water Code Sections 20200 et seq. These procedures require the Board to conduct a noticed public hearing before adopting an ordinance increasing compensation.

PUBLIC HEARING AND ORDINANCE 2027-01

Pursuant to Government Code § 61047 and Water Code § 20200 et seq., the proposed increase requires adoption of an ordinance following a properly noticed public hearing.

In accordance with the applicable public notice requirements, notice of the public hearing was published in The Tribune on November 22, 2026, and November 29, 2026.

Ordinance 2027-01 has been prepared to establish the proposed compensation rate of $110 per day of service, while retaining the existing six-day monthly maximum.

At this meeting, the Board will conduct the public hearing, receive public comments, and consider introducing Ordinance 2027-01 by title only. Following the public hearing and introduction, the ordinance will be brought back before the Board of Directors at the January 7, 2027, Board meeting for consideration of adoption.

If adopted on January 7, 2027, the ordinance will become effective 60 days following adoption, as provided by applicable law. Staff will also prepare corresponding amendments to the District's bylaws, as necessary, to reflect the approved compensation structure.

ATTACHMENTS

1. 2027-01 Ordinance
2. Published Public Hearing Notice

Date: January 7, 2027
Agenda Item: TBD
( ) Approved
( ) Denied
( ) Continued to _____

LOS OSOS COMMUNITY SERVICES DISTRICT
ORDINANCE NO. 2027-01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT INCREASING COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS TO $110 PER DAY OF SERVICE PURSUANT TO GOVERNMENT CODE SECTION 61047

WHEREAS, the Los Osos Community Services District (District) is a community services district organized and operating pursuant to the Community Services District Law, Government Code Section 61000 et seq.; and

WHEREAS, Government Code Section 61047 authorizes the Board of Directors to provide compensation to its members for each day of service, subject to applicable statutory limitations; and

WHEREAS, Government Code Section 61047(b) authorizes a community services district to increase the amount of compensation paid to members of its Board of Directors by adopting an ordinance pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code; and

WHEREAS, Water Code Sections 20200 through 20204 establish the procedures and limitations governing compensation increases for members of the governing boards of qualifying water districts, including community services districts; and

WHEREAS, the District currently compensates members of its Board of Directors at the rate of One Hundred Dollars ($100.00) for each eligible day of service, with compensation limited to six (6) days of service per calendar month; and

WHEREAS, pursuant to Water Code Section 20202, an increase in compensation may not exceed an amount equal to five percent (5%) for each calendar year following the operative date of the last adjustment; and

WHEREAS, the Board of Directors finds that an increase from One Hundred Dollars ($100.00) to One Hundred Ten Dollars ($110.00) per day of service is within the statutory limitation, since the increase does not exceed 5% for each calendar year since the last increase took effect; and

WHEREAS, the Board of Directors conducted a duly noticed public hearing regarding the proposed compensation increase pursuant to Water Code Section 20203, and has considered all public comments received.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES ORDAIN AS FOLLOWS:

SECTION 1. BOARD MEMBER COMPENSATION

Effective on the operative date of this Ordinance, each member of the Board of Directors shall be entitled to receive compensation in the amount of One Hundred Ten Dollars ($110.00) for each eligible day of service.

SECTION 2. MAXIMUM DAYS OF COMPENSATION

Compensation shall continue to be limited to a maximum of six (6) days of service per Director per calendar month, consistent with Government Code Section 61047(a).

Notwithstanding the compensation amount per meeting, no Director shall receive compensation exceeding Six Hundred Dollars ($600.00) in any calendar month.

SECTION 3. ELIGIBLE DAYS OF SERVICE

A day of service eligible for compensation shall be determined in accordance with Government Code Section 61047(e), applicable provisions of the Government Code governing compensation of local agency legislative body members, and the District's adopted Board compensation policies.

No Director shall receive more than one day's compensation for services performed on the same calendar day.

SECTION 4. EXISTING POLICIES AND BYLAWS

Any provisions of the District's existing Board policies, bylaws, resolutions, or other governing documents that are inconsistent with this Ordinance shall be amended as necessary to conform to this Ordinance. All other provisions shall remain in full force and effect.

SECTION 5. EFFECTIVE DATE

Pursuant to Water Code Section 20204, this Ordinance shall become effective sixty (60) days after its final passage. The compensation established by this Ordinance shall become operative on the effective date.

SECTION 6. SEVERABILITY

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that one or more portions may be declared invalid or unconstitutional**.**

SECTION 9. CERTIFICATION AND PUBLICATION

The Secretary of the Board of Directors shall certify to the passage and adoption of this Ordinance and cause it to be published in accordance with applicable law.

Introduced at its regular meeting of the Board of Directors held on December 3, 2026, and passed and adopted by the Board of Directors of the Los Osos Community Services District on the7th day of January, 2027, by the following roll call vote, to wit:

Upon motion of Director _____, seconded by Director _____ and on the following roll call vote, to wit:

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

_____

President of the Board of Directors
Los Osos Community Services District

ATTEST:

_____
Greg Kwolek
General Manager and Secretary to the Board

APPROVED AS TO FORM:

_____
Craig Steele
District Legal Counsel

NOTICE OF PUBLIC HEARING
LOS OSOS COMMUNITY SERVICES DISTRICT

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Los Osos Community Services District Board of Directors to consider the adoption of **Ordinance No. 2027-01 of the Los Osos Community Services District Increasing Compensation For Members Of the Board of Directors to $110 Per Day of Service, Pursuant to Government Code Section 61047.**

Date, Time, and Place of Hearing: Thursday, December 3, 2026 at 6:00 p.m., or as soon thereafter as the matter may be heard, at the Los Osos Community Services District, 2122 9th Street Suite 106, Los Osos, California 93402

Any person affected or concerned by this issue may provide written comments to the Los Osos Community Services District office before the public hearing, or appear and be heard in support of or in opposition to the above-described options at the time of the hearing.

If you challenge the District's action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Los Osos Community Services District at, or prior to, the public hearing.

Failure of any person to receive the notice shall not constitute grounds for any court to invalidate the action of the legislative body for which the notice was given.

/s/ Laura Durban
Deputy Secretary to the Board
Los Osos Community Services District