SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-C**

FROM: Steve Mack, General Manager

Meeting Date: July 5, 2012

SUBJECT: DISCUSSION/ACTION RE BOARD MEMBER COMPENSATION

RECOMMENDED ACTION: Receive a presentation on Board Member compensation.

FISCAL IMPACT: none

DISCUSSION:

At the June meeting staff presented information on Board member compensation. In the Board discussion, Board members asked staff for answers to several questions. Below is the information staff have developed on those questions:

Method of compensation: SDRMA unofficially recommended just paying Board Members a stipend and 1099ing them at the end of the year rather than adding them to payroll.

Workers compensation: SDRMA confirmed that Board directors are already covered. We pay a flat fee of approximately $20/year for our uncompensated Board members. This amount would not change if we compensated Board Members via 1099. However, if added to payroll, they would be classified as "Salesman-Outside" and the cost of workers comp would be a function of their pay. In our case, because we have so few meetings each year and pay is capped at a low amount per meeting, the actual cost of workers comp would be about the same and might even go down slightly. Whether or not we compensate Board Members and no matter which method of compensation is chosen, workers comp will cost a small amount.

Retirement: the District does not provide retirement for Board Members. The District's retirement program (CalPERS) is available to employees who work more than 1000 hours per year.