THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Action

- **Board of Directors**

7/14/2026 Board Meeting

10-3

Subject

Approve compensation increase for the Ethics Officer, General Auditor, General Counsel, and General Manager; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

The Ethics, Audit, Legal and Claims, and Organization, Personnel, and Effectiveness Committees have completed their evaluations as the respective home oversight committees for the Ethics Officer, General Auditor, General Counsel, and General Manager (individually a "Department Head" or collectively the "Department Heads"). Based on performance evaluations, each of the home oversight committees is recommending that the Board approve a merit-based increase, as negotiated and presented below, with an effective date of June 21, 2026.

Proposed Action(s)/Recommendation(s) and Options

Committee Recommendations: Option #1

Separately approve performance-based compensation adjustments per the reported results of the negotiations between each of the home oversight committees and the Department Head the committee oversees.

Fiscal Impact: None, the increase is within the range budgeted.

Business Analysis: Supports organizational continuity, leadership stability, and strategic goal alignment.

Option #2

Approve a performance-based compensation adjustment different from that negotiated by one or more of the home oversight committees or do not approve an adjustment if disapproved in Option 1.

Fiscal Impact: To be determined.

Business Analysis: To be determined.

Applicable Policy

Metropolitan Water District Administrative Code Section 6208: Pay Rate Administration.

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities.

Related Board Action(s)/Future Action(s)

The Board previously approved a 3.4 percent cost of wages adjustment for the Ethics Officer, General Auditor, General Counsel, and General Manager.

California Environmental Quality Act (CEQA)

CEQA determination(s) for Option #1:

The proposed action is not defined as a project under CEQA because it involves organizational, maintenance, or administrative activities; personnel-related actions; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5)).

CEQA determination(s) for Option #2:

None required

Details and Background

The Board approved a performance and evaluation process that included the designation of negotiators comprised of the Chair of the Board, as well as the Chairs and Vice Chairs of the respective home oversight committees for the Ethics Officer, General Auditor, General Counsel, and General Manager.

The current base pay for each of the people who directly report to the Board is as follows:

- Ethics Officer (Z16): $347,384.29
- General Auditor (041): $358,352,97
- General Counsel (031): $442,166.52
- General Manager (001B): $511,871.36

These base pay amounts include the 3.4 percent cost of wage increases, which the Board approved at the June 9, 2026, Board meeting, effective June 21, 2026. Any merit increase will be applied on top of this amount.

The Ethics, Audit, Legal and Claims, and Organization, Personnel and Effectiveness Committees – the home oversight committees – have respectively completed their evaluations of the Ethics Officer, General Auditor, General Counsel, and General Manager. The designated negotiators for each of the home oversight committees discussed with their respective Department Head performance and the recommended performance-based compensation adjustment. Based on each home oversight committee's deliberations and discussions between its negotiators and Department Head, which were reported to the Board in June, each of the home oversight committees is now recommending that the Board approve performance-based compensation adjustments for each of the Department Heads, with an effective date of June 21, 2026. The following table presents the recommendations:

Based on negotiations with the Ethics Officer, the Ethics Committee recommends the Board of Directors approve an increase for the Ethics Officer (Z16) of 1.5% resulting in an updated annual base pay of $352,601.60.
Based on negotiations with the General Auditor, the Audit Committee recommends the Board of Directors approve an increase for the General Auditor (041) of 3.6%, resulting in an updated annual base pay of $371,259.20.
Based on negotiations with the General Counsel, the Legal and Claims Committee recommends the Board of Directors approve an increase for the General Counsel (031) of 3%, resulting in an updated annual base pay of $455,436.80.
Based on negotiations with the General Manager, the Organization, Personnel, and Effectiveness Committee recommends the Board of Directors approve an increase for the General Manager (001B) of 2%, resulting in an updated annual base pay of $522,100.80.

7/9/2026

Adán Ortega *Date*
Chair of the Board

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