

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 2568 (Johnson) – As Amended March 10, 2026

SUBJECT: Water district directors: compensation.

SUMMARY: Authorizes specified water districts to be compensated for up to 15, instead of 10, days a month.

EXISTING LAW:

- 1) Specifies that, notwithstanding any other provision of law, the governing board of any water district may, by ordinance, provide compensation to members of the governing board, unless any compensation is prohibited by its principal act, in an amount not to exceed \$100 per day for each day's attendance at meetings of the board, or for each day's service rendered as a member of the board by request of the board, and may, by ordinance, increase the compensation received by members of the governing board above the amount of \$100 per day, as specified [Water Code (WC) § 20201].
- 2) Provides that the determination of whether a director's activities on any specific day are compensable shall be made pursuant to existing law (WC § 20201).
- 3) Specifies that in any ordinance adopted to increase the amount of compensation which may be received by members of the governing board of a water district above the amount of \$100 per day, the increase may not exceed an amount equal to 5%, for each calendar year following the operative date of the last adjustment, of the compensation which is received when the ordinance is adopted. No ordinance adopted pursuant to this chapter shall authorize compensation for more than a total of 10 days in any calendar month (WC § 20202).
- 4) Provides that any water district described in 5), below, is authorized to adopt ordinances pursuant to this chapter. No ordinance shall be adopted except following a public hearing. Notice of the hearing shall be published in a newspaper of general circulation, as specified (WC § 20202).
- 5) Defines for the purposes of 1) through 4), above, "water district" to mean any district or other political subdivision, other than a city or county, a primary function of which is the irrigation, reclamation, or drainage of land or the diversion, storage, management, or distribution of water primarily for domestic, municipal, agricultural, industrial, recreation, fish and wildlife enhancement, flood control, or power production purposes. "Water districts" include, but are not limited to, irrigation districts, county water districts, California water districts, water storage districts, reclamation districts, county waterworks districts, drainage districts, water replenishment districts, levee districts, municipal water districts, water conservation districts, community services districts, water management districts, flood control districts, flood control and floodwater conservation districts, flood control and water conservation districts, water management agencies, water agencies, and specified public utility districts (WC § 20200).

FISCAL EFFECT: This bill is keyed fiscal.

COMMENTS:

- 1) **Bill Summary and Author’s Statement.** This bill allows specified water districts to be compensated for up to 15, instead of 10, days a month. The West Valley Water District is the sponsor of this bill.

According to the author, “AB 2568 updates the outdated statutory cap on water board member compensation to reflect the complex regulatory and operational realities modern water districts face. By providing permissive authority to increase the monthly meeting cap from 10 to 15 days, this bill ensures directors are fairly compensated for the actual time required for essential governance and regional coordination.”

- 2) **Water District Board Compensation. Board Member Meetings.** Special district board member compensation is traditionally dictated by the enabling act of that type of special district. Due to the differing enabling acts, the amount that each type of special district can compensate its board members varies. The most common compensation for special districts’ board members are stipends. Many districts pay stipends to their board members for attending a meeting or performing a day’s work, following statutory schedules. Most types of special districts can compensate board members \$100 or more per meeting, while others are prohibited from providing any compensation.

A local agency may generally compensate members of its legislative body for attending the following specified events [AB 1234 (Salinas), Chapter 700, Statutes of 2005]:

- a) A meeting of the legislative body.
- b) A meeting of an advisory body.
- c) A conference or educational activity that complies with the Ralph M. Brown Act, including ethics training.
- d) Other events, but only if the governing body has adopted a written policy specifying those other occasions.

Districts that are allowed to provide compensation are usually limited to doing so for a maximum number of meetings per calendar month. Most special districts that perform some type of water service, whether it be flood control, drinking water, or irrigation, can compensate their board members up to \$100 per day for a maximum of 10 days per calendar month [AB 653 (Jones), Chapter 111, Statutes of 1989]. In addition, water districts may also increase the daily rate for attending meetings by 5% per year by annually adopting an ordinance that provides for such an increase.

Committee staff is aware of one water district, the Santa Clara Valley Water District (Valley Water), that can compensate its board members up to 15 days per month [AB 1889 (Caballero), Chapter 251, Statutes of 2018, and AB 939 (Pellerin), Chapter 170, Statutes of 2023.]

- 3) **Policy Considerations.** Having a low statutory cap on the number of meetings for which a public agency can compensate its members using taxpayer funds builds in a safeguard against inappropriate payments for unrelated activities. This bill allows many different types of water districts to increase their number of compensable days from 10 to 15 a month. However, not every water district may need to meet this often. The one water district that committee staff is aware of that can compensate its board members up to 15 days per month is Valley Water. Valley Water is a large district which serves more than 2 million people, manages 10 reservoirs and dams, 2 groundwater basins, 3 treatment plants, and flood risk reduction infrastructure. The size and complexity of water districts varies significantly. Not every water district's board may need to spend the same amount of time governing its district as Valley Water's governing board. Given these differences between the state's water districts, to which this bill would apply, the Committee may wish to consider if additional safeguards need to be added.
- 4) **Committee Amendments.** In response to the policy consideration above, the Committee may wish to consider the following amendments:
- a) Add a 5-year sunset date.
 - b) Limit this bill to only apply to water districts that have at least 90,000 residents within their jurisdiction.
 - c) Add the following language: Commencing January 1, 2027, if the water district compensates its members for more than 10 days in a calendar month, the board of trustees shall annually adopt a written policy describing, based on a finding supported by substantial evidence, why more than 10 days per calendar month are necessary for the effective operation of the water district.
- 5) **Arguments in Support.** According to the West Valley Water District, the sponsors of this bill, "A statutory cap of 10 meeting days, originally established in the early 1980s, no longer reflects the operational realities and governance demands faced by modern water agencies. West Valley board members frequently reach the 10-day limit by the middle of the month, particularly during legislative sessions and periods of increased community engagement.

"Although most water districts hold one or two regular board meetings per month, directors are expected to participate in a wide array of additional governance activities that are critical to the effective oversight of water systems. These responsibilities include, but are not limited to:

- Standing committees (e.g., finance, engineering, operations, personnel)
- Ad hoc or advisory committees (formed for specific projects or negotiations)
- Joint powers authorities (JPAs) or regional partnerships
- Intra and Interagency coordination (with cities, counties, or other special districts)
- Industry Conferences

“These additional obligations can easily exceed the statutory cap on compensated meetings. As a result, board members often attend essential governance meetings without compensation, even when their participation is necessary for responsible oversight of district operations.

“Modern water districts also face increasingly complex regulatory, financial, and environmental challenges. Issues such as drought planning, recycled water development, groundwater sustainability under the Sustainable Groundwater Management Act (SGMA), emergency preparedness, and compliance with state and federal mandates require significant board engagement. Addressing these challenges frequently involves technical briefings, stakeholder consultations, coordination across multiple agencies, and special meetings during emergencies such as droughts, wildfires, or system failures.

“In addition, the current compensation structure may inadvertently limit who is able to serve on water district boards. A recent study from University of California, Davis found that women hold approximately 27% of water board positions, Latinos hold about 15%, and other people of color occupy roughly 5% of seats statewide. Allowing board members to receive compensation for additional meeting days is expected to lead to greater diversity, thereby improving community representation and broader participation in water governance.”

6) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

West Valley Water District [SPONSOR]
Association of California Water Agencies
California Special Districts Association
Desert Water Agency
Water Replenishment District of Southern California

Opposition

None on file

Analysis Prepared by: Jimmy MacDonald / L. GOV. / (916) 319-3958