

BOARD MEETING DATE: May 1, 2026

AGENDA NO. 33

PROPOSAL: Approve Amendments to Executive Agreements with Executive Officer and General Counsel and Appropriate Funding for the FY 2026-27 Budget

SYNOPSIS: The Board conducted performance appraisals for the Executive Officer and the General Counsel. As an outcome of this process, this item is to approve proposed amendments to the Executive Agreements with the Executive Officer and the General Counsel to provide adjustments to their compensation terms. In addition, appropriation of funding for the FY 2026-27 Budget is being requested and will be requested in subsequent budgets.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

1. Approve amendments to Executive Management Agreements with the Executive Officer and the General Counsel for compensation increases. Proposed amendments are shown in Attachments A and B, respectively; and
2. Appropriate \$99,872 into the FY 2026-27 Budget from the General Fund Undesignated (Unassigned) Fund Balance to fund the costs of the amendments.

Executive Officer
Wayne Nastri

AJO:mm

Background

The Executive Officer and the General Counsel report directly to the Governing Board. The terms and conditions of their employment with the South Coast AQMD are governed by Executive Agreements.

In April 2026, the Board conducted performance evaluations of the Executive Officer and the General Counsel. As part of this process, the Board considered increases to their salary and benefits. Adjustments to compensation terms for the Executive Officer and General Counsel require amendments to their Executive Agreements.

Proposal

This action is to approve amendments to Executive Agreements as follows:

- Executive Officer
 - Increase the agency's contribution amount to the 401(a) Money Purchase Plan account, up to the IRS limit.
- General Counsel
 - Increase the agency's contribution amount to the 401(a) Money Purchase Plan account, up to 65% of the IRS limit; and
 - 5% salary increase, effective the pay period encompassing May 1, 2026.
- Executive Officer and General Counsel
 - Add 40 hours of Vacation leave to the annual allocation.

The proposed amendments to the Executive Management Agreements are set forth in Attachments A and B.

Resource Impacts

Sufficient funding for this action is available in the FY 2025-26 Budget. In addition, there is sufficient funding available in the General Fund Undesignated (Unassigned) Fund Balance to appropriate funding for the FY 2026-27 Budget to cover the costs of the amendments, and funding will be requested in subsequent fiscal year budgets.

Attachments

Attachment A – Proposed Amendments to Agreement with Executive Officer

Attachment B – Proposed Amendments to Agreement with General Counsel

ATTACHMENT A
EXECUTIVE MANAGEMENT AGREEMENT
between
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
and
EXECUTIVE OFFICER

I. TERMS OF AGREEMENT

D. The receipt of benefits customarily given to regular employees does not create a property interest for Executive Officer in his job. Executive Officer shall be entitled to receive the following additional fringe benefits during this Agreement based upon the conditions as set forth below. In no event shall the District's liability exceed the actual cost to the District of the benefits described herein.

8. Vacation. Executive Officer shall be entitled to ~~182222~~ hours of paid vacation per year during this Agreement. Executive Officer shall be permitted to sell back up to 160 hours of vacation annually, and shall be subject to the same carryover and termination payoff provisions as management employees (pursuant to the District's Salary Resolution).

10. Other.

d) 401(a) Money Purchase Plan. The District created a 401(a) Money Purchase Plan, and the Executive Officer is eligible to participate in the Plan. The District's shall fund a contribution amount ~~is equal to the IRS Section 457 Deferred Compensation~~ 401(a) Money Purchase Plan contribution limit. The District's contribution is paid in equal amounts, on a bi-weekly basis, in accordance with the District pay periods for the year.

ATTACHMENT B
EXECUTIVE MANAGEMENT AGREEMENT
between
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
and
GENERAL COUNSEL

I. TERMS OF AGREEMENT

- B. Effective the pay period encompassing January 1, 2024, General Counsel shall receive a base salary of \$325,000. The term “base salary” shall not include any benefits that the General Counsel shall receive under the terms of this Agreement. The District Board may consider increases to the General Counsel’s base salary based on his annual performance evaluation and as part of the District’s annual budget process. Said annual salary shall be less federal and state taxes which are also applicable to other employees of the District and shall be payable every two weeks commencing on the first applicable payday following Board approval of this Agreement.

Effective the pay period encompassing January 1, 2025, General Counsel shall receive a base salary increase of 4%. Effective the pay period encompassing January 1, 2026, General Counsel shall receive a base salary increase of 5.5%. Effective the pay period encompassing May 1, 2026, General Counsel shall receive a base salary increase of 5.0%. Effective the pay period encompassing January 1, 2027, General Counsel shall receive a base salary increase of 2.0%. Effective the pay period encompassing July 1, 2027, General Counsel shall receive a base salary increase of 2.5%.

- D. The receipt of benefits customarily given to regular employees does not create a property interest for General Counsel in his job. General Counsel shall be entitled to receive the following additional fringe benefits during this Agreement based upon the conditions as set forth below. In no event shall the District’s liability exceed the actual cost to the District of the benefits described herein.

8. Vacation. General Counsel shall be entitled to ~~182222~~ hours of paid vacation per year during the term of this Agreement. General Counsel shall be subject to the same vacation carryover and termination payoff provisions as other management employees (pursuant to the District's Salary Resolution). General Counsel may sell back up to 80 hours of vacation time per year.

11. Other.

- d. Deferred Compensation. On a voluntary basis, General Counsel is eligible to participate in the District’s IRS Section 457 deferred compensation

plan. General Counsel may defer up to the maximum allowable by law, including “catch-up” provisions, per calendar year. During this Agreement, the District shall fund a contribution amount equal to ~~three times General Counsel’s contribution~~ 65% of the IRS 401(a) Plan limit, including contributions permitted under the “catch-up” provision of the law, into the account established for General Counsel in the District’s 401(a) Money Purchase Plan. The District’s contribution is paid in equal amounts, on a bi-weekly basis, in accordance with the District pay periods for the year.