

Directors' Compensation and Expense Reimbursement

1. Board Meetings and Committee Meetings

As established by Board resolution, each Director may claim and receive up to the Board authorized Per Diem payment for attendance at each regular, adjourned regular, special or adjourned special meeting of the Board. A Director may also claim and receive up to the Board authorized Per Diem payment for attendance at meetings of those standing or special Committees to which the Director has been appointed.

2. Conferences and Meetings

Subject to specific approval of the Board (or its President) for each event or appointed duty, Directors may claim and receive up to the Board authorized Per Diem payment for each day's attendance at conferences or other authorized activities sponsored by organizations including, but not limited to, Association of California Water Agencies, Association of California Water Agencies-Joint Powers Insurance Authority, California Special Districts Association and Water Education Foundation.

A Director designated by the President or Board to serve as the Agency's representative to the above listed or other organizations may claim and receive up to the Board authorized Per Diem payment for each day's attendance at or participation in organization-sponsored meetings and events.

Such meetings may include, but are not limited to, educational conferences and similar gatherings, meetings of other public agencies or water agencies or districts that involve discussions of specific interest to the Agency, attendance at Agency-related ceremonial functions, or formal appearances before or meetings with administrative, regulatory agencies, legislators, and their staff.

Attached to this Manual as Appendix "A" is a list of the pre-approved meetings for Director Attendance.

3. Restrictions and Conditions

Per Diem payments may be claimed only for attendance at meetings of the Board or for each day's service rendered as a member of the Board by request of the Board. The President shall determine in advance if a particular activity constitutes a meeting for the purpose of a Director claiming and receiving a Per Diem payment. As reasonably necessary, days spent traveling to and from an authorized event shall be considered compensable days of service.

No Director shall receive more than one Per Diem payment for any one day regardless of the number of meetings attended and/or events of service to the Board performed during that day.

No Director shall receive more than ten (10) Per Diem payments in any one calendar month for any combination of meeting attendance or service to the Board at the request of the Board or at the request of the Board President on behalf of the Board.

4. Directors' Compensation Rate

Per Ordinance 37, effective July 2007, Directors were authorized to be paid \$195 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 not to exceed ten meetings per month. On July 1 of each fiscal year after the effective date of Ordinance 37, and unless reduced or suspended by action of a majority of the Directors, Ordinance 37 provides the daily compensation for the Directors of the Agency shall be increased without further Board action by the total amount allowed by statute (currently 5%) as then in effect or as thereafter amended. The current rate as of publication of this manual is on file with the Secretary.

Changes to Directors' compensation shall be done by ordinance adopted after a public hearing, notice of which has been published in a newspaper of general circulation once a week for two weeks, and shall not become effective for 60 days after adoption. Increases are subject to referendum.

5. Expense Reimbursement

Directors shall be reimbursed for reasonable and necessary expenses incurred incidental to services provided on behalf of the Agency and for authorized travel on Agency business, including two (2) hours of ethics training, subject to the following limits and restrictions. (Government Code §53235.1(a)) Such expenses will not be reimbursed when incurred for family members of the authorized Director.

Directors shall be reimbursed based on the IRS rates for reimbursement. (Government Code §53235.2(c) and (f)) All expenses that do not fall with the adopted IRS travel reimbursement rates shall be approved by the Agency Board in a public meeting before the expense is incurred, except that individual Directors may instead provide brief reports on meetings, conferences or educational activities already attended at the expense of the Agency at the next regular meeting of the Board of Directors, and the expense may be approved at that time. (Government Code §53235.2(b))

A request for reimbursement shall be submitted on an expense report form provided by the Agency as soon as practicable after the expenses are incurred. The request shall be accompanied by detailed receipts or other documentation evidencing each expense and the Director's payment thereof. A copy of a program agenda or such other document as may provide proof of attendance and/or that Agency-related business was conducted may also be required. (Government Code §53235.2(b))

All documents related to reimbursable Agency expenditures are public records subject to disclosure under the California Public Records Act, Government Code §6250 *et seq*; AB 1234, Government Code §§53232 – 53232.3.

6. Payment Interval

Directors shall receive Per Diem payments and shall be reimbursed for any properly submitted and approved expenses on a monthly basis.

Types of Expenses

1. Transportation

Directors who attend approved Agency functions shall use the appropriate commercial or private means of transportation in the most efficient manner consistent with scheduling needs and cargo space requirements. In the event a more expensive means of transportation is used, the reimbursable amount shall be limited to the cost of the most reasonably economical means of transportation available.

No reimbursement shall be made for transportation expenses incurred to travel to a destination within Agency boundaries, if the travel begins and ends within Agency boundaries. Any travel made without approval shall be the sole personal responsibility of the involved Director.

When a Director elects to use a private vehicle for transportation, reimbursement shall be made at the currently approved rate per mile established and adjusted from time to time by the United States Internal Revenue Service for business use of a vehicle. This reimbursement rate shall be considered to fully compensate for all vehicle operation and ownership expense. Reasonable mileage used for conducting Agency business as a Director will be reimbursed.

Airplane travel shall be by air coach or economy class. Directors may make their own travel arrangements or may request that the Board Secretary pre-purchase airplane tickets. Long-term parking should be used for travel exceeding 24 hours.

Other reimbursable transportation expenses may include, but are not limited to, ground transportation to and from airports and hotels, car rental, taxis and parking fees. The expense of any traffic citation is not reimbursable. (AB 1234, Government Code §53232.2(c))

2. Meals and Lodging

Expenditures for food and lodging shall be moderate and reasonable. Such expenses will not be reimbursed when incurred for family members of the authorized Director.

Directors shall be entitled to receive reimbursement for the reasonable cost of meals, including tips, not to exceed \$150 per person per day. Expenses incurred as a result of the presence of guests shall be reimbursable to the extent allowed by law in the event that their presence is appropriately related to Agency business. Reimbursements will not be made for alcoholic beverages.

Tipping Guidelines: Restaurant and food service providers have varying policies concerning tips. Some providers include tips in the food cost. Others provide a customer selection of tip percentages. Most providers leave the amount of the tip at the total discretion of

the customer. Another factor to consider is the amount of time and special service that is required of the food server. It is the policy of the Agency that tips should be generally 15% to 20% of the cost of food depending on service and/or restaurant policy for larger group tables. Tips of a higher amount are subject to the reasonable and best judgment of the Director considering all such factors. If the tip for the cost of food is substantially more than such limit, the excess amount must be reasonably justified and approved by the President.

Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the Director at the time of the booking. If the government or group rate is not available, the rate paid may be 25% higher than the government or group rate, whichever is higher. Where reasonably possible, accommodations shall be obtained in proximity to the conference or meeting site. All expenses that do not fall within these guidelines shall be approved by the Board, in a public meeting before the expense is incurred. No reimbursement request for overnight accommodations shall be approved for expenses incurred within the Agency's service area, except upon approval of the President or Vice President. (AB 1234, Government Code §§53232.2(c), (d) and (f))

Pre-conference lodging will be reimbursed for national travel requiring extensive travel time. Pre-conference lodging will be reimbursed for regional travel if the conference starts at or before 9:00 a.m. The President or Vice-President may pre-approve exceptions to this section.

3. Communications

Reasonable personal telephone calls will be reimbursed. Hotel Internet/email or similar communication access will be reimbursed if used for reasonable Agency purposes. (Government Code §§53232.2(a) and (f))

4. Personal Expenses

The costs of medications, laundry/dry-cleaning, in-room movies, personal entertainment and other personal expenses are not reimbursable. (Government Code §§532