

EXPENSE AND BOARD MEMBER COMPENSABLE ACTIVITY POLICY

Effective July 1, 2018

SCOPE

This policy applies to members of the Board of Directors and to all District staff that have occasion to incur expenses on behalf of the District.

This policy additionally sets forth the types of activities for which board members may receive compensation, and reimbursement for their actual and necessary expenses thereto in accordance with Government Code Section 53232 et seq.

PURPOSE AND GENERAL PROVISIONS

The intent of this policy is to establish equitable standards and achieve reasonably consistent and fair treatment relating to reimbursement of actual and necessary expenses incurred in the service of the District. It is further intended as a guide for both the preparation of expense reports and for approval of such reports. It is also a means of informing all concerned of their privileges and obligations in the use of District funds for travel, education, and other expenses.

The District recognizes that attendance at workshops, seminars, meetings and conferences provides Board members and District staff with a vital forum for the exchange of ideas and methods in all areas of governmental administration, for presenting and receiving information, to provide training and professional growth opportunities, and for advocating legislation of benefit to the District. It is the District's policy to reimburse individuals for all actual and necessary expenses incurred while engaged in such activity. Individuals are expected to exercise good judgment in the expenditure of District funds. Items deemed to be of a purely personal nature are not reimbursable.

A. District Staff

Advance Supervisor or Department Manager approval is required for attendance at all training programs, meetings, seminars and conferences, and/or professional growth events.

Advance approval by the Department Manager and General Manager is required for attendance at all training programs, meetings, seminars and conferences, and/or professional growth events beyond Los Angeles and Santa Barbara Counties that require an overnight stay, air travel and/or involves an expense exceeding \$500.

B. District Board Members

Consistent with the requirements of this policy, Board members may receive reimbursement for their actual and necessary expenses incurred when participating in those activities listed in the "Compensable Activities" section of this policy. Pre-approval of the Board for these expenses is not required.

However, any expenses which are incurred for activities not set forth in the "Compensable Activities" section, or which do not fall within the requirements of this policy (e.g. which exceed the maximum permissible rate), must be approved by the Board of Directors in a public meeting before the expense is incurred, or the expense will not be reimbursed. The only exception to this requirement pertains to lodging expenses, as set forth below.

ALLOWABLE EXPENSES

A. Travel Expenses

1. Airline or other travel accommodations shall be economy or coach class, or a refundable ticket allowing flexibility for priority boarding, or rescheduling if necessary, in the economy or coach class. Exceptions to this policy may be permitted when scheduling restrictions preclude the expedient conduct of District business and with advance approval from the General Manager for District staff. Travel arrangements and costs for guests are the responsibility of the individual attending and are not considered a reimbursable expense.

Travel arrangements will be made through District staff. Airline travel will be arranged so as to be as cost efficient to District as possible. While airline travel will be limited to coach fare, exceptions will be made for additional fees to accommodate for medical disabilities and physical travel needs of the traveler.

2. District owned vehicles shall be used by executive management staff assigned a District-owned vehicle or staff that do not receive a mileage allowance, whenever possible when traveling on District business.
3. Personal vehicles may be used if necessary and the Board member or staff shall be reimbursed at the standard IRS mileage rate (i.e. .545 cents a mile for calendar year 2018), but for a total of no more than the cost of round trip airfare. Mileage is to be calculated via the shortest route between the District worksite or point of origin for staff, whichever is less, and from the point of origin for Directors, to the destination and the return. The owner's/driver's auto insurance is responsible for any damage, accident, etc. incurred. Executive management staff receiving a monthly mileage allowance shall abide by the terms of this section except where it conflicts with their employment agreement, in which case the terms of the employment agreement shall apply. Staff who do not receive a monthly mileage allowance must seek approval from their department manager in advance for use of personal vehicles on District business. Employees must provide the District with evidence of personal auto insurance, including liability insurance, in advance of travel.
4. Mileage reimbursement for a Board member's use of their personal vehicle shall be from the point of origin to destinations in Southern California, including District offices or facilities, as defined as counties south of and including: Monterey, Kern and Inyo Counties and any other destination involving total round trip mileage equal to or less than such destinations. If the destination is outside these geographic areas (e.g. is in San Francisco, Sacramento, etc.), the individual may elect to drive rather than fly, but shall receive a mileage reimbursement not greater than the cost of a round trip standard economy or coach class airline ticket to that destination. Executive management staff receiving a monthly mileage allowance shall abide by the terms of this section except where it conflicts with their employment agreement, in which case the terms of the employment agreement shall apply. Board members may be reimbursed for mileage for up to 10 meetings per month in accordance with Section B of the District Board Members: Compensation and Compensable Activities section of this policy.
5. Rental automobile costs are reimbursable when justified by the nature of the trip. If any official or staff member's own vehicle or rented car is damaged by fire, theft or collision while on District related business, the cost of repair must be covered by the owner's/driver's insurance.
6. Taxis and other local transportation costs incurred to and from businesses, hotels or airports, or in other District-related activities are reimbursable upon submittal of a receipt.

7. Members of the Board of Directors and District staff shall use government and group rates offered by a transportation provider, when available.

B. Hotels

1. The cost of hotel or motel accommodations incurred on approved business trips is reimbursable. It is expected that an individual will use accommodations appropriate to the nature of the business trip. Accommodations may be reserved for guests attending a District-approved function; however, the District will reimburse only the cost of the single person room rate.

2. Members of the Board of Directors and District staff shall use government and group rates offered by a lodging services provider, when available. If a lodging expense is incurred in connection with a conference or organized educational activity conducted in compliance with Government Code Section 54952.2(c), including but not limited to ethics training required by Government Code Section 53234 et seq., reimbursement of 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 Board member or District staff at the time of booking. If lodging is available at the group rate, and a Board member or District staff elects to stay at a non-group rate hotel which has a higher rate, reimbursement to the director or staff shall not exceed the maximum group rate published by the activity or group sponsor, that is the Board member or staff shall be financially responsible for the difference. If rooms at the group rate are not available, the Board member or staff shall use comparable lodging that is consistent with the requirements of Government Code Section 53232.2(c) and (e), respectively. In such event, a Board member or staff may be reimbursed for up to 110% of the group rate, that is the Board member or staff shall be financially responsible for any amount in excess of 110% of the group rate.

The rates specified in the above paragraph refer to base rates and shall not include transient occupancy taxes or parking.

C. Meals

The actual costs of meals, including tips, incurred on approved business trips is reimbursable. Meals for guests in attendance are the responsibility of the individual, except for business guests invited as part of a District-hosted event.

For Board members and staff attending functions, such as training or meetings of professional organizations, the District will reimburse the cost of the event including meals provided. For functions occurring during normal mealtimes and which do not provide meals, the District will reimburse using the following amounts as maximum individual limits, excluding reimbursement for tips. Excessive tips (greater than 20%) will not be reimbursed unless approved by the General Manager. Receipts are required for all meal expenditures.

Daily \$125.00 for full day travel

Breakfast \$ 25.00 (if traveling one (1) hour prior to the normal travel time on a regular workday.)

Lunch \$ 35.00 (if departing or arriving more than 1 hour before or after their normal lunch break.)

Dinner \$ 65.00 (if traveling 1 hour after the end of normal workday hours.)

The per diem meal allowance will be adjusted for those meals included in the cost of the conferences and seminars. It is not the intent for the District to pay twice for the same meal. Exceptions may be made by the General Manager when the traveler is unable to partake in the meal provided.

The limits for any meal include all aspects of the meal, e.g. appetizer, entrée, dessert and beverages, excluding tip. Meal costs eligible for reimbursement do not include alcohol. Any amount in excess

of the maximum limit for the meal (excluding tip) shall be the responsibility of the individual. "Piggybacking" shall be allowed for full day travel, i.e. an unused expense portion for one meal may be used for another meal. For example, if the cost of breakfast is \$20, the \$5 unused portion may be used to increase the \$35 lunch limit to \$40.

It is recognized that periodically, District staff may need to use their District-issued credit cards (if issued) or directly pay for meals with and for District guests while conducting District business. Reasonable use of this privilege for this purpose is permissible, provided there is adherence to the above limits, and documentation is provided as to the participants and the business discussed. Board members shall not be reimbursed for their guests' meal expenses.

D. Communications (Phone calls)

All necessary business calls and messages are reimbursable. It is expected that the least expensive method of communications (i.e. use of a mobile phone in lieu of hotel phone) that is consistent with the best interest of the District will be used whenever possible. The Board of Directors will be reimbursed \$35.00 per month for District business related phone/fax costs. Each Director is also eligible for reimbursement of business related long distance calls from their personal phone that are not covered by an all-inclusive phone plan upon submittal of their phone bill. Staff receiving a cellular phone allowance will adhere to the District's Cellular Phone Allowance Policy.

E. Travel Requiring Advance Approval [District Staff]

When overnight lodging is required, a travel authorization form "Request for Travel/Training Approval" must be completed by the staff as follows:

1. The completed travel authorization form must list all actual and anticipated costs associated with attendance at the event, and required approvals per the Purpose and General Provisions section. Please include the account number to be used to pay for the associated expense costs and all background information describing the event and attendance arrangements.
2. When required the travel authorization form is submitted to the General Manager for final approval.
3. If the General Manager's approval is granted, a copy of the request is submitted to the designated Finance personnel. If the request is denied, all paperwork is returned to the Department Manager.

F. Advances [District Staff]

If an advance is required for approved travel please indicate such on the "Request for Travel/Training Approval" form. Advances and District-issued credit cards are appropriate means of funding District-related trips. As stated above, whenever possible, the District will prepay hotel, tuition, airline, etc. costs to vendors with an approved purchase requisition, therefore an advance for these costs will not be issued to the staff. Staff may request an advance for meals, not to exceed the maximum per diem amounts, via a Check/Petty Cash Request form. Upon return, all receipts must be submitted and any excess advance shall be returned to the District.

G. Non-Use of Advance Paid Reservations

Whenever staff or Board member makes an advance paid reservation, or the District staff makes a reservation on behalf of the staff or Board member, whether for travel, lodging or meals (e.g. conference meal tickets), if the reservation or ticket is unused and the associated expense is not refundable and the staff or Board member utilizes alternative arrangements, the expense associated with such alternative arrangements is not reimbursable by the District.

NON-REIMBURSABLE EXPENSES

Examples of the types of personal expenses that are not reimbursable:

- A. Personal entertainment and sight-seeing expenses (not incurred as a necessary part of entertaining a business guest)
- B. Personal reading materials
- C. Hotel/motel movie rentals
- D. Personal medical costs
- E. Political fundraising dinners or parties
- F. Golf fees
- G. Theater tickets
- H. Guests' expenses, except as noted above
- I. Hotel honor bar expenses
- J. Refreshments (snacks/beverages) between meals
- K. Alcoholic Beverages
- L. Any other purely personal expenditures

DISTRICT BOARD MEMBERS: COMPENSATION AND COMPENSABLE ACTIVITIES

A. Compensation.

Compensation for members of the Board of Directors is established in accordance with section 74208 of the California Water Code, and increases are authorized in accordance with Water Code Section 20202. Actual and necessary expenses incurred by a Board member in the performance of his duties required or authorized by the Board are reimbursed in accordance with Water Code Section 74208 and the terms of this policy.

B. Compensable Activities.

In accordance with Government Code Section 53232.1, a Board member's attendance at the following occurrences (activities) constitute the performance of official duties on behalf of the District which qualify a Board member to receive compensation and reimbursement of actual and necessary expenses but limited to 1 compensable activity per day and 10 compensable activities per month incurred thereto:

1. Regular, special or emergency meetings of the District Board of Directors.
2. Regular or special meetings of District Board committees, or an advisory body established by the Board of Directors, of which the Board member is a member thereof.
3. Agenda review meeting of President with General Manager, as well as, other meetings of Board members with the District's General Manager or Legal Counsel, as requested by the General Manager.
4. A conference or organized educational activity conducted in compliance with Government Code Section 54952.2(c), including but not limited to ethics training required by Government Code Section 53234 et seq. This includes conferences or educational activities organized by the Association of California Water Agencies (ACWA), the Association of Water Agencies of Ventura County (AWAVC), and the California Special Districts Association (CSDA). It shall also include any other training providers approved in advance by the Board of Directors. AWAVC events included within this policy are the Water Wise breakfast series, annual Symposium, Elected Official Night and Year-End Report Event; not included are the Annual BBQ or other events of a strictly social nature.

5. Meetings of the board of directors or board committees of governmental or non-governmental entities to which a Board member has been designated by the President, as the District's representative, liaison or alternate. Such designation shall be published at least annually at a District Board meeting. The entities include the Fox Canyon Groundwater Management Agency (FCGMA), Ventura County Local Agency Formation Commission (LAFCO); RiverPark Joint Powers Authority; the AWAVC Board of Directors and the AWAVC Water Issues Committee; Oxnard Chamber of Commerce Water Committee; ACWA; CSDA, and GSA. A District Board member who is a designated representative, liaison or alternate to a non-governmental entity, and who will be unable to attend a scheduled meeting, may request or ask the General Manager to designate another Board member to attend the meeting on his behalf, and attendance at the meeting shall be considered a compensable activity for such other Board member.

Additionally, any preparatory meetings the Board member needs with the District's General Manager ahead of Board meetings or Board Committees entities in the paragraph above.

6. At the specific request of the District Board of Directors, Board President, or General Manager, meetings of the board of directors of the Pleasant Valley County Water District (PVCWD), FCGMA, or the Oxnard City Council, or the governing body of any local government entity during which there is discussion of specific matters related to the District.
7. Meetings by designated District Board members or alternates, with board members or executive management of the entities set forth in No. 5 during which there is substantial and substantive discussion of specific matters related to the District.
8. Attendance at public meetings hosted by the District (e.g. Section 10 HCP, Vern Freeman Fish Panel) at which there is a presentation of specific matters related to the District.
9. At the specific request of the District Board of Directors, Board President or General Manager, attendance at meetings with state or federal legislators, or officials of the state or federal administrations (e.g. California Department of Water Resources, U.S. Bureau of Reclamation, etc.), or representatives from other entities during which there is discussion of specific matters related to the District.

ADMINISTRATION

This policy shall be administered by the General Manager. The key to prompt reimbursement is proper documentation. This includes a clear statement of the business purpose of the trip, a copy of the meeting/conference agenda, and receipts for business expenses.

Expenses rendered for reimbursement shall be itemized and sufficiently described as to the nature and intent of the expense. Expense reports should be prepared on a monthly basis and submitted to the Finance Division on prescribed forms. To receive reimbursement for authorized travel, please submit a "Travel Expense Claim" form to the Finance Division. A separate Travel Expense Claim is to be submitted for each trip taken. Original documents such as receipts or bills for all hotel charges, the last page of the airline ticket showing the itinerary and costs, usually called the "passenger receipt," and receipts for other expenses must be attached to the Travel Expense Claim for documentation. Credit card charge slips will not serve as adequate documentation for transportation, room or car rental expense. In the event a receipt is lost please provide a written explanation.

The traveler is required to sign the Travel Expense Claim certifying that the amounts included on the report are actual and reasonable. Refunds of unused advances, by a check payable to the United Water Conservation District, should be submitted to the Finance Division with the Travel Expense Claim.

It is the responsibility of each individual, as well as each person approving the Travel Expense Claim, to ensure that there is no appearance nor occurrence of extravagant and/or unsupported expenditures for travel. During the review of these reports, any questionable or incomplete reports may be returned to the individual in order to obtain additional approval or documentation to support expenses.

The Chief Financial Officer shall advise the General Manager of any outstanding matters relating to the administration of this policy. Exceptions to this policy may be authorized by the General Manager or President of the Board if warranted in individual cases.

The Chief Financial Officer or his/her designee shall provide overall oversight of the reimbursement of expenses, and shall provide a quarterly report to the Board Finance Committee detailing the expenses of the District of at least one hundred dollars (\$100.00) for each individual charge for service or product received. Additionally in compliance with Government Code §53065.5, by September 30th of each year, the Finance Division will submit a detailed report to the Board's Finance Committee that discloses any reimbursement paid to any one employee or member of the Board by the District within the immediately preceding fiscal year of at least one hundred dollars (\$100.00) for each individual charge for service or product received. The report shall be made available for public inspection at the first meeting of the Board of Directors following the Finance Committee submittal.

For District Board Members:

1. Expense reports of Board members shall be submitted to the General Manager, together with receipts, within a reasonable time after incurring the expense, and shall document that the expenses have been incurred for the types of occurrences (activities) authorized by the Board for reimbursement of such expenses.
2. Members of the Board shall provide brief reports on meetings attended at the District's expense at the next regular meeting of the Board of Directors.
3. All documents relating to reimbursable expenditures of Board members as set forth herein are public records subject to disclosure under the California Public Records Act.