

**CARMICHAEL WATER DISTRICT**  
**Directors' Policy Manual**

**POLICY TITLE:** **Directors' Compensation and Expense Reimbursement**

**POLICY NUMBER:** **9060**

**9060.10** It is the policy of Carmichael Water District (District) to comply with the requirements of Government Code sections 53232 through 53232.4 concerning Directors' compensation and the payment of actual and necessary expenses incurred in the performance of official duties.

**9060.20** **Directors' Compensation**

**9060.21** Amount of Compensation: Each member of the Board of Directors of the District (Board) will be entitled to receive compensation 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, as provided in Section 9060.22. The amount of compensation paid for each day's attendance at meetings or for each day's service is provided in the Board's "Ordinance Specifying the Compensation of Directors" (Ordinance) in effect at the time of attendance or service.

**9060.22** Types of Service for Which Director Compensation *Will Be Provided*: Applicable law (Government Code section 53232.1) permits the District to compensate Directors for each day's attendance at meetings of the Board, or for each day's service rendered as a Director, subject to a written policy adopted in a public meeting. A Director can be compensated for up to 10 days per calendar month of service in accordance with the Board's adoption of the Ordinance No. 02-01 consistent with Water Code section 20202. The District encourages Directors to take advantage of opportunities to be informed concerning matters of interest to the District, and to inform others of the activities and interests of the District. The General Manager or his/her designee will provide to the Board on a monthly basis a list of meetings attended by each Director for which the Director was compensated under this policy. Directors will be compensated for up to 10 days per calendar month for attending the following types of meetings or events:

- a. Meetings of the Board and the Board of Directors of the Carmichael Water District Financing Corporation.
- b. Meetings of Board-appointed committees, attended as a member of the committee.
- c. Meetings of boards and committees of other governmental entities and membership associations listed Policy 9050 on which the District is officially represented, attended by the Board-appointed representative or alternate. The alternate will attend the meeting in the absence of the

representative. In cases when both the appointed representative and alternate attend such meetings, only the appointed representative will be compensated for attending.

- d. Conferences, seminars, workshops and other events held within the State of California, State of Nevada, and within Washington D.C. that are sponsored by industry associations or nonprofit entities for the purpose of discussing relevant water and local government issues, including days while attending the conference, seminar, workshop, or event, and one travel day for transit to or from the conference, seminar, workshop, or event for necessary travel during normal business hours or on a weekend. Attendance at conferences, seminars, workshops, and events held outside the State of California, State of Nevada, or Washington D.C. will be approved by the Board on a case-by-case basis upon advance request of a Director.
- e. Educational training, seminars, and courses designed to improve Directors' understanding of District business and their obligations as public officials, including ethics training mandated under Government Code section 53235(a) and harassment prevention training under Government Code sections 53237.1 and 12950.1.
- f. Meetings, water industry events, or office visits that arise during extreme conditions or that are time-sensitive concerning substantive District business (e.g., water shortage emergency, drought), as requested and approved for payment by the Board.
- g. Directors will be compensated for up to 5 sub-committee meetings per month of the RWA Executive Committee.

**9060.23**

Meetings For Which Compensation *Will Not Be Provided*: Directors will not be compensated for serving on sub-committees of other membership associations.

**9060.24**

Meeting Compensation Request: A Director may request of the Board, and the Board may take action, to compensate a Director for attendance and reimbursement of expenses for conducting the business of the Board at any meeting not identified in this Policy, provided the request and action are taken in advance of the meeting and the request does not result in the requesting Director to be compensated for more than 10 days' meeting attendance or days of service in the same month. Requests for compensation for attending authorized meetings shall be submitted within 30 days after the occurrence of the meeting. Government Code section 53232.3(c) requires Directors to publicly report on meeting attendance at the next Board meeting or the one immediately following that.

**9060.30      Reimbursement of Directors' Expenses**

**9060.31      Policy and General Rules:** The District encourages Directors to attend conferences, seminars, workshops, and events that require their participation or provide an opportunity to be informed concerning matters of interest to the District. Each Director is entitled to reimbursement for the amount of the actual and necessary expenses (i.e., travel, meals, lodging, etc.) incurred in the performance of their official duties (Government Code Section 53232.2).

**9060.311**      Director conference attendance must be approved annually at the January Board Meeting. District Resolution No. 3573-2 limits attendance at all conventions, meetings, seminars, symposia or other water agency related business, outside a radius of 50 miles from Sacramento to three Directors approved by the Board. The Board will annually review all such functions and decide on District participation. Exceptions to the above requirements or for requests to attend meetings scheduled after the January board meeting require Board consideration and approval at a regular or special public meeting.

**9060.312**      Staff will assist with registering Directors for approved conferences as requested. If the Director is unable to attend a pre-paid event, the Director shall immediately notify the District. If the District cannot find a substitute to replace the Director or obtain a refund of fees paid, then the Board will determine if a Director shall reimburse the District for forfeited conferences payments and related expenses.

**9060.313**      The District's annual budget will set an appropriate level of funding for payment of preapproved Directors' expenses. A Director will not be entitled to receive reimbursable expenses, exclusive of registration fees, unless the Board preapproves the travel. A maximum of five paid meeting days per conference will be allowed with the following exception: ancillary programs that are not a part of the main conference (e.g. ACWA/JPIA meetings). The General Manager will be responsible for ensuring that the budgeted amount is not exceeded without prior approval of the Board.

**9060.314**      Any exceptions for expenses that do not come within the District's expense reimbursement policy must be approved by the Board in a public meeting in advance of the time when the expense will be incurred (Government Code Section 53232.2(f)). Any question concerning the propriety of a particular expense should be resolved by the Board before the expense is incurred.

**9060.32**

Reimbursable Expenses: Directors' direct expenses for attendance at meetings and events authorized by this policy, including reasonable travel, lodging, and meal costs, and other actual and necessary expenses, will be paid by the District in accordance with this policy and per diem rates for an accountable expense reimbursement plan as defined in the United States Internal Revenue Service's Publication 463 ("Travel, Entertainment, Gift and Car Expenses") and Publication 1542 ("Per Diem Rates For Travel Within the Continental United States"), or any successor publications, collectively, the "IRS Publications". Copies of these documents may be obtained from the Finance Manager.

**9060.321** The following expenses are authorized business-related expenditures:

- a. Personal Vehicle Mileage: A Director will be reimbursed for actual vehicle travel miles at the rate authorized under the IRS Publications for all meetings attended and services provided as provided in this policy. A Director will be considered to have accounted for personal vehicle expenses by indicating the actual miles traveled, the business purpose of the travel, and the date of travel on the approved District expense report and submitted in accordance with expense reporting procedures. The District will not reimburse Directors for any other personal vehicle expenses.
  - A Director opting to use a personal vehicle for District business is responsible for ensuring that the vehicle is in sound and safe operating condition. The Director must possess a valid driver's license and have a current registration and an automobile insurance policy in force with at least the minimum coverage limits required by law.
- b. Lodging Expenses: A Director will be reimbursed for reasonable lodging expenses incurred in accordance with this policy for necessary Director travel if the Director stays at a hotel or other lodging up to the amount of the published group rate (single occupancy) for the event. If a Director travels on District business for which no hotel is designated or is unable to book lodging at a specified conference rate, the Director will book lodging at the closest comparable lodging rate. The District will reimburse the Director for actual charges incurred in accordance with this paragraph.
- c. Meals: A Director may be reimbursed for the actual and necessary cost of meals (including tip and taxes) while attending authorized conferences, seminars or meetings away from the District up to the per diem meal rate provided for in the IRS Publications. If a Director is not

traveling for a full day, meal expenses must be prorated based on travel time.

If the District pre-pays the cost of one or more meals with a meeting, function or conference registration, the Director must attend the prepaid meals. If a Director fails to attend a pre-paid meal, the Director may not submit a claim for reimbursement for an alternative meal taken in lieu of the pre-paid meal. Snacks and continental breakfasts such as rolls, juice and coffee are not considered to be meals.

- d. *Incidental Allowance:* The District will reimburse a Director for tips given to porters, baggage carriers, and hotel staff up to the incidental per diem rate provided for in the IRS Publications. A Director may be reimbursed for other incidentals such as toll charges and parking fees up to the actual amount expended.
- e. *Common Carrier Travel:* When personal vehicle use for District business is impractical due to time and/or distance, a Director may use regularly-scheduled commercial carriers for travel. Consistent with scheduling needs and the most-direct route, a Director traveling by plane, train, rental vehicle, bus, or taxi will travel by the least-expensive coach fare available for the date and time of the travel. Travel should be planned as far in advance as possible to permit the use of advance fares. Additional costs associated due to schedule changes will not be reimbursed by the District. Long-term parking must be used at airports for travel exceeding 24 hours. The District will reimburse the Director for the actual amount of the fare and related, necessary expenses (e.g., baggage fees), if properly reported in accordance with the expense reporting procedures provided in this policy.

#### **9060.40**

#### **Types of Expenses for Which Reimbursement Will Not be Provided**

Director expenses that are not deemed to be reimbursable business expenses include, but are not limited to:

- a. Barber and/or beauty shop charges;
- b. Fines for traffic or parking violations;
- c. Expenses of any person accompanying a Director on a District-approved trip or event;
- d. Additional costs associated due to schedule changes;
- e. Personal telephone calls;
- f. Fitness/Health Facility or Massages;
- g. Alcoholic beverages;
- h. Entertainment expenses (movies, internet, sporting events, etc.);
- i. Non-Mileage vehicle expenses; and
- j. Charitable contributions.

**9060.50**

## Expense Reporting Procedures

A Director requesting reimbursement for any expense authorized under this policy must fill out and sign a District-provided expense report. The expense report is designed to ensure that Directors' expense reimbursements comply with the requirements of Government Code section 53232.3 and the IRS Publications. Accordingly, the General Manager will review each expense report, discuss the need for any corrections or additional supporting documentation with Directors, and, when complete, sign each report to indicate compliance with the requirements of this policy.

**9060.51**

In all cases when a Directors seek reimbursement for expenses incurred while attending a conference, seminar or other meeting, a copy of the conference registration form must be attached to their expense report unless a copy is already on file with the District (e.g. copy attached to check request or purchase order). In all cases, the Director will remain responsible for filing an expense report and attaching the appropriate documentation obtained by the Director in conformance with this policy.

**9060.52**

A Director must substantiate all expenses on an expense report with the appropriate documentation attached within 60 days of incurring or paying the expense. An expense report submitted after the 60 days will only be paid if approved by the Board at a regular meeting. Any misreported or late-reported expenses incurred by a Director will not meet the requirements of the IRS Publications and will be considered income to the affected Director. To comply with the applicable tax laws, the District will include all misreported or late-reported expenses as income on the Director's W-2.

**9060.53**

In addition, Directors will be required to attach the following documentation to their expense report as a condition of receiving reimbursement for an appropriately-incurred business expense:

- a. *Personal Vehicle Mileage*: If a Director wishes to be reimbursed for personal vehicle mileage, he or she must attach the mileage verification using tools such as Google or MapQuest to the expense report.
- b. *Lodging Expenses*: If a Director wishes to be reimbursed for lodging expenses, he or she must attach an itemized bill issued by the hotel that includes proof of payment to the expense report. The District will reimburse a Director only for the actual amount of the lodging expense incurred up to the maximum amount provided in Section 9060.321 of this policy.
- c. *Meal Expenses*: If a Director wishes to be reimbursed for meals, he or she must attach an itemized bill and copy of the proof of payment to the expense report. The District will reimburse a Director only for the actual amount of the meal expense incurred up to the maximum amount provided in Section 9060.321 of this policy.
- d. *Common Carrier Travel*: If a Director wishes to be reimbursed for common carrier travel, he or she must attach the itemized bill from a travel agency, airline, rental vehicle company, or bus or train operator showing the actual amount expended for such travel to the expense report.

- e. *Incidental Expenses*: If a Director wishes to be reimbursed for incidental expenses for tips given to porters, baggage carriers, and hotel staff at the per diem rate, he or she must attach the authorized IRS per diem rates to the expense report unless the tips given were less than the IRS allowed amount, in which case the actual amount must be claimed. No other documentation is required.
- f. *Other Incidental Expenses*: If a Director wishes to be reimbursed for other incidental expenses, such as tolls and parking fees, he or she should obtain receipts for the expense and attach the receipts to their report. For incidental expenses where no receipt is available, such as parking meter costs, a reimbursement request for such expenses may be claimed on the expense report. Certification that such expenses were related to District business, reasonable, appropriate, and actually incurred by the Director is made when the Director signs the expense report.

#### **9060.60**

#### **Disclosure**

To comply with reporting requirements of Government Code section 53232.3, the District will prepare a list of the meetings attended by each Director for which the District provided compensation, and a list of the amount and purpose of each expense reimbursement paid by the District to each Director. This information will be included with the agenda materials for each regular monthly Board meeting. At the next regular Board meeting, Directors also must provide either an oral or written report of any meeting and other authorized event attended for which they were compensated or reimbursed by the District. If multiple officials attended the same event, a joint report may be made.

#### **9060.61**

All expenses are subject to verification that they comply with this policy. Directors should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All District expenditures are public records subject to disclosure under the Public Records Act, except that the District will ensure that no Director personal information, such as credit card numbers and home addresses, is provided to the public in the event of a request for such records.

#### **9060.70**

#### **Penalties**

Government Code Section 53232.4 defines the penalties for falsifying or misusing public funds. The penalties include:

- a. Loss of the violator's reimbursement privileges;
- b. Restitution of misused District funds;
- c. Civil penalties of up to \$1,000 per day for each day of violation and three times the value of the public resources misused; and
- d. Criminal prosecution and lifetime bar from holding public office. The Board will report any violation of this policy to the appropriate authorities.