

## Sacramento Suburban Water District

**Directors' Compensation and Expense Reimbursement Policy**

Adopted: July 21, 2003  
Approved with Changes: July 17, 2023

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**100.00 Purpose of the Policy**

This document sets forth the policy of the Sacramento Suburban Water District concerning Directors' compensation and the payment of actual and necessary expenses incurred in the performance of official duties and is intended to comply with the requirements of Government Code sections 53232 through 53232.4.

**200.00 Directors' Compensation****200.10 Amount of Compensation**

Each member of the Board of Directors of the District will be entitled to receive \$125.00 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, as provided in article 200.20. Water Code sections 20200 and following authorizes the Board of Directors to increase, by ordinance, the amount of compensation paid to Directors for each day's attendance at meetings of the Board, or for each day's service rendered as a member of the Board above the \$100 per day maximum established in Water Code section 30507. SSWD Ordinance 2022-01 sets the Director compensation at \$125.00 for each day's service rendered as a member of the Board for calendar year 2022 and permits that compensation to be increased on January 1, 2023, and each subsequent January 1 by not more than 5% annually. The annual increase shall be set and approved in the District's Annual Budget.

**200.20 Types of Service for Which 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 Ordinance No. 2022-01. (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 or her designee will provide to the Board on a monthly basis a list of meetings attended by each Director for which the Director will be compensated under this policy. Directors will be

compensated (for up to 10 days per calendar month) for attending the following types of meetings:

- a. Meetings of the Board of Directors of the District and the Board of Directors of the Sacramento Suburban Water District Financing Corporation;
- b. Meetings of Board-appointed committees, attended as a member of the committee;
- c. Meetings of other governmental entities, associations or duly-recognized committees on which the District is officially represented, attended by the liaison representative of the Board and/or the liaison representative alternate who has been appointed to represent the District on the governmental entity or committee (both liaison representative and liaison representative alternate should attend all meetings to be informed on the issues and therefore both will be compensated for attending those meetings);
- d. Conferences, seminars, workshops and other events held within the State of California, State of Nevada, and 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, but excluding days in transit to or from the conference, seminar, workshop or event (attendance at conferences, seminars, workshops and events held outside the State of California, State of Nevada, and Washington D.C. will be approved by the Board of Directors on a case-by-case basis);
- 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 section 12950.1;
- f. Meetings, water industry events or office visits of a substantial duration concerning substantive District business as requested and approved for payment by the General Manager or the Board President; and

In connection with business, educational and ceremonial events for which the District has prepaid for a Director's attendance, the Director shall attend such events. If the Director is unable to attend the pre-paid event, the Director shall immediately notify the District. If the District cannot obtain a refund of fees paid, then the District shall bill the Director for reimbursement for all amounts paid, unless the Director's failure to attend the event arises from circumstances beyond the control of the Director.

## **300.00 Directors' Expenses**

### **300.10 Policy and General Rules**

The District encourages Directors to attend conferences, seminars and other meetings (meetings) 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 reasonable and prudent expenditures (i.e., registration fees, travel, meals, lodging, and other actual and necessary expenses) incurred in the performance of his or her official duties. When a Director pre-pays expenses (e.g. registration, airfare, hotel), the Director may submit such items for expense reimbursement prior to the meeting occurrence as described in article 300.20.

A Director may use his or her personal funds for meeting registration. The District will reimburse the Director for the actual amount of the registration, if properly reported and documented in accordance with article 300.40. If requested, staff will register a Director for qualifying meetings as described in article 200.20.

The District's annual budget will set an appropriate level of funding for payment of Directors' expenses. A Director will not be entitled to receive in excess of \$10,000 per fiscal year for conference, seminar and meeting related expenses, exclusive of registration fees, unless the Board of Directors preapproves a Director's request to increase this amount for the applicable fiscal year. 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 or his or her designee will be responsible for ensuring that the budgeted amount is not exceeded without prior approval of the Board.

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. (Government Code, §53232.2, subd. (f).) Any question concerning the propriety of a particular expense should be resolved by the Board.

### **300.20 Allowable Expenses**

Directors' direct expenses for attendance at meetings and events authorized by this policy, including registration fees, reasonable travel, lodging, and meal costs, and other actual necessary expenses, will be paid by the District in accordance with the guidelines 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 federal per diem rates published by the General Services Administration (GSA). A copy of these documents can be obtained from the Finance Director.

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 defined in article 200.20, Director's Compensation, above. 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 reimbursement form and submitted in accordance with article 300.40. The District will not reimburse Directors for any other personal vehicle expenses.
- b. **Hotel Expenses.** A Director will be reimbursed for lodging expenses incurred in accordance with this Policy when a Director attends conferences, seminars or meetings, if the Director stays at the hotel or other lodging listed in the event's registration materials at the group rate obtained 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, he or she will be reimbursed at the per diem hotel rate published by the GSA for the city in which the hotel is located.
- c. **Meals.** A Director may be reimbursed for the cost of meals while attending authorized conferences, seminars or meetings away from the District based on the per meal rate published by the GSA. A Director may either (a) report meals at the GSA per diem rate or (b) use the Director's personal funds to pay for meals, in which case the District will reimburse the Director for actual charges, but only up to the maximum per diem meal rates published by the GSA. If a Director is not traveling for a full day, defined as from 12:01 a.m. to 12:00 Midnight, the per diem meal/incidental allowance will be prorated according to the actual hours of travel unless a Director uses his or her personal funds to pay for meals, in which case the District will reimburse the Director for actual charges for meals incurred while traveling, but only up to the maximum per diem meal rate published by the GSA. If the District pre-pays the cost of one or more meals with a meeting, function or conference registration, a Director must attend the prepaid meals. If a Director fails to attend a pre-paid meal, a Director may not submit a claim for reimbursement for an alternative meal taken in lieu of the pre-paid meal. Any provided meals must be subtracted from the daily per-diem rate claimed for meals.
- d. **Incidental Allowance.** Tips for meals will be reimbursed up to a maximum of 20% of the cost of the reimbursable portion of any meal in accordance with the tip shown on the receipt attached to an expense reporting form. The District will reimburse a Director for tips actually given to cabbies, baggage porters, bellhops and hotel housekeepers that are reasonable and customary for the area. A Director may be reimbursed for 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, taxi, or ride share will travel by the least-expensive fare actually available for the date and time of the travel. When possible, travel should be planned in advance to permit use of advance fares. 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 article 300.30.
- f. Telephone/Fax/Cellular/Internet. A Director will be reimbursed for actual telephone, fax and reasonable internet expenses incurred for District business. Telephone bills should identify which calls were made for District business. For cellular calls when the Director has a particular number of minutes included in the Director's plan, the Director can identify the percentage of calls made for District business.

### **300.30 Types of Expenses for Which Reimbursement Will Not Be Provided**

Director expenses that are not deemed to be reimbursable business expenses may 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. Personal telephone calls
- e. Fitness/Health Facility or Massages
- f. Alcoholic beverages
- g. Entertainment expenses (movies, sporting events, etc.)
- h. Non-Mileage vehicle expenses
- i. Charitable contributions

### **300.40 Expense Reporting Procedures**

In order to be reimbursed for any expense authorized under this Policy, within 60 days of incurring the expense, a Director must fill out and sign a District-provided expense report form available from the Finance Department. The expense report form is designed to ensure that Directors' expense reimbursements comply with the requirements of Government Code section 53232.3 and IRS Publication 463. Accordingly, the General Manager will review each expense report form, and sign it to indicate compliance with the requirements of this policy. In all cases when a Director seeks reimbursement for expenses incurred while attending a conference, seminar or other meeting, a copy of the conference registration form must either be attached to his or her expense report or on file at the District (e.g. copy attached to check request or

purchasing card paperwork). In addition, a Director will be required to attach the following documentation to his or her expense reimbursement report as a condition of receiving reimbursement for an appropriately-incurred business expense:

- a. **Personal Vehicle Mileage.** To verify mileage, the General Manager or designee will document personal vehicle mileage, using tools such as Google or MapQuest, which will be attached to the Director's expense report.
- b. **Lodging Expenses.** If a Director wishes to be reimbursed for lodging expenses, he or she must attach to the expense report an itemized bill issued by the hotel and a copy of the credit card receipt or other proof of the Director's payment. Except when attending a conference, seminar or other meeting and using the available group rate booked for the event, the District will reimburse a Director only for the actual amount of the hotel expenses incurred at the pre-arranged rate at the convention hotel or up to the GSA per diem rate for events that do not have a host hotel.
- c. **Meal Expenses.** If a Director wishes to be reimbursed for meal expenses at the GSA per diem rate, he or she may fill out the expense report form and claim the expense without further documentation. If a Director pays for meals with his or her own funds, he or she must attach to the expense report an itemized bill, copy of a credit card receipt or other proof of the Director's payment. In such cases, the District will reimburse a Director only for the actual amount of the meal expense incurred up to a maximum amount of the applicable per diem rate published by the GSA. Any provided meals must be subtracted from the daily per-diem rate claimed for meals.
- d. **Common Carrier Travel.** A Director must attach to his or her expense report the fare, coupon, or itemized bill from a travel agency, airline, rental vehicle, bus or train showing the actual amount expended for such travel. A boarding pass, conference badge, business receipt from the destination or other documentation indicating the travel occurred must be attached to the Director's expense report.
- e. **Incidental Expenses.** Whenever possible, a Director should obtain a receipt for incidental expenses such as tolls and parking fees. For incidental expenses where no receipt is available, such as tips and parking meter costs, a reimbursement request for such expenses may be claimed on the District approved expense report. Certification that such expenses were related to District business, reasonable, appropriate, and actually incurred by the Director is made when signing the District approved expense report form.

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 paragraphs a. through e. above. Flat-rate advances or payments of expenses are prohibited under Government Code section 53232.2, except for per diem payments authorized in accordance with the GSA published rates.

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 mis- or late-reported expenses incurred by a Director will be considered income to the affected Director. To comply with the applicable tax laws, the District will issue to a Director a Form W-2 including all mis- or late-reported expenses as income.

### **300.50 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 reported quarterly at a regular monthly Board of Directors meeting. Regardless of the compensation and expense reporting frequency, at the next regular Board meeting Directors also must provide either an oral or written report of meetings and other authorized events attended for which they will be compensated by the District. If multiple officials attended the same event, a joint report may be made.

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.

### **300.60 Penalties**

Government Code Section 53232.4 defines the penalties for falsifying or misusing public funds. The penalties include: (1) loss of the violator's reimbursement privileges; (2) restitution of misused District funds; (3) 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 (4) criminal prosecution and lifetime bar from holding public office. The Board will report any violation of this Policy to the appropriate authorities.

### **300.70 Payment of Compensation and Expenses**

All reimbursable expenses as outlined in this policy will be paid within the next payroll cycle upon receipt of a completed expense reporting form approved by the General Manager or designee.

### **400.00 Policy Review**

This Policy shall be reviewed at least biennially.