

Agenda

Sacramento Suburban Water District

Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, August 19, 2019
6:00 p.m.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Pledge of Allegiance

Roll Call

Announcements

Public Comment

This is the opportunity for the public to comment on non-agenda items within the Board's jurisdiction. Comments are limited to 3 minutes.

Consent Items

The Board will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Board member, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the Items for Discussion and/or Action.

1. Minutes of the July 15, 2019 Regular Board Meeting
Recommendation: Approve subject minutes.

2. Workplace Dishonesty Policy (PL – Adm 006)
Recommendation: Approve subject policy with recommended changes.
3. Engagement of Auditor Policy (PL - Fin 001) and Extending Audit Services with Richardson & Company, LLP
Recommendation: Approve the updated Engagement of Auditor Policy (PL – Fin 001) and extend the audit services of Richardson & Company, LLP through the audit period ended December 31, 2019.
4. 2019 Audit Engagement Letter and Contract
Recommendation: Approve the 2019 Audit Engagement Letter and contract with Richardson & Company, LLP, and request authorization for the Finance and Audit Committee Chair to execute the Engagement Letter and Contract.
5. ACWA Region 4 Board Election
Recommendation: Direct Director Locke as authorized voting delegate to check the box that says “I concur with Region 4 Nominating Committee’s recommended slate below.”

Public Hearing

6. 2019 Triennial Public Health Goal Report
Recommendation: Hold a public hearing on the 2019 Triennial Public Health Goal Report. Receive staff presentation, open public hearing, receive public comment on the 2019 Triennial Public Health Goal Report, close public hearing, respond as appropriate to public comments and accept the 2019 Triennial Public Health Goal Report.

Items for Discussion and/or Action

7. Memorandum of Understanding for Water Supply Opportunities Investigation Between Sacramento Suburban Water District and Carmichael Water District
Recommendation: Authorize the General Manager to execute the Memorandum of Understanding (MOU) for Water Supply Opportunities Investigation between Sacramento Suburban Water District and Carmichael Water District.
8. Distribution Main Asset Management Plan
Recommendation: Adopt the Updated Distribution Main Asset Management Plan and Direct Staff to Update the Plan periodically as outlined, and use the Plan to inform annual capital budget discussions with the Board of Directors.
9. Resolution No. 19-11 Fixing the Employer Contribution Under Section 22893 of the Public Employees’ Medical and Hospital Care Act
Recommendation: Adopt subject resolution.

10. 2020 Budget Assumptions

Recommendation: Approve the proposed 2020 Budget Assumptions.

General Manager's Report

11. General Manager's Report

a. 2019 Northern California Water Tour

b. Del Paso Manor Water District Update

c. City of Sacramento Wholesale Water Rate Analysis Update and Area D Map

d. McClellan Business Park – Sacramento County Agreement

e. Grant of Easement and Right of Way at 1440 Fulton Avenue and 2626 Marigold Lane in Sacramento, California.

Assistant General Manager's Report

12. Assistant General Manager's Report

a. Strategic Plan - Implementation Plan

b. Jonas Main Replacement Open House

Department/Staff Reports

13. Financial Report

a. Financial Highlights – July 2019

b. Financial Statements – July 2019

c. Investments Outstanding and Activity – July 2019

d. Cash Expenditures – July 2019

e. Credit Card Expenditures – July 2019

f. District Reserve Balances – July 2019

g. Information Required by LOC Agreement

h. Financial Markets Report – July 2019

14. District Activity Report

15. Engineering Report

a. Major Capital Improvement Program (CIP) Projects

b. Planning Documents

c. Other

Director’s Reports (Per AB 1234, Directors will report on their meeting activities)

16. a. Regional Water Authority (President Jones)
None.

Regional Water Authority Executive Committee (General Manager York)
Agenda for the July 24, 2019 meeting.

b. Sacramento Groundwater Authority (Director Thomas)
Agenda for the August 8, 2019 meeting.

c. Water Caucus Meeting (General Manager York)
None.

d. Water Forum Successor Effort (General Manager York)
None.

e. Other Reports – AB 1234

Committee Reports

17. a. Facilities and Operations Committee (Director Jones)
None.

b. Finance and Audit Committee (Director Wichert)
Draft Minutes of the August 5, 2019 and August 12, 2019 meetings.

c. San Juan Water District/Sacramento Suburban Water District Water Management/Re-Organization Committee (Director Jones)
Agenda for the August 22, 2019 meeting.

Information Items

- 18. Antelope Transmission Pipeline Damage
- 19. ACWA/JPIA Liability, Property and Workers' Compensation Risk Assessment
- 20. Senate Bill 998 – Water Shutoff Protection Act
- 21. 2019 Water Rate Study Public Outreach
- 22. ACWA Committee Appointment Considerations for the 2020-21 Term
- 23. Legislative and Regulatory Update
- 24. Upcoming Water Industry Events
- 25. Upcoming Policy Review
 - a. Water Banking and Transfer Policy (PL – BOD 006)
 - b. Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003)

Director's Comments/Staff Statements and Requests

The Board and District staff may ask questions for clarification, and make brief announcements and comments, and Board members may request staff to report back on a matter, or direct staff to place a matter on a subsequent agenda.

Closed Session (Closed Session Items are not opened to the public)

- 26. Public employee performance evaluation involving the General Manager under Government Code section 54954.5(e) and 54957.

Adjournment

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Upcoming Meetings

Thursday, August 22, 2019 at 4:00 p.m., SJWD/SSWD Water Management/Re-organization Committee – at San Juan Water District Boardroom
Monday, September 16, 2019 at 6:00 p.m., Regular Board Meeting
Wednesday, October 16, 2019 at 6:00 p.m., Special Board Meeting – Proposition 218 Hearing

SSWD Regular Board Meeting Agenda

August 19, 2019

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I certify that the foregoing agenda for the August 19, 2019 meeting of the Sacramento Suburban Water District Board of Directors was posted by August 16, 2019 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

Dan York
General Manager/Secretary
Sacramento Suburban Water District

Agenda Item: 23

Date: August 2, 2019

Subject: Legislative and Regulatory Update

Staff Contact: Greg Bundesen, Water Conservation Supervisor

1. RWA Government Affairs Committee

During March 2019, Legislative committees heard and amended existing bills being considered for the 2019 and 2020 Legislative session. Table 1 below shows the Assembly Bills (AB) and Senate Bills (SB) staff will track this year. The table is organized to show the bill number, name, voting results, District's recommended position regarding the bill (favor, not favor, watch), the Sacramento Regional Water Authority's (RWA) position, and the Association of California Water Agencies' (ACWA) position. Staff works with RWA and ACWA to update Table 1 each month and add information as the legislative session progresses during the year. A summary of each bill can be provided upon request. Due to the high number of bills, staff has updated the table to track only the bills tracked by RWA's Advocacy Committee and ACWA's Legislative Committee.

2. Notable Updates

- a. **SB 200:** On July 24, 2019, California's Governor signed SB 200 into law funding the Safe and Affordable Drinking Water Fund. The California budget included \$130 million for the Fund with monies coming from the Green House Gas Emissions Fund and the General Fund. SB 200 effectively provides funding for the Safe and Affordable Drinking Water Fund without having to impose a "water tax".
- b. **AB 756:** On July 19, 2019, the Governor signed in to law AB 756 Public Water Systems: perfluoroalkyl substances and polyfluoroalkyl (PFOS/PFOA's) Substances Act. This bill will require public water systems to monitor for and remediate the listed substances. The District is currently monitoring 8 wells for PFOS/PFOA's at 8 well sites. Though the law has passed, the SWRCB will have to establish the rules for implementing the law and determining how often monitoring will occur. The District is currently spending \$475 per sample per well. If the SWRCB mandates that all wells be tested annually for PFOS/PFOA's, the estimated annual monitoring cost will be about \$34,000. Staff will continue to follow the rule making process and determine the cost of monitoring for PFOS/PFOA's for the CY2020 budget based on the SWRCB's rule making process.

3. Correspondence

- a. **HR 2313** – In June 2019, the District signed on to an Alliance for Water Efficiency support letter for HR 2313 that would amend the IRS Tax Code to exempt rebates received for water conservation and use efficiency from taxation. The letter was sent to Congressman Huffman on July 26, 2019.

4. **Ongoing Bill Implementation**

- a. **SB 998:** Discontinuing Residential Water Service implementation continues. Staff has been meeting with regional stakeholders to determine the best course for implementing this bill. The District has until February 1, 2020, to comply. This bill establishes exemptions of discontinuing water service for non-payment and requires information regarding the discontinuation to be made available to the public. Staff will continue reviewing District regulations and provide updates to the Board as necessary.

- b. **AB 1668 and SB 606:** Requires State Water Resource Control Board (SWRCB) and Department of Water Resources (DWR) to adopt long-term standards for the efficient use of water on or before June 30, 2022. The long-term standards estimate indoor water use (55 gallons per person per day), outdoor water use (measured by satellite), water loss (validated in accordance with SB 555), and Commercial, Industrial, and Institutional water use (yet to be determined). SWRCB and DWR are currently in the rule making process of the legislation. Recommendations for performance standards are due by October 1, 2021. Staff is engaged in the rule making process. DWR has published a primer of how the indoor and outdoor water use standard will be calculated. The next step is to begin calculating the outdoor standards by taking landscape measurements via satellite.

DWR has created several workgroups to help develop the water conservation framework regulations over the next several years. The various groups include:

1. Wholesale Water Loss;
2. Water Use Studies;
3. Standards and Methodologies;
4. Urban Water Management Plan Guidebook;
5. Annual Water Supply and Demand Assessment; and,
6. Data Streamlining

Staff will continue to engage DWR and these workgroups regarding Framework implementation and report back to the Board regarding any progress or significant updates.

- c. **AB 401:** In 2015, AB401 was signed by the Governor establishing the Low-Income Water Rate Assistance Act, which requires SWRCB to develop a plan for a Low-Income Rate Assistance Program and report to the legislature its findings. AB 401 has the intention of establishing a program to assist low-income households in paying their water bills. In January 2019, SWRCB released a draft report - "Options for Implementation of a Statewide Water Rate Assistance Program" - with a 30 day public review period. ACWA submitted a comment letter that focused on the program basis, revenue source, benefit distribution, program tier structure, and local rate structures.

Table 1: Assembly and Senate Bill Tracking

Bill Number	Name	District Position	RWA Position	ACWA Position	Result
AB 134	Safe, Clean, Affordable, and Accessible Drinking Water	Watch	Watch	Watch	
AB 171	Employment: Sexual Harassment	Watch	Watch	Watch	
AB 217	Safe and Affordable Drinking Water Fund	Watch	Watch	Watch	Not approved
AB 223	California Safe Drinking Water Act: Microplastics	Watch	Watch	Watch	
AB 382	Integrated Regional Water Management Plans: Grant Funding: Upper Watershed Health	Watch	Watch	Watch	
AB 405	Sales and Use Taxes: Exemption: Water Treatment	Watch	Watch	Watch	
AB 417	Agriculture and Rural Prosperity Act	Watch	Watch	Watch	
AB 441	Water: Underground Storage	Favor	Favor	Watch	
AB 533	Income Tax: Water Conservation or Efficiency Programs	Favor	Favor	Watch	
AB 756	Public Water Systems: perfluoroalkyl substances and polyfluoroalkyl Substances Act	Watch	Watch	Watch	Passed
SB 45	Wildfire, Drought, and Flood Protection Bond Act of 2020	Favor if Amended	Watch	Favor if Amended	
SB 134	Water Conservation: Water Loss Performance Standards	Watch	Watch	Watch	
SB 135	Family Care and Paid Leave	Watch	NA	NA	
SB 200	Safe and Affordable Drinking Water Fund	Support	Support	Support	Signed into Law
SB 414	Small Water Systems Authority Act	Watch	NA	NA	
SB 669	Water Quality: Safe Drinking Water Fund	Watch	Watch	Watch	
ACA 3	Water: Minimum Funding Guarantee	Watch	Watch	Watch	



Agenda Item: 24

Date: August 7, 2019

Subject: Upcoming Water Industry Events

Staff Contact: Heather Hernandez-Fort, Executive Assistant to the General Manager

Note that the Board adopted Policy governing Director compensation and expense reimbursement section 200.20(g) states that Directors may receive a meeting stipend (currently \$100.00) for “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...” Just because information is presented on upcoming water industry events, or regularly scheduled meetings of other water districts, does not necessarily imply that approval for a compensable meeting or reimbursement of expenses are triggered.

Below is a list of upcoming water industry events:

Upcoming Events

1. RWA Board Meeting
September 12, 2019
RWA Office
<http://rwah2o.org/>
2. ACWA Region 4 Program and Boat Tour: Overcoming Obstacles of Habitat Restoration and Cache Slough
September 17, 2019
Liberty Island Duck Club, Dixon, CA
https://www.acwa.com/events/acwa-region-4-program-and-boat-tour-overcoming-obstacles-of-habitat-restoration-and-cache-slough/?_cldee=bWljaGF1bGNAYWN3YS5jb20%3d&recipientid=contact-616bf9a5bda2e61180f65065f38afab1-cf32284bc54542c2b64f8c269bbb373e&utm_source=ClickDimensions&utm_medium=email&utm_campaign=ACWA%20Events&esid=a08921b1-e2b4-e911-a95a-000d3a36eacf
3. CSDA Annual Conference and Exhibitor Showcase
September 25-28, 2019
Anaheim, CA
https://members.csdanet.net/iMIS1/CSDA2/Shared_Content/Higher_Logic/HLEvents_Calendar.aspx

Upcoming Water Industry Events

August 7, 2019

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4. SSWD Fall Speaker Series: Water Supplies and Pressure 101: The Highs and Lows of Pressure at Your Home or Business
September 27, 2019
SSWD Boardroom
www.sswd.org
5. Carmichael Founders Day
September 29, 2019
Carmichael Park
6. SSWD Open House
October 8, 2019
SSWD
www.sswd.org
7. SGA Board Meeting
October 10, 2019
RWA Office
<http://www.sgah2o.org/meetings/board-meetings/>
8. Californi-Nevada AWWA – Fall Conference
October 21-24, 2019
San Diego, CA
http://ca-nv-awwa.org/canv/CNS/Events_Classes/Future_Events/CNS/EventsandClasses/Copy_of_events.aspx?hkey=40976128-710b-4097-b27b-e35fe6133849
9. Water Education Foundation's 2019 Water Summit
October 30, 2019
Sacramento, CA
<https://www.acwa.com/events/water-education-foundations-2019-water-summit/>
10. RWA Board Meeting
November 14, 2019
RWA Office
<http://rwah2o.org/>
11. ACWA Fall Conference
December 3-6, 2019
San Diego, CA
<https://www.acwa.com/events/2019-fall-conference-exhibition/>
12. SGA Board Meeting
December 12, 2019
RWA Office
<http://www.sgah2o.org/meetings/board-meetings/>

Below is a partial list of local Water Purveyors Regular Board Meeting information and websites:

- Carmichael Water District: <http://carmichaelwd.org/> - Every 3rd Monday of the month at 7:00 p.m.
- Citrus Heights Water District: <http://chwd.org/> - Every 3rd Wednesday of the month at 6:30 p.m.
- Del Paso Manor Water District: <https://www.delpasomanorwd.org/> (916)487-0419 - Every 1st Tuesday of the month at 6:30 p.m.
- El Dorado County Water Agency - <http://www.edlafco.us/> - Every 4th Wednesday of the month at 5:30 p.m.
- El Dorado Irrigation District - <http://www.eid.org/> - Every 2nd and 4th Monday's of the month at 9:00 a.m.
- Fair Oaks Water District: <http://www.fowd.com/> - Every 2nd Monday of the month at 6:30 p.m.
- Natomas Mutual Water Company - <http://natomaswater.com/> - Every 2nd Tuesday of the month at 9:00 a.m.
- Orangevale Water Company - <https://orangevalewater.com/> - Every 1st Tuesday of the month at 4:00 p.m.
- Placer County Water Agency: <https://pcwa.net/> - Every 1st and 3rd Thursdays of the month at 2:00 p.m.
- Rio Linda/Elverta Community WD: <http://www.rlecwd.com/> - Every 3rd Monday of the month at 6:30 p.m.
- San Juan Water District: <http://www.sjwd.org/> - Every 4th Wednesday of the month at 6:00 p.m.



Agenda Item: 25 a.

Date: August 14, 2019

Subject: Upcoming Policy Review – Water Banking and Transfer Policy (PL - BOD 006)

Staff Contact: Mike Huot, Assistant General Manager

The Water Banking and Transfer Policy (PL - BOD 006) is scheduled for its biennial review. The subject policy was originally adopted by the Board in October 2011 and last revised in September 18, 2017.

Staff and legal counsel are recommending only clarification and clerical changes to the policy.

The policy is scheduled for Board consideration and adoption at the September 16, 2019, regular Board meeting. If a Director wishes to comment on the policy, please provide those comments to staff by Tuesday, September 3, 2019. If no comments are received by any Director, this policy will be placed on the consent agenda.

Attachment:

1 – Water Banking and Transfer Policy – redlined

Sacramento Suburban Water District

Water Banking and Transfer Policy

Adopted: October 17, 2011

Revised: ~~October 21, 2013; October 19, 2015; September 18, 2017~~ Approved with Changes:
September XX, 2019

100.00 Purpose of the Policy

The primary purpose of this policy is to establish the parameters that will govern the actions of staff in the pursuit of water banking and transfer opportunities and agreements.

100.10 Definitions

Water is considered a public resource, and its use is permitted through water rights and contractual entitlements. ~~Use must be reasonable and beneficial; thus, water that is being considered for banking or transfer must not have been created by unreasonable use or excess to the needs of the water rights holder.~~ The following definitions are used in this policy:

Aquifer Storage and Recovery (ASR) – Means injecting water into an underground aquifer through wells or by surface spreading and infiltration and then pumping it out when needed. The aquifer essentially functions as a reservoir.

Conjunctive Use – Means the joint use of surface water and groundwater to more effectively manage water resources. Typically, during average or wet hydrologic years, surface water is used in lieu of groundwater, allowing the groundwater to remain in the aquifer for future use.

Water Banking – Means the practice of actively ~~exchanging in lieu of~~ using surface water supplies in lieu of available groundwater and leaving the groundwater in the basin storage space for later extraction and use by the storing party. Banking generally involves active management of the basin and accounting of the water supplies stored and withdrawn from underground storage. ~~Water may be b~~Bankinged and ASR are two means of conducting ~~as part of a~~ Conjunctive Use program.

Water Transfer – Means a transaction in which a holder of a surface water right or entitlement voluntarily sells/exchanges to a willing buyer the right to use all or a portion of the water that would have been consumptively used under that water right or entitlement, provided the transfer does not injure another water right holder or

unreasonably affect instream beneficial uses. The transferor retains title to the surface water right or entitlement, which distinguishes a Water Transfer from a sale or assignment of a water right or entitlement in which the buyer obtains the title or right. Under California Law, a Water Transfer is either short-term, i.e., a transfer of the right of use for one year or less, or long-term, i.e., for a period of more than one year. Water Transfers may occur between a transferor and transferee in the same watershed or basin or between parties in different watersheds.

200.00 Policy

Sacramento Suburban Water District has invested considerable resources in a Conjunctive Use water supply system in an effort to ameliorate declining groundwater levels in the groundwater basin beneath its service area. This investment has created opportunities for the District to partner with others to utilize District assets during periods when such asset capacity is excess to the immediate needs of District customers. Allowing these available assets to be used by others can create a financial benefit to the ratepayers of the District while providing needed water supplies to agencies whose water supplies have been reduced.

It is the policy of the Board of Directors to authorize Water Banking and Water Transfer actions whenever prudent and to more fully utilize excess asset capacity to benefit District ratepayers and to maximize water use efficiency on a regional and statewide basis. The Board of Directors will protect the long term interests of the District and its ratepayers first by maintaining and defending the District's:

1. Water rights and contractual entitlements,
2. Groundwater quality,
3. Groundwater resource sustainability, and
4. The condition of physical assets.

300.00 Policy Review

This Policy shall be reviewed at least biennially.



Agenda Item: 25 b.

Date: August 14, 2019

Subject: Upcoming Policy Review – Directors’ Compensation and Expense Reimbursement Policy (PL - BOD 003)

Staff Contact: Mike Huot, Assistant General Manager

The Directors’ Compensation and Expense Reimbursement Policy (PL - BOD 003) is scheduled for its biennial review. The subject policy was originally adopted by the Board on July 21, 2003, and last revised on August 21, 2017.

Staff and legal counsel are recommending clarification and clerical changes to the policy. Significant policy adjustments are being proposed for the following Sections:

Section 300.20 – Reimbursable Expenses:

- Hotel Expenses – If a Director travels on District business and no hotel is designated or is unable to book lodging at the designated hotel, then the District will reimburse at the General Services Administration (GSA) per diem rate. Staff recommends removing the option for reimbursing up to three times the maximum per diem hotel rate for the event location.
- Meals – Similar to the Hotel Expense changes, staff recommends allowing meals to be reimbursed at the maximum GSA per diem rates, but removing the allowance for being reimbursed up to three times the maximum GSA per diem rates.
- Incidental Allowances – Adjusting the maximum allowable tips from 15% to 20%.

Section 300.40 – Expense Reporting Procedures: Apply the same changes above for the Lodging and Meal Expense Reporting. The maximum reimbursable amount for Lodging and Meal Expenses reporting will be the maximum GSA per diem rates for the event location, not three times the maximum GSA per diem rates.

Similar adjustments are being made to staff’s procedures.

The policy is scheduled for Board review and approval at the September 16, 2019, regular Board meeting. If a Director wishes to comment on the policy, please provide those comments to staff by Tuesday, September 3, 2019. If no comments are received by any Director, this policy will be placed on the consent agenda.

Attachment:

1 – Directors’ Compensation and Expense Reimbursement Policy – redlined

Sacramento Suburban Water District

Directors' Compensation and Expense Reimbursement Policy

Adopted: July 21, 2003

Revised: ~~May 15, 2006; May 19, 2008; May 17, 2010; June 20, 2011; July 15, 2013;~~
~~August 18, 2014; August 17, 2015; August 21, 2017~~ Approved with Changes:
September XX, 2019

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 \$100 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.

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. 02-01. (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 was 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 meetings of the Board~~, attended as a member of the committee;
- c. ~~Other meetings necessary for the disposition of duties assigned to a Board committee, attended by a member of the committee;~~
- d. 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);
- e. Conferences, seminars, workshops and other events held within the State of California 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 will be approved by the Board of Directors on a case-by-case basis);
- f. 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;
- g. 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 ~~meetings, functions and conferences~~ 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 Reimbursement of Directors' Expenses

300.10 Policy and General Rules

The District encourages Directors to attend conferences, seminars and other 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 \$ 4,000 per fiscal year for reimbursable 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 in advance of the time when the expense will be incurred. (Government Code, §53232.2, subd. (f).) Any question concerning the propriety of a particular expense should be resolved by the Board before the expense is incurred.

300.20 Reimbursable 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 ~~Publication 1542 ("Per Diem Rates (For Travel Within the Continental United States")~~ (collectively, the ~~"IRS Publications"~~) federal per diem rates published by the General Services Administration (GSA). A copy of these documents ~~current IRS Publications~~ 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 reasonable 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 may either (a) will be reimbursed at the per diem hotel rate published provided in by the IRS Publications GSA for the city in which the hotel is located,; or (b) use the Director's personal funds to pay for hotel charges, in which case the District will reimburse the Director for actual charges, but only up to three times the maximum per diem hotel rate provided for in the IRS Publications for the event location.~~

- 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 provided published for in the IRS Publications by the GSA. A Director may either (a) report meals at the IRS 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 three times the maximum per diem meal rates published provided for in the IRS Publications 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 three times the maximum per diem meal rate published provided for in the IRS Publications by the GSA per diem rate. 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.~~

- d. ~~Incidental Allowance. Tips for meals will be reimbursed up to a maximum of 1520% 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, ~~or 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~~the IRS Publications~~~~the GSA per diem rate~~. 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 Hhost hotel.~~a maximum amount equal to three times the applicable per diem rate shown in the IRS Publications.~~
- c. Meal Expenses. If a Director wishes to be reimbursed for meal expenses at the ~~IRS-GIS~~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 ~~three times the applicable per diem rate shown published by the in the IRS Publications~~GSA.
- 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.~~the IRS Publications.~~

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 ~~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 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 included with the agenda materials for each regular monthly Board of Directors meeting. 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 were 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.