

SAN GORGONIO PASS WATER AGENCY

DIRECTORS' TRAVEL AND EXPENSE REIMBURSEMENT POLICY

(Revised March 16, 2020)

1. GENERAL STATEMENT OF POLICY

The Board of Directors (“Board”) of the San Gorgonio Pass Water Agency (“Agency”) is charged with establishing and maintaining the policies of the Agency in accordance with State Law, and with providing general oversight of the administration of the Agency.

Each Director, whether elected at large or by division, is responsible to the members of the general public within the Agency, as well as the public in his or her own division, for the proper conduct of Agency affairs. Each Director is also responsible to the Board itself. In the fulfillment of these responsibilities, Directors must be informed of and familiar with the Agency Law, other State laws and regulations, and the general programs and policies of the Agency.

This Directors’ Travel And Expense Reimbursement Policy (“Policy”) is premised on a finding by the Board that activities which fulfill the Directors’ obligation to be informed are of benefit to the Director, the Board, the Agency, and the members of the public, and that the activities listed below are directly related to furthering the Agency’s mission. Directors must be informed about national, state-wide, and local water, groundwater, wastewater programs and related issues. Ordinary and necessary business expenses are expenses that have been incurred while a Director is engaging in an activity that is fulfilling the Agency’s mission.

This Policy shall be interpreted and implemented pursuant to State law governing payments to Directors including, but not limited to, Water Code Section 20200 et seq. and Government Code Section 53232.1 et seq.

2. MEETINGS AND DAYS OF SERVICE

Meetings and days of service which will be eligible for reimbursement shall include, but are not limited to, meetings or events of the following organizations:

Association of California Water Agencies;
ACWA – Joint Powers Insurance Authority;
California Special Districts Association.

3. GENERAL RULES REGARDING TRAVEL AND EXPENSE REIMBURSEMENT

Agency rules with respect to reimbursement for actual, ordinary, and necessary business expenses (including travel expenses) incurred in such activities are subject to annual budget limitations set by the Board. Each budget shall include the appropriation of an amount for travel expenses for members of the Board. The amount shall be clearly indicated in the budget under Directors' Travel and Education. This amount may be revised from time to time as approved by the Board as part of the applicable process for budget approval and amendment. Any expenses incurred for the purposes as set forth herein within the budgeted amount shall be reviewed, ratified for payment by the Finance and Budget Committee and recommended for approval by the Board of Directors. Any amounts which are outside of this Policy, and therefore not approved for payment or reimbursement, will be the responsibility of the applicable Director.

At the following Agency Board meeting after expenses are incurred or the event or service takes place, each Director shall briefly report on meetings attended at Agency expense. If more than one Director attends, a joint report may be made.

4. ORDINARY AND NECESSARY BUSINESS EXPENSES.

Those ordinary, necessary and reasonable business expenses incurred as a result of activities directly related to Agency purposes are reimbursable. Because the Agency is a public agency, such expenses should be carefully considered, bearing in mind that these are public funds and that only a reasonable level of expense is warranted.

Expenses incurred by Directors in connection with such activities are reimbursable if they fall within the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the Agency will be limited to the costs that fall within the following guidelines:

- (a) All expenses must be reasonable and necessary, and Directors will exercise prudence in all expenditures;
- (b) Reimbursement will be made only for expenses that qualify as reimbursable expenses under an Internal Revenue Service accountable plan;
- (c) The most economical mode and class of transportation reasonably consistent with scheduling requirements will be used. In the event a more expensive class of transportation is used, the reimbursable amount will be limited to the cost of the most economical class of transportation available. Reimbursement for use of personal vehicles will be at the applicable IRS-approved rate;
- (d) Expenditures for food and lodging will be moderate and reasonable. The Agency shall not pay for, nor reimburse, any expenses for alcoholic beverages.
- (e) Upon incurring these expenses, Directors will submit a request for reimbursement, accompanied by evidence of payment of such expenses or receipts for all amounts, consistent with the requirements of an IRS accountable plan and the provisions of this Policy.
- (f) All requests for reimbursement will be submitted within a time period and subject to the requirements of this Policy and as otherwise specified by the Board from time to time. Requests for reimbursement shall be submitted on forms provided by the Agency and will: (i) state the Agency-related purpose for the expenditure; and (ii) be accompanied by receipts evidencing each expense or other documentation deemed satisfactory by the Board pursuant to this Policy, consistent with the requirements of an IRS accountable plan. Expenditures that are improper or otherwise not properly accounted for, or not consistent with the prohibition against gifts of public funds set forth in the California Constitution, will not be reimbursed or accepted by the Agency. Where such improper expenses have been paid by the Agency, they will be promptly refunded to the Agency or deducted from monies otherwise due a Director.

5. SPECIFIC TYPES OF EXPENSES

- (a) **Transportation.** The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route. Charges for rental vehicles may be reimbursed if it is determined that a rental vehicle is more economical than other forms of transportation. In making such determination, the cost of the rental vehicle, parking and gasoline will be compared to the combined cost of such other forms of transportation. Government and group rates must be used when available. The Agency assumes no responsibility for any maintenance, operational costs, accidents, fines etc., incurred by the Director while using a personal vehicle.
- (b) **Lodging.** Lodging expenses will be reimbursed or paid for when travel on official Agency business reasonably requires an overnight stay. If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. If the group rate is not available, then travelers must request government rates, when available. Lodging rates that are equal to or less than government rates are presumed to be reasonable and hence reimbursable under this Policy.

- (c) Telephone/Fax/Cellular. Directors will be reimbursed for actual telephone and fax expenses incurred on Agency business. Telephone bills should identify which calls were made on Agency 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 on Agency business.
- (d) Internet. Directors will be reimbursed for Internet access connection and/or usage fees away from home if Internet access is necessary for Agency-related business.
- (e) Airport Parking. Long-term parking must be used for travel exceeding 24 hours.
- (f) Other Expenses. Baggage handling fees of up to \$10.00 per bag and gratuities of up to 15 percent will be reimbursed.
- (g) Travel expenses will include round-trip airfare, actual reasonable expenses for ground transportation to and from airports and hotels, car rental, and/or mileage reimbursement (at the maximum allowable per mile rate established from time to time by the IRS) for use by Directors of privately owned vehicles in the conduct of Agency business.
- (h) No reimbursement claim or request for overnight accommodations will be approved for expenses incurred within the Agency service area.
- (i) Reasonable accommodation expenses (or at the daily rate as specified pursuant to an IRS accountable plan) will be reimbursed only for the Director, and such expenses will not be reimbursed for guests or family members of the Director.
- (j) Where reasonably possible, accommodations will be obtained in proximity to the conference or meeting site.
- (k) Directors will be entitled to receive reimbursement for the reasonable cost of meals, including tips, or at the daily rate as specified pursuant to an IRS accountable plan.